SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
March 21, 2020

DIRECTORS PRESENT: Bob Nelson, Keith Mobley, Jackie Schmid, Gerhard Beenen, Jim Fister, Gary Bigham and Brad Skinner via telephone

DIRECTOR ABSENT: Mark Burford

STAFF: James Lewis, Hugh Palcic, Susan Berger & Jesus Mendoza

OWNERS IN ATTENDANCE: 2 via telephone

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

COVID 19 UPDATE: GM Lewis reported that since Monday’s Emergency Board Meeting staff has been working hard to safely provide essential services to the community while having to change course quickly as directives are being handed down by Governor Brown. It appears that further directives will be coming into play in the next day or two which could further change current SROA daily operations.

In the meantime, staff is doing what they do best which is assisting owners and guests and they are doing a great job despite the rapidity with which the situation is moving.

Hugh Palcic noted these are uncharted waters and staff greatly appreciates the Boards patience and support as we figure things out day by day.

OWNERS FORUM: Randy Schneider, 6 Dixie Mtn Lane, noted that in riding his bike around Sunriver yesterday he saw dozens of people out on the paths many of whom are most likely spring breakers. Additionally, he has several friends from the Portland and Seattle areas who have chosen to come to Sunriver to hole up instead of staying at home. Mr. Schneider does not feel we need to shut Sunriver down, he hopes everyone who is here will practice safe social distancing. Mr. Schneider also noted he saw a number of people playing tennis and wondered about having those courts open during this time of uncertainty.

Bob Stillson, 10 Belknap Lane, thanked the Board and staff for holding this meeting today even if it must be in the virtual form.

OWNER FORUM FOLLOW-UP FROM PREVIOUS MONTH’S MEETING
President Mobley noted the importance of the owner’s forum and the need to allow owners their opportunity to address the Board over issues that are of angst to them, something he will be very focused on going forward.

Vice President Nelson reported there were no owner comments from the February 14th & 15th meetings that required any follow-up.
**ACTION ITEM**

**MINUTES**

President Mobley asked for a motion to approve the minutes of the February 14, 2020 SROA Board Work Session.

Director Bigham moved to approve the minutes of the February 14th Board Work Session as corrected.

Seconded by Director Fister, motion passed unanimously.

President Mobley asked for a motion to approve the minutes of the February 15, 2020 SROA Regular Board Meeting.

Director Bigham moved to approve the minutes of the February 15th Regular Board Meeting as written. Seconded by Director Fister, motion passed with 6 yea votes. Director Fister abstained as he was absent from that meeting.

**FINANCIAL**

Treasurer Beenen noted that the Finance Committee did not meet this month, so they have not had an opportunity to review the financials.

Treasurer Beenen reported for the year ended February 29, 2020, there was a net operating deficit of $77,652 which was $54,024 less than budget. Total operating revenues were better than budget by $24,095 mainly due to positive variance in the Recreation Plus Plan, Member Preference Cards and design review fees. Salaries and wages were over budget by $12,261 mainly as a result of administration salaries and vacation accrual. Material and services were over budget by $12,408 due to timing of January invoices being paid in February. Legal fees were over budget by $48,254. This relates to January’s invoice which included continued fees for defending SROA’s 501(c) (4) status and land-use challenge.

For the first two months ended February 29, 2020, there was a net operating deficit of $235,193 that was $13,104 behind budget. Operating revenues were better than budget by $31,598 due to the above-mentioned reasons and SHARC admissions through the first two months. Salaries and burden were a combined over budget by $32,154 due to overtime in Public Works, administration salaries and vacation accrual. Material and services were under budget for the first two months due to timing of invoices.

Total assets as of February 29, 2020 were $35,148,336. Cash and investments totaled $17,365,744 a decrease of $167,959 from January. As of February 29, 2020, a total of $17,098,996 was invested with First Interstate Wealth Management. Construction in progress included payments towards the North Pool Project and the new plow truck.

