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

STAFF: Hugh Palcie, Susan Berger

OWNERS IN ATTENDANCE: 6

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

Owners Forum: No owners addressed the Board.

OWNER FORUM FOLLOW UP FROM PREVIOUS MONTHS MEETING
Director Fister commented there was one owner who addressed the Board last month and the follow-up with that owner has been completed.

RECAP OF MAY 18TH BOARD WORK SESSION
The Board met yesterday for the regular monthly work session.

The Board met in executive session to discuss personnel, contractual and legal matters.

In open session:
- The Board received the report from the Nominating Committee regarding the recommendation to fill Position 4 on the Sunriver Service District Managing Board.
- The Board discussed Position 2 on the Sunriver Service District Managing Board.
- The Board received an update from staff on the Abbot/Beaver intersection project.
- The Board held a discussion of SROA’s committee policies and training for both Board and committee members.
- The Board held a discussion of guidelines for owners forums.
- The Board held a discussion on the Owner Enrichment Ad-Hoc Committee.

ACTION ITEM
MINUTES
President Hensley asked for a motion to approve the minutes of the June 15, 2018 SROA Board Work Session.

Director Fister moved to approve the minutes of the June 15th Board Work Session. Seconded by Director Nelson, motion to approve the minutes passed with 8 yay votes and Director Wharton abstaining as he was absent from that meeting.

President Hensley asked for a motion to approve the minutes of the June 16, 2018 SROA Regular Board Meeting.

Director Gocke moved to approve the minutes of the June 16th Regular Board Meeting. Seconded by Director Fister, motion to approve the minutes as corrected passed with 8 yay votes and Director Wharton abstaining as he was absent from that meeting.

Sunriver Owners Association
Board of Directors Meeting
7/21/18
FINANCIAL
Treasurer Gocke referenced Controller Healy’s June recap which is included in the board binders noting the financial packets are more extensive this month due to it being an end of the quarter month. For the month ended June 30, 2018, there was a net operating surplus of $48,157 which was $42,289 better than budget. The Treasurer reviewed the investment summary as well as maturity dates on some of those investments noting we currently have $11,116,710 invested and we are matching the maturity dates with our needs. Account holdings include Money Market Accounts, Checking/Cash, CD’s and Treasury Bills. At the end of June, the balance of those accounts combined totals $13,539,778. We are currently getting a reasonable interest rate on investments and have tied maturity dates to what is anticipated later in the year.

We ended the month of June with a net operating surplus of $48,157 which is a bit better than budget. As has been mentioned before, some of the surplus is a timing issue relative to when we receive invoices for services provided to the Association. Total assets for the month ended June 30, 2018, were $31,623,056. Cash and investments totaled $13,845,657, a decrease of $305,879 from the previous month. $250,000 was transferred from First Interstate Bank to Bank of America in June. Both the Meadows and Marketplace/Cottonwood tennis courts resurfacing and fence projects were completed and placed into service in June. A Subaru no longer in service was sold for $6,000.

A four-week $1,00,000 U.S. Treasury Bill was purchased at the end of June.

<table>
<thead>
<tr>
<th>June 30, 2018 (Unaudited)</th>
<th>ACTUAL</th>
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<tbody>
<tr>
<td>TOTAL REVENUE</td>
<td>$5,167,744</td>
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<tr>
<td>TOTAL EXPENSES</td>
<td>$5,228,510</td>
</tr>
<tr>
<td>OPERATING FUND SURPLUS</td>
<td>($60,766)</td>
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Director Wharton moved to approve the unaudited financial statements for June 2018. Seconded by Director Jendro, motion passed unanimously.

GENERAL MANAGER’S REPORT
The Bend Broadband R.O.W. Fee audit work with Price, Fronk and Company has been initiated with work expected to commence in July with the conclusion expected no later than the end of August or possibly sooner. The roof on the Administration building has been replaced. The roof received major damage during the heavy winter of 2016/17 and was covered by our insurance. Ice shield underlayment that extends to the roof ridges has been installed and will hopefully prevent ice dam issues in the future.

