To: Canterwood STEP Association Members

From: STEP Board President Date: October 6th, 2011

Subject: Election Results and Board Activities

As you know, the STEP held an election for new Board officers in July to replace two of the three Board members whose terms were ending. With only one board member remaining there was an urgent need for volunteers to carry on work to reduce and stabilize our rising Step System cost. Five directors, four new and one existing, were elected. At a special meeting on August 12, the following officer designations were made: President: Steve Muretta; Vice-President: Doug Allen; Secretary: Michael Williams; Co-Treasurers: Ed Caudill and Mike Hondorp. In addition the former Board President, Russell Tanner, agreed to serve as Advisor to the Board. These appointments were ratified on September 6.

The new Board is extremely concerned about rising STEP costs. Two years ago our bills averaged \$55 per month. We now find ourselves at over \$90 per month. There are two reasons for this increase in cost. First, the city enhanced their sewage treatment facility and as a result they have increased sewer rates 57% since 2008. I would like to tell you the increases are over but they're not. The City is planning a minimum of 10% in 2012. The second reason for our increased billing is water infiltration. We believe we have rain and irrigation water getting into our Step systems causing an increased volume through our city meter. We feel that this actually accounts for largest portion of our increased billing.

We want you to know that the new Board is motivated and committed to identifying solutions that will both reduce and stabilize our cost to STEP members. Our work includes analysis of past STEP system usage in relation to overall member water usage; discussions with City officials about possible inequities and remedies; analysis of member's individual system locations and maintenance practices; consideration of a new community drain-field in lieu of City treatment. Many of these matters will take time to evaluate and the assistance of all members will be essential to the success of such efforts.

The Board is also concerned about the number of delinquent receivables from members, many of which are over 120 days old. As a result, the Board has hired a firm to assist in the collection of all older delinquent accounts. Those who utilize the STEP system but fail to pay their bills in a timely manner, if at all, negatively impact the financial integrity of the STEP and its membership. Accordingly, the Board intends to be proactive in pursuing collection of accounts that are in arrears.

The new Board is now meeting the first Thursday of every month. STEP Members are encouraged to participate and input is always welcomed. If you would like to attend please contact any Board Member for meeting information or for any questions or concerns you may have. I would like to encourage the use of email for non-urgent items. Many of us are away from our phones but never from our email.

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<u>Community STEP issues</u>, (Emergency only), should be reported to Russell Tanner at 253-549-8275. Russell should only be contacted if you see Step system problems occurring off your property.

<u>Individual Home Owner STEP issues</u> (tanks & alarms, etc.), including maintenance, are the responsibility of each property owner. For information on "Understanding and Maintaining" your STEP system visit: <u>WWW.CANTERWOODSTEP.ORG</u>. Within this Website review the "Home Owner Information" page.

Thank You,

Steve Muretta, President