

***Canterwood Division 12 STEP Association***

***Annual Meeting***

***Thursday, November 14<sup>th</sup> 2019***

***Canterwood Homeowners Association Office  
4026 Canterwood Drive NW (Peacock Hill entrance)  
Gig Harbor, WA 98332***

***6:00 p.m.***

***Agenda Items***

- ◆ ***Approve 2018 Annual Meeting Minutes – copy enclosed***
- ◆ ***Recap the Year 2019***
- ◆ ***2020 Budget - Review – copy enclosed***
- ◆ ***Board Election - Ballot enclosed***  
***\*\*Please mail your signed proxy (included) if you cannot attend the meeting***
- ◆ ***Looking Ahead to 2020***

***We look forward to seeing you there!***

***STEP Board of Directors, Lynn, Rick and John***

**DRAFT**  
**CANTERWOOD DIVISION 12 STEP ASSOCIATION**  
**ANNUAL MEETING**  
**TUESDAY NOVEMBER 13, 2018**  
**Canterwood Association Office**  
**6:00 pm**

The annual meeting of the Canterwood Division 12 STEP Association was held on November 13, 2018 at the Canterwood Association office. The meeting was called to order by President Lynn Singleton at 6:03 pm. In attendance at the meeting were Board members Lynn Singleton, Rick Meeder and John Soukup. Diamond Community Management (DCM) representative Lisa Dillon and members of 8 homes. Considering members present and received proxies, a quorum was represented.

President Singleton presented the meeting agenda and introduced the Board members.

A motion was made, seconded and unanimously approved to approve the minutes from the 2017 annual meeting of the Association.

President Singleton summarized the priorities for the Association Board during 2018 and reviewed the major accomplishments during 2018. The major accomplishments included:

A response was made to the Canterwood Emergency Planning and Preparedness Committee's request for information about Division 12 STEP Association's system's and plans in case of an emergency.

President Singleton and the Board of Directors reviewed and commented on Canterwood STEP Association's study of the level of corrosive chemicals in the outflow from the Canterwood STEP system and the Division 12 system and offered comments and corrections.

Advanced Septic Systems was contracted to locate, inspect and exercise valves. As the result of this work most of the valves were located and the locations marked. Advanced replace a broken lid on the system's vacuum release valve riser.

An update to the Association's reserve study was commissioned. The report was received, reviewed and approved by the Board of Directors. The report is compliant with new Washington State requirements that took effect on July 1, 2018 (WUCIOA).

President Singleton has been soliciting bids to replace the broken flow meter in the pump house which regulates the amount of bleach injected into the waste water. So far the bids received have been very high.

Treasurer Meeder presented the financial status for the Association. Mr. Meeder reported that the 2018 expenditures are projected to be slightly under budget. The financials projected for 2019 will be about the same as the 2018 expenditures. The 2019 budget includes a 3.5% increase in the cost for the discharge of wastewater into the Gig Harbor City sewage collection system. This increase will be offset by savings in other expense categories.

Mr. Meeder presented the results of the Reserve Fund Study and the status of the Association's reserves. The new Reserve Study calls for a reserve fund of \$73,351 for 2019. At present the Association has \$63,201 in the reserve fund which is 86% of the recommended amount. The short fall of \$10,150 will be mitigated by a transfer of the surplus in the Association's operating account to the reserve fund at year end.

President Singleton reported that he is up for election to a new term as director.

After counting ballots, DCM representative Lisa Dillon reported that Mr. Singleton had been elected to serve for another term. She also reported that the 2019 budget was ratified by the homeowners.

President Singleton discussed the major Board plans for 2019. They include:

Purchase and install a new flow meter to replace non-functioning unit -- implement flow-paced treatment per City agreement.

Continue infrastructure identification and preventative maintenance; bring selected valves to the surface.

Replace chlorine tank valves.

Evaluate service contract with Aadvanced Septic.

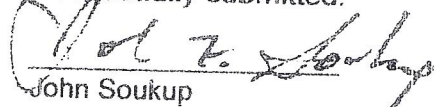
Increase the 2019 Reserve Account levels

President Singleton then presented the Association's Website and gave a tour of the site to those present.

President Singleton opened up the meeting for questions by the homeowners. The Directors responded to the various questions to the satisfaction of the members.

There being no further questions the meeting was adjourned at 7:26 pm.

Respectfully submitted:

  
John Soukup

Secretary

**CW Division 12 STEP Association  
2020 Budget**

**Canterwood Division 12 STEP Association  
2019 Estimated and 2020 Budgets**

GL#		BUDGET	ESTIMATED	BUDGET	2020
		2019	EOY 2019	2020	Explanation
		(70 Lots)		(71 Lots)	
	<b>REVENUE</b>				
4000	Monthly Dues	84,840	84,840	<b>86,052</b>	\$101 due on 1st
4100	Late Charge	-	210	-	
	<b>Total Income</b>	84,840	85,050	<b>86,052</b>	
	<b>EXPENSES</b>				
5005	Annual Registration	10	10	<b>10</b>	
5010	Management Fees	6,000	6,000	<b>6,000</b>	
5130	Postage	50	74	<b>75</b>	
5190	Administrative Expense	225	0	<b>0</b>	
5200	STEP System Rpr & Maint	8,860	10,024	<b>8,800</b>	
5220	Grounds Maintenance	250	0	<b>0</b>	
5300	Electricity	350	295	<b>350</b>	
5315	Gig Harbor Sewer Fee	66,500	66,024	<b>68,350</b>	3.50 % Increase
5441	Tax Preparation	195	185	<b>195</b>	
5520	Insurance	2,000	1,635	<b>1,800</b>	Likely increase
5525	Reserve Study	0	0	<b>0</b>	
5570	Website	400	230	<b>300</b>	
8010	Reserve Fund Transfers	0	0	<b>0</b>	
	<b>Total Expenses</b>	84,840	84,477	<b>85,880</b>	
	<b>Excess/(Shortfall)</b>	-	573	<b>172</b>	

