

MINUTES
TAHOE DONNER ASSOCIATION
REGULAR BOARD OF DIRECTORS MEETING

February 25, 2017
Northwoods Clubhouse
9:00 a.m.

A regularly scheduled meeting of the Board of Directors of Tahoe Donner Association was held that the Northwoods Clubhouse 11509 Northwoods Blvd., Truckee, California on Saturday, February 25, 2017. President Jeff Bonzon called the meeting to order at 9:03 a.m. The following Directors were in attendance, thus constituting a quorum of the authorized number of Directors of the Association:

Directors Present: Jeff Bonzon, President
Ron Wulff, Vice President (via conference call)
Steve Miller, Treasurer
Jeff Schwerdtfeger, Secretary
Darius Brooks, Director (via conference call)

Directors Absent: None

Staff Present: Robb Etnyre, General Manager
Forrest Huisman, Director of Capital Projects
Miguel Sloane, Director of Operations
Mike Salmon, Director of Finance & Accounting
Annie Rosenfeld, Director of Facilities & Risk
Gretchen Sproehnle, Marketing Communications Manager
Lee Grey, Recording Secretary

I. CALL TO ORDER 00:08

II. DISCUSSION: SOCIAL MEDIA UPDATE 01:36

Gretchen Sproehnle, Marketing Communications Manager, presented to the Board and to the membership a summary of comments and activity across all Tahoe Donner social media platforms and on Next Door as an additional way to stay abreast of emerging issues among the membership.

The most common topics this month were:

- Snow removal services

- Truckee Fire Protection District CERT Program
- Lost dog/dogs off leash/picking up after your dog
- Town of Truckee Cannabis Survey
- Deck/Roof snow load collapses and warnings
- Power outages
- Speeding in Tahoe Donner
- Out of bounds avalanche at the Alder Creek Adventure Center
- Underground Utilities
- Road Conditions

Gretchen also reported on Board meeting video recording statistics, providing a brief overview of what is being tracked, total video viewings and other general information.

To stay informed on these topics and others, members can subscribe to receive Tahoe Donner emails at www.tahoedonner.com.

III. MEMBER & DIRECTOR COMMENTS 07:36

Board President, Jeff Bonzon, recognized members to comment on agenda items as they occurred. But, opened the meeting addressing the following topics that were not on the agenda but perceived as important to address and potential items to be placed on future board meeting agendas.

- The Board of Directors collectively thanked Tahoe Donner Staff for all provided snow removal services at each of the Tahoe Donner amenities.
- Director Darius Brooks would like to begin discussion on Truckee river flood mitigation plans for the spring.
- Other topics brought to the Board’s attention by members were:
 - A CC&R’s rule change request to allow storage of slide in campers on non-paved private property
 - Underground power lines

Members may submit additional comments by email to the Board (board@tahoedonner.com).

IV. A. ACTION: APPROVAL OF MINUTES 21:40

The Board received the preliminary minutes of the following for consideration:

- January 28, 2017 Regular Meeting Minutes
- February 16, 2017 Special Meeting Minutes

Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve the meeting minutes as presented. Motion passed: 5 – 0.

**V. B. DISCUSSION: COMMITTEE MANAGEMENT 22:32
(Committee Chairs)**

- **Architectural Standards** – The Board was provided with the committee’s January 18, 2017 meeting minutes and the Architectural Standards and Covenants Board of Directors Monthly Summary for January 2017.
- **Covenants** – The Board was provided with the committee’s February 9, 2017 meeting minutes and the Architectural Standards and Covenants Board of Directors Monthly Summary for January 2017.
- **Election** – No report.
- **Finance** – The Board was provided with the committee’s February 9, 2017 meeting minutes.
 - Art King, Chairman of the Finance Committee, informed the Board and the membership that the committee has approved the 2017 Golf Rates, presented by Mike Salmon, the Director of Finance and Accounting, reviewed the January Financial results and continue to make progress with sub-committee projects.
- **General Plan (GPC)** – The Board was provided with the committee’s February 6, 2017 meeting minutes and the Capital Projects at a Glance report. The Board was also provided with the Downhill Ski Task Force February 6, 2017 meeting minutes.
- **Tahoe Donner Giving Fund Committee** – The Board was provided with the committee’s February 7, 2017 meeting minutes.

