

# CANTERWOOD DIVISION 12 STEP ASSOCIATION

SEPTEMBER 22, 2020

## Board of Directors Meeting Minutes

**Call to Order:** 10:02 am

**Owners Present:** No homeowners were present. Lynn reminded us that owners could attend the board meetings; they need to contact Diamond Community Manage to participate online.

**Board Members Present:** Lynn Singleton, Randy Young, Frank Addison, and Rick Meeder, along with Diamond Community Management (DCM)staff: Lisa Dillon and Carol Burton.

**Agenda Review:** Discussed briefly

**Minutes of July 21, 2020 Meeting:** Lynn made a motion we approve the minutes as posted. Minutes were approved without any changes.

**Financial Reports:** July and August's financial reports are posted on the Website. After discussion, these reports were approved by the Board.

**Financial Reporting:** Randy suggested we add the return on investment percentages for each CD, as each has a different return on investment. After discussion, the Bank and rate will be added to the reports in the future. Other minor wording changes will be needed to add the new information. Randy has developed a Year-to-Date compared to the budget spreadsheet and will distribute it to the Board and DCM.

**Email Approvals:** **1)** Approved July 21, 2020 minutes for distribution. **2)** Approved termination of our liability insurance with the previous provider and obtain expanded coverage with American Family Insurance. The change provided more coverage at significantly less cost. Lynn added that we have a requirement to provide the Canterwood Development Corporation (CDC) with our current insurance policies due to our easements. Lynn asked American Family Insurance to send CDC a copy of the insurance policy, and Lynn asked DCM to send annual renewal insurance policies to CDC. **3)** Approval was obtained to purchase a replacement for the outdated eyewash solution.

### Old Business

**Gig Harbor's COVID 19 Credit:** Would be prudent to leave it in the budget to offset the two percent rate increase from Gig Harbor and any additional maintenance issues. A motion was made and seconded to keep the credit in the 2021 budget. After discussion, the motion was approved.

**Annual Infrastructure O & M:** The Board decided that the annual O&M valve maintenance should begin this fall. The work should take no more than 1 day to complete and will be performed on a time-and-materials basis. The cost discussion with Aadvanced to date was unclear and more refinement is needed. The question relates to the hourly cost for the team of 2. Lynn will contact Aadvanced again, get clarification and schedule the work for this fall. The O&M work was not specifically budgeted but there is room to conduct the work this year. Once scheduled, community notification will be needed.

**Reserve Account Use Draft Policy:** Randy prepared and previously distributed a draft policy for review and comment. This followed a review of our governing documents by Rick and a review of the Washington laws governing use. Randy was asked to prepare another draft that considers the comments and distribute it for review and approval.

**Previous Annexation Inquiry:** Lynn reported that no new inquiries or materials have been sent to the membership and it was agreed that nothing is needed from the Board at this time.

## **New Business**

**Draft 2021 Budget:** Lisa of DCM provided 2 budget options for consideration. Option 1 has no dues increase and Option 2 has a dues increase that passes the likely Gig Harbor 2% sewer rate increase directly onto members. Option 1 was selected after much discussion given the insurance policy savings, the carry over, the flat rate from our O&M vender, and the projected O&M costs. A motion was made and passed to approve the 2021 Option 1 budget with clarifications. New drafts of the budget and reserve fund documents will be prepared for board review.

**Reserve Account CDs:** The CDs held at Home Street Bank are coming up for sequential renewal. DCM asked if we should keep the CDs there or move them? At this time, interest rates are all very low per Lisa's research, and they are expected to remain so. Randy recommended we continue with Home Street Bank. Motion to keep current CDs with Home Street Bank was passed. Lynn thanked Lisa for all the research.

**Candidate BOD Members:** Rick announced he is willing to continue to serve on the Board, and Lynn's term is also expiring. Lynn and Rick will be on the upcoming ballot for 2-year terms.

**Annual Meeting Timeline:** Carol reviewed the legal requirements for community notifications and our annual meeting given the Governor's COVID-19-related requirements. Once the Board approves the 2021 budget, DCM has 30 days to send the budget to the homeowners and inform them of the meeting requirements/schedule. Our informational meeting for homeowners will be held on November 12, 2020 at 6:00 pm, and the deadline for homeowners to submit their ballots will be November 19, 2020. DCM will send their homeowner draft information packet explaining the voting process, the annual meeting, and the 2021 budget to the Board for Board member review today.

**Potential Vendor Outreach:** Tabled until the next meeting

**Next Meeting Date:** October 6, 2020 at 10:00am

**Meeting Adjourned:** 12:31 pm

**Frank H Addison Jr**

Frank H Addison Jr, Secretary