

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
APRIL 16, 2022**

DIRECTORS PRESENT: Keith Mobley, Clark Pederson, Bill Burke, Mark Murray & Tony De Alicante, Gerhard Beenen, Scott Gillies & Julianna Hayes

DIRECTORS ABSENT: Mike Gocke

STAFF: James Lewis, Susan Berger & Jesus Mendoza

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

NUMBER OF ATTENDEES: 3

OWNERS FORUM: No owners addressed the Board.

ANNOUNCEMENT OF 2022 BOARD CANDIDATES

Nominating Committee Chair Pat Hensley was in attendance to announce the candidates for this year's election. Ms. Hensley first took a moment to thank the members of the Nominating Committee for their hard work this year and also to the IT Department for accommodating the non-resident members, some of whom live across the country have been attending via Zoom. Additionally, she thanked HR Director Kellie Allen & Communications Director Susan Berger for their assistance in the past several months.

This year's SROA candidates are:

Gerhard Beenen, 10 East Park Lane
Linda Beard, 20 Maury Mtn Lane
Larry Ishmael, 27 Kinglet Road
David Williams, 1 Beech Loop

The committee thanks these individuals for their willingness to serve Sunriver.

Ballots will be mailed in mid-July and are due back by Saturday, August 13th at noon.

Ms. Hensley also noted that the Sunriver Service District (SSD) will also be looking for four new members this year, so the committee's work is not done yet. This is in part due to the change in the makeup of the board from five to seven members a few years back. The deadline for applications is May 31, 2022. If you know anyone who might be interested in running, please have them contact Ms. Hensley.

The SSD Board application can be found on the SROA website; www.sunriverowners.org, > Owners > Get Involved > Candidacy Forms.

The Board thanked Ms. Hensley and her committee for their hard work and thanked Mr. Ishmael, who was also in attendance for being here today and for his willingness to run for a position on the Board.

OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS

GM Lewis reported the Board received a letter that was read into the record from Mark & Julianna Hayes, 10 Sandhill Lane, which referenced the fees paid to the Recreation Plus Program (RPP) and the Member

Preference Program (MPP) Their desire was to have some assurance that the recreation facilities, particularly SHARC, will be fully open this season. Additionally, they requested transparency regarding the reasons why the facilities are closed or have limited access. No additional follow-up was necessary.

Jim Remensperger, 21 Topflite Lane, requested serious consideration be given to opening the Member Pool, formerly known as the North Pool, earlier than the historical mid-June timeframe. Mr. Remensperger was informed at the work session of the goal of recreation management to have the pool open by Memorial Day weekend if we can find enough lifeguards by that time.

Bob Stillson, 10 Belknap Lane questioned the recent decision of the Deschutes County Commissioners regarding their approval of a universal charge to all current trash service users in Sunriver for side-yard recycling and if that might be linked to the failed ballot measure in 2021 for a new recycle center. Secondly, Mr. Stillson also commented on the cost of so many things going up and he wonders if there are any SROA projects that could be postponed or rescheduled for some other time in the future.

RECAP OF 3/18/22 BOARD WORK SESSION

President Mobley reported the Board met for several hours on Friday with the first order of business being the approval of Julianna Hayes to the SROA Board position vacated by Paul Coughlin's resignation. Per the SROA Bylaws, the Board has the authority to appoint a successor in the event of a resignation. Ms. Hayes is a non-resident owner from Mill Valley, CA, where she is the Vice President of Corporate Finance at Twitter, and we are very happy to have her on board.

Natural Resources Director Patti Gentiluomo provided an excellent update on the progress she and her team are making on the updating of the Ladder Fuels Reduction (LFR) plan. Ms. Gentiluomo also honored the Board with the announcement of the award of Tree City USA for the 42nd consecutive year. Sunriver is the only non-incorporated community in Oregon that has received this award due to its early involvement in the program. Ms. Gentiluomo also noted that ponderosa seedlings are currently available to owners in bundles of five at the SROA Administration offices.

Assistant GM Kessariss provided an update on Recreation statistics for the month of March. The Board heard an update and held a productive conversation regarding the recruiting and hiring efforts staff are employing in an attempt to fill all open positions at SROA.

