

CANTERWOOD STEP SYSTEM ASSOCIATION

Minutes of Meeting of the Board of Directors

Date: December 6, 2018

Board Members Present: Ed Caudill, Dan Lott, Ken Sadoian (Chairman)
Chuck Pruitt (via phone)

Other: Eva Hill, Consultant

The meeting was called to order by Chairman Ken Sadoian at 1:00 PM

Additions to the Agenda: Add discussion/status of obtaining preferred bid(s) for servicing of homeowners systems from one or more of the service providers in the area.

Approval of Minutes: The minutes of the meeting held on August 23, 2018 were approved as submitted.

Financials: Mr. Caudill reported that based on his review of the Financials from August through October 2018, the Association's finances remain in good order.

- **Treasurer's Report:** Our Reserve Account is now over \$225,000. This is well above our original goal. The Board briefly discussed whether this amount was sufficient for a major disaster and whether we come under normal Washington State HOA guidelines. The Board currently has differing views of this subject. (Post meeting note: Mr. Pruitt recommends that we get the opinion of our attorney, Mark Roberts, on this subject.) Mr. Caudill reported that a reserve study was done several years ago that identified reserve requirements at the time. Mr. Lott, Mr. Sadoian and Ms. Hill will check various files to see if the previous reserves study report can be found to help determine the adequacy of our reserve account.
- **Audit:** We have received and reviewed the audit done by Joseph H. Vandal, CPA, PS. The auditor found everything to be in order. Only significant comment concerned the reserve account amount and basis. This is being addressed by the Board.
- **Draft Budget:** The draft 2019 budget provided by Kalles was discussed. Based on the discussions, Mr. Sadoian will mark up and send to the other Board members for approval and then send back to Kalles to update.

Administrative:

- Mr. Sadoian met with Tina London of Kalles before the regular Board meeting. She is Debbie Rench's replacement. She is now much more familiar with the particulars of our account and the transition period should be over.

Operations:

- **Repair of Manholes:** The plan is to go out for two quotes. One to Parametrix who did the inspection work. The other to Orenco, who will have to inspect the manholes first for themselves, before quoting for the repair work.
- **RFPs for Inspection Tank, Pump and Flow Meter Refurbishing/Upgrade:** Based on the Parametrix testing work and report, the Board has approved going ahead with the project to inject hypochlorite similar to what Division 12 is doing. The first step in this process is to get quotes for checking out and upgrading as required our existing facilities. Request for Proposals will be sent to Parametrix and Orenco for this work.
- **Exercising of Valves:** This work was completed by DrainPro in October.
- **Orenco Training of Service Personnel:** Not discussed.

Transition from Canterwood Development Corporation (CDC):

- **Susan Anderson role:** Susan is developing a list of tasks that she normally does so that we can set up a separate agreement with her when CDC officially goes out of business.
- **Per Eva Hill,** it will probably take another 1-2 years for CDC to completely close down. Greg Parker, the President of CDC will see this through as Russell Tanner has officially resigned from CDC due to health reasons.
- **The informal contract Ms. Hill has with STEP** needs to be updated to be independent form CDC.
- **The combined gravity sewer line that runs to Canterwood Blvd** is owned by CDC. Ideally the City of Gig Harbor should take ownership of this line. The City is currently not in position to do this so CDC would like STEP to take ownership. When the identified repair work is completed on the manholes and the injection system is in operation we will approach the City again about ownership of this line.
- **CDC still has 6 fully paid STEP connections** that they would like to offer to STEP. The Board was in preliminary agreement that we would assume ownership of the gravity sewer line in exchange for the 6 fully paid STEP connections. This needs to be proposed to CDC.


Other Business:

- **Mapping of STEP System Lines:** we will plan to invite Rachel Slater to one of our meetings in the first half of 2019 to review the benefits of mapping of our system.

- **Emergency Preparedness Committee:** STEP is not playing a direct role in this effort, although Mr. Caudill and Mr. Sadoian are both members of the committee. The main concern for STEP in an emergency is individual homeowner facilities and the common STEP System lines.
 - STEP needs to prepare a 1-pager for homeowners on how to care for their system during a prolonged power failure. Ms. Hill said she could help with this.
- **Preferred Bid Price:** Objective here is to negotiate a reduced price for homeowner inspections by one or more of the local service providers. Division 12 has done this with AAdvanced. Mr. Sadoian expressed reluctance to pick one service provider over the other. If we go out to one, should we go out to all? Will discuss further at the next meeting.

STEP Meeting Schedule: The Board currently meets on an as-needed basis which results in a sporadic meeting schedule. Mr. Sadoian proposed meeting on a bi-monthly basis. A final decision was not reached at the meeting. Next meeting will likely be in February 2019.

The meeting was adjourned at 3:00 PM



Ken Sadoian, President