

**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 fourth quarter meeting of the Board of Directors was held on November 20, 2020, at 9:00 a.m. at 8300 Coopers Hawk Drive in Redmond, Oregon and via web conference.

ATTENDANCE Directors present included Hank Cavender (Residential Director), Mike Bessonette (Residential Director), Chris Earnest (Commercial Director), Mark Hunt (VROA Director) and Bill Neumann (VROA Director). Management company staff members present included Mark Owings, Hannah Henson, Curt Heimuller and Debbie Hahn. Greg Galindo, Brett Limbeck and Craig Gott attended representing Oregon Water Utilities-Cline Butte. Karen Smith, consultant with Resort Resources, Inc., also attended. Bill Neumann, President, presided at the meeting, and Debbie Hahn recorded the minutes on behalf of the Secretary.

CONSENT TO AGENDA The meeting was called to order at 9:05 a.m. Directors unanimously accepted the agenda as presented.

PRIOR MINUTES Reading of the prior meeting minutes dated September 18, 2020 was waived and Mike moved to approve the minutes as presented. Chris seconded the motion and it passed unanimously.

OLD BUSINESS None pending.

**MANAGEMENT AND
COMMITTEE
REPORTS**

FINANCIAL REPORT Mark Owings provided the financial report, which included the financial summary (“Attachment 1”) and internally prepared third-quarter 2020 financial statements (“Attachment 2”). Regarding the Utility (Water/Sewer) income statement, Mark noted the quarterly fee for ECX operations was not booked during the third quarter and will be corrected in the 12/31 financial statements.

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

RESOLVED, that the financial report submitted by Mark Owings including “Attachment 1” and “Attachment 2” be hereby approved subject to audit.

Resolution 2020-11.20-01

Karen reviewed the memo titled “Board Action – Implementing Reporting Changes – FASB ASC 606” (“Attachment 3”) summarizing the rule change which affects how reserve funds are to be reported on an association’s fund balance sheet. She noted there is another rule change that relates to leasing, which may affect both ECMA and the Vacation Resort Owners Association with regard to the Sports Center lease. That rule change will not take effect until 2021 so it will be addressed if needed at that time.

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

RESOLVED, that the Association adopts FASB Accounting Standards Codification ASC 606 to be effective January 1, 2020

which adoption will result in reporting the reserve funds as reserve-contract liability, recognizing the funds are collected for future major repairs and replacements.

Resolution 2020-11.20-02

UTILITY SYSTEMS REPORT

Brett Limbeck, reporting for Oregon Water Utilities—the contracted utility system service provider—introduced Greg Galindo, the new Vice President of Operations for Southwest Water Company and Oregon Water Utilities-Cline Butte. Brett then reviewed the written Utilities Report and related test results (“Attachment 4”).

Karen reminded directors of their previous discussion regarding addressing an amendment to the services agreement to increase the fat, oil and grease (“FOG”) testing standard limit. Karen reported Oregon Water Utilities staff met with Jim Frost at Parametrix on the topic, and have together developed a recommendation (“Attachment 5”), which was then summarized by Greg Galindo. Brett noted incoming effluent samples are also routinely tested for FOG at the ECMA and ECX drain fields, advising the levels have not created concerns for collection lines to or operation of either treatment location. Brett confirmed OWU is confident that raising the standards will not have a detrimental effect on the drain fields.

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

RESOLVED, that the Association approve amending the sewer easement agreement to increase the FOG standard from 50 mg/l to 100 mg/l, to change the enforcement actions to require tank pumping with test results exceeding 100mg/l, and then to require installation of pre-treatment equipment if the annual running average exceeds 130 mg/l.

Resolution 2020-11.20-03

Karen Smith will draft the agreement revision to reflect the approved changes.

OPERATIONS REPORT

Hannah Henson presented the written Operations Report (“Attachment 6”). Additional discussion included the following:

- Management was directed to coordinate with EHOA’s management company regarding evacuation signage to ensure continuity throughout all areas of the master association.
- Bill requested a discussion item be added to the Q1 2021 agenda regarding the equestrian area building. Discussion would be centered around the best use for that area, as well as other unused areas such as the pastures, to make the resort a better place for everyone.
- Hannah noted in addition to areas identified in the report, wildfire risk reduction work will also be completed in areas around the path leading from the River Run Event Center to the river trail.
- Regarding the one backflow device that was not installed in Fairway Vista Estates, Hannah advised management is pursuing this and will take necessary enforcement actions.

Hannah noted there is no insurance claim activity to report.