Director Beenen provided an update on the Telecommunications Taskforce's efforts in the past month which was followed by a lengthy discussion by the Board.

An executive session was held to discuss a legal matter.

BOARD ACTION **BOARD MEETING MINUTES**

Director Beenen moved to approve the minutes of the March 18, 2022, Board Work Session minutes as corrected. Seconded by Director Murray, motion passed unanimously.

Director Pederson moved to approve the minutes of the March 19, 2022, Regular Board meeting minutes as corrected. Seconded by Director Burke, motion passed unanimously.

BOARD ACTION **FINANCIALS**

Treasurer Beenen directed the Board members to the operating income statement provided in the board binders commenting that March turned out to be a good month with revenues coming in \$187,660 ahead

of budget ending the first quarter of the year in great shape on the revenue side. On the expense side, department expenses came in under budget by approximately \$36,000 for the month and year to date we are \$67,619 under budget. That is driven mostly by materials and services some of which are timing related, however there still are some realized savings in the first quarter of 2022.

Non-department expenses came in under budget by \$10,045 for the month of March and currently sit at \$18,743 under budget year-to-date. Total revenue less expenses year-to-date reflect \$274,022 better than budget YTD. Hopefully, that will continue to be the case going forward. Director Beenen reviewed the balance sheets, liabilities, and cash balances and commented that the Association remains in strong financial shape overall.

For the month ended March 31, 2022, there was a net operating surplus of \$107,332 which was \$97,175 better than budget. Operating revenue were over budget by \$51,496 due to RPP, MPP, Scene advertising, and compliance fines all being ahead of goal for the month. Salary and burden expenses were under budget by \$13,389 due to open positions in Public Works and Recreation. Materials and services were under budget by \$22,245 due to timing of invoices, operating equipment/supply delays and the fire station roof not needing to be cleared of snow. March's legal invoice had not been received at the time these reports were generated.

Through the first quarter of 2022, there was a net operating surplus of \$139,522 which is \$274,022 better than budget. Operating revenues were \$187,660 ahead of budget due to the above-mentioned reasons and the Caldera expansion settlement payment. As of the end of March, net RPP sales totaled \$2,155,638, which is \$70k over the annual goal. RPP and MPP sales were 103.4% and 44.5% of their annual budget, respectively. Revenue from Scene advertising was \$10,125 ahead of budget in the first quarter. Materials and services were under budget by \$58,667 through the first three months. As of March 31, 2022, there was a combined operating and non-operating surplus of \$777,894.

Total assets as of March 31, 2022, were \$37,806,592. Cash and investments totaled \$15,108,808 an increase of \$101,226 from February. As of March 31, 2022, investments included \$6,545,259 in US Treasuries and \$6,750,666 in First Interstate Banks CDARS program. There is \$330,000 in prepaid insurance due to be refunded from cancelled policies. The first quarter ROW fee from TDS/Bend Broadband is due.

March 31, 2022 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$2,935,709
TOTAL EXPENSES	\$2,796,187
OPERATING FUND SURPLUS	\$ 139,522

Director De Alicante moved to approve the unaudited March 2022 financial statements. Seconded by Director Pederson, motion passed unanimously.

GENERAL MANAGER'S REPORT

GM Lewis reported this recap is for activities in March.

Staff continues to monitor and respond to both state and county orders regarding COVID-19 requirements for facility capacity, mask requirements and social distancing requirements.

GM Lewis continues to participate in the Central Oregon Intergovernmental Council (COIC) Board of Directors and Sunriver/Lapine Economic Development (SLED.)

GM Lewis continues to work with SROA legal counsel regarding a number of items.

GM Lewis continues to attend and participate in the regular monthly meetings of the Owner Enrichment, Finance, and Covenants committees. GM Lewis also participates as a member of the Telecommunications Taskforce and serves as the primary contact with TDS/Bend Broadband regarding agreements.

GM Lewis continues to work with the Sunriver Service District (SSD) Board and facility siting taskforce regarding their facility site analysis.

GM Lewis continued working with the taskforce updating the Design Review Manual, with three meetings having been held in the last month to discuss the latest draft. The project is going a bit slower than originally anticipated, but the taskforce is committed to getting the language regarding reviews exactly right. The taskforce is scheduled to meet again next Wednesday, and he anticipates the final draft being complete by the end of May.

