

**MINUTES FOR THE MEETING OF THE BOARD OF DIRECTORS  
OF THE  
EAGLE CREST MASTER ASSOCIATION**

- CALL TO ORDER** Pursuant to call by the President of the Association, the second quarter meeting of the Board of Directors was held on May 17, 2019 at 7555 Falcon Crest Drive in Redmond, Oregon.
- ATTENDANCE** Directors present included Mike Bessonette (Residential Director), Hank Cavender (Residential Director), Chris Earnest (Commercial Director), Mark Hunt (VROA Director), and Bill Neumann (VROA Director). Attendance by Bill was accommodated via teleconference call. Management company staff members present included Arron Curtis, Robin Dowty, Curt Heimuller, Debbie Hahn, Kelsey Rook, and Brenda Tompkins. Karen Smith, consultant with Resort Resources, Inc., also attended. Several members of the Association and guests were in attendance. Mark Hunt, Vice President, presided at the meeting, and Kelsey Rook recorded the minutes on behalf of the Secretary.
- CONSENT TO AGENDA** Bill asked Mark to facilitate the meeting as Vice President. All directors consented to the agenda as written.
- PRIOR MINUTES** Reading of the prior meeting minutes dated March 15, 2019 was waived and Hank suggested a change to the Utility Systems Report section. Mike moved to accept the minutes as amended. Chris seconded the motion and it passed unanimously. Mark opened the discussion of business items.
- OLD BUSINESS** None pending.
- MANAGEMENT AND COMMITTEE REPORTS**
- FINANCIAL REPORT** Robin Dowty introduced Chris Richie of Edward Jones Investments who provided the Association’s investment income analysis report (“Attachment 1”). Chris reported that the annualized average return on the mortgage-backed securities held at Edward Jones is 3.4%.
- Robin announced that she will retire in fall 2019 and introduced Eagle Crest Management’s new controller, Brenda Tompkins to the Board. Robin provided the 2018 draft audit report prepared by CPAs at Hudspeth and Company (“Attachment 2”), nothing there was one journal entry adjustment to income tax expense affecting the reserve fund. Robin requested directors provide questions or comments regarding the draft audited financials to management by June 1<sup>st</sup> after which the audited statements will be finalized and made available to owners on the association website.
- Robin next reviewed the financial report, which included items highlighted in the financial summary (“Attachment 3”) and further detailed in the internally prepared first quarter 2019 financial statements (“Attachment 4”). Robin noted that the water meter relocation budget line item was placed in the sewer section of

the 2019 utilities budget in error. While the approved budget remains unchanged, expenses will be reported in the water section of the utility financials as intended.

Following discussion and upon motion duly made (HC) and seconded (CE), the following resolution was unanimously approved:

**RESOLVED, that the financial report submitted by Robin Dowty including “Attachment 3” and “Attachment 4” be hereby approved subject to audit.**

*Resolution 2019-05.17-01*

## **UTILITY SYSTEMS REPORT**

Debbie Hahn presented the written utilities report (“Attachment 5”) on behalf of the contracted utility system service provider Oregon Water Utilities. Mark asked if the utility company could inform residential users that the water is calcium-rich and within the hard water range. Management will recommend to Oregon Water Utilities that the next water quality report includes this information, as well as suggestions for how to soften residential water.

Debbie reviewed a status report on the residential backflow prevention device installations (“Attachment 6”) and ceded discussion to Eagle Crest Construction Manager Arron Curtis. Arron provided a PowerPoint presentation summarizing the history, challenges, and alternative installation options for backflow devices at attached dwelling locations. The Board directed management to work directly with Oregon Water Utilities to further refine alternatives to the standard installation method for backflow prevention devices. Management was also instructed to begin enforcement procedures in accordance with the ECMA Policy for Utility Fee Collection and Termination of Utility Services for single-family residences that have not yet installed a domestic water backflow prevention device.

Management noted that the currently adopted resolution (2018-11.18-03) requires water meter relocation and standard residential backflow device installation for attached dwellings by September 30, 2019. Given the pending OWU response on possible alternatives, management requested clarification on this resolution directive.

Following discussion and upon motion duly made (MH) and seconded (MB), the following resolution was unanimously approved:

**RESOLVED, that the Board rescinds motion number 2018-11.18-03.**

*Resolution 2019-05.17-02*

## **OPERATIONS REPORT**

Debbie Hahn presented the written operations report (“Attachment 7”) and noted there are no insurance claims to report. There were no actions requested of or taken by the Board.

