SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
October 19, 2019

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

STAFF: Hugh Palcic & Susan Berger

OWNERS IN ATTENDANCE: 4

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

Owners Forum: Ed Pitera, 25 Quelah Lane provided the Board with a list of his concerns relative to the upcoming proposed ballot measure to upgrade the recycle facilities and urged the Board to postpone a vote until more community engagement can take place.

OWNER FORUM FOLLOW-UP FROM PREVIOUS MONTH’S MEETING
Vice President Nelson reported that Cindy McCabe, 13 River Village Condos, requested a welcome banner update from SROA (Update provided during the October SROA Board Work Session).

Tom O’Shea & Josh Willis representing Sunriver Resort, updated the Board on the Sunriver stables operation plans – no action necessary. Mr. O’Shea also reported the Resort has embarked on a Sustainability Initiative. SROA GM Palcic has contacted both the Resort and the Village at Sunriver to invite them to collaborate with SROA’s Sustainability Committee. Meetings are being scheduled between these stakeholders and SROA.

Lee Stevenson, 20 Wallowa Loop, requested a review of SROA’s forest management practices which, has been referred to SROA’s Natural Resources Department.

Kate Mackenzie, 12 Quartz Mtn. Lane, raised concerns relative to the persistent noise problem in her neighborhood originating at a business nearby. Ms. Mackenzie urged SROA to take the lead by taking immediate action to resolve this matter. The Board President instructed the SROA General Manager to coordinate with local and state authorities in determining the method for enforcing noise control measure within Sunriver. Letters have been sent to the Oregon Department of Environmental Quality, Deschutes County and the Sunriver Police Department regarding such. SROA is currently awaiting replies to its letters.

RECAP OF OCTOBER 18TH BOARD WORK SESSION
President Mobley reported that the Board heard a request from Michael Patron representing Sunriver Resort, who provided a letter requesting approval of the use of fireworks behind the main lodge of the Resort during the Traditions holiday celebration.

Ed Pitera, 25 Quelah Lane addressed the Board regarding the proposed recycling center and the proposed cinder storage building.

SROA Department Heads provided an excellent presentation on the proposed 2020 budget and the challenges and opportunities they will be facing.
Director Fister and Assistant GM Kessaris provided an update on the banner situation. An update on the North Pool demolition process was provided by Assistant GM Kessaris who noted a contractor has been selected and that work will commence in early December. Assistant GM Kessaris also provided an update on the Admissions Model Work Group and the overall recreation statistics for the month of September.

The Board held an executive session to discuss both a legal and personnel matter and to receive legal training from Kurt Barker of Karnopp Petersen LLP.

President Mobley reported the Covenants Committee has been tasked with the periodic review of the governing documents for Sunriver. Additionally, the committee has been asked to assist in shaping a rule relative to nuisance properties, a request that came out of the required annual meeting between the SSD (Sunriver Service District) and SROA for enforcement of rules and regulations that was held the week prior.

**ACTION ITEM MINUTES**

President Mobley asked for a motion to approve the minutes of the September 20, 2019 SROA Board Work Session.

Director Bigham moved to approve the minutes of the September 20th Board Work Session as written. Seconded by Director Skinner, the motion passed unanimously.

President Mobley asked for a motion to approve the minutes of the September 21, 2019 SROA regular Board Meeting.

Director Skinner moved to approve the minutes of the September 21st Regular Board Meeting as written. Seconded by Director Beenen, the motion passed unanimously.

**FINANCIAL**

Treasurer Beenen provided a handout showing an overview of the current 2020 budget process and illustrated various parts of the budget and how they all tie together. The Finance Committee met earlier this week to review the budget and have two more meetings prior to it being brought to the Board for action. Treasurer Beenen also pointed out for the new members on the Board that as September marked the end of the third quarter, the financials included in the board binders are more extensive and detailed than the ones they had last month.

Revenues will now start to slow with the summer season having ended although we should see an uptick in revenues over the holidays. Additionally, end of the season invoices for some projects will be coming in as well, which will have an impact on the surplus currently being reflected. That said, both Controller Healy and Treasurer Beenen believe we will end the year with a surplus, which is allocated to the reserve fund after a vote of the Board.