GM Lewis continues to work with SROA department heads regarding staffing needs and recruiting efforts.

GM Lewis has had two meetings with Kim Curly at Commute Options regarding van pool options for Sunriver seasonal employees.

GM Lewis met with Sunriver Resort staff regarding summer operations issues.

GM Lewis met with Craig Parker, 40 Fremont Crossing, regarding a SROA pathway easement across Fremont Crossing property.

In the Accounting Department, Controller Healy presented the February 28, 2022, financials to the Finance Committee and prepared the same for the Board.

Accounting staff continue to process 2022 Member Preference Program (MPP) and Recreation Plus (RPP) sales reconciliations as well as maintenance fees.

Controller Healy worked with the IT and Public Works Departments on the upcoming storage space lease renewals.

Accounting staff worked on audit schedules and materials for the upcoming 2021 annual audit.

IT staff has replaced network racks to handle a larger server. The battery backup (UPS-Uninterruptable Power Supplies) at SHARC and the Administration building.

Four laptops with VPN access have been configured for work from home capabilities.

The firmware on guest Wi-Fi equipment has been updated to provide better security.

A replacement "wide format" copier/scanner/printer has been ordered for the Community Development Department.

Email and iCloud through Verizon have been configured for two new employees in the Public Works Department.

New credit card readers have been installed at SHARC with Apple Pay, Google Pay, and tap to pay feature available.

SROA was notified by the software provider for the telephone system that the current system is reaching an end-of-life status. IT staff is currently looking at options and pricing.

IT staff continue to work on the database specifically with Community Development on modifications to the Dashboard Application for Compliance and Citation databases. They are also working on reports to eliminate duplicative data.

IT staff have been working with Accounting and Public Works staff on updates to the current RV storage lease databases.

IT staff continued the update of ActiveNet to Lenel which provides recreation membership to the gate access system.

IT staff sent the Telecommunications Survey to owners and adjusted a few email addresses that were incorrect.

In the Communications Department, Scene advertising was at \$20,131 (March 2021 was \$15,003).

There were 364 reads of the online March Scene including readers from Canada, Mexico, and the Philippines.

The SROA website was visited by 8,200 users in March with the most popular pages being weather, flagging, paint colors, tennis/pickleball, job opportunities, and the member preference program.

The SHARC website was visited by 10,000 users with the most popular pages being swim sessions, aquatics, hours and plan your visit.

Social media posts: summer hiring/recruitment, stay on pathways (spring break message), mask restrictions lifted.

Additional projects for Scene staff included: participation by department Director Susan Berger on the SSD's public safety building project, assisting with the Telecommunications survey, and creating a new logo for recreation department work apparel.

Scene staff also assisted the Sunriver Area Chamber of Commerce with their annual magazine providing updates for all SROA related materials and they also have created new fall paving maps for the Public Works Department.

Scene staff added new information and materials to the Natural Resources website page about "hardening" your home and property, including self-assessment tests for owners. This was also part of a two-page spread in the April Scene. Director Burke commended Ms. Berger and staff for how well this pull-out done was done and he's hopeful a lot of owners will put themselves to the test.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule with multiple items on each agenda – the two February meetings had a total of 8 items (combined).

There were 112 administrative reviews during the month of March.

There are currently approximately 325 active projects/building permits in March (up by 40 from the previous month). The number of final inspections drove the active number down from February despite the overall increase in new applications.

The number of applications submitted in March was up in comparison to the same month in previous years. This has been the trend for several months in a row now.

Community Development staff continues to issue compliance letters for design and rule violations with 12 compliance request letters sent with one citation issued.

Community Development permit compliance (compliance with approved project requirements) resulted in five citations and three warnings.

Community Development staff participated in Magistrate Hearings for background on violations and citations.

Community Development staff continued assisting with the Design Manual Update by participating in the most recent taskforce meetings.

The Natural Resources Department has awarded the 2022 ladder fuels reduction (LFR) and tree thinning contracts on commons.

The Natural Resources staff sent postcards to private property owners within the 2022 LFR contract area regarding the recent tampering and alteration of field markers.

