

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
PRINGLE ROOM @ SHARC
MAY 14, 2021**

DIRECTORS PRESENT: Jackie Schmid, Gerhard Beenen, Mike Gocke, Bill Burke, Clark Pederson, Mark Murray, Brad Skinner, Scott Gillies, and Keith Mobley via Zoom

STAFF: James Lewis, Keith Kessariss, Joe Healy, Leslie Knight, Susan Berger, Jesus Mendoza & Mark Smith

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

OWNERS FORUM: No owners addressed the Board, however GM Lewis, at the request of owner Dennis Connors, 3 Filbert Lane, read into the record a written statement offering his criticism for the paint color review process citing that the colors he proposed were denied for his home although they were approved for another home in Sunriver. His belief is that such review and approval is made on the basis of preferential treatment for newer, more expensive homes rather than the independent basis for such evaluation's dependent on the factors inherent to each separate home/property.

COVID-19/RECREATION DEPARTMENT UPDATE

GM Lewis reported that we are back in the Extreme Risk category, which is where we were a month ago. GM Lewis also noted that during the past month staff has had to transition between three different categories. Extreme risk means we can operate at 25% capacity which equates to 45 people per session in the indoor pool. The outdoor pools are currently undergoing routine maintenance which will be complete next week and will be followed by the annual soft opening of the pools on the weekend of May 22nd-23rd.

It was announced yesterday that mask requirements for those fully vaccinated are being lifted with some exceptions and as more information becomes available, staff will respond accordingly. Until that time, all staff and patrons will continue to be required to wear masks. GM Lewis commented that Recreation Director Steven Stanfield talks regularly with Regional Solutions Coordinator Annette Liebe in the Governor's office to ensure we have the most current information available.

Once Deschutes County reaches a 70% vaccination rate, more restrictions can be lifted. Currently approximately 60% of Deschutes County residents have received at least one dose of the vaccine and approximately 50% have received both doses.

There are still a lot of unknowns for the summer season, but staff is anticipating a scenario similar to last summer with several two hour designated swim sessions throughout the day.

As always, the Communications staff will make sure the most current information available is on our websites and social media pages.

STAFFING/HIRING CHALLENGES

SROA HR Manager Leslie Knight noted that the pandemic has offered unprecedented challenges over the past 14 months and in response we have adapted our businesses practices in a variety of ways to still meet the needs of the community while following all mandated guidelines and OSHA rules.

Numerous safety protocols have been implemented over the past 14 months and these protocols are adjusted, as necessary.

Our latest challenge is finding available staff to fill numerous positions, especially in the recreation department. Sunriver, from an employment standpoint, is a bit isolated which creates additional challenges in our recruitment efforts.

Transportation is and has always been a challenge for employees coming from Bend or LaPine. As a good deal of our summer staff are in their teens this presents challenges as they may not have their license yet or may have a license but do not have a vehicle. Additionally, parents may not be comfortable with their teen having to commute to and from work on Highway 97. It also takes longer to get to and from work, gas prices continue to rise and there is no public transportation available from Bend to Sunriver.

Via grant funding through Cascades East Transit there will be transportation available from LaPine to Sunriver this summer with stops at both SHARC and the Resort.

Affordable housing is a very real issue as well with the cost of any available rental, of which there are very few, many times being out of the price range for college students.

Training requirements were hampered by the COVID-19 pandemic with lifeguard classes being put on hiatus for several months over the past year. SROA offers free training for our lifeguards to assist them in keeping their credentials current. Likewise in Public Works, the employees are required to have a Commercial Drivers License (CDL). SROA offers this training and certification as part of our employee package, but it is one more hurdle in the hiring process.

We also must look at the local market. Case in point, the starting wage for a lifeguard at the Resort is \$16 per hour. SROA is currently offering a starting wage of \$13.75 per hour which is \$1 per hour above minimum wage. The Resort, SROA's, main competition for workers, is offering \$25/hour for housekeepers. Additionally, the Resort offers housing options for their summer employees another hurdle that is hard for SROA to address.

Staff is using all avenues available to advertise our job openings including our websites, social media, the ADP job posting app, partnering with local schools, job fairs both in-person and virtual and Craig's list ads. New avenues include the Central Oregon Community College recruiting website, iMatch through the Oregon Employment Department, Central Oregon Jobs.com, radio ads and videos through the TikTok platform. Considerable monies will be spent over the next few weeks on a variety of ads promoting SROA as the best place to land that summer job. Signing and retention bonuses will be offered and will put SROA in a more competitive position when vying for available personnel. We will also continue to offer snacks and lunch for seasonal employees. Consideration and discussion have also been held regarding the possibility of us utilizing one of the SROA buses to provide transportation to and from either Bend or LaPine at some point in the future.