Staff met with Day Wireless to address the current condition of the emergency siren system and to discuss long-term planning for this notification system.

Admin staff assisted the Communications Department with the preparation of the 2018 election materials and ballot packets. Ballots were mailed on July 11th and are coming in at a fairly brisk rate. Ballots are due back by noon on Saturday, August 11th.

The Accounting Department presented May month-end financials to the Finance Committee. The 2017 Audited Financial Statements were presented to the Audit Committee, Finance Committee and SROA Board of Directors. Controller Joe Healy has been assisting the audit firm with the Bend Broadband R.O.W. Fee Audit.

The IT Department has been providing a lot of training for personnel in various departments. Staff installed the free Wi-Fi connections at North Pool and Fort Rock Park. Staff has been working with the
Public Works Department on the tennis gates at the Meadows and Cottonwood/Marketplace locations. An update was installed on the DocuWare program and staff worked with the vendor to get the full text search featuring working after the upgrade.

The Communications Department finished up the ballot project and created a commemorative 50-year Sunriver poster to give to owners at the recent event at the North Pool. They were very well received and approximately 100 were handed out.

Advertising revenue for the July Scene was $22,674. Year-to-date advertising is at $121,643.

There are 2,567 owners signed up on the SROA Website with 1,496 accounts remaining to be activated. Many of our new owners are signing up as soon as they purchase their property.

SROA Website activity between June 2 and July 2 averaged 486 visits per day. The most popular pages were weather, calendar, resource center and how to reach staff. The SHARC Website is averaging 11,000 users per month with the most popular pages being admission rates, hours, outdoor pool and FAQs. User platforms includes 68.1 percent on mobile, 24.7 percent on desktop and 7.1 percent on tablets. The Sunriver Style Website averaged 3,000 users last month. Popular pages are river, pathways, and “What’s going on.” Work continues on getting Sunriver Navigator app fully functional again. A couple of the features were not working properly, mostly on iPhones.

Submittal and permit activity remain strong in the Community Development Department. Minor additions and repainting applications are well above average for this time of year. This would signal that homeowners are re-investing in their properties which is central to the Association’s mission relative to maintaining property values.

Code Enforcement Officer, Shane Hostbjor will be retiring at the end of the year and the search for a replacement is underway. We have received a robust number of applications and interviews will commence shortly.

The Natural Resources Department staff assisted with the evaluation and response to Deschutes County’s Harper Bridge report. The ladder fuels reduction (LFR) and tree thinning on commons is well underway on the south end of the property. Planning is underway for this year’s WOW (War on Weeds) Week. WOW day will be held on Friday, August 3rd and Board members are welcome to participate. Mapping and pulling of noxious weeds on commons continues. Staff completed numerous site visits regarding tree removal requests and LFR compliance on private properties. Natural Resources Director Patti Gentiluomo recently participated in the Sunriver Emergency Operations Center drill.

The Public Works Department has completed work on the Meadow and Cottonwood (formerly known as Marketplace) tennis complexes with the exception of final clean-up and the card-swipe system install. GM Palcic noted the shift in name of the Marketplace courts to the Cottonwood Courts. This is being done for a couple of reasons. One, if the Marketplace were to ever change their name there would no longer be that point of reference. Additionally, the longer-term IAMP (Infrastructure & Amenities Master Plan) plan for that location is to possibly add a small park of some kind, the Cottonwood name is fitting and provides for an easier reference point going forward. Also noted is that the work on the Cottonwood courts has been submitted and is up for an Excellence in Paving award.

The Winners Circle courts have been repaired and are safe and playable for the 2018 season. The Fort Rock playground plan is 30% complete. River Access is going very smoothly this year and is staffed seven days a week. The shuttle service is also going well and is being heavily used this year.

Sunriver Owners Association
Board of Directors Meeting
7/21/18
Slurry and cape seal work has been completed on time and on budget and pathway sealing is 70% complete with the remainder scheduled to be completed before the end of July. Planning and engineering for the first tunnel replacement project is completed and the work is underway. To date, 156,000 feet of road stripe work has been completed throughout the community.