Natural Resources staff mailed LFR notice of deficiency advisories to private property owners who are out of compliance.

Natural Resources staff attended webinars regarding SB762 and the Office of State Fire Marshal.

Natural Resources staff continued Oregon Spotted Frog spring monitoring and egg mass surveys.

Natural Resources staff responded to phone calls and performed site visits for private LFR and tree removal permits.

The Natural Resources staff continue their review and update of the LFR plan.

The Public Works Department removed snow and ice from the tennis/pickleball courts and installed some nets and windscreens for spring break.

The pickleball hut upgrades at Fort Rock Park are complete.

Safety inspections of playgrounds was conducted prior to spring break.

New contracts for landscaping at the parks have been initiated.

Replacement gates were installed at the river access site.

The Mary McCallum Park restroom has been ordered.

The Fort Rock Park tunnel replacement is on schedule and on budget. We are fortunate to have a contractor that did not escalate the price based on the rock that was encountered.

Roads and pathways are being swept of cinder from winter operations.

Public Works Director Mark Smith and his staff prepared the Conceptual Pathway Master Plan for the March Board meeting.

Summer road projects and crack sealing contracts are in place.

Willows along the river pathway have been trimmed.

The Fleet Department staff outfitted the new Ford Transit van for service.

Snow tire changeovers are complete and repairs/routine servicing of the street sweepers have been completed.

In regard to facilities/Aquatics; SHARC was prepped for spring break.

Swimming pool chemical controller installations are complete and include remote communication.

Annual service of pool boilers is in progress.

The Member Pool received the chemical tanks and cover crates.

Public Works continues to experience staffing issues. Turnover is starting to wear on core staff and training knowledge is walking out the door.

Public Works Director Smith and staff are working with the Sunriver Resort Golf Department and nearby homeowners to complete the Fir Cone drainage project.

In the Recreation Department, March was an extremely busy month with Spring Break offering up ten days of staffing challenges and multiple feats of juggling. There were 8,988 visitors to SHARC in March reflecting a combined use of RPP, MPP and paper guest passes.

GM Lewis once again commended Recreation Director Leigh Anne Dennis for the outstanding job she has done since arriving in January. Her extensive knowledge of aquatic operations and recreation facilities has been very instrumental in how to best utilize the resources we have to maximize the hours of operation at SHARC. Her knowledge and creativity are a true benefit for SROA.

SHARC is open seven days a week and the allowance of drop-in lap swimmers that began April 1st has caused little to no conflict or overcrowding.

Sunday Turf Tunes are back and are entirely booked for the five-week series.

A hiring event was hosted on March 26th, and we were able to retain one seasonal summer attendant. However, since the hiring ads were posted a couple weeks ago with the new wages for lifeguards there have been six applicants for lifeguards and two for attendants. There are two new part-time front

desk/event assistants starting this weekend and the addition of another pickleball pro is being finalized. Current full-time openings include head lifeguard, front desk, and member services.

Copies of GM Lewis' full 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 Beenen reported the SSD Managing Board remains focused on the upcoming levy vote on the proposed Public Safety Building. Ballots will be mailed to those registered to vote in Deschutes County on April 27th and are due back by Tuesday, May 17th. Between now and then, SSD Managing Board members and SSD staff will continue to provide tours of the current fire and police stations, conduct town hall opportunities and host virtual community forums via zoom. Additionally, there will be a Sunriver You class on the proposed building on April 19th.

Interim SSD Administrator Mindy Holliday has put together an extensive communications program with the team which the Board will hear more about in the coming weeks. If the levy passes, the next action will be to secure a \$7 million loan, with a 3.31% interest rate and a 60-day lock. If the levy passes it will be certified on June 17th after which a whole series of actions would kick in with respect to the new building. Construction would not begin until the spring of 2023, but a lot of the background work would occur between now and then.

SSD staff and the Managing Board members have heard very little negative feedback on the proposal although Director De Alicante noted he feels there are still a lot of owners who remain uninformed about the situation. Director Pederson noted that if the levy does pass, the tax will be based on your maximum assessed value, not the actual value of one's home. The assessed value is generally about half of what the true value of the home is. The levy proposed is for a rate of .46 cents per \$1000 assessed value. As has been previously discussed, it will be approximately 1600 owners that will determine the outcome of the election as it is only those who are registered to vote in Deschutes County that will receive a ballot. More information can be found at www.sunriversd.org.