RESERVE EXPENSE REPORT

Karen Smith presented the Evaluation of Reserve Account Expenditures vs. Budget per 2020 Reserve Study (“Attachment 7”) noting there are no variances requiring Board approval.

COMMITTEE REPORTS

GOLF OVERSIGHT COMMITTEE

Mike Bessonette, committee chair, reviewed various options for resort course renovations (“Attachment 8”) noting the options are provided for the purposes of discussion with no action requested at this time. Following discussion, director consensus was to further consider “option A” (pavilion and restroom addition). Mike noted he will provide director feedback to the committee and also begin investigating potential financing options.

ENVIRONMENTAL CONTROL COMMITTEE

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

COVENANT COMPLIANCE COMMITTEE

Hank Cavender, committee chair, reported there has been no new activity.

CONTRACTS MANAGEMENT COMMITTEE

Hannah Henson noted committee activity will be reported later in the meeting as part of the Guest Services Contract agenda item.

JOINT USE SYSTEMS EVALUATION COMMITTEE

Mike Bessonette, committee member, noted committee activity will be reported later in the meeting during “New Business”.

SCHEDULED 4TH QUARTER BUSINESS

ELECTION OF OFFICERS

Following nominations by directors, and upon motion duly made (CE) and seconded (BN), the following resolution was unanimously approved:

RESOLVED, that the following persons are elected to the corporate offices set forth opposite their respective names, to serve until the next meeting of directors following the members’ annual meeting in 2021, and until their respective successors shall be elected and qualified:

- Bill Neumann – President**
- Mark Hunt – Vice President**
- Hank Cavender – Secretary**
- Chris Earnest – Treasurer**

Resolution 2020-11.20-04

TRAVEL/LODGING EXPENSE POLICY

Directors reviewed and affirmed the current expense policy for the 2020/2021 board year. The current policy is copied here for reference purposes:

“Transportation costs are allowed based on the most prudent mode of travel as determined by each director. If driving, a mileage rate will be paid at the then current IRS mileage rate. Air travel will be reimbursed at cost. Lodging, as needed to accommodate for the meeting schedules (1-2 nights), will be provided

by the Association at the resort property. In addition, communication costs will be reimbursed to directors at cost upon receipt of a bill.”

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

RESOLVED, that the 2020/2021 Travel/Lodging Expense Policy be hereby approved.

Resolution 2020-11.20-05

**2021 ASSOCIATION
BUDGET**

Mark Owings electronically reviewed the proposed 2021 association budgets, including the draft Facilities budget (“Attachment 9”), draft Utilities budget (“Attachment 10”), and draft Sports Center operations budget (“Attachment 11”). All budgets were studied and discussed at a prior work session attended by Directors and management.

Karen Smith provided the proposed 2021 Association Reserve Studies for Facilities (“Attachment 12”), Utilities (“Attachment 13”), and the Water System Infrastructure Repair Estimation Plan or “WIREP” (“Attachment 14”). Karen noted that the 2020 Golf Reserve Study will be presented at the regular first quarter 2021 meeting. Karen also reminded directors that Resort Resources, Inc. will present specific expenses for approval at the first quarter board meeting, continuing the process by which pre-approval is obtained for planned reserve expenditures.

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

RESOLVED, that the 2021 updates to the Association’s Facilities Reserve Study (“Attachment 12”), Utility Reserve Study (“Attachment 13”), and WIREP Reserve Study (“Attachment 14”) be approved as submitted with the financial assumptions and contributions as recommended, and with the understanding that the 2021 Golf Reserve Study will be submitted at a later date.

Resolution 2020-11.20-06

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

RESOLVED, that the 2021 Eagle Crest Master Association budgets for Facilities (“Attachment 9”), Utility operations (“Attachment 10”), and Sports Center operation (“Attachment 11”) be approved as submitted; and

BE IT FURTHER RESOLVED, that the 2021 Association dues shall be assessed at \$76.00 per month, per assessment unit; and

BE IT FURTHER RESOLVED, that the 2021 Association water and sewer rates shall be assessed at \$70.00 per month, per connection; and

BE IT FURTHER RESOLVED, that the Sports Center annual Unit Fee be increased to \$368.56 per Unit and the annual Owner Fee decreased to \$25 per Owner, as those terms are defined in the Sports Center Lease; and

BE IT FURTHER RESOLVED, that the Sports Center annual Unit Fee for Ridge at Eagle Crest Owners be increased to \$141.34 per Unit and the annual Owner Fee remain unchanged at \$10.62 per Owner, as those terms are defined in the Joint Use Easement Agreement.

Resolution 2020-11.20-07

**REAUTHORIZE
SIGNING AUTHORITY
FOR 2021**

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

RESOLVED, that Mark Owings and Curt Heimuller be appointed as authorized signers for the Eagle Crest Master Association, effective for calendar year 2021.

