

CANTERWOOD STEP SYSTEM ASSOCIATION

Minutes of Meeting of the Board of Directors

Date: May 9, 2023

Board Members Present: Ken Sadoian, Dan Lott, Joe Tellez, Jack Quigg

Absent: Rich Richardson

The meeting was called to order by President Ken Sadoian at about 2:00 PM

New Board Member: The Board welcomed Jack Quigg who has volunteered to serve on the Board.

Additions to the Agenda: None.

Approval of 3/21/23 Board Meeting Minutes:

- The minutes were approved as submitted.

Financials:

- Reviewed the first 5 pages of the STEP System monthly financials for March 2023 (note that this is the public portion of the monthly financials, which are also posted on the STEP System website).
- **Treasurer's Report:**
 - The financials for March 2023 were reviewed and approved by the Board.
- **2023 Budget:**
 - Reviewed the proposed budget for 2023. Comments are as follows:
 - Consider increasing bi-monthly STEP fees this year from \$180 to 190 to help close the deficit anticipated for this year. (**Post meeting note:** targeting to implement this increase by the time of the October bi-monthly payment).
 - Consider raising rates sufficiently to have a planned portion go to reserves each month.
 - On the Budget Sheet change Item #4950 from "Planned Use of Reserves" to "Transfer from Reserves".
 - **Post meeting note:** current thinking is to raise the STEP fees again starting in 2024 to both balance the budget and to have a planned contribution to the Reserves Account each billing cycle. Before the amount of the increase is determined, we will need to find out from the City of Gig Harbor if another rate increase will be implemented for next year to help determine the amount of the increase.

- **Delinquent Accounts:**

- Our largest delinquent account is long-standing (at least 10 years) and now totals about \$17,000 including fees and penalties. The house is now bank owned (US Bank) and our current collections attorney (Scott Alexander) is in the process of determining where we stand in line to collect what is due to STEP.
- Mr. Sadoian was authorized by the Board to contact the next largest delinquent account holder (current balance of ~\$2400) via email or phone to see if we can get them to make their account current.
- Mr. Lott again suggested changing to the more aggressive collections law firm that the HOA switched to last year.

Administrative:

- **Meet with Canterwood Commercial:**

- A meeting is to be setup with Greg Parker, President of Canterwood Development/Commercial to discuss areas of mutual interest (paid STEP connections remaining, common property, etc.). Mr. Sadoian to contact Mr. Parker.
- Mr. Lott suggested that we get a count of the empty lots in Canterwood that have a STEP connection in the street.

Board Elections:

- Need to set up Board elections for all members. Board members will serve 2- or 3-year terms. Terms should be staggered so that all don't end at once. For upcoming elections, the proposal is 2-year terms for Mr. Sadoian and Mr. Lott and 3-year terms for Mr. Tellez, Mr. Richardson and Mr. Quig. Mr. Sadoian will request short bios from each Board member that will be submitted with the election ballots.
- **Elections Procedure:**
 - Conduct elections either through the HOA or Kalles (our management company). One proposal is to have Kalles send out the ballots and have the HOA receive and count the ballots.

Operations/Maintenance:

- Following is a list of operations/maintenance items that need to be addressed. These include:
 - Aerator Replacement including New Lid
 - Exercise Street Isolation Valves
 - Have used DrainPro the past two times. Should now also consider Aadvanced.
 - Reinspect STP System manholes for corrosion.
 - Need to identify manholes that are solely our responsibility.

- Test System for Hydrogen Sulfide/Odors
 - Parametrix did it the last time. Need to follow-up with them and perhaps one other. The Parametrix rep we worked with before is now with another company.
- Mag Meter Recalibration
 - Mr. Sadoian will try to contact Nathan Stout, the plumber who installed the meter to perform this task.
- Chemical Injection Tank, Pump & Flow Meter Refurbishing/Upgrade
 - The first step is to do the hydrogen sulfide testing first to see what impact (if any) the use of grinder pumps in Division 14 has had on hydrogen sulfide levels at the aerator.
 - If the decision is to move forward, then will need to determine which companies to send inquiries to. Should check with Division 12 to see who they used for the revamp of their equipment and who maintains it.

Other Business:

- **Updating of STEP System Drawings:**
 - Need to work with Eva Hill to coordinate this effort.
- **Annual Meeting/Annual Report**
 - The Board will have to determine the need to hold an annual meeting later this year. Could again decide to just issue a letter giving the health of the STEP System and updates of interest.
- **Investigate Combining with Division 12 STEP:**
 - Mr. Sadoian to contact Lynn Singleton (President of Div 12 STEP System) to see if there is any interest on their part.

Next Meeting: TBD depending on conference room availability.

Meeting was adjourned at approximately 4:00 PM

Approved: *John Sadoian, President*

Date: 9/12/23