On another note, Director Beenen noted that Police Chief Darling is having some difficulty in filling all of the bike patrol positions this year. Consideration is being given to lower the age of eligibility to apply from 18 down to 16.

The 2022/23 SSD fiscal year budget is complete and will be discussed with the Deschutes County Commissioners on April 25th.

The approved minutes of the February 17, 2022, meetings are included in the board binders.

BOARD ACTION

FIRST QUARTER CAPITAL TRANSFER

Director Pederson moved approval of the transfer of \$7,397.62 from the Reserve Fund to the Operating Fund for the 2022 First Quarter Acquisitions. Seconded by Director De Alicante, motion passed unanimously.

BOARD ACTION

IT STRATEGIC PLAN TASKFORCE APPOINTMENTS

Director Beenen moved to approve members to a taskforce to assist in the development of a Strategic Plan for the SROA Information Technology Department per the list attached hereto; Jim Fister, John

Kean, Susan Jain, Perry Olson, Heidi Hennrich-Hanson, Scott Fuhrman, Matthew Halferty, Ethan Toven-Lindsey, Bigg Riggsby, Garry DuQuette, Rick Komraus, Paul Evenson, Niran Bates along with community member Bryan Kotaniemi & SROA IT Director Brad Olson. Seconded by Director De Alicante.

Further discussion followed including the fact that the taskforce also needs a board liaison. Directors Hayes & Mobley were agreeable to serving in that role.

Director Pederson moved to amend the motion to include Directors Mobley and Hayes as the board liaisons to the taskforce. Seconded by Director De Alicante, amendment passed unanimously.

Call for the question; the motion as amended passed unanimously.

OTHER BUSINESS

Director Burke noted the Board has been hearing some owner comments about price increases at SROA, as well as from other entities such as water, sewer, and trash collection. He would like to address the comments about believing the 6% increase in maintenance fees being a regular thing at SROA now. He referenced Susan Berger's rate comparison that was published in December of 2021 and thought it might be prudent to remind owners of the amounts dues increased over the past few years. In 2018, there was zero increase in 2019 there was a 4.5% increase, and in 2020 a 3% increase. In the last two years, during the pandemic, maintenance fees were increased by 6%, for two years in a row (2021 & 2022.) As was mentioned yesterday, Sunriver's maintenance fees remain one of the lowest for a planned community of its caliber in Central Oregon.

BOARD ACTION

OTHER BUSINESS

TELECOMMUNICATIONS

Director Beenen spoke to the telecommunications issue from a personal perspective. While he agrees with what President Mobley said yesterday about the huge corporations basically just being in it for the money, his main purpose for serving on the taskforce is due to the number of complaints he has heard from owners about chronic loss of internet service, owners unable to work from home due to intermittent service, Sunriver owners who pay \$67 per month for 300 Mbps/10 Mbps service, and including one gentleman who was afraid to host a Super Bowl party at his house due to fear that he might lose service in the middle of the game. His job as he sees it is getting improved telecommunications services to Sunriver owners as quickly and cheaply as possible.

Director Beenen noted the mission of the taskforce was to find improved (cost/reliability) telecommunication services for Sunriver. Options under consideration included building our own network or negotiating a better deal with TDS Bend Broadband (BBB).

The taskforce explored the option of building our own network and found it was not economically viable and that owners would not support it. And while we have been burying conduit whenever there is a major road construction project going on, there is still a significant amount of conduit that needs to be installed.

Thanks to GM Lewis' negotiating skills a much stronger agreement with BBB was reached and included holding out for both service guarantees and SROA having the right to represent owners who experience chronic service issues. Director Beenen's understanding of the taskforces charge was that finding a provider other than BBB was not the mission of their group. While Director Beenen does not necessarily have a lot of confidence in BBB, he does have a lot of trust and confidence in the agreement that has been negotiated with them. In fact, it was not until SROA reached the point of calling negotiations off

altogether due to BBB's unwillingness to work with SROA that BBB finally started real negotiations especially regarding cost and reliability.

