

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

December 6, 2021

Virtual Meeting Using Go-To Meetings

Minutes

- I. Attendance of members. Approximately 60 +/- members were signed in throughout the duration of the meeting.
- II. Introduce Board of Directors. The Board consists of seven members. The current Board members are: Tawni Brouwer, Jason Rosenzweig, Annmarie Lebioda, Peggy Frizzo, Brett Gorby, Josh Bires, and the Developer. Mark Woudstra and Kathleen Adams are present for the Developer.
- III. Sales update. The project has 230 building sites. There are 205 homes closed and occupied (89%). 14 are sold and not yet closed. 11 units left to sell.
- IV. Election for Board of Directors. Kathleen led discussion on election.
 - a. The terms for Jason Rosenzweig, Peggy Frizzo and Annemarie Lebioda have expired, so 3 seats were available. Jason and Peggy are not running for re-election. All new terms will be 3-year terms.
 - b. The 4 candidates introduced themselves: Annmarie Lebioda, Julius Suchy, Mike Sudbury, and David Zemens. See attached bios for their information. All candidates are well qualified for the board.
 - c. Candidates were nominated and motion 2nd.
 - d. Owners were directed to vote electronically after the meeting by sending ballot to hoa@eastbrookhomes.com. Ballots due by December 7 at 5 PM.
 - e. Result of Election: Annmarie Lebioda, Julius Suchy and David Zemens.
- V. Sewer System Update – IAI representative Leslie Sorensen.
 - a. See attached summary report Leslie prepared by Leslie about the sewer system update.
 - b. Background: After Eastbrook and the Board became aware of noncompliance issues with the previous plant operator, a search was done for a new Operator and IAI was hired. IAI did an Assessment of Facilities to bring plant in compliance with EGLE. Phase 1 improvements have started.
 - c. Plant is experiencing excessive water and investigating the source of where it is coming from. Need to get it under control before they can continue. Julius asked if they could do smoke testing.
 - d. Is school going to connect to system? Yes, and they will share in costs. Phase 2 design includes School.
 - e. What is timeline for improvements? Things have been delayed due to COVID, supply chain problems etc., Completion of construction early 2023, asking for extensions from the State.

- f. Annmarie said Board is in discussion with Eastbrook about split of costs between all the parties. Until we have final costs, we cannot finalize that. Question: is special assessment intended for just these improvements or for future also? Answer: Only to pay a portion of these improvements. The costs will substantially exceed any special assessment. Steve Powell asked if Sewer/water budget/fees will need to plan on reserve and future costs. Yes.
 - g. Leslie said there are 2 system options, SBR and MBR as mentioned in the Sewer System Update, and Association needs to decide which one to move forward with.
 - h. Are any roads being torn up to connect school? No, the connection is away from roads and already in place.
 - i. Julius asked for copy of Assessment of Facilities. Jason and Peggy said they can post to Saddle Ridge website. After the meeting, the Utility AFO Report and Q3 Utility Progress Report were added to this page: <http://www.saddleridgerockford.com/information/>
 - j. Nick Hartog asked if board has retained counsel? Yes, board has tried to use him minimally to keep costs down, but they will use him for final negotiations with Eastbrook.
- VI. Review of financial statements for Saddle Ridge Utility. Mark Woudstra started the review of the budget comparison report and financial reports. Developer contribution this year \$139,000. Annmarie said school will be joining 2024. Net loss of \$47,000. Annemarie shared the accurate version dated 10/5/21. Make sure accurate ones were sent to members. Annmarie presented the new rate projections for 2022. Planning for building reserve because with new system, costs will go down overall. In 2022, need to decide which system is picked and determine budget based on that.
- VII. Review financial statements for Saddle Ridge Site Condominium Association. Mark presented master HOA budget for all income and expenses of the association to maintain roads and common area. Budget for 2022 will increase annual fees to 2022 to \$850. Some roads are older and will need to be replaced in near future. 3-year plan to build up reserve. It is less expensive to do larger area rather than in small pieces. Also need to replace fence in the front. Question from Julius – why is salt being decreased? Just a billing thing, we crossed over years when paying bills. Jason said also trying hard to cut down on salt. Jason said costs for snow removal is \$10,000 more from Turfs or Us this year but still lower than other bids. Jason spoke about road estimates, basically looking at \$450,000. After this year we will have \$130,000, so we need to build up reserve. So far, we have just been patching. Julius asked if we could piggy bank on county? Good question to explore.
- VIII. Audit Vote. Explanation of 3 choices and the potential costs: formal independent audit, formal independent review or opt out of audit. Owners asked to submit audit votes with election ballot. Independent review is substantially less expensive. We need at least 50% of residents to vote. We need to be compliant with state condominium law. Jason asked Julius for his opinion. Julius explained why he does not think Audit is needed; it will not catch what some people think it might. \$15,000 is an estimate and if it is more than