Regarding owner expectation, the desire is to have the pools open five to seven days per week, eight to ten hours per day beginning Memorial Day and running through Labor Day. All tennis and pickleball courts open and available April through September, fitness facility open seven days a week, boat launch open and manned seven days a week, parks open, and operational March through October and restrooms and trash receptacles attended to daily.

We need a total of 35 lifeguards between SHARC and the North Pool Complex to allow us to operate those facilities five days a week. Currently we have 12 on staff and have just hired an additional six but that still leaves us several short. We also need a total of 11 guest services representatives to cover SHARC, the North Pool Complex and Tennis/Pickleball. As of today, we have three of those positions filled. Additionally, we need two people to staff the boat launch facility seven days a week and both of those positions are currently open.

If we are unable to meet these staffing requirements it means adjustments will have to be made to staffing levels and possibly hours/days of operation. Several of the Board members provided their input for possible solutions and President Skinner strongly encouraged staff to figure it out.

ADMISSIONS MODEL WORKGROUP UPDATE

GM Kessarlis provided a breakdown of current recreation statistics through the end of April.

A total of 2,913 Member Preference Program (MPP) cards were issued through the end of April 2021. This is approximately 207 more cards than this same time in 2020 but is a bit of an anomaly since SHARC was closed due to the pandemic in 2020. A better comparison would be to 2019 when we had a total of 3,800 cards issued. Member preference revenue is currently at \$1,889,809 or 51% of budget.

Owners can purchase or update their Member Preference Program (MPP) cards in person at SHARC, over the phone, 541-585-5000 and online at sunriversharc.com > Programs > SROA Member Preference Program.

In terms of the Recreation Plus Program, as of April 30th, there are a total of 788 properties signed up for the program. Revenue currently stands at \$1,939,008 which is 97% of the 2021 budget.

Despite closure challenges and reduced days of operation, SHARC still hosted 1,658 owners to the facility in the month of April along with 160 extended family members and 693 Recreation Plus Program participants.

There are still many unknowns about how the summer months will play out and staff will continue to monitor and follow the guidelines put out by the state and adjust accordingly.

Through the end of April 2021, 26,480 paper guest passes had been issued and of those 563 have been redeemed.

NORTH POOL COMPLEX UPDATE

Assistant GM Kessarlis reported all major construction is complete and the fencing around the structure has come down. The facility looks fantastic and there have been a lot of owners stopping by for a peek. They have all been impressed with what they see and are anxious for the facility to open.

Some additional landscaping work was completed this week and staff training with the pool contractor occurred yesterday. The slides are to be certified later today and all necessary paperwork with Deschutes County is complete and submitted. Operational supplies have been ordered and furniture, fixtures, etc. have been ordered and should arrive soon.

There will be an open house event on Friday, June 11th for owners to visit and view the facility. The facility will not be open for swimming that evening. The opening date for swimming and pool use is Saturday, June 19th. Maximum capacity is 300 people which under current COVID-19 guidelines would only allow 25% or 75 people into the facility. It remains to be seen what conditions will be like in mid-June and how many people staff will be able to allow to access the facility at one time.

TELECOMMUNICATIONS TASKFORCE UPDATE

GM Lewis reminded the group of the current negotiations between SROA and TDS Bend Broadband (BBB). The current contract with BBB expires in 2027 and the parties have been in contract negotiations for a new contract which would supersede the current one for several months now. The new contract would include fiber to the home at no cost to the owner but would also provide an exclusive contract for BBB.

The hurdle the two entities have been struggling with is how best to deal with chronic issues customers have and/or do experience and how BBB responds to those grievances. SROA would like a seat at the table on behalf of the owners when this type of situation occurs to assist in coming up with a remediation plan, but BBB has been very restrictive regarding the language allowable in the agreement.

When SROA informed BBB they were ending negotiations, Gail Long, the Local BBB representative and Julie Maiers, VP of Marketing & Product Development met with GM Lewis explaining the type of situation about which SROA is concerned will be completely resolved once fiber is installed to all homes. The definition of what constitutes a chronic issue continues to be explored and discussion continues.

Director Beenen added this is a significant step from where we were prior. SROA will be asking BBB to provide, in writing, the totality of the agreement as it now stands. We will also have our own legal review conducted by an attorney who is experienced in telecommunications contracts, and we expect some give and take before we may come to a final agreement.

Director Beenen also noted that the taskforce has not abandoned the idea of a community owned fiber to the home system. There are some challenges with respect to that, but the taskforce has come up with some ideas the group will be looking into further to see if there is a way to come up with the necessary financing to provide fiber to the home system via the owners.