Arrows were re-painted in turning lanes at the Abbot/Beaver intersection as requested by the SR Police Department. GM Palcic noted this collaborative effort and also noted Communications Director Susan Berger has been assisting the Police Department by creating signs to post in various locations throughout the community where people are either trying to get in or out of the river. This effort of the Police Department being asked to notify SROA when they identify a need with which we can assist started well over a year ago and is going very well.

All of the swimming pool boilers have been serviced. Tile repair work to both the wading and main pool has been completed at the North Pool. This work has to be done in different areas on a yearly basis due to end-of-life pool vessel failure. An internal task-force has been formed to start plotting out the timeline for the future of the North Pool Complex. At first glance the plan is to use the facility for the 2019 season and at the close of summer of 2019, construction and/or repairs could begin. Follow-up work could be completed in the spring of 2020 if necessary.

The tunnel replacement project off of Circle 4 is underway and completion date is now scheduled for August 8th instead of 3rd due to the vast amount of solid rock workers ran into on the first week of the project that had to be drilled down through.

Recreation staff assisted with the Solstice Tennis Tournament with over 300 participants taking part. It was a very successful event as was the June 29th North Pool owner event that received more than 450 owners and their guests. The Turf Tunes events are done for the summer and attendance ranged from 175-400+ people.

All of the CO2 issues have been repaired at SHARC and at the North Pool. Our CO2 supplier has acknowledged that its holding tank equipment was the cause in the CO2 leakage, resulting in increased quantities of CO2 ordered by SROA. As a result, the supply company has agreed to reduce our rates per pound which will reduce our monthly CO2 expenses considerably.

GM Palcic distributed some photos of the recently completed on-deck pool office. The location of this office allows pool managers to see all bodies of water from one location as opposed to being located in the employee break-room as was the case previously. Aquatics Operation Manager Matt Catanzaro really led the charge on this effort stressing the importance of he and SHARC Facilities Manager Darren Squier needing to be where they can keep an eye on all of the bodies of water they are there to manage. There are just a few punch-list items to finish up. It was also noted that the project came in under budget.

The LED light conversion is nearly complete. The deadline is October 1st to get finished to recognize the full rebate. There is potentially $11k in rebates tied to this conversion. Additionally, an engineer from Oregon Energy Trust recently did an inspection of the SHARC facility and a report of his findings and what rebates may exist for SROA is expected shortly.

Copies of GM Palcic’s entire report were included in the Board binders and it was noted that Assistant General Manager Keith Kessaris’ report was included in the Board binders as well.

Director Adams expressed his frustration about the fact that once again there was not enough food at the
owner function at the North Pool recently. He wonders if we might need staff to do some kind of food management to prohibit attendees from taking more than their fair share of what is being offered and wonders if we order for more than we are expecting as he feels this is totally unacceptable.

GM Palcic shared that there were more than 40 owners who did not have reservations who showed up to the event. Additionally, there were owners who had RSVP’d for one or two people and showed up with 3-4 guests. Staff does overorder by more than 10% but when you have double or more that many people show up it’s a hard situation. We can certainly consider having staff actually serve guests instead of letting them serve themselves at future event.

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 training facility is almost complete with just the electrical left to go. There has been some difficulty finding someone available during this busy time of the year. Director Nelson expressed his thanks to Steve Runner from Sunriver Resort for all his assistance on this project. This project ended up coming in approximately $150K under budget.

Director Fister reported the Pacific Crest Event and Fourth of July holidays went very well. We did not experience any issues with the Pac Crest in Sunriver although there were a number of issues in the Business Park and on Spring River Road due in part to the contractors who were hired to do traffic control this year. Director Fister thanked SROA on behalf of the SSD for the use of a vehicle during the Fourth of July holiday so Citizen’s Patrol folks could do additional patrols on July 4th.

It looks like the SSD will finish their fiscal year approximately $350k ahead of budget and that figure does not include a payment from California for the strike team that was sent out on a recent fire or a refund from Deschutes County 911 for some radios. Additionally, the District recently transferred $310K to their reserve fund.

