DIRECTORS PRESENT: Pat Hensley, David Jendro, Mike Gocke, Jim Adams, Foley, Richard Wharton, Bob Nelson, Jim Fister and Dwayne Foley via phone

DIRECTOR ABSENT: Gary Bigham

STAFF: Hugh Palcic, Susan Berger

OWNERS IN ATTENDANCE: 5

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

Owners Forum:
Marv Henberg, 6 Raccoon Lane and Gerhard Beenen, 10 East Park Lane presented a plan for the Board to consider specific to a “solar farm” initiative that they have coined the “Grandchildren’s Park”. They encouraged the Board to review the submitted presentation material and perform due diligence in vetting the possibility of the proposal.

OWNER FORUM FOLLOW UP FROM PREVIOUS MONTHS MEETING
Director Fister commented that a number of owners addressed the Board regarding the fitness classes and that is still an ongoing issue. Mr. Hoschek, 7 Tournament Lane addressed the Board regarding his concerns about what he believes are fire fuel dangers in Sunriver. Steps are being taken to assist Mr. Hoschek with his concerns.

RECAP OF FEBRUARY 17TH BOARD WORK SESSION
President Hensley reported the Board held its monthly work session yesterday, meeting for over six hours. During the owner’s forum portion of the meeting, ten owners spoke to the Board on a variety of topics.

Public Works Director Mark Smith and General Manager Hugh Palcic provided a recap of the workshops held in Lake Oswego and Eugene on the Abbot/Beaver intersection project.

Assistant GM Kessaris presented monthly data from January on usage of SROA’s recreational facilities and reported on the number of participants to date in the 2018 Recreation Plus and Member Preference programs. Mr. Kessaris and Recreation Director Steven Stanfield reported on steps staff is taking regarding owners’ concerns about exercise classes being offered to owners.

Controller Joe Healy provided an update on the final payoff of the loan from Bank of America for construction of the facility now known as SHARC.

SROA’s survey consultant, JD Cornutt of DRC Research, led a discussion of the results of the 2017 Comprehensive Owner Survey.

Director Nelson alerted the Board that there may be a need for further changes to the Nominating Committee charter, based on concerns that have been raised. No specific substantive changes were discussed and no board action will be taken today.
The Board met in executive session to discuss legal, personnel and contractual matters.

**ACTION ITEM MINUTES**

President Hensley asked for a motion to approve the minutes of the January 19, 2018 SROA Board Work Session.

Director Gocke moved to approve the minutes of the January 19th SROA Board Work Session. Seconded by Director Jendro, motion to approve the minutes as corrected passed with 7 yea votes and Director Foley abstaining.

President Hensley asked for a motion to approve the minutes of the January 20, 2018 SROA Regular Board Meeting.

Director Gocke moved to approve the minutes of the January 20th Regular Board Meeting. Seconded by Director Jendro, motion to approve the minutes passed with 7 yea votes and Director Foley abstaining.

**FINANCIAL**

Treasurer Gocke referenced the two sets of financials included in the board binders the first being from December 31, 2017 and the second from January 31, 2018. He reported there were a few minor changes to the year-end snapshot the Board was provided with in January and we ended the year with a $509,247 surplus against a budgeted surplus of $23,797. Treasurer Gocke reviewed the balance sheet noting the total cash and investments for the association at the end of December was $13,110,656 versus the total of $11,877,317 at the end of November, 2017. This is due primarily to the significant number of owners who paid their 2018 maintenance fees in full prior to the end of 2017. Treasurer Gocke also referenced the cable television fee and the recent request by SROA to have an audit of that fee done to ensure Bend Broadband is paying correctly. We anticipate hearing back on that matter sometime in April.

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<th>December 31, 2017 (Unaudited)</th>
<th>ACTUAL</th>
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<td>TOTAL REVENUE</td>
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<td>TOTAL EXPENSES</td>
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<td>OPERATING FUND SURPLUS</td>
<td>$ 509,267</td>
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Director Gocke moved to approve the unaudited financial statements for December 2017. Seconded by Director Jendro, motion passed with 7 yea votes and Director Foley abstaining.

Treasurer Gocke turned the Board’s attention to the January 2018 financial statements noting that year to date we are showing a deficit of $139,588 against a budgeted deficit of $145,401. This is generally the result of timing issues of invoices being received late or other such matters. It is very typical for SROA to start the year in this fashion and things will even out over the next couple of months. Operating cash has increased by $1,309,655 over January of 2018 and again is attributed to number of payments received for maintenance fees from owners who choose to pay the entire year at once.

Treasurer Gocke reviewed the investment sheet and reported that conversations have been held recently with the Association’s representative at Merrill Lynch about changing things around a bit to realize a higher yield on investments.
January 31, 2018 (Unaudited)  

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>TOTAL REVENUE</td>
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<td>TOTAL EXPENSES</td>
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<td>OPERATING FUND SURPLUS</td>
<td>($139,589)</td>
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</table>

Director Wharton moved to approve the unaudited financial statements for January 2018. Seconded by Director Nelson, motion passed with 7 yea votes and Director Foley abstaining.

**GENERAL MANAGER’S REPORT**

GM Palcic reported Admin staff is working on a number of legal matters. Staff has recently held meetings with a number of owners concerned about the fitness program and ladder fuel reduction in Sunriver and also assisted with the Abbot/Beaver workshops.

The Accounting Department presented the preliminary month-end and year-end financials to the Finance Committee. Controller Joe Healy executed the Bank of America loan payoff. Staff has completed entering all departmental budget monthly accounting spreadsheets into the Traverse software.