Several people on the team were inspired by a recent Sunriver You talk focusing on the history of Sunriver and what SROA has accomplished since the 2009 vote to fund the reserves more adequately. There is the feeling among some that a fiber to the home initiative might be accomplished in the same fashion. More analysis needs to be done on that concept but there is also currently strong motivation at the state and federal level to invest in broadband infrastructure. Monies are becoming available to do that and there might be some grant opportunities worth looking into.

Director Mobley spoke to his experience in assisting in bringing fiber to the home in The Dalles and Maupin via a community owned system. Users are provided with much better service at a lower cost than you will see even in a big city such as Portland and they have a choice of three different companies they can contract for service from. It is important to remember that TDS Bend Broadband is not regulated and if they are the sole provider of telecommunications services to Sunriver owners they will be able to increase user rates to whatever level they think necessary to satisfy their shareholders.

Additionally, telecom companies tend to change hands frequently, so TDS Bend Broadband could very well be bought out by another telecom company. Each acquisition results in a greater distance between the community served and those who are counting the dollars. Director Mobley is a strong supporter of a community owned system and believes it could be a reality in Sunriver. Director Mobley along with owners Dick Luebke and John Salzer will be doing a presentation on this subject for the taskforce soon and while Director Mobley hopes to convince the taskforce of the advantages to have a community owned system, he does acknowledge the most recent proposal from BBB is a substantial improvement from the previous version. Director Mobley, however, believes it will cost the owners much less in the long run to have a system owned by the community with competing providers instead of continuing to pay BBB.

President Skinner thanked the members of the taskforce for their hard work and varying opinions and to the importance of utilizing the Decision-Making Checklist when carrying out a project such as this. The group still has work to do but are making good progress in the interest of Sunriver owners.

COMPREHENSIVE OWNER SURVEY EXECUTIVE SUMMARY

Assistant GM Kessaridis reminded the group of presentation last month by JD Cornutt from DRC Research who reviewed the executive summary of the results of the most recently completed comprehensive owner survey with the Board. The Board has now been provided with hard copies of the survey along with

several days to review the materials. The material provided to the Board will also be posted on the SROA website, www.sunriverowners.org > Documents > Surveys & Statistics > 2021 Comprehensive Owner Survey.

Additionally, the entire report which will include 150+ pages of verbatim comments will be delivered to staff shortly and will be available for review by the Board or community members by making prior arrangements with SROA staff.

Assistant GM Kessarlis noted this survey received the most responses of any previous surveys with 65% of owners responding. Out of those 74% completed on the online version of the survey, a 10% increase from the last time which is great news. Also noted were a few highlights from the report including an increase in the average owner age and with the tenure in Sunriver increasing with 32% of owners having owned their property for 20 years or more.

Assistant GM highlighted a few other survey responses including the governance of Sunriver where in 63% gave a very good or excellent rating, a 18% increase since the last survey. On doing what's best for Sunriver 63% gave a very good or excellent rating.

Director Gillies who was a member of the Survey Workgroup pointed the 8% increase in the number of owners who have children under 23 living with them. Director Gillies thinks the Board needs to have this on their radar as the demographic is changing and more people are living here fulltime. Additionally, there are currently more younger families moving to Sunriver which is going to alter the demographics.

The Board briefly discussed the general public's overall deterioration of social intercourse, overcrowding on the pathways and river due to the pandemic and limited access to amenities in the past year as possible contributors to the lower rating of Sunriver as a great place to live or vacation.

Director Burke, who was also a member of the survey workgroup appreciated the positive comments on the governance of Sunriver and thanked his predecessors for their contributions. He was especially struck by the differences in the recycle survey that was done recently and the responses to the recycling questions in this survey being so vastly different. The recycle survey results were strongly in favor of a facility only open to Sunriver residents, but only at no cost to them. The comprehensive survey results were almost a 180 from that with 67% of people preferring a facility that would remain open to the public and for which the Association would be reimbursed for the construction of.

Assistant GM Kessarlis also noted that when asked about potential infrastructure projects, telecommunications infrastructure moved up to the number one which lines up with the work of the Telecommunications Infrastructure Taskforce. That was followed by restrooms on the pathways, enhancing recycling options/facilities and pathway tunnel improvements rounding out the top four.

Regarding potential amenity projects, pathway safety and connectivity projects ranked number one followed by upgrades to Mary McCallum Park and Fort Rock Park and a dedicated dog park rounding out the top four. Director Pederson is hopeful that the addition of a walking only pathway at Mary McCallum will provide an area where owners can