**RESERVE EXPENSE  
REPORT – 2019  
EXPENDITURES**

Karen Smith, reporting for Resort Resources, Inc., reviewed the Evaluation of Reserve Account Expenditures vs. Budget per 2019 Reserve Study (“Attachment 8”), noting that new variances requiring director approval are related to utility projects covered in the OWU utility report.

Following discussion and upon motion duly made (CE) and seconded (MB), the following resolution was unanimously approved:

**RESOLVED, that the Evaluation of Reserve Account Expenditures vs. Budget per 2019 Reserve Study (“Attachment 8”) be approved, including the variances as noted in highlighting on the report.**

*Resolution 2019-05.17-03*

**GOLF OVERSIGHT  
COMMITTEE**

Mike reported that there has been no activity from the committee since the last meeting of the Board. The committee’s annual course review is scheduled for next week.

**ENVIRONMENTAL  
CONTROL  
COMMITTEE**

Debbie Hahn provided an update on behalf of committee chairperson Jim Madison, who reported no new applications were received by the committee.

**COVENANT  
COMPLIANCE  
COMMITTEE**

Hank reported no new activity from the committee.

**CONTRACTS  
MANAGEMENT  
COMMITTEE**

Bill reported that Diane Anderson was selected as chairperson at the committee’s meeting in April. He is working with Diane to outline the committee’s projects and goals ahead of their May meeting.

**JOINT USE SYSTEMS  
EVALUATION  
COMMITTEE**

Mike provided a written summary of the recent meeting of the Joint Use Systems Evaluation Committee (“Attachment 9”). Bill announced that he is stepping down from the committee as ECMA representative.

Following discussion and upon motion duly made (MB) and seconded (MH), the following resolution was unanimously approved:

**RESOLVED, that VROA Vice President Lori Heironimus be appointed to serve on the Joint Use Systems Evaluation Committee as a representative of ECMA.**

*Resolution 2019-05.17-04*

**SCHEDULED 2<sup>nd</sup>  
QUARTER BUSINESS**

**ANNUAL MEETING  
PLANNING**

Debbie Hahn reviewed the nomination process per the ECMA Bylaws, noting that the two-year terms of residential directors Mike Bessonette and Hank Cavender, as well as commercial director Chris Earnest, expire this fall. Debbie Hahn confirmed the annual meeting date of September 21, 2019. There were no actions requested of or taken by the Board.

**UNFINISHED  
BUSINESS**

**BACKUP POWER  
GENERATOR FOR  
WATER SYSTEMS**

Debbie Hahn noted that, as previously indicated in the utility systems report, management continues to work with SouthWest Water Company and will provide updates to Directors when more information is available. There were no actions requested of or taken by the Board.

**OREGON WATER  
UTILITIES SYSTEMS  
MANAGEMENT  
AGREEMENT**

Karen reported that the Association’s attorney was recently requested to review the agreement, with the primary focus being on insurance and liability content. Karen added the review would likely start in a few weeks given the attorney’s workload.

**NEW BUSINESS**

**WHEEL FUN  
RENTALS REQUEST**

Debbie Hahn reviewed her memo (“Attachment 10”) summarizing a request from the bicycle rental vendor at the Resort Sports Center to add motorized scooters to their rental fleet. Under the agreement, ECMA receives 25% of gross revenue generated from rentals, which equaled \$15,000 in 2018 for bicycle rentals alone. Karen noted that the vendor’s contract and liability release forms are outdated and would benefit from a legal review.

Following discussion and upon motion duly made (MB) and seconded (HC), the following resolution was unanimously approved:

**RESOLVED, that the Board authorizes the use of motorized scooters by Wheel Fun Rentals under the terms of the existing agreement with ECMA.**

*Resolution 2019-05.17-05*

Following discussion and upon motion duly made (MH) and seconded (MB), the following resolution was unanimously approved:

**RESOLVED, that the Board authorizes Karen Smith to engage association attorney Michelle DaRosa to perform a legal review of the Wheel Fun Rentals agreement and liability waiver.**

*Resolution 2019-05.17-06*

**NEXT MEETING  
DATE**

The Board confirmed the third quarter board meeting on September 20, 2019 at 9:00 a.m. at 7555 Falcon Crest Drive in Redmond, Oregon.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:07 a.m.

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Secretary to the Association