

**SADDLE RIDGE SITE CONDOMINIUM ASSOCIATION  
ANNUAL MEETING OF MEMBERS**

**January 14, 2021**

**Virtual Meeting Using Go-To Meetings**

**Minutes**

- I. Count attendance of members. 44 members/households were present.
- II. Introduce Board of Directors. The Board consists of 7 members. The current Board members are: Tawni Brouwer, Quentin Adkins, Jason Rosenzweig, Jason Waugh, Annmarie Lebioda, Peggy Frizzo, and the Developer. Mark Woudstra and Kathleen Adams were present for the Developer.
- III. Sales update. The project has 230 building sites. There are 204 homes closed and occupied (88%).
- IV. Election for Board of Directors.
  - a. The 2-year terms for Quentin Adkins and Jason Waugh have expired. Quentin is not running for re-election. Jason Waugh and 3 new candidates, Joshua Bires, Brett Gorby and Jason Litke introduced themselves. The 4 candidates were nominated.
  - b. Owners to vote electronically not later than 4 PM on Jan. 15.
  - c. Election results: 61 votes were submitted; a quorum was met. Joshua Bires and Brett Gorby were elected.
- V. Audit Vote.
  - a. Annmarie explained the Audit Vote. The Board reviews the financial reports several times during the year and they do not recommend the need for an audit. There is no evidence of any theft or impropriety by Eastbrook regarding the management of association funds. At least 50% of owners must vote to waive the audit. If not waived a special assessment would need to be paid by all owners to cover the cost of the Audit. Audit votes should be submitted with election ballot.
  - b. Member suggested that Board set up an audit committee from qualified owners in the community to review reports annually.
  - c. Audit result. As of Jan. 29, 72 audit votes were submitted. 58 voted to waive and 12 voted in favor of the audit. We need 103 votes to waive the audit. The Board will discuss options.
- VI. Update on Rockford School by Jason Rosenzweig. Jason has seen the site plan and talks with them regularly. Plan was for fall of 2023 but has been pushed back to fall 2024 due to COVID-19. Elementary school K-5<sup>th</sup> grade. It would serve Saddle Ridge and pull kids from other areas. Plans would include an entrance off Saddle Ridge Drive whereby Rockford School would pay for improvements and changes to road as needed. The plan has always been for the school to connect to and share costs of the private water/sewer facilities.

**VII. Review financial statements for Saddle Ridge Site Condominium Association.**

- a. Mark Woudstra reviewed 2020 year-end Balance Sheet, P & L Statement and Budget. 2021 Annual fees will stay the same at \$650.00. As of December 31, 2020, there is \$105,901 in the reserve account and \$13,073 in the checking/operating account.
- b. Annmarie noted that we saved a lot on salt/sand/deicer in 2020. Board controlled it intentionally and hopes the funds saved there will help the road fund.
- c. Jason R noted that fees were increased by \$120 a few years ago for road reserve account. Board asked Developer to hold off on topcoat in newer areas so that we can identify any weak spots first. Also, since entrance will be modified by the School district there is no need to spend association funds on entrance road; wait for the school. We plan to do road repairs as needed and if old roads need replacement, possibly tie into Eastbrook's timing for final topcoat on new roads. A member remarked that holding off on final topcoat causes a gap on driveways that is higher than the road and the concrete at end of driveways is being damaged in some cases. Eastbrook would like to topcoat the road this summer to solve this problem.
- d. A member asked about the reserve account. Condominium laws requires that associations be turned over with 10% reserve and maintain 10% reserve. The "site condominium" association does have the required 10% reserve. The water/sewer association has needed to spend funds from its' reserve account for capital repairs/replacements and currently has \$5,493 in the reserve account.
- e. A member asked about management fees. Eastbrook is currently charging \$4 per unit per month for management of site condo association. Nothing is being paid to Eastbrook for management of water/sewer association because there have not been extra funds available yet. Jason R said that Board has consulted other management companies and have been quoted \$11 per unit per month.