Currently the taskforce is split with one preferring anything but BBB, some who have a philosophical interest in a community-owned network and others who may have a vested, or conflict of, interest in what Midstate Electric Coop is pursuing. Director Beenen noted that we have over the course of the past several months, negotiated a written agreement with BBB that addresses our concerns and one that owners have indicated they are comfortable with via the recent telecommunications survey.

Director Beenen noted that reliability is going to come primarily from replacing the hybrid fiber coax network. BBB has 13 nodes in Sunriver into which the fiber runs. The node is an electronic box that does a conversion. Light signals come in on the fiber, the box does a conversion and out of the box comes a radio frequency signal. Each box has to serve approximately 300 dwellings. Fiber is highly reliable whereas coaxial cable is prone to fail and is generally the first thing a technician will replace if a person is having issues with connectivity.

Director Beenen outlined the reasons he is supportive of the BBB agreement noting that while BBB's performance has been less than perfect, it also depends on where you live in Sunriver with the south end of property having less issues than the north end of property. Where he is located on the south end, his availability/uptime for the year was 99.82% which equates to approximately 10 hours that his service was down during the year. TDS/BBB prices are lower than those hinted at by other vendors and the prices are fixed for ten years whereas Conexon Connect (the potential Midstate Electric feasibility study) reserves the right to change prices anytime. Additionally, the draft agreement includes language about network performance and provides SROA the right to intervene on behalf of Sunriver owners. TDS/BBB will guarantee 99.9% availability or provide a refund. Fiber networks are inherently more reliable than hybrid fiber coax (HFC) networks and we now have a direct line of communications with TDS/BBB executives.

Director Beenen noted that we do need to replace the existing HFC system as soon as possible as has been illustrated by numerous owners who have had chronic problems that TDS/BBB cannot solve without digging up their network. Director Beenen believes this is the only real solution and TDS/BBB has committed to having fiber to all homes by 2025. He feels we should put the bulk services agreement proposal to a vote of the owners this summer. In the meantime, the taskforce can continue to explore other options and if a better solution is found, the vote could be cancelled. If owners were to approve a ballot measure, we have an informed solution that fits our owners needs with a company our owners are already familiar with. If the measure does not pass, the taskforce can proceed with alternative solutions. Director Beenen referenced the comments from the most recent survey and the ones that were seen repeatedly were relative to owners' desire for SROA to stay out of the telecommunications business and leave it to the experts, that overall, a lot of owners are satisfied with BBB and lastly that there is support from some owners to own our own network.

Director Beenen believes the Board now must decide what the next steps should be. The telecommunications survey results indicate that owners see TDS/BBB as an acceptable solution and proceeding with a vote about the bulk services agreement would make FTTH available in Sunriver sooner, by the end of 2025. The bulk pricing is the lowest we have been offered to date. While it is true more options may come available, these alternatives can continue to be researched between now and the time ballots go out to owners which is in mid-July.

President Mobley thanked Director Beenen for a well-thought-out presentation at yesterday's work session. He recommends this same presentation be given to the Telecommunications Taskforce to determine whether or not it changes the votes of that taskforce on how to move forward. The timeline for

inclusion on this summer's ballot was discussed as was holding a special election if the Board is not ready to decide presently.

The Board held further discussion on the issue noting that without a recommendation from the taskforce, the issue is back in the hands of the Board. President Mobley commented the message from the taskforce was that there is a development that is forthcoming that may change the way this all looks so let's take some additional time and find out whether or not it does make a difference. In the meantime, we have BBB providing a service for the next five years so where is the urgency when there are opportunities to move towards a community owned network system at a time when there is an abundance of federal money that can be accessed if you are properly structured. We are potential beneficiaries of money depending on the relationships that we have with other entities such as Midstate Electric Coop who may be eligible for some of these funds. President Mobley also mentioned there are also what is called direct appropriation funds that he has been involved with in the past that may be worth looking into. Bottom line, he feels there are additional opportunities that we have not tuned into and that he has the potential and history to be able to tap into.