For the month ended September 30, 2019, there was a net operating surplus of $58,880 which was $50,264 better than budget. Total revenues were over budget by $39,334 due to Recreation Plus Program (RPP), Member Preference Program (MPP), SHARC Bite Café and design review fees all exceeding budget. Material and services were under budget by $26,699 due to timing of invoices in Natural Resources and savings in SHARC building maintenance costs. Legal and insurance costs were over budget by $21,594 for the month, which does not include September’s legal invoice.

For the nine months ended September 30, 2019, there was a net operating surplus of $571,441 which was
$384,346 better than budget. Total revenues were over budget by $363,802 mainly due to the LUBA settlement payment, insurance proceeds from winter storm events and above-mentioned revenue items. RPP and MPP revenues are over their combined annual goal by $90,845. Material and services expenses were under budget by $74,636 through the first nine months due to timing of expenditures. There was $209,137 in total interest income earned through the first nine months of 2019. $1,882,984 has been spent on the Abbot/Beaver Circle and road projects through the first nine months of 2019. A total of $1,791,482 has been spent on the Abbot/Beaver project in 2018 and 2019.

Total assets as of September 30, 2019 were $30,705,249. Cash and investments totaled $14,004,051, a decrease of $292,149 from August. As of September 30, 2019, there was $12,337,641 invested with First Interstate Wealth Management.

### September 30, 2019 (Unaudited)

<table>
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<th>Description</th>
<th>Actual</th>
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<tbody>
<tr>
<td>TOTAL REVENUE</td>
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<tr>
<td>TOTAL EXPENSES</td>
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<tr>
<td>OPERATING FUND SURPLUS</td>
<td>$571,440</td>
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Director Fister moved to approve the unaudited financial statements for September 2019. Seconded by Director Schmid, the motion passed unanimously.

**GENERAL MANAGER’S REPORT**

GM Palcic discussed his General Manager’s September 2019 Activity report noting that Administration staff members are busy with winter preparations, 2020 budgets and assisting in the search for a new general manager.

2020 budget preparations are well underway in the Accounting Department. Controller Healy has been working with First Interstate Bank Wealth Management Division on opening new investment accounts. Additionally, Controller Healy worked with Eide Baily on the Sunriver Service District audit process.

The IT staff has been working on the cyber security strategic plan as outlined by SROA’s cyber consultant. The network maps of the server rooms and wiring closet were recently updated. Staff is working with telecommunications consultant, Mid-State Consultants, Inc. on a conceptual plan for enhanced broadband capabilities throughout Sunriver.

IT staff met with Bend Broadband and other local utilities working in Sunriver to discuss telecommunications infrastructure planning. Staff recently created new snow fall files for 2019/20.

Scene advertising revenue for the September Scene was $25,448 about the same as last year at this time. There were 556 reads of the digital September Scene.

The SHARC website was visited by 4,500 users in September. Popular pages included admission, hours, rates & pools. 59% viewed the site on a mobile device and 35% on a desktop.

The Sunriver Style website was visited by 1,751 users with the most popular pages being pathways, what’s going on and dining/shopping. 56% viewed the site from a mobile device and 33% viewed on a desktop.

The Sunriver Tennis website was visited by 354 users with the most popular pages being tennis facilities, pickleball facilities, clinics/lesion.
The new Sunriver Emergency website, [www.sunriveremergencyinfo.com](http://www.sunriveremergencyinfo.com), was visited by 42 users. The most popular pages were emergency, text alerts, non-emergency activities evacuation.

Communications Department staff has also been busy wrapping up work on the 2020 SROA calendar that includes photos submitted by Sunriver owners, the owner directory and an update of the Sunriver map for next years printing.

Submittal and construction activity continue to be strong in the Community Development. It was noted that property for sale inspections, minor additions and administrative approvals are all trending much higher than last year at this time. The paint survey season continues with more than 100 properties remaining outstanding. The survey for compliance will close on November 15, 2019.

The Design Committee has reviewed a letter provided to the SROA Board of Directors regarding customer service matters. The Design Committee and Board Liaison have started to develop a plan to address the items listed in the letter, including the drafting of a customer satisfaction survey for those individuals that come before the committee on review.