There is a strike team led by Assistant Fire Chief Rod Bjorvik at the Substation fire in Northern/Central Oregon at present.

On Fridays our Fire Department is holding joint briefing and trainings with the different wildland divisions which is leading to some methodology changes. This was conceptualized and brought to fruition by Assistant Chief Bjorvik, so hats off to him.

The Police Department is still down one officer and will be interviewing prospective applicants in the near future.

Director Wharton expressed his appreciation for the bike patrol folks, two young ladies in particular, for patrolling the North Course Estates area this summer, something that has not happened in the past.

Copies of the approved minutes from the May 17th SSD Board meeting were included in the board binders.

BOARD ACTION
COMMITTEE MEMBERSHIP ACTIONS
Director Wharton moved to accept the resignation of Roger Smith from the Nominating Committee and the appointments of Dave Rhodes as Chair and Jane Boubel as Recorder/Secretary of the Owner Enrichment Ad-Hoc Committee. Seconded by Fister, motion passed unanimously.
ANNUAL MEETING AGENDA DISCUSSION
The Board held discussion regarding the items that will be included on this year’s agenda beyond the normal items of business. After some brainstorming, it was decided that we keep the business meeting short and sweet and then adjourn to a more open-house event with different stations set up to provide information on a variety of items including but not limited to the next steps of the Abbot/Beaver intersection, the future of the North Pool, recreation opportunities, Natural Resource Department activities, tunnel replacement etc.

BOARD ACTION
2ND QUARTER TRANSFER OF RESERVE FUNDS TO OPERATING ACCOUNT
Director Fister moved to approve the transfer of $715,380.69 from the Reserve Fund to the Operating Fund for the 2018 second quarter acquisitions. Seconded by Director Gocke, motion passed unanimously.

BOARD ACTION
RESOLUTION 2018-001
RECOMMENDATION TO POSITION 4 OF THE SSD MANAGING BOARD
Director Fister moved approval of Resolution 2018-001 to the Deschutes County Commissioners recommending Bill Hepburn fill the remainder of the current term of Position 4 of the Sunriver Service District Managing Board vacated by Director Mark Johnson’s resignation. Mr. Hepburn’s term will begin September 1, 2018 and end August 31, 2019. Seconded by Director Bigham, motion passed unanimously.

BOARD ACTION
OWNERS FORUM GUIDELINES
Director Fister moved approval of the Owners Forum Guidelines Policy and further direct SROA staff to develop communication materials regarding the policy for use at all future SROA meetings. Seconded by Director Nelson, motion passed unanimously.

BOARD ACTION
RESOLUTION 2018-002
RECOMMENDATION TO POSITION 2 OF THE SSD MANAGING BOARD
Director Fister moved approval of Resolution 2018-002 to the Deschutes County Commissioners recommending Mike Gocke to Position 2 of the Sunriver Service District Managing Board for a term to begin September 1, 2018 and end August 31, 2021. Seconded by Director Jendro, motion passed with 8 yea votes and Director Gocke abstaining.

OTHER BUSINESS
BOARD ACTION
OWNER REQUEST SEEKING BOARD APPROVAL FOR USE OF LOT 1 TRACT C REPLAT OF TRACT C DEER PARK I FOR THE PURPOSES OF AN ASSISTED LIVING FACILITY
Director Fister moved to disapprove the proposed use of the property located at Lot 1, Tract C, Replat of Tract C, Deer Park I as an assisted living facility on the grounds that an assisted living facility is a residential use that is not permitted in a commercial area subject to the Sunriver Phase II Declaration Annexing Tract C, Deer Park I to the River Village. Seconded by Director Wharton, motion passed unanimously.

OTHER BUSINESS
CALDERA EXPANSION APPLICATION WORK GROUP
President Hensley reported a work group consisting of Director Nelson, Director Foley, President Hensley and GM Palcic has been established to study the new Caldera Annexation Application to determine what if any response the Association should take.
There being no other business, President Hensley asked for a motion to adjourn the public meeting.

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

The meeting adjourned at 10:52 am.

Respectfully Submitted,

Richard Wharton, SROA Secretary