Treasurer Beenen added that First Interstate Wealth Management personnel were scheduled to be at yesterday’s work session but ended up being unable to travel due COVID-19. He and Controller Healy did have a phone conference with them and reiterated that in these times of uncertainty, we are more concerned about capital preservation than interest income and as such they were directed to keep association money invested in conservative investments and not try to do anything that would chase a higher interest rate at this time. The duration of this event is uncertain and as such we will need to closely monitor expenses and avoid spending any dollars that aren’t necessary. While SROA is well capitalized, we still need to use the utmost caution in expenditures moving forward.
February 29, 2020 (Unaudited)

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<th>ACTUAL</th>
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<tr>
<td>TOTAL REVENUE</td>
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<tr>
<td>TOTAL EXPENSES</td>
<td>$1,952,257</td>
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<tr>
<td>OPERATING FUND SURPLUS</td>
<td>$(235,193)</td>
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Director Fister moved to approve the unaudited financial statements for February 2020. Seconded by Director Beenen, the motion passed unanimously.

**GENERAL MANAGER’S REPORT**

GM Lewis noted that as he is still becoming acclimated, he and GM Palcic will both share points today.

GM Lewis noted that at present staff is squarely focused on maintaining a safe environment for owners and each other. Just since yesterday staff has learned that it now looks imminent that further orders, including shelter in place orders, will be coming down from the Governor’s office some time over the weekend. This will affect the timelines that were created five or six days ago when we discussed extending closures until mid-April. From what staff has learned, the directive from the Governor may require a “shelter in place” beyond the current April 12th date. Staff has also learned that the Resort announced yesterday that they are ceasing all operations until May 15th.

GM Lewis added that owners are counting on SROA for the most accurate information available and what staff provides affects them. He feels it might be disingenuous to hold on to that mid-April date when it’s becoming less realistic and the Board may want to consider extending the closures currently in place until mid-May at this meeting today. The Board held a discussion related to this issue and agreed they would like to wait until the next directives come down from the Governor prior to making that announcement. Additionally, depending on what the Governor’s directives include, we may have to also close outdoor facilities such as the tennis and pickleball courts, playground equipment, etc.

It was also noted that Bend Parks and Rec have already taken steps to shut down their outdoor locations to public use and the water and sewer departments in Sunriver have also scaled back their operations and staff.

The Board urged staff to continue to keep the most comprehensive, accurate information on the SROA website and update it as often as necessary. Additionally, the Board urged staff to emphasize best practices to all those who access the website or contact the association offices. Director Fister noted that as Police Chief Darling reported in the recent emergency meeting that was held, the police department will be able to assist in terms of limiting access or a direct order being violated, etc. and we should not hesitate to send people his way if necessary.

In other business, GM Lewis reported staff recently met with representatives of TDS, Bend Broadband regarding future deliverables and staff just received revised proposals from them late yesterday. As such, staff has not yet had a chance to thoroughly review the proposal and TDS is also requesting some additional time to complete some things. Considering everything that has taken place in recent weeks, that project will no doubt slow down for the time being.

It was also noted that other things such as the Infrastructure & Amenities Master Plan (IAMP) task-force report may also be pushed down the road a bit. GM Lewis commented that the taskforce is working on their final draft and they will continue to meet in the same fashion the Board is meeting today. GM Palcic commented that at this point they are still on track to bring their report to the Board next month, but that...
could be delayed a month due to current circumstances.

Regarding the comprehensive owner survey, it will definitely be pushed out at least three months and given the current situation, we may want to ask different questions than we have in the past. These type delays could very well apply to other functions or planned activities and we will know more in the coming weeks.

As for a recap of February activities, SROA staff welcomed James Lewis as the new general manager for the association.

The Accounting Department completed year-end financials and worked with staff on the North Pool Complex budget. RFP’s for respondents to our request for a full reserve study were reviewed by staff.

The IT Department installed and configured GIS capability on the Community Development computer.

IT staff held several meetings and webinars to launch the new website, installed a new firewall on the 50Mbps internet connection and worked on migrating electronic documents into DocuWare.