Director Beenen reiterated that in his opinion the taskforce's mission was not to find another service provider and if we were to go forward with Midstate Electric it would not be a community owned network. It is us buying services from an unknown new service provider. If we do not own the network, we have no control over the network and as a board member he really wants owners to have the opportunity to decide if they want to continue with TDS/BBB or not. At this point in time, the BBB proposal is the least cost alternative available, and that rate would be locked in for ten years. Currently approximately 90% of owners have some type of service from BBB.

President Mobley suggested looking beyond ten years and if we were to become the owners of the fiber system, its life is 50-100 years. Beyond the first ten years SROA would own that fiber and we would be able to have competitive providers offering service that will almost certainly be superior because of competition which generally provides for better quality of service and pricing.

Director Beenen added that his focus is the here and now and again, in his opinion, we currently have owners who are continually having issues with their internet service, and he wants to see people get fiber to the home as quickly as possible. He believes we have a solution that is agreeable to the owners that responded to the survey and further he believes we have a very good chance of getting the required 60% of owners who vote saying yes to the bulk services agreement. He feels we should not delay moving forward.

Director Hayes questioned if there is any risk in moving forward in putting this proposal on the ballot. President Mobley responded that the taskforce was formed to explore all the alternatives including the possibility of re-upping with TDS/BBB but to look comprehensively at what is in the best interest of the owners of Sunriver over the long haul for the optimal telecommunications service. While this may be the best proposal at this time, if accepted and passed by at least 60% of the owners that vote, that would rule out other possibilities for the next ten years. Director Beenen added that if 60% or more of the owners were to approve the agreement, what would the Board need to be worried about?

Additionally, as pointed out by Director Pederson, the survey results show that owners are not willing to pay \$4,800 to have our own system and our grant options are extremely limited since we are an unincorporated community, and we are not considered poorly served by internet service by industry standards.

Director Beenen added that since the Telecommunications Taskforce has not provided a recommendation, he feels compelled to bring a motion forward on his own. He referenced discussions by the taskforce in January where plans were laid out to conduct several town hall meetings followed by the survey and evaluation and finally a recommendation to the Board at the April meeting in time to put something on the ballot for this year's election. There was no disagreement with that timeline and in fact Director Beenen noted that he asked at every meeting if there was anything the taskforce was missing and 90% of the time, there was nothing brought up nor has there been any push to request RFP's from any other companies. He feels if we do not go forward today, we are not going to go forward for another year. Director Beenen also noted it would take several months to negotiate any kind of agreement with any other companies.

Director De Alicante commented that since we do have an agreement for the next five years already in place with BBB, that if approved by owners would be replaced with a ten-year bulk services agreement, that would allow us time to be laying conduit and working towards owning our own network at some point in the future. He too is willing to wait until the taskforce has had the opportunity to see the presentation that Director Beenen provided today as that may change how they currently feel.

President Mobley added he feels it would be a major mistake to say that this Board decided to ignore the position of a taskforce. He would strongly urge that we move ahead with providing the taskforce the opportunity to hear Director Beenen's presentation with the advance knowledge that the Board is ready to make a decision and is looking to them for a recommendation. The taskforce can then decide what it wants to do in completing the charge that they were given approximately three years ago. He believes the taskforce members care a lot about the future and are deserving the respect we can provide by allowing them to see the presentation the Board saw.

Director Beenen moved to approve that SROA put to a vote of the owners, that the SROA enter into a 10-year bulk services members agreement with Bend Broadband/TDS. If approved by 60% of the owners who vote, basic internet service (300Mbps/300Mbps) would become a standard (required) service for Sunriver homes, paid for through the owner's annual maintenance fees. The cost of internet service would be fixed for the duration of the agreement. Seconded by Director Gillies.

Director De Alicante moved to amend the motion to include: paid for through an "increase" to the owners annual maintenance fees." Seconded by Director Beenen, the amendment passed unanimously.

Director De Alicante moved to table the motion. Seconded by Director Gillies, motion passed with 7 yea and 1 nay votes.

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

Director Murray moved to adjourn the meeting. Seconded by Director De Alicante, motion passed unanimously.

The meeting adjourned at 12:45 P.M.

Respectfully Submitted,

Bill Burke, SROA Assistant Secretary