VI. C. ACTION: CONSENT CALENDAR

28:31

The Board was provided with the following for consideration:

- 2017 Election – Inspector of Election Agreement – Brent P. Collinson
- 2017 Election – Accountancy Firm Agreement – McClintock Accountancy
- 2017 Election Procedures
- 2017/2018 Winter Season Passes – Spring 2017 Sale Prices

Following discussion, Director Steve Miller moved and Director Jeff Schwerdtfeger seconded to approve the Consent Calendar items as presented. Motion passed: 5 – 0 .

The following Consent Calendar items were pulled from the original Consent Calendar and were reviewed further before being voted upon by the Board of Directors.

- **2017 Golf Rates**
 - Director Jeff Schwerdtfeger asked for further clarification as to why it has been recommended to increase the 2017 Golf Rates, when we are expected to have a delayed opening for the Tahoe Donner Golf course, due to an excessive snow year. Robb Etnyre, General Manager, clarified that this winter season has been quite similar to the 2010/2011 Winter season in

which it did delay the opening of the Golf Course in 2011, but only by a few weeks. The Golf Course experienced a soft opening that year, with 9-holes at first, and then fully opened to an 18-hole course a few weeks later with an excellent fall season. As such, until we have a clearer idea of what the Golf season will look like, he did not recommend to adjust the proposed rates that are normal cost / inflationary adjustments.

Following discussion, Director Steve Miller moved and Director Jeff Bonzon seconded to approve the 2017 Golf Rates. Motion passed 4 – 1.

VII. D. DISCUSSION: BOARD OF DIRECTORS AMENITY ACCESS AND DISCOUNTS POLICY
(Board of Directors)

43:23

The Board of Directors reviewed the final Board of Directors Amenity Access and Discounts Policy. This purpose of this policy is to:

- Further the business purposes of the Tahoe Donner Association;
- Provide direction to current and future Board Directors as to what are the expectations of Board conduct;
- Provide clear guidance to both the Board and Association staff on amenity access privileges and discounts;
- Provide clarity and transparency to Association members on Board governance matters.

In order for active Directors to fulfill their duties to the Tahoe Donner Association, Directors shall:

- Receive annually one all amenities recreation pass board member identification card at no cost, to allow access to all public and private amenities in Tahoe Donner.
- Receive 50% off all rentals of equipment needed to participate in activities at Tahoe Donner Association amenities.
- Receive 50% off regular priced food and beverage (excluding alcoholic beverages) at all Tahoe Donner Association food and beverage outlets, with restrictions.

To support business purposes of use of amenities, Board Directors are encouraged to wear their name tags. Board Directors shall never displace paying members or the public when visiting Association amenities or participation in activities. The rights granted by this policy are non-transferrable. Questions or judgements as to the application of this policy, are to be directed towards the Board President or Treasurer.

Following discussion, Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve the Board of Directors Amenity Access and Discounts Policy 2017-01 as presented. Motion passed: 4 – 1.

**DISCUSSION: BOARD OF DIRECTORS EXPENSE REIMBURSEMENT
POLICY**

(Board of Directors)

The Board of Directors reviewed the final Board of Directors Expense Reimbursement Policy. This purpose of this policy is to:

- Further the business purposes of the Tahoe Donner Association;
- Provide direction to current and future Board of Directors as to what are the expectations of Board conduct;
- Provide clear guidance to both the Board and Association staff on allowable expense reimbursements to Board Directors;
- Provide clarity and transparency to Association members on Board governance matters.

To ensure clarity and to expand on the Association CC&R's, the following types of expenses incurred by Board Directors will be considered reimbursable expenses while performing their duties:

- Business Travel Expenses –
 - Directors will be reimbursed for reasonable business travel expenses incurred while on assignments away from the normal Board meeting locations. Business travel must be approved in advance. When approved, the actual cost of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives, will be reimbursed with receipts. Mileage expenses will be reimbursed at no more than the IRS approved mileage rate for that year. Directors traveling more than 50 miles to attend meetings will be reimbursed up to a maximum of \$250.00.
- Business Meal Expenses –
 - Directors will be reimbursed for business meal expenses when the meal is part of a meeting involving Tahoe Donner business; excludes alcoholic beverages. Monthly expense reimbursements for business meals shall not exceed \$200 monthly per board member. Names of those at the business meal, subject matter, and receipts must be provided.
- Association Property –
 - Directors are allowed access to both laptops and tablets provided by the Tahoe Donner Association. These items are for Association business purposes only, and must be returned when a Director leaves office.