In Communications, the new website is up, thank you very much to Susan Berger’s hard work. It is so much easier to navigate than our old site and has a wealth of easy to locate information available on it. GM Lewis encouraged the Board to visit the new site soon if they haven’t done so already. President Mobley, as well as the rest of the Board thanked Susan for all her hard work on this project. The timing of the launch could not have been better.

Communications Department staff continues to meet with area newspapers for potential printing partnerships. Staff is already in discussion on getting the April Scene out and how that may change as we are at the mercy of the printer.

The Community Development Department remains quite busy and there are several owners who have projects in process. This work also employs local contractors who have families to feed so staff is working hard to safely accommodate these projects. At this point, the annual paint survey is scheduled to go forward as planned.

The Natural Resources Department mailed notification postcards regarding ladder fuels reduction (LFR) work on commons planned for this summer. Department Director Patti Gentiluomo has been working with the county on the update on the plan that is already in place to the Community Wildfire Protection Plan (CWPP). Director Gentiluomo also recently met with SR Resort and Stables operator to go over the pasture lease and trail ride license.

Public Works crews have been busy with a variety of end of winter projects as well as ramping up for spring and summer. Department Director Smith has also been very busy assisting with the North Pool Complex project.

February was a strong month for Recreation Plus and Member Preference card renewals. These programs will be monitored closely in the coming weeks and adjustments may need to be made.

All the Black Light Blast events on the tubing hill, which is now closed for the season, were a sellout again this year. SHARC hosted the Sunriver You event, The History of Sunriver with almost 250 attendees in February.
Several upcoming events have had to be canceled due to COVID-19.

GM Lewis also reported staff is diligently reviewing all capital projects, in all areas of the Association, to determine what we should move forward with this year and what could be postponed. Director Fister noted that taking that into consideration, a balance is necessary as this down time might provide the opportunity to accomplish some items or projects staff might not otherwise have time to complete at a reasonable or lessor cost. Staff at SHARC are already taking advantage of this time while the facilities are closed to deep clean the facility top to bottom.

Director Nelson shared his perspective which is to make sure we do our due diligence and act with an abundance of caution, a perspective wholly shared by President Mobley.

Copies of 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. The Owner Enrichment Committee has requested time at the April board meeting to provide a recap of what they have accomplished in their first year as an official committee as well as share some of their plans for 2020.

**SUNRIVER SERVICE DISTRICT (SSD) REPORT**
Director Fister reported that both the fire and police departments have been heavily focused on all things COVID-19 and they will continue to do so for as long as necessary. Police Chief Darling is in regular contact with the Deschutes County Incident Command Center so is receiving the most up to date information. Fire Chief Moor is ensuring his crews are equipped and ready to respond to any potential COVID-19 cases in the community. Both the fire and police offices are closed to the public but staff members are available by telephone and email. This is in an effort to halt the potential spread of the virus to our first responders. Additionally, the operations of the volunteer Citizen’s Patrol group have been suspended until further notice to also limit the spread. The Fire Reserve program has also been suspended for the time being. Officer Emma Faranto who has had a disruption of her training at the police academy in Salem is still on track to be on duty full-time as of mid-summer.

During the most recent SSD meeting, the Board opted to move forward with a budget that would increase fire personnel by two full-time firefighter/paramedic positions. That budget has not yet been approved by the SSD Board nor has it gone to the Deschutes County Commissioners for approval. The expectation is that this would not eat into the reserves or contingency and the budget committee believes it can be done within the existing rate.

Copies of the approved minutes from the January 16, 2020 SSD Board meeting were included in the Board binders.

**BOARD ACTION**

**COMMITTEE APPOINTMENTS**
Director Fister moved to approve the appointment of Sandy Appleby to the Owner Enrichment Committee. Seconded by Director Schmid, motion passed unanimously.

