

CANTERWOOD STEP SYSTEM ASSOCIATION

Minutes of Meeting of the Board of Directors

Date: November 7, 2023

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

The meeting was called to order by Board President Ken Sadoian at about 2:05 PM

Additions to the Agenda: Potential merging with Division 12 STEP.

Approval of 9/12/23 Board Meeting Minutes:

- The minutes were approved as submitted.

Financials:

- Reviewed the first 5 pages of the STEP System monthly financials for September 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 September 2023 were reviewed and approved by the Board. It was noted that we are under budget so far this year for City charges for sewer service by about \$6300.
- **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.
- **Reserve Account Adequacy:**
 - Mr. Lott inquired as to the adequacy of the reserve account to cover the cost of valve replacements and sewer line ruptures or leaks considering the valves and lines are located underground (mainly under Canterwood streets). It was agreed this should be part of an updated reserve study. Where possible we will use the HOA reserve study as a basis for ours, particularly for piping replacement.
- **Delinquent Accounts:**
 - Wahler's – House was repossessed by US Bank in December 2022 with the Wahler's owing us about \$17,000 in regular and late fees. None of this was collected from the sale to US Bank. Our attorney is now trying to collect directly

from the Wahler's and has taken them to court. Will get an update on status before our next meeting in December.

- US Bank sold the the property to new owners in September 2023. Up to the time of the sale they had paid none of the STEP fees due during their ownership period. Need to check with Kalles if the fees were paid at the time of sale.
- The next highest delinquent account of approximately \$3000 had been settled. There was some mix-up on the part of the owner. They thought the bill was being automatically paid when obviously it was not.
- The Board agreed we need to take a more aggressive approach on all delinquent accounts to try to prevent them getting out of hand. One suggestion is to:
 - Issue 1st notice at 30 days late with copy to attorney (\$25 fine assessed)
 - Issue 2nd notice at 60 days late with copy to attorney (additional \$25 fine assessed)
 - File lien after 90 days delinquent
- Mr. Sadoian is to review the current procedure with Kalles and report back to the Board.

Administrative:

- **Meet with Canterwood Development/Canterwood Commercial:**

- Greg Parker has agreed to attend one of our Board meetings. The plan is to invite him to the next meeting. He was unable to attend on Nov 7. Among the subjects to discuss with Mr. Parker are:
 - Common piping responsibility
 - Empty lots remaining with STEP connections.
 - Paid STEP connections that Canterwood Development is holding.
 - Manhole inspections (for corrosion)

- **Rate Increase:** there was little or no negative feedback from the rate increase of \$10 that took effect the 1st of October **AFTER** all members had received the rate increase notification letter.

- **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. Mr. Sadoian will request short bios from each Board member that will be submitted with the election ballots.
- Elections Procedure:
 - Current plan is to have Kalles mail out the ballots and the voted ballots be mailed or turned in to the HOA office. **Post meeting note:** Mr. Sadoian spoke to Wes Weir (HOA President) who was receptive to the HOA collecting (and counting?) the votes.

- **Systems Maintenance**

- The Board needs to consider if it would be worthwhile to hire an outside firm to oversee/provide the maintenance to the STEP System common equipment and piping. To be discussed further at future meetings.

Operations/Maintenance:

- Following is the list of operations/maintenance items that need to be addressed. These include:
 - Highest Priority
 - Aerator Replacement including New Lid
 - Have been in contact with David Kopchynski of Water Works Engineers. He is willing to help with the decision on what type of design to replace our plugged aerator with considering we now have some homes in our system using grinder pumps.
 - Mr. Lott asked what purpose the aerator serves and if it is required by law/regulations (City, State, etc.). Mr. Sadoian to investigate.
 - Exercise Street Isolation Valves
 - Test System for Hydrogen Sulfide/Odors
 - Want to test the system at the aerator with no aerator in service and with all 17 homes with grinder pumps online.
 - 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) attended the Community Meeting on September 19 hosted by John Morrison and Mike Wilson regarding the advantages of Canterwood annexing to the City of Gig Harbor. About 75 people attended the meeting where several claims were made by Morrison/Wilson regarding annexation and the STEP Systems in Canterwood. As a result, a letter was drafted by Mr. Singleton and amended/commented on by both Division 12 Board members and Mr. Sadoian

and Mr. Lott that addressed the claims made by Morrison/Wilson. This letter was sent out via email to all STEP members for which we have an email address. It is also attached to these meeting minutes.

- **Updating of STEP System Drawings:**
 - Need to work with Eva Hill to coordinate this effort and determine what needs updating.
- **Annual Meeting/Annual Report**
 - There will be no annual meeting again this year. In lieu of an annual meeting the Board will issue a letter to the members giving the current pertinent financial and operations status of the STEP System. This letter will be sent out in conjunction with the election ballots.
- **Investigate Combining with Division 12 STEP:**
 - Briefly discussed this subject with Mr. Singleton of Division 12. The initial step would be to review our separate legal documents and agreements with the City to determine feasibility and other requirements that would be needed to achieve a merger of the two systems. In the meantime, the plan is to work closely with Division 12 on areas of mutual interest.

Next Meeting: TBD depending on conference room availability.

The meeting was adjourned at approximately 3:30 PM

Approved: Glen Austin, President

Date: 12/12/23