Review of, and authorization for reimbursement of these expenses, is the responsibility of the Board Treasurer.

Following discussion, Director Steve Miller moved and Director Jeff Schwerdtfeger seconded to approve the Board of Directors Expense Reimbursement Policy 2017-02 as presented. Motion passed: 5 – 0.

IX. F. **ACTION: DIRECTOR OF FINANCE & ACCOUNTING REPORT**
(Director of Finance & Accounting, Mike Salmon)

1:02:00

The Board was provided with the 2016 December Financials report and the 2017 January Financials report by Mike Salmon, Director of Finance and Accounting.

- **2016 December Financials**

- Month financials for the Association indicate that net operating results (before assessment revenues) for the month was a loss of (\$94,000) which was favorable to budget by \$485,000/84%. The month's operating revenues of \$1,474,000 were \$623,000 favorable to budget and total expenses of \$1,568,000 were \$138,000 unfavorable to budget. Compared to last year same month, revenues are down \$114,000 and NOR is unfavorable by \$174,000.
- Year to date financials for the Association indicate that net operating results (before assessment revenues) for the month was a loss of (\$4,504,000) which was favorable to budget by \$2,447,000. Year to date operating revenues of \$12,771,000 were \$3,571,000 favorable to budget and total expenses of \$17,275,000 were \$1,124,000 unfavorable to budget. Compared to year to date last year, revenues are up \$4,090,000 and NOR is unfavorable by \$1,097,000.
- Member's equity as of December 31, 2016 is \$4,404,000, which exceeds our Policy Peg Balance of \$920,000.
- As of December 31, 2016, there are 31 members who have not paid their annual assessment fees for 2016.
- The 2016 Audit has begun, expected completion of the Auditors Report for 2016 is expected to be on March 25, 2017 at the Regular Board of Directors meeting.

- **2017 January Financials**

- Month financials for the Association indicate that net operating results (before assessment revenues) for the month was a loss of (\$43,000) which was favorable to budget by \$258,000. The month's operating revenues of \$1,656,000 were \$482,000 favorable to budget and total expenses of \$1,698,000 were \$224,000 unfavorable to budget. Compared to last year same month, revenues are up \$40,000 and NOR is unfavorable by \$38,000.
- Year to date there is no report as January is the 1st month of the fiscal year.
- Member's equity as of January 31, 2017 is \$4,662,000, which exceeds our Policy Peg Balance of \$1,100,000.
- As of January 31, 2017, there are 3,283 members who have not paid their annual assessment fees for 2017.

Following discussion, Director Ron Wulff moved and Director Steve Miller seconded to approve the unaudited 2016 December Financials and the unaudited 2017 January Financials as presented. Motion passed: 5 – 0.

X. BREAK 10:22 A.M.

The regular meeting reconvened at 10:32 a.m.

XI. G. DISCUSSION: GOVERNING DOCUMENTS PROJECT UPDATE 1:18:50
(Robb Etnyre, General Manager)

The Board of Directors was provided with the second draft of the proposed revised changes to the Tahoe Donner Association Governing Documents, including the Articles of Incorporation, the CC&R's and the Bylaws.

Tahoe Donner Association is a "common interest development" and, as such, it is governed by provisions of California law, including the Corporations Code and the Civil Code (the Davis-Stirling Act). Our Association's governing documents were last updated in 1992. Since then, there have been many changes in the laws which have resulted in our existing articles of incorporation, bylaws, and CC&Rs being outdated, incomplete, or inaccurate concerning important aspects of our operations. For this reason, the Board and staff have been working with the Association's legal counsel to develop the updated governing documents.