**BOARD ACTION**

**NOMINATING COMMITTEE CHARTER**
The Nominating Committee requested the proposed changes to the committee charter to clarify the process if a committee member chooses to run for the Board.
Director Fister moved to approve the proposed change to the Nominating Committee charter as presented. Seconded by Director Bigham, motion passed unanimously.

**BOARD ACTION**

**BEND TO LAVA LANDS SUPPORT LETTER**
The US Forest Service is seeking input and comments regarding the proposed Bend Lava Lands Paved Path Project. The purpose of the project to provide connections between high use visitor attraction and recreation sites south of Bend. The SROA Board has provided letters of support for different stages of this project over the past few years and may want to provide an additional letter of support.

Director Fister moved to authorize the Board President, in conjunction with staff, to write a letter of support for the Forest Service Pathway Project. Seconded by Director Schmid, motion passed unanimously.

**BOARD ACTION**

**LAPINE EMERGENCY SERVICES SUPPORT LETTER**
Director Fister moved to authorize the Board President, in conjunction with staff, to write a letter in support of the LaPine emergency room proposal. Seconded by Director Beenen, motion passed unanimously.

**OTHER BUSINESS**

**BOARD ACTION**

**NORTH POOL COMPLEX CONTRACT INITIATION**
GM Lewis commented on the contract that was discussed at the work session on Friday with Pacific Construction and Development. Staff has now received final comments from legal counsel on the contract. GM Lewis pointed out that this is an American Institute of Architects standardized document and staff also worked with our consulting architect on some scribing services and some input on what is included in the contract. There are no surprises, the contract works within the budget that was established and the language will be finalized Monday morning and ready for signature by the Board. As a result, staff is requesting the Board approve a motion to authorize either the Board President or the General Manager to sign the contract.

Director Beenen, based on yesterday’s discussions thinks it will be highly unlikely that the North Pool Complex sees any use in the 2020 season. He is curious what the impact would be if we delay signing that contract. From a resident’s perspective and since the pool mostly won’t be available until May of 2021, and from a construction perspective if we delay the contract, we actually have probably an additional five months of construction time rather than trying to get it done this summer. GM Lewis responded that we already may see a delay in the ordering/receiving of building materials from vendors already lined up for this project and which may already push the project to an October completion date. By starting now, we will be able to have the project completed before winter weather sets in again. Any further delay would theoretically give us a further five-month delay in completing and opening the facility on time in 2021.

Director Fister added there are several things to consider. The goodwill aspect is that we are moving ahead as submitted which is a commitment to our owners and the business community. Based on the number of construction vehicles Director Fister is seeing go by his house, it appears that construction is continuing as normal for the time being anyway. If for some reason it were to lag, that might afford the Association a good position from a bidding standpoint. Further, Director Fister believes this contract meets the intent of the vote and what was promised to owners. It doesn’t necessarily impact business or finances adversely as it is something that was budgeted, and he believes it is good for both the organization and the community.
Director Fister moved to authorize the Board President, in conjunction with staff, to initiate any contracts for the North Pool. Seconded by Director Skinner.

Director Beenen remains very concerned as this is a large expenditure at a time of uncertainty and he does not see the harm in delaying the contract by a month or two.

Call for the question: The motion passed with six yea votes and one nay.

OTHER BUSINESS

PANDEMIC FACEBOOK GROUPS

Director Fister noted for anyone who uses Facebook (FB), there are two groups that have launched FB pages related to the pandemic. The first is call Pandemic Partners Bend and the second one that was launched two days ago is Pandemic Partners South Deschutes County. If you know of anyone who is housebound these folks will help by doing grocery shopping, picking up prescriptions, etc. It’s being done with appropriate social distancing and is providing a great service to people who need of a little assistance right now. Director Fister will be in one of those volunteer roles as soon as he is out of quarantine.

OTHER BUSINESS

GM Lewis, on behalf of the SROA employees, conveyed their thankfulness for the action the Board took at the emergency meeting on Monday in regard to their safety and health.

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

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

The meeting adjourned at 10:50 A.M.

Respectfully Submitted,

Gary Bigham, SROA Secretary