**VIII. Water/Sewer Update and review of financial statements for Saddle Ridge Utility. A lot has happened since the last annual meeting.**

- a. **Reminder: NO DISPOSABLE WIPES SHOULD BE FLUSHED. THEY ARE HARMFUL TO THE SEWER SYSTEM.**
- b. Brief background information. The sewer system was operated by Brian Powell of Douglas Environmental from its' inception in 2005 thru most of 2019. Developer became aware of some health issues and performance issues by Powell resulting in missed reports and fines with EGLE. Developer started to look for a new operator in the summer of 2019. "IAI" was hired to replace Powell in late 2019 and to do an assessment of the system. IAI comes highly recommended and works often with EGLE.
- c. Jason R stated that the sewer system needs expensive updates to meet current State of Michigan EGLE requirements. An Assessment of Facilities (AOF) was completed recently by the new operator, IAI, and sent to EGLE. We expect to hear back from EGLE by April 2021.

Improvements would start in fall 2021. During the interim, Jason said that he was investigating whether Saddle Ridge can connect to the North Kent Sewer Authority which includes 5 municipalities. A lift station would be needed in Saddle Ridge and waste would need to travel to sewer station behind Meijer's on 10 Mile Rd. Each of the other 5 communities have veto power; need 100% agreement to allow Saddle Ridge to join. Whether Saddle Ridge upgrades the plant to meet EGLE requirements or can join with North Kent, the cost will be high and will need to be shared by Developer, the school, and the residents. Jason said he heard cost for EGLE requirements could be 1.5-1.8 million.

- d. Kathleen noted that when Saddle Ridge was developed, developer was not able to connect to public water and sewer. The only 2 options were 1) the current private system, or 2) well and septic systems for every lot.
- e. Board members noted that the EGLE requirements for a private sewer plant are different, tougher, requires more redundancy and will be more expensive than when Developer started the project. Developer did everything that was required at the time, but the rules and regulations have changed.
- f. Quentin stated that the water plant should be sufficient for the school but if not, the school will pay for any improvements needed.
- g. Mark Woudstra said that Developer plans to meet with Board over the next few week and months to discuss the costs and determine the split of costs. The Developer, Rockford Schools and the residents need to determine an equitable split of the costs. The final solution may result in a special assessment to owners. The amount is not known at this time.
- h. Jason R stated that the Board has consulted with a municipal attorney to discuss matters with the sewer system.
- i. Member asked if Developer is informing new home buyers of the possibility of a special assessment. Developer is revising the Disclosure Statement for the project and will inform all new home buyers under contract and prospective new home buyers. If there is a gap of time for new homeowners who purchased after Developer knew of the possible projected costs of the upgrades, Developer will work with those owners if a special assessment is issued.
- j. Member stated that they would like a higher level of communication from Developer and Board as information becomes known. Board said they are doing the best they can to look after the neighborhood and will work toward a solution. The board will share updates via email and consider holding additional informational meetings.
- k. A couple members brought up brown water issue. Mark will follow up with Wendy Tanis from Eastbrook who has been working on it with IAI. Annemarie wants to put together a subcommittee for water issues. Send email to [hoaboard@saddleridgerockford.com](mailto:hoaboard@saddleridgerockford.com) if you are having issues or if you would like to be on committee. Erin DeLas said she would like to be on committee.
- l. Question – Who is contact person at EGLE? Mark said there are several people who do different jobs, but one contact person has been Kayley Shoen.
- m. Mark reviewed Utility Operations budget and financial statements. In 2020, total expenses were \$635,000. Revenue from residents was

**\$311,212. Developer Contribution was \$360,100. Fees will increase 14% in 2021. Developer recommended larger increase for sewer reserve fund, but final Board negotiations resulted in 14% increase.**

- n. Member asked if the sewer system will ever generate a profit. The goal is to cover all costs of operations and funding of an adequate reserve fund for the future. With new enhancements to the system, we are anticipating efficiencies that would allow for cost savings over the previous operational costs.**

**IX. Question and Answer Session.**

**X. Adjourn**

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