The IT Department worked on preparations for the firewall upgrade scheduled for later this year. Staff continues to work on telecommunications infrastructure, including working on a master plan and coordinating opportunities for conduit installation with planned road and tunnel work with the Public Works Department. The IT staff has also been studying the system that was installed in Ammon, Idaho as it could be the model we use in developing the master plan for Sunriver. The upgrades to the Channel 3 system are underway and should be done by the end of March. Staff created a solution for the Public Works staff to be able to see the snow stick from their cell phones allowing them to monitor snowfall amounts from anywhere.

The Communications Department staff reports the advertising revenue for the March Scene is at $21,251 which is 16% higher than the same time in 2017. Staff is working with the IT department to get the Sunriver Navigator App back to full speed. Some minor tweaks to the internal interface are needed to better facilitate posting of information.

Website activity has been steady with 19,610 visits to the SROA site between January 1, 2018 and February 9, 2018. The most popular pages were weather, resource center and SROA department information. The SHARC site received 19,718 visits during the month of January with admission, tubing, hours and outdoor pools being the most viewed pages.

Staff is working on a redesign of the SHARC logo to better brand/tie it in to the SROA logo. The project to provide consistent signage at all SROA facilities is well underway with field work done and bids having been received. Editor Susan Berger is working on buttoning up pricing and design requirements with potential vendors.

Staff is working with a local freelance writer and Arcadia Publishing to create a 50-year anniversary book on Sunriver. Historical research and fact gathering is underway and staff is assisting with background and photos for the project.

The mild winter weather has resulted in brisk activity in the Community Development Department. Staff assisted with an internal review of the Agreement for Enforcement of Rules & Regulations with the SSD.

The Natural Resources Department processed private property ladder fuel reduction inspection data and
entered it into GIS. Staff performed a number of site visits regarding tree removal requests on private property. Planning for Arbor Day 2018 has begun.

The Public Works Department has been developing specifications for the tennis court rebuilds at the Marketplace and Meadow courts. There has been one full snow plow to date. Crews continue to remove years of cinder buildup on roadsides and have cleared brush and limbs from pathways that are due to be sealed this year. The list of 2018 road projects is being developed. Design and priority mapping for comprehensive tunnel replacement throughout SROA’s pathway system is underway. Public Works Director Mark Smith assisted with the Abbot/Beaver workshops.

Crews continue to bring rounds of wood located in hard to get to spots to the open area by the recycle area. Those rounds, up to five cords, are available to owners who have a 2018 wood permit. All the picnic tables have been refinished and will be installed as we get closer to the summer season. A number of dead trees have been removed from various locations throughout the community.

The Recreation Department received USTA (United States Tennis Association) sanctioning for SROA’s tennis tournament, the Sunriver Solstice which is a significant success for the Association. March Mudness meetings are ongoing and as of the end of January, 314 people have registered for the event. The event will have a new course design this year, the layout of which Public Works and Recreation staff members are working on together. The Black Light Blasts on the tubing hill have all been sold out events this year.

The new group fitness classes have been rolled out with a new registration system. As has been previously reported, staff has had several meetings with class participants to get feedback about changes. A number of facility inspections have been completed at SHARC. All SHARC managers have completed the OSHA safety check for SHARC with a number of on the spot fixes identified and corrected. Additionally, storage needs based on storage available have been assessed and some new shelving units are being installed for improved capacity and safety.

Copies of GM Palcic’s entire report were included in the Board binders.

**LIAISON AND COMMITTEE REPORTS**

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

**SUNRIVER SERVICE DISTRICT (SSD) REPORT**

Director Nelson reported the District hopes to have the fire and police chief vacancies filled by September. The training facility RFP has not yet been released as ODOT (Oregon Department of Transportation) has indicated that they have material which may fill the needs of this effort and which would alter the RFP. Director Nelson once again thanked SROA and specifically Public Works Director Mark Smith for all of his assistance in the training facility effort.

The interim police chief, Scott Hayes is a retired deputy chief from the Salem Police Department who actually contacted the SSD and offered his services. He is extremely well qualified and is familiar with Sunriver as he is also on the Accreditation Board. An update will be done to the EOP (Emergency Operations Plan) specifically as it relates to evacuation of the community. Issues with radio service have been worked out with the supplier and all radios have been successfully reprogrammed.

Copies of the approved December 14, 2017 minutes were included in the board binders.
BOARD ACTION
SROA/SSD RULES ENFORCEMENT AGREEMENT
Director Nelson moved to authorize President Hensley to finalize and execute an Agreement for Rules Enforcement Services with the Sunriver Service District (SSD). The Agreement shall be for a one-year term. Seconded by Director Wharton, motion passed with 7 yea votes and Director Fister abstaining.

BOARD ACTION
SUNRIVER ADVENTURE CAMP
After careful consideration, SROA management has concluded that the continuance of the summer camp program known as “Adventure Camp” should be terminated. SROA’s General Manager, Hugh Palcic, has made a recommendation to the Board for the closure of the program, effective as of the 2018 summer season. The recommendation to terminate the program provided by GM Palcic cites: risk management concerns associated with operating a child care program, increased costs of the current program, significant budget deficits when calculated to include direct and indirect costs, and the lack of congruence between this program and SROA’s overarching mission.

Director Fister moved to terminate the SROA Adventure Camp program for the 2018 summer season. Seconded by Director Jendro, motion passed unanimously.

BOARD ACTION
FUNDS TRANSFER
Director Jendro moved to approve the transfer of $544,299.45 from the reserve account to the operating fund for fourth quarter capital acquisitions. Seconded by Director Fister, motion passed unanimously.

The Board held their monthly debrief.

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

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

The meeting adjourned at 11:05am.

Respectfully Submitted,

Richard Wharton, SROA Secretary