The Natural Resources Department staff started annual fall ladder fuels reduction inspections of private properties and performed site visits regarding tree removal request on private properties. Staff members continued to pull noxious weeds on commons and provided noxious weed identification guidance on private properties. Ladder fuels reduction and tree thinning work on commons continues. Natural Resources staff assisted with North Pool tree evaluations and root protection areas.

The Public Works Department crews have been very busy prepping the various SROA facilities for winter. Additionally, fleet services employees are prepping vehicles and equipment for the winter months. Staff assisted SHARC staff with the site prep for the new storage shed recently installed at SHARC. The last round of complimentary ladder fuel pickups concludes in October. The cinder storage block walls are under construction.

The bathroom building at Fort Rock Park is scheduled to commence construction in early October. The demolition permit for the North Pool has been secured from Deschutes County.

The Recreation Department reports lifeguard staffing continued to be a challenge in the month of September. Staff is working on strategies for year-round coverage and lifeguard retention.

The dates for the 2020 Sunriver Solstice have been submitted and are pending USTA approval. Two USTA tournaments were hosted in September.

This year’s Uncorked Event was a success with over 900 attendees. There were 15 wineries, two cheese companies and 3 chocolate companies as well as variety of other vendors who participated in the event.

This year’s community garage sale consisted of twelve booths. Copies of GM Palcic’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 on the structure fire that occurred in Sunriver last month, apparently the result of faulting wiring on a hot tub. The fire did pretty significant damage to the home, which was unoccupied at the time. The fire was called in by an observant neighbor and was fought by staff members of both the Sunriver and LaPine Fire Departments. Additionally, Bend Fire Department was on hand to cover the fire department for any additional emergencies that could come in while SRFD staff were away from the department. Fortunately, there were none but it’s reassuring to know they were in place should that have happened. The fire was extinguished quickly with no threat of spread to neighboring properties.

The Police Department recently filled their last open position. Emma Paranto has been offered a conditional position pending completion of all the necessary background checks. Ms. Paranto previously worked as a bike patrol officer this past summer and was well thought of among her peers. Her tentative start date is around the first of November. She will then start the academy in December and will be fully online by next summer.

Sunriver Police has in the past offered a ten-week Citizen’s Academy which has been deemed a bit too long for many, so the police and fire departments are teaming up to offer regular citizen’s academy classes on an ongoing basis. The first class is scheduled for December and will center on winter driving safety.

Mckenzie Architects attended the SSD meeting on Thursday and provided a presentation on conceptual options for a combined fire/police facility. They provided options for both remodeling the existing structure to combine the departments at the present location as well as what a new facility would look like if it were put on a different piece of property. A retrofit on the existing building would cost approximately $12 million dollars.

The SSD Board policies, which had not been thoroughly reviewed since the districts inception are in the process of being reviewed and updated.

County Sheriff Shane Nelson will be holding a Coffee with the Sheriff event at Brewed Awakenings on November 7th from 4-6 p.m.

Copies of the approved minutes from the August 15th SSD Board meeting were included in the Board binders.

BOARD ACTION
COMMITTEE APPOINTMENTS

Director Beenen moved to approve the appointment of Terrence Van Oss as a member of the Nominating Committee. Seconded by Director Skinner, the motion passed unanimously.

BOARD ACTION
THIRD QUARTER CAPITAL TRANSFER

Director Fister moved to approve the transfer of $302,858.74 from the Reserve Fund to the Operating Fund for the 2019 Third Quarter Acquisitions. Seconded by Director Schmid, the motion passed unanimously.

Executive Session: Director Bigham moved to recess the public meeting and reconvene in Executive Session under the authority given in the SROA Bylaws, Article IV, Section 10 to discuss contractual, personnel and legal matters that may be subject to a claim of privilege. Seconded by Director Nelson; the motion passed unanimously.
The public meeting recessed at 10:10 A.M.

The public meeting resumed at 11:38 A.M.

**BOARD ACTION**

**SROA GENERAL MANAGER JOB DESCRIPTION APPROVAL**

Director Fister moved to approve the SROA General Manager job description as amended subject to a clean review via email. Seconded by Director Bigham, the 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 Fister, the motion passed unanimously.

The meeting adjourned at 11:43 A.M.

Respectfully Submitted,

Gary Bingham, SROA Secretary