

CANTERWOOD STEP SYSTEM ASSOCIATION

Minutes of Meeting of the Board of Directors

Date: September 12, 2023

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

The meeting was called to order by President Ken Sadoian at about 2:15 PM

Additions to the Agenda: None.

Approval of 5/9/23 Board Meeting Minutes:

- The minutes were approved as submitted.

Financials:

- Reviewed the first 5 pages of the STEP System monthly financials for July 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 July 2023 were reviewed and approved by the Board.
- **2023 Budget:**
 - Reviewed the final budget for 2023 that includes a bi-monthly rate increase of \$10. The budget (attached) that incorporates the \$10 rate increase was approved.
- **2024 Budget:**
 - The 2024 Budget will be considered in December of this year at which time another fee increase will be considered to balance the budget for 2024 and to possibly have a planned contribution to the Reserve Account each billing cycle. The amount of the increase will be dependent on the amount of any sewer rate increase implemented by the City of Gig Harbor for 2024.
- **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). We received no funds from the sale of the home despite the outstanding liens we had on the property. However, our current collections attorney (Scott Alexander) has taken the previous owners to court and in a court appearance in June the owners were ordered to produce more income information than what they have disclosed to the court. The plan is to follow-up with Mr. Alexander

to see what legal progress he can make to collect at least some of the money they owe the STEP System.

- The next highest delinquent account is approaching \$3000. Mr. Sadoian will request that Mr. Alexander sends them a letter regarding their outstanding balance and will coordinate with Kalles in attempting to bring the account up to date.

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. This should be available from Mr. Parker.

- **Board Elections:**

- Need to set up Board elections for all members by the end of the year. Board members to 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 the list of operations/maintenance items that need to be addressed. These include:
 - Highest Priority
 - Aerator Replacement including New Lid
 - Exercise Street Isolation Valves
 - Have used DrainPro the past two times. Should now also consider Aadvanced.
 - Mr. Lott suggested using "What 3 Words" app for mapping and location of valves.
 - Reinspect STEP 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 first..
- Medium Priority
 - Chemical Injection Tank, Pump & Flow Meter Refurbishing/Upgrade
 - Do system 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.
- Lowest Priority
 - Mag Meter Recalibration
 - So far have been unable to contact Nathan Stout (the plumber who correctly installed the Mag Meter). Another suggestion would be to get a recommendation from the City.

Other Business:

- Annexation/John Morrison
 - Mr. Sadoian and Lynn Singleton (President of Division 12 STEP) will attend the Community Meeting on September 19 and report back to the members on what was presented at the meeting.
- **Updating of STEP System Drawings:**
 - Will work with Eva Hill to coordinate this effort and determine what needs updating.
- **Annual Meeting/Annual Report**
 - Will plan to postpone annual meeting until next year. In lieu of an annual meeting for this year, the Board will issue a letter to the members giving the current pertinent financial and operations status of the STEP System. Elections to also be held by mail.
- **Investigate Combining with Division 12 STEP:**
 - Briefly discussed this subject with Mr. Singleton of Division 12. Initial step would be to review our legal documents and agreements with the City to determine feasibility and other requirements that would be needed to achieve merging of the two systems.

Next Meeting: TBD depending on conference room availability.

Meeting was adjourned at approximately 4:00 PM

Approved: *John Sadoian, President*

Date: 11/7/23