

**Salt Creek Estates
Annual Meeting
October 28, 2023
Andy Morrison's Home**

Attending: Carl Bauer, President; Hardwin Brown, Sarah Brown, Lindsey Clark, Sarah Clark, Bette Dodd, Kevin Ewing, Mark Fisk, Molly Fisk, Jane Ann Grogg, Pete Grogg, Patty Henderson, Colleen Hittle, Chad Huck, Nancy Lorey, Alice Morical, Greg Morical, Tony Moore, Andy Morrison, Jim Meyer, Sean Milloy, Larry O'Connor, Gary Ramage, Marcia Ramage, Pat Roche, Dave Shanklin, Tammy Shanklin, Joanne Shaver, David Welch, Peggy Welch, Paul Wood, Angela Zigmund, and Matt Zigmund.

Zoom participants: Jason Jones, Beverly Colin, Matt Orrego, James Daye, Kevin Doty, and Annie Sullivan

The meeting was called to order by President Carl Bauer, who thanked everyone for coming and stressed that the meeting is an important opportunity to inform Owners about the status of plans to improve our water and sewer plants. Carl also thanked Andy Morrison for hosting the meeting.

Carl introduced current Board members and briefly described their roles. This included Bette Dodd, Vice President; Kevin Ewing, Treasurer; Mark Fisk, Pete Grogg, Colleen Hittle, Chad Huck, Tony Moore, Greg Morical, and Pat Roche. It was noted that Board Secretary Diane Pfeiffer was unable to attend.

Carl explained that all lot Owners have a vote on who serves on the Board. There are eleven Board members with two-year staggered terms, so each year it is necessary to re-elect five or six of the Board members.

Greg Morical was appointed mid-term to fill a vacancy, but now needs to be officially appointed by the Board. Tony Moore moved to elect Greg Morical; Marcia Ramage seconded. Passed unanimously.

Votes were held to re-elect the following Board members.

- Bette Dodd: Greg Morical moved; Sean Milloy seconded. Passed unanimously.
- Mark Fisk: Marcia Ramage moved; Pete Grogg seconded. Passed unanimously.
- Pete Grogg: Pat Roche moved; Mark Fisk seconded. Passed unanimously.
- Tony Moore: Greg Morical moved; Bette Dodd seconded. Passed unanimously.
- Diane Pfeiffer: Tony Moore moved; Andy Morrison seconded. Passed unanimously.
- Pat Roche: Larry O'Connor moved; Gary Ramage seconded. Passed unanimously.

Carl Bauer introduced the topic of the need to improve the SCE sewer and water plants, assuring the group that the Salt Creek Estates Covenants and By-laws will be closely followed throughout the planning and decision-making process.

Bette Dodd, an attorney who practiced utility law for more than 30 years, reviewed the legal status and requirements of Salt Creek Services Inc. as a nonprofit corporation. All lot Owners are members of the corporation. The Owners own the common area, the roads, the docks and the water and sewer utilities. As owners of the utilities, Salt Creek is responsible for operating them in compliance with the law. This is regulated by the Indiana Department of Environmental Management (IDEM). We must comply with IDEM's regulations. We also must be in compliance with the rates, which Indiana law dictates must be sufficient to maintain a utility in a sound physical and financial condition to render adequate and efficient service to the customers. Rates too low to meet this requirement are unlawful. If we fail to meet IDEM requirements, it's possible that the Indiana Utility Regulatory Commission could declare that our facility is a "troubled facility." It is the responsibility of SCE Board of Directors to govern and manage the corporation, including maintenance of all areas. To do this, the Board has authority to make assessments and collect from lot Owners their share of the financial responsibility for this maintenance. The Board also has authority to make special assessments for extraordinary expenses or to pay for capital expenditures. Bette stressed that the Board has been working diligently to find financing to maintain or replace the water and sewer plants, so they remain in compliance with Indiana law.

Carl Bauer gave a lengthy description on the current status of the sewer and water plants, which are now over 50 years old and have a number of problems. We are near the end the life cycle for these plants. A May 2022 IDEM report rated the operation of the sewer plant as unsatisfactory. We must maintain our license from IDEM, whose reports have become increasingly critical of our system. To address the water and sewer plant deficiencies, Carl formed a utility replacement team consisting of Board members with expertise in this area. This team includes Carl, Bette Dodd, Pat Roche, Colleen Hittle, Kevin Ewing, and Greg Morical. This group has had extensive discussions with IDEM and the Indiana Finance Authority, and a Preliminary Engineering Report was completed by RQAW. Carl and the utility replacement team continue to work with various state agencies and RQAW to determine the best approach to improving and financing the improvements to our water and sewer facilities. The Board will keep Owners apprised of progress in this area.

Treasurer's report

Kevin Ewing discussed the 2023 and 2024 budgets. He noted that because expenses exceeded revenue in 2022, the goal was to ensure revenue exceeded expenses in 2023. This was accomplished through a homeowner dues increase of \$30 that took effect in January 2023 and generated cash for operations. As of October 27, 2023, there was \$58,000 cash in contrast to last year's deficit. We will need to continue to manage cash to meet the goal of having \$175,000 in reserves. Kevin noted that the Preliminary Engineering Report cost \$58,000, which negatively impacted our ability to meet the goal for reserves.

The 2024 budget was developed based on a review of 2023 expenses and projections for 2024 for roads and grounds, docks, water and sewer, and other expenses. Dues were set accordingly with the goal of continuing to replenish the reserves. Kevin noted that as we approach our water and sewer projects, any lender would review our financial statements, so it is important

for us to continue to generate positive cash flow with revenue exceeding expenses. With these factors in mind, the Board approved \$30 dues increase per month for a home. This will give us more of a cushion for expenses so we can demonstrate that we would be able to pay debt service. Kevin stressed that operationally SCE is doing OK, which is important.

With the goal of having \$175,000 in cash reserves, the Board approved a special assessment of \$750 per lot. This will replenish the reserve fund and ensure that we will be able to cover unexpected expenses. It is also likely more engineering studies will be needed.

Rate increase will be implemented in January 2024 reflected on Compass Point invoices.

Boat Docks

Mark Fisk reported on the docks, noting that he and Pete Grogg manage the docks. Docks are regulated by the Army Corps of Engineers and Indiana Department of Natural Resources. Mark stressed that SCE dock owners are very fortunate to have unusually low fees.

Mark reviewed plans for the next six months, including electrical work. Mark asked residents to let him or Pete know if any unusual activity is observed around the docks, stressing that they are for the exclusive use of SCE residents and guests.

Roads and Grounds

Chad reported on roads, which are in overall good shape. SCE utilizes two contractors for maintenance and grading. Some culverts will need to be replaced. Chad encouraged folks to maintain the culverts on their property.

Minutes recorded by Diane Pfeiffer, Secretary