

Canterwood Division 12 STEP Board of Directors (BOD) Quarterly Meeting

Minutes for July 21, 2020

Attendance via Zoom:

- Lynn Singleton, President
- Megan Amherst, Vice President
- Randy Young, Treasurer
- Rick Meeder, Director
- Carol Burton, Diamond Management
- Lisa Dillon, Diamond Management

Call to Order: Mr. Singleton called the meeting to order at 10:04 a.m.

Agenda Review: Mr. Singleton reviewed the previously distributed draft agenda and noted that the financials for April 2020 had been added to the financials discussion as suggested by Mr. Young. Therefore three months' financials (April, May, and June 2020) would be up for discussion. Since no other agenda items had been provided, any other items would be discussed at the end of the meeting.

Email Decisions: The BOD approved the minutes from the April 28, 2020 BOD quarterly meeting. Additionally, the summer newsletter was approved for distribution by email decision.

Financial Reports: April, May, and June 2020 financial reports were approved as submitted.

Gig Harbor COVID-19 Rate Reduction: Mr. Singleton informed the BOD that the Gig Harbor letter regarding the one-time rate reduction (due to COVID-19) had been attached to the April 2020 invoice posted on our website. Uses of the money remain under discussion and will be determined at the next BOD meeting. Options under discussion include: establishment of a self-insurance fund for insurance deductible and/or uncovered liabilities, as well as potentially paying for the system's annual inspection and maintenance by Advanced.

Community Liability Insurance: The BOD discussed the ongoing difficulty in finding pollution insurance that would cover us in the event of a backup or other type of pollution event. Ms. Amherst will make a couple of final attempts. In the (likely) event that we cannot secure such insurance, the BOD discussed self-insuring by potentially earmarking a set of funds, possibly a portion of the funds from the Gig Harbor one-time rate reduction credit.

Reserve Accounts: Mr. Meeder brought up the point that we need to look at our STEP HOA's governing documents to see if they cover the issue of reserve accounts and, if so, how our reserve accounts can be used. Mr. Young and Ms. Dillon both discussed how such reserves are

typically defined and used. Mr. Meeder volunteered to look into our bylaws, CC&Rs, and reserve studies to see what they say regarding reserve uses. Mr. Young volunteered to draft a proposal and policy for how we can allocate/set aside/invest reserve account funds. The discussion was prompted by the Gig Harbor one-time rate reduction (~\$6,000).

Operations and Maintenance (O&M): Mr. Singleton informed the BOD that he had discussed the quarterly service contract with Aadvanced and the community's rate structure for homeowners, should any of us need them on an individual basis. Mr. Singleton stated that Aadvanced had told him that the O&M contract terms for 2021 would be the same as they were for 2020. The BOD discussed the annual maintenance for 2020, including its potential costs, risks (valves that may potentially be left closed after exercising), the timing of the maintenance, and community notification procedures. Mr. Singleton will contact Aadvanced to obtain a bid for the yet to be scheduled annual system O&M work. The BOD will review the 2020 budget to see if there are adequate funds to pay for the 2020 annual preventative maintenance work. Mr. Singleton discussed the chlorine injection pump that he had fixed a few weeks ago, including its age and the fact that we have a backup pump that's been rebuilt by the manufacturer. The equipment is currently working properly.

Annexation Inquiry: The BOD briefly discussed developer John Morrison's recent contact to Mr. Singleton and Canterwood STEP President Ken Sadoian regarding Canterwood annexation by Gig Harbor City and his plan to contact Division 12 homeowners to discuss annexation and STEP operations. The 2019 BOD developed some information in preparation for a similar set of comments. Mr. Singleton will distribute those materials to the 2020 BOD for review.

2021 Draft Budget: Ms. Dillon notified the BOD that she will have the draft 2021 budget prepared in August 2020.

Annual Meeting: Ms. Burton informed the BOD that, in light of the governor's proclamation regarding public meetings during the COVID-19 pandemic, the STEP HOA Annual Meeting will need to be held through either video conferencing or mail-in ballots. Mr. Young proposed a hybrid approach: sending out an informational mailing a few days before we hold a Zoom-based online meeting, which Diamond Management can host for our community, and having homeowners mail in their ballots after the meeting. Ms. Burton will provide a draft timeline of these three events for the Annual Meeting in the next few weeks.

Next BOD Meeting: The date for the next quarterly BOD meeting was set for September 22, 2020 at 10:00 a.m. It will be conducted via Zoom. There was a short discussion of potentially have an additional short meeting in early October to nail down the details of the Annual Meeting.

Candidate BOD Officers: One BOD position is expiring and candidates will be needed for the 2021-2022 two-year term.

Adjournment: Mr. Singleton adjourned the meeting at 11:38 a.m.