that, we would need special assessment to pay for the remainder. That is why budget is so tight with only \$142 projected cash balance at end of year. 2023/2024 would allocate more into reserve account.

- IX. Update on Rockford School. Brett Gorby said that school will put together a presentation for the owners and have a meeting in late Jan. Building will look a lot like the high school, but final version is not ready yet. School has been part of discussions about water and sewer needed for the school and they will cover the costs of what they needed. Breaking ground spring break 2022. Jason said even though he is going off board, he has been in contact with school, and he is willing to still assist the Board as needed.
- X. Question and Answer Session.
- a. Water pressure. Still under review with IAI. Mark will talk to IAI tomorrow for appropriate response. Erin De Las Navas asked for answer to be sent to her.
 - b. Julius asked about road mill or fill? Jason read the specs.
 - c. Matt Wymer asked if association can purchase equipment for lawn and snow? Jason said it has never been discussed.
 - d. Nick Hartog chat comment to everyone: I'm confused how we got to non-compliance by the prior company hired by Eastbrook and under their guidance. I think it's important to know not to get here again.
 - i. Facility was originally built in 2005. The same operator, Douglas Environmental, was used from the beginning and did a good job for many years. Eastbrook became aware of health issues and missed reports by operator in 2019 and began to look for a new operator. IAI took over in late 2019 and found many issues that needed to be addressed when they took over.
 - e. Danny Rock to everyone: What happened to hooking into North Kent sewer system options? Jason R investigated it thoroughly and it is not an option.
 - f. Mike Sudbury: Will the sewer system improvements include upgrades to service the school? Yes, the school has always been in the plan for the water and sewer system from the beginning and they will cover their costs.
- XI. Adjourn
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**INFRASTRUCTURE
ALTERNATIVES, INC.**

**Sewer System Update
Annual Saddle Ridge HOA Meeting
December 6, 2021**

- Phase I Improvements – This project has been started. IAI has completed the air piping modifications in the treatment building. Most of the equipment has been received at IAI HQ and is in storage until installation begins. The last piece of equipment is the overhead door, which was supposed to be an off-the-shelf item, but now has a 6-week lead time.
- We are still investigating the high amounts of water entering the treatment plant. IAI has recommended that the sewer system be cleaned and televised in order to help identify where the excessive water originates.
- Pilot Study at the water plant – Approval of the Pilot Study Work Plan was received from EGLE today, December 6, 2021. Implementation of the work plan will begin soon.
- Phase II - The engineer's cost opinion for the SBR and MBR options has been provided to West Michigan Development and the HOA. IAI also put together a table with the projected legacy costs for each option.
 - SBR Option - \$2.084M
 - Legacy Cost \$96,429 (annualized over 20-years)
 - MBR Option - \$1.871M
 - Legacy Cost \$147,947 (annualized over 20-years)

The capital costs of the SBR option are a little more up front, however, when accounting for the legacy costs, the SBR becomes the more attractive option. It will take 4 years to recover the cost difference.

- IAI has recommended the SBR option as the most cost effective and also the most forgiving from an operational perspective. IAI has many years of experience with operating SBR treatment systems. They are reliable and relatively easy to operate.