Resolution 2020-11.20-08

**2021 RESERVE FUND
INVESTMENTS
AUTHORITY**

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

RESOLVED, that the Board adopts the reserve fund investment policy and authorizes Chris Earnest, Curt Heimuller and Mark Owings to conduct analysis and placement of Eagle Crest Master Association reserve funds, effective for calendar year 2021.

Resolution 2020-11.20-09

**UNFINISHED
BUSINESS**

**ECMA UTILITY
SYSTEMS PLANNING
COMMITTEE**

The Board previously expressed interest in exploring the future of the ECMA utility as it relates to longevity, risk and ownership, and directed management to work with Karen Smith to develop a charter for an ad hoc committee for such purpose. Karen reviewed a draft Utility Systems Planning Committee Charter (“Attachment 15”) and requested feedback from directors as to whether the charter aligns with director intent, and to further detail the document to move forward.

Following director discussion, it was agreed that Karen and Curt Heimuller will work together to revise the document to reflect director feedback, specifically in the membership and responsibilities sections, and present a recommendation at the Q1 2021 meeting.

Hank Cavender left the meeting at 11:00am.

**GOLF 5-YEAR
CAPITAL PLAN**

Mike Bessonette, committee chair, presented the 5-year capital plan for the golf course (“Attachment 16”) noting the seal coating dates referenced on the document are incorrect and will be corrected for the next revision.

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

RESOLVED, that the updated “Resort Golf Course 5-Year Capital Plan” (“Attachment 16”) be hereby approved as presented.

Resolution 2020-11.20-10

NEW BUSINESS

**GUEST SERVICES
CONTRACT**

Hannah Henson noted the Contracts Management Committee does not have a current roster of members and that the current contract with Eagle Crest

Management to provide safety services expires on 12/31/2020. Hannah provided two draft contract options for board consideration.

1) Renew the contract with ECM for a 1-year period to allow time to fill the vacant CMC positions, and revisit the contract later in the year. A draft 1-year contract was provided (“Attachment 17”).

2) Approve a 3-year contract (“Attachment 18”) including an added clause of a 120-day termination option. This would allow time to fill the committee, but allow the option to terminate should the committee make that recommendation and the board approves.

Following discussion amongst directors, management was instructed to include an agenda item in the Q1 2021 meeting to discuss whether there is still a need for a Contracts Management Committee.

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

RESOLVED, that the Board approves the contract with the Eagle Crest Management Guest Services division to provide safety services for a period of three years (“Attachment 18”) and authorizes the Board President to sign said contract on behalf of the ECMA Board.

Resolution 2020-11.20-11

**SEWER EASEMENT
AGREEMENT
AMENDMENT**

Hannah Henson noted this topic was previously discussed during the “Utilities Report” section of today’s meeting.

**RESORT RESOURCES,
INC. 2021 TASK
ORDERS**

Directors reviewed the proposed Resort Resources, Inc. 2021 Task Orders for Services (“Attachment 19”).

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

RESOLVED, that the Resort Resources, Inc. 2021 task orders (“Attachment 19”) be hereby approved as submitted and the Board President be authorized to sign the task orders on behalf of the ECMA Board.

Resolution 2020-11.20-12

**JOINT USE SYSTEMS
EVALUATION
COMMITTEE**

Curt Heimuller provided a verbal update regarding committee activity, noting the deadline for committee recommendations is 12/31/2020. Curt shared in discussions with the RECOA President, it was mentioned RECOA would require an update of committee activities prior to extending the deadline. Curt met with committee member, Geoff Roemelt, who provided the following details on the two committee commitments:

Policy recommendations were provided to the Board earlier this year, and Karen Smith further provided edits and recommendations for those draft policies. Updated versions remain to be finalized and shared with the parties.

The committee is also reviewing changes to operating procedures and systems in an effort to provide better value for the home owners. The Committee decided on the “Express Pass” idea which was previously shared with the boards. While the boards had a favorable reaction to the Express Pass idea, no approvals

were requested at that time. Geoff is aiming to have a committee meeting within the next two weeks to finalize the recommendations.

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

RESOLVED, that the deadline for the JUSE recommendation to the parties of the agreement be extended from 12/31/2020 to 6/30/2021.
Resolution 2020-11.20-13

**OTHER NEW
BUSINESS**

Directors requested management confirm schedules and provide directors with meeting dates for 2021 via email within the next two weeks. Bill requested the Q3 meeting be held the last week of September.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:46 a.m.

Secretary to the Association