**CANTERWOOD DIVISION 12 STEP ASSOCIATION**

**2019/2020 BUDGET ALLOCATION  
PER MONTH/PER HOME BY CATEGORY**

<b>MONTHLY DUES ALLOCATION CATEGORY</b>	<b>PER MONTH PER HOME 2019</b>	<b>PER MONTH PER HOME 2020</b>
Sewer Fees	78.05	80.22
Management Fee	7.14	7.04
Home Sewer Inspection	0	0
STEP System Maintenance & Repairs	10.40	10.33
Legal	0	0
Insurance	2.38	2.11
Reserve Study	0	0
Allocation to Reserves	0	0
Other	3.03	1.30
<b>Total Monthly Dues Per Home</b>	<b>\$101.00</b>	<b>\$101.00</b>

**CANTERWOOD DIVISION 12 STEP ASSOCIATION  
RESERVE ACCOUNT SUMMARY AND PROJECTIONS  
2019 Summary Values Based on 2019 Reserve Study  
2020 Projections Based on 2019 Reserve Study\***

Balance as of 12/31/18	\$ 63,066.24
2019 Contributions (interest + transfer from OP)	\$ 10,625.60
2019 Expenses	\$ 0.00
<b>Projected Reserve Fund Total EOY 2019</b>	<b>\$ 73,691.84</b>

<b>2020 Reserve Study Projections</b>				
100% Funded Amount*	Total EOY % Funded	Total Fund Deficiency	Deficiency/Lot /Year /Month	Comment
2019: \$73,351	\$73,692 / 100%	\$0.00	\$0 / \$0	Funded 100% per 2019 Reserve Study Projections
2020: \$79,387	\$76,512 / 97%	\$2875	\$40 / \$3	Contributions: CD interest (\$1,320) 1 lot hook-up fee (\$1,500)
2021-\$47,976	TBD	TBD	TBD	
2022-\$57,856	TBD	TBD	TBD	

\*The 2014 Reserve Study was updated for 2019 by the Reserve Study Group, Seattle Washington. The 2019 Study update meets the requirements of WUCIOA (RCW.64.90.525) enacted on July 1, 2018. Reserve Study Reports are available at [www.canterwooddiv12step.org](http://www.canterwooddiv12step.org).

The Reserve Study projects replacement of the sump grate (\$577) in 2019 and flowmeter (\$4,000), now planned for 2020. An expenditure of \$40,763 is projected in 2020 for pipe replacement. It is highly unlikely the pipe replacement will be necessary; pipe life should exceed 30 years and we have not had any problems to date. If pipe is not replaced in 2020, the funds reserved for replacement will continue to be held in reserve until pipe replacement is needed.

**Proposed homeowner monthly charges for 2020 will not include contributions to the Reserve Fund.**

**CANTERWOOD DIVISION 12 STEP ASSOCIATION**

**REVISED BALLOT – correcting the Budget Year and Megan’s name**

**Thursday, November 14, 2019**

**\*\*Canterwood Homeowners Association Office\*\***

**4026 Canterwood Drive NW, Gig Harbor**

**6:00 P.M.**

**YOU MAY VOTE IN PERSON, BY MAIL OR BY PROXY**

I, the undersigned, the owner of street address \_\_\_\_\_ do hereby submit my ballot below or appoint: \_\_\_\_\_ Lynn Singleton \_\_\_\_\_ Rick Meeder \_\_\_\_\_ John Soukup or \_\_\_\_\_ (please place an X next to one of these Board Members who will be attending the meeting – OR name another homeowner as the proxy who will attend the meeting) with full power to act as my proxy to attend the HOA Annual Meeting of the Canterwood Division 12 STEP Association to be held November 14, 2019 and/or any adjournments and continuations thereof, with full power to vote and act for me in the same manner and to the same extent that I might were I personally present at the meeting. My proxy shall have full power to substitute another person as my proxy. If no one is named, the Board Secretary or any Board Member present will act as Proxy. This proxy expires 30 days after the date of the Annual Meeting.

Please print Your Name	
Signature	

**Board Member Terms Expiring: Rick Meeder and John Soukup**

**Board Member Term Continuing: Lynn Singleton (1 year)**

**The Board is expanding to 5 Members: Please vote for four (4) Board Members**

**\*\*To provide for staggered terms, 2 members will serve for one year and 3 members for 2 years.**

Rick Meeder (1 year)

Megan Amherst (2 years)

Randy Young (2 years)

Frank Addison (2 years)

**2020 BUDGET – copy enclosed**

YES - I vote to ratify the Budget

NO - I vote to not ratify the Budget

**Proxy-Ballots may be mailed to:**

**Diamond Community Management, 7512 Stanich Lane, Suite 6, Gig Harbor, WA 98335**

**Proxy-Ballots may be mailed or delivered to the DCM office NO LATER THAN 5 P.M.**

**Wednesday, November 13th, 2019, OR bring your ballot with you if you plan to attend.**

**Proxies count toward a quorum – 24 owners.**