The objectives of this governing document project are: (i) to update the articles of incorporation, bylaws, and CC&Rs to reflect the many changes that have occurred in the law since our community was established, (ii) to provide clarity about issues in a manner that reflects the principles contained in the current documents and applicable law, (iii) to reorganize the documents so that the updated and clarified information will be more accessible to the membership, Board and committee members, the manager, and others who have an interest in the community. There are other changes that are what are called "Best Practices" which are recommended changes that will help the Association operate more effectively and efficiently. The "New" Davis-Stirling Act was signed into law and became effective on January 1, 2014. The proposed documents reflect the new numbering scheme contained in New Davis-Stirling. For instance, Civil Code section 1351(a) under the "old" law is now referred to by its new number location, Civil Code section 4080.

Moving forward, Robb Etnyre stated that at the next step is for the Board to hear from the law firm that we have been working with on this project at the next regularly scheduled Board meeting. They will be able to walk the Board and the membership through a clean second draft of the governing documents to more specifically answer on a legal basis what updates are being made. Once the Board agrees on a final draft, that final draft will then go to the membership for approval. The new governing documents can only be passed with a 50% plus one membership vote.

CLOSED SESSION

XII. EXEC. EXECUTIVE SESSION AND LUNCH 1:34:05

The Board adjourned to Executive Session at 10:50 a.m.

Director Steve Miller moved and Director Jeff Schwerdtfeger seconded to approve adjournment of the Board Meeting at 10:50 a.m. Motion passed: 5 – 0.

OPEN SESSION

The Board reconvened to Open Session at 1:00 p.m.

XIII. EXEC. EXECUTIVE SESSION REPORT

1:37:20

Board Secretary, Jeff Schwerdtfeger reported that the Board met in Executive Session today and discussed:

- Formation of Contracts –
 - One with Molsby & Bordner, and a second to purchase a replacement Golf Cart fleet with 80 Club Car Precedent i2 electric golf carts, one (1) Club Car Villager 6 Shuttle gasoline carts, and marshall carts from Club Car utilizing Replacement Reserve Funds not to exceed the approved budget of \$379,342.
- Litigation
- Personnel matters

XIV. H. DISCUSSION: TAHOE DONNER AVALANCHE SAFETY

1:38:03

(Robb Etnyre, General Manager)

Robb Etnyre, General Manager, Annie Rosenfeld, Director of Risk Management and Real Property, discussed the current avalanche safety protocols for winter operations at Tahoe Donner Association.

Robb Etnyre, stated that there are two main areas on Tahoe Donner property that are avalanche prone. One of them you can see on the Tahoe Donner Cross Country Map, shaded in red, signifying closed terrain, in between Hawk's Peak and Hasting's Cutoff. Robb mentioned that the only terrain that is open for people to use within the Cross Country ski boundary, are the open groomed trails, shown on the map. Out of bounds and off trail skiing in this area is prohibited. The second area within Tahoe Donner property that is also avalanche prone is Sunrise Bowl. Part of this area is on Tahoe Donner property and part of it is US Forest Service land. The area of Sunrise Bowl that Tahoe Donner owns is outside of all Ski Area Boundaries, but is considered Common Area within Tahoe Donner. Thus, members may utilize this area, however Tahoe Donner does not exercise control over this area on a regular basis. On an advisory basis, Tahoe Donner does sign this area, indicating to the membership that it is a hazardous avalanche prone area.

Annie Rosenfeld, continued to say that we have two protocols in place, one for our open space areas and one for our inbounds ski areas with regards to winter safety. These protocols included specific ones to Cross Country, in order to mitigate and minimize all potential risks. This includes the permanent closure of the area shaded in red on the Cross Country map, to all guests and employees, due to the consistent risks of avalanches that can occur in that area. Working with the Sierra Avalanche Center, and their full-time avalanche forecasters, Tahoe Donner staff does have daily discussions through each storm

cycle and after each storm cycle, of what is going on with Tahoe Donner terrain, to then determine when to open and close trails. Sally Jones, the Cross Country Manager, and Annie, have regular discussions before and after each storm, to review how we plan to open and close trails, utilizing patrol. With regards to Sunrise Bowl, that area is monitored as well, which is why there is signage placed at all entry points, notifying the membership of the high-risk area. These signs have been in place for many years, and are still monitored by Tahoe Donner staff.

The recent avalanche that occurred on Tahoe Donner property, in the closed area shaded in red on the Cross Country map, was reported by a guest, who called 911, which ended up being a false alarm. It was normal for avalanches to occur in that area, and no one was involved. It simply was a reminder that avalanches are common in this closed terrain, reaffirming why this area has been permanently closed for the safety of our members and guests. Tahoe Donner in an effort to educate the membership on winter safety, in particular this winter, continually publishes articles in the Tahoe Donner News, the regular email blasts, as well as informational resources on the website.

XV. I. DISCUSSION: TAHOE DONNER ASSOCIATION MASTER PLAN 2:13:00
(Michael Sullivan Chair of the General Plan Committee and Forrest Huisman, Director of Capital Projects)

The General Plan Committee in conjunction with Forrest Huisman, Director of Capital Projects, discussed with the Board the second draft of the Association Master Plan. Michael Sullivan, Chairman of the General Plan Committee reported that so far, the second draft of the Association Master Plan includes information regarding Association history, current amenities offered, finances, demographics, positioning compared to other homeowner associations, market trends and how to evaluate new amenities that could be offered in the future. Going forward, the committee plans to take over the finalization of the Association Master Plan from Dudek, now that the committee has a basic report to work from. As part of this finalization process, the committee plans to incorporate more information concerning improvements that can be made to enhance each amenity, potential replacement and/or construction of new amenities, the protection of all open spaces. These additions will be included in next draft of the Association Master Plan, scheduled to be presented to the Board at the March 25th regularly scheduled Board meeting.

At this time, Robb Etnyre, General Manager, asked the Board to begin reviewing the Capital Projects at a Glance report in greater detail, focusing on current projects and priorities for the next 5 years. According to this report, the top projects are:

- Purchasing a new building, to offer more consistent Day Care services, in addition to housing updated mailboxes for all homeowners indoors, and offering more club and committee meeting spaces.
- Adding electrical vehicle charging stations at each major amenity, utilizing Truckee Donner Public Utility District rebates.
- Expanding parking at Glacier Way trailhead.
- Removing barbed wire, and installing A-frame fencing along applicable Euer Valley boundaries.

- Installing a solar shade structure over the existing Boat Storage lot, making covered year-round storage possible in this lot.
- Looking long-term at providing year-round employee housing, by exploring numerous options including purchasing existing homes, and developing or purchasing multi-zone properties.
- Building a new cook house, restroom and two new 10x12 warming huts.
- Building an Adventure Zone behind the Alder Creek Adventure Center.
- Install more back-up generators at Alder Creek Adventure Center, the Downhill Ski Area and The Lodge, to eliminate service interruptions and maximize...
- Providing snowmaking for cross-country skiing operations.
- Improving the existing bridges at Coyote Crossing and Cowboy Camp.
- Completing Phase 3 of the Equestrian Campus.
- Improving drainage and expanding the Northwoods Clubhouse parking lot, both for summer and winter operations.
- Continue working on the feasibility study for the Downhill Ski Area Master Plan.
- Building a yurt at the top of Eagle Rock at the Downhill Ski Area.
- Expanding and improving the Marina, with building expansion, the addition of artificial turf and more boat rental options.
- Continue working on the feasibility study for the Trout Creek Recreation Center space reallocation and expansion project.

Following discussion, the Board thanked Tahoe Donner staff for all the work that has been done to put this report together and would like to continue discussion of the Association Master Plan at the March regularly scheduled Board meeting.

XVI. POTENTIAL FUTURE BOARD MEETING AGENDA ITEMS 3:50:00

- Lessons learned during this 16/17 Winter season
- 2017 Financial Plan update

XVII. ADJOURNMENT 3:51:50

By consensus the Board adjourned the meeting at 2:25 p.m.

Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve adjournment of the Board Meeting at 2:25 p.m. Motion passed: 5 – 0.

Submitted by:

Megan Rodman, Recording Secretary and Executive Assistant

SECRETARY'S CERTIFICATE

I, Jeff Schwerdtfeger , Secretary of Tahoe Donner Association, do hereby certify that the foregoing is a true and correct copy of the minutes of the Tahoe Donner Association Board of Directors regular meeting held on February 25, 2017 as approved by the Board members in attendance and constituting a quorum at a duly convened subsequent meeting of the Board.

Jeff Schwerdtfeger, Board Secretary

DRAFT