SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
September 21, 2019

DIRECTORS PRESENT: Bob Nelson, Jim Fister, Keith Mobley, Mandy Gray, Jackie Schmid, Mark Burford, Gerhard Beenen & Brad Skinner via telephone

DIRECTOR ABSENT: Gary Bigham

STAFF: Hugh Palcic & Susan Berger

OWNERS IN ATTENDANCE: 6

The Board of Directors meeting was called to order at 9:00 am by President Mobley.

Owners Forum: Lee Stevenson, 21 Wallowa Lane, requested that the Board and staff meet with him in order to present a proposed science-based approach to enhancing the forest management within and around Sunriver.

Tom O'Shea and Josh Willis, Sunriver Resort, provided the Board with an update on the Resort’s Stables facility and operations. In addition, Mr. O’Shea presented the Resort’s initiation of a sustainability program.

Kate Mackenzie, 12 Quartz Mtn. Lane, shared concerns relative to the persistent noise problem in her neighborhood originating at a business nearby. Mrs. Mackenzie urged SROA to lead by taking immediate action in resolving this matter.

Owner Forum Follow-Up from Previous Month’s Meeting
Vice President Nelson reported that Sherry Hill, 14 Cypress addressed the Board regarding her concerns about the stacking of firewood on some properties in Sunriver and GM Palcic reported the Natural Resources Department is looking into the concern and what if any changes might be made.

Randy Schneider, 5 Dixie Mtn Lane, expressed his appreciation to the outgoing Board members for their service to Sunriver, urged the Board to transition the work of Project Ponderosa into a SROA initiative and recommended that all gravel drives in Sunriver be upgraded to pavement and wood shake roofs be re-roofed with fire resistant materials. The Board appreciates the input and will take these items under advisement.

Recap of September 20th Board Work Session
President Mobley reported that the Board had a valuable training session on SROA financials from SROA Controller Joe Healy. Additionally, Mr. Mobley noted that Director Schmid will be assisting on future training topics going forward. If there is a particular area a Board member would like further training on, please contact Director Schmid for coordination.

President Mobley asked the Board to share their thoughts on what stood out for them at yesterday’s work session and responses included the financials training, a better understanding of what the Admissions Model Work-Group does and the complexities surrounding the Association. Also noted was the positive
interaction between Board members and the valuable opportunity the work sessions provide to discuss issues coming before the Board at length if necessary. Also noted was the valuable tool that is the Board adopted Decision Making Checklist.

**ACTION ITEM**

**MINUTES**

President Mobley asked for a motion to approve the minutes of the August 16, 2019 SROA Board Work Session.

Director Nelson moved to approve the minutes of the August 16th Board Work Session as corrected. Seconded by Director Beenen, motion passed unanimously.

President Mobley asked for a motion to approve the minutes of the August 17, 2019 SROA regular Board Meeting.

Director Nelson moved to approve the minutes of the August 20th Regular Board Meeting as corrected. Seconded by Director Gray motion passed unanimously.

President Mobley asked for a motion to approve the minutes of the August 17, 2019 SROA Annual Meeting.

Director Beenen moved to approve the minutes of the August 20th Annual Meeting as corrected. Seconded by Director Nelson motion passed unanimously.

**FINANCIAL**

Treasurer Beenen reported for the August 31, 2019, there was a net operating surplus for the month of $152,690 which was $2,715 better than budget. Total revenues were over budget by $21,671 due to Recreation Plus, SHARC admissions and revenue share from the SHARC Bite Café. Salaries and associated burden costs were under budget by combined $16,447 due to open part-time positions in Recreation and an open mechanic position in Public Works. Material and services were over budget by $21,769 due to timing of invoices and IT software and labor. Legal and insurance were over budget by $12,583 for the month.

For the eight months ended August 31, 2019, there was a net operating surplus of $512,963 which was $334,485 better than budget. Total revenues were over budget $324,468 mainly due to the LUBA settlement payment, insurance proceeds from wither storm events and Recreation Plus/Member Preference revenue. Material and services were under budget by $48,339 through the first eight months due to timing of budgeted expenditures. There was $188,253 in total interest income earned through the first eight months of 2019. A total of $1,790,889 has been spent on the Abbot/Beaver project.

Total assets as of August 31, 2019 were $31,080,323. Cash and investments totaled $14,323,810, a decrease of $27,610 from July. As of August 31, 2019, there is $105,351 in restricted funds for SHARC reserve replacement items.

Treasurer Beenen provided an explanation of the Bend Broadband fees and credited staff for their careful monitoring of this item and which ended up including an audit of those charges and resulted in a significant back payment from TDS to SROA.
August 31, 2019 (Unaudited)

<table>
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<tr>
<th>ACTUAL</th>
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<tr>
<td>TOTAL REVENUE</td>
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<td>TOTAL EXPENSES</td>
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<tr>
<td>OPERATING FUND SURPLUS</td>
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Director Fister moved to approve the unaudited financial statements for August 2019. Seconded by Director Beenen, motion passed unanimously.

**GENERAL MANAGER’S REPORT**

GM Palcic discussed his General Manager’s August 2019 Activity report noting several members of staff participated in the War on Weeds event on August 2nd. Six-month year-end budget projections have been submitted by all Department Heads and they have now turned their attention to 2020 budgets.

The GM search task-force work was initiated.

The Accounting Department has been busy preparing for the 2020 budget process and meetings. Controller Healy worked with First Interstate Bank Wealth Management Division on new investments accounts. Controller Healy also worked with Hays Insurance on upcoming policy renewals.

The IT staff has been working on the recommendations from the Solis Cyber Defense Strategy report.

Several old desk phones have been replaced and more will be replaced in the coming weeks. The new backup software has been tested and a backup schedule has been created. A bad controller card at the North Court tennis courts has been replaced. The Telecommunications Task-Force held their first meeting with the consultant hired to assist with this project.

Scene advertising revenue for the September Scene was $26,807, down $2,881 from the same time in 2018. There were 495 reads of the digital August Scene.

The SROA website was visited by 13,916 user visits, an average of 464 per day. The most popular pages were weather, Resource Center, calendar and tree markings/flagging.

The SHARC website was visited by 12,000 users. Popular pages included admission, hours, outdoor pool, rate and Uncorked. 65% viewed the site on a mobile devise and 27% used a desktop.

The Sunriver Style website was visited by 2,700 users with the most popular pages being pathways, river adventures, what’s going on and fishing. 56% viewed the site from a mobile device and 31% viewed on a desktop.

The Sunriver Tennis website was visited by 830 users with the most popular pages being events/tournaments, facilities, lessons and pickleball.

The new Sunriver Emergency website, [www.sunriveremergencyinfo.com](http://www.sunriveremergencyinfo.com), was visited by 72 users including one from India! The most popular pages were emergency, evacuation and text alerts.

The Sunriver Navigator realized 2,300 users last month. Popular pages include maps, eats/treats, activity planner & events. Approximately 55,000 people have downloaded the Navigator app since it was launched several years ago.
Communications Department staff has also been busy working on their 2020 budget, getting the 2020 Owner Directory ready to go to print and creating the ballot materials for the special election that will take place this winter for proposed improvements to the recycle center.

The Community Development noted that both submittal and permit activity continue to be strong. Several Community Development staff members assisted with pulling weeds on the War on Weeds Day. A wood shake roof audit was recently completed. Only 27 residential structures remain with wood shake roofs throughout Sunriver. This is down from 44 last year. The wood shake roof audit was initiated in 2006 with 796 wood shake roofs.

The Natural Resources Department staff took part in and oversaw the annual War on Weeds week. This year’s effort was a great success with over 150 bags of noxious weed collected throughout Sunriver.

Staff continued to pull noxious weeds on commons and provided noxious weed identification guidance on private properties. Staff performed numerous site visits regarding tree removal requests on private properties. The ladder fuels reduction and tree thinning on commons continues.

Bullfrog eradication continues in the effort to save the Oregon Spotted Frog.

The Public Works Department crews prepped court facilities for several tennis tournaments, installed a rail fence by the new tunnel on Abbot Drive, installed several new trash receptacles and participated in the War on Weeds event on August 2nd.

New HVAC controllers were installed at SHARC, the A/C unit in the Crescent Room was repaired and staff developed an organizational structure for facility maintenance.

The Fleet Department staff repaired the fire tender for the Sunriver Fire Department, developed specifications for truck replacement and completed snow blower repairs as part of pre-winter prep.

The canoe take-out road was treated with help from the Sunriver Fire Department’s water truck. Crack repair work is completed and notification for micro-seal projects is underway.

The Recreation Department reports the new slide height requirement that was implemented in July was a welcome change and has resulted in a lot fewer complaints.

SHARC had its highest attendance day of the summer in August with a total of 3,100 people at the facility. Staffing was a significant challenge this year and for the first time we did not have enough lifeguards to safely open all pools over the Labor Day weekend. The indoor pool was closed early to start annual maintenance and to free up staff to cover outdoor pools.

The Fort Rock Refreshments stand completed its first season of operation and while sales did not meet the projected budget, the operation was a success and strategies for increasing sales next season are in the works. We were fortunate to have a great team of three employees who covered seven days a week of operations.

The end of summer owner party at the North Pool was well received with over 275 owners and their guests in attendance.

Copies of GM Palcie’s entire report were included in the Board binders.
**LIAISON AND COMMITTEE REPORTS**

Copies of the minutes received from committees that met last month were included in the Board binders.

**SUNRIVER SERVICE DISTRICT (SSD) REPORT**

Director Fister reported that two new members, Ron Stephens and Mark Burford were recently appointed to the SSD Managing Board. Additionally, the SSD Board recently received a resignation from Director Huseonica so there will be the need to fill the remainder of his term on the Managing Board with a new member. The SROA Nominating Committee has been notified and are looking for a replacement for Mr. Huseonica.

The preliminary assessment to modify the existing fire station into a combined police/fire public services building has been received and Director Fister’s understanding is that there will be a presentation on this assessment at the October SSD Board meeting which will be held on Thursday, October 17th.

The final bike patrol statistics were included in the board binders this month and Director Fister pointed out that the bike patrol logged 5,825 interactions with owners and guests over the summer months. 3,914 of those were for people riding their bikes through tunnels. In Director Fister’s opinion, the money spent on these services each summer is well worth it.

The collective bargaining agreement with the Fire Department has been approved. The negotiations went very smooth and we now have fully approved agreements with both the police and fire departments.

In the Police Department, Officer Taylor Ross has cleared his training phase and is now out on his own. There is still one open position in the police department and a number of applicants will be interviewed soon. There were over 40 applications received and it has been narrowed down to six applicants that will be interviewed.

Copies of the approved minutes from the July 18th SSD Board meeting were included in the Board binders.

**BOARD ACTION**

**COMMITTEE APPOINTMENTS**

Director Schmid moved the Board accept the roster of names presented for appointments and end of term of service departures and further thanked the individuals whose terms are complete for their service to the committee:

<table>
<thead>
<tr>
<th>End of Term/Terms of Service</th>
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<tbody>
<tr>
<td>Mike Brannan, Covenants Committee (2 terms)</td>
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<tr>
<td>Ray Hanson, Finance Committee (3 terms)</td>
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<td>Bergen Bull, Judicial Council</td>
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<td>Donna Farnam, Nominating Committee</td>
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<td>Skip Smith, Nominating Committee</td>
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**Appointments**

- Roger Pondel, Covenants Committee
- Steve Peters, Election Committee
- Gerhard Beenen, Finance Committee (Chair)
- Jim Fister, Finance Committee
- Roger Smith, Judicial Council
- Francie Ishmael, Nominating Committee
Appointments to a Second Term of Service

Patty Smith, Covenants Committee
Mark Feirer, Design Committee
Mary Fister, Design Committee

Seconded by Director Gray. motion passed with 6 yea votes and Directors Beenen and Fister abstaining.

President Mobley announced Board Liaison assignments for the next year:
Covenants: Brad Skinner
Design: Gary Bigham
Owner Enrichment: Jackie Schmid
Admissions Model Work Group: Mandy Gray

BOARD ACTION

3% DISCOUNT FOR FULL PAYMENT OF 2020 REGULAR MAINTENANCE FEES

Each year, staff encourages owners to request and annual coupon if they plan to pay their regular maintenance fees in full instead of on a monthly basis. This saves the Association the cost of preparing and mailing an entire coupon book that gets thrown away. To encourage owners to request the one-time payment option, a notice is published in the October and November editions of the Scene.

Staff needs confirmation that the discount has been approved by the Board prior to publishing that information. The Consolidated Plan, Section 7.02(b) provides that the amount of the discount shall be determined annual by the Board.

Director Fister moved to approve a 3% discount to owners who pay their regular maintenance fees, excluding special purpose assessments, in full by January 25, 2020. Seconded by Director Beenen, motion passed unanimously.

BOARD ACTION

SUNRIVER BYLAWS, ARTICLE 4, SECTION 2

In April of 2019, the Board approved several changes to the Nominating Committee charter. One portion of that charter is also reflected in the Sunriver Bylaws and needs modification to align with the charter.

Director Fister moved to approve the proposed change to Article 4, Section 2 of the Sunriver Bylaws as presented. Seconded by Director Skinner, motion passed unanimously.

BOARD ACTION

SPECIAL ELECTION BALLOT MEASURE LANGUAGE

Director Fister moved to authorize the following written ballot language for a special election to be initiated in December of 2019 and to conclude on January 19, 2020. In addition, I move to set the word count for pro or con statements in the voter’s pamphlet be limited to 100 words.

“Pursuant to Section 7.04 and 7.08 of the Consolidated Plan of Sunriver, I authorize the Sunriver Owners Association to use Reserve Funds for the Construction of a new recycling facility located adjacent to the SROA Public Works and Administrative Campus as described in the Voter Information Pamphlet.

Funding for this project shall not exceed $750,000. No special assessments from owners shall be required to fund said improvements.” Seconded by Director Skinner, motion passed unanimously.
OTHER BUSINESS
BOARD ACTION
MACKENZIE ARCHITECTS / NORTH POOL

Director Fister moved to approve the Board President to authorize and finalize an agreement with MacKenzie Architects to continue their architectural work on the North Pool project. Seconded by Director Burford, motion passed unanimously.

There being no other business, President Mobley asked for a motion to adjourn the public meeting.

Director Nelson moved to adjourn the meeting. Seconded by Director Beenen, motion passed unanimously.

The meeting adjourned at 10:55 a.m.

Respectfully Submitted,

Jackie Schmid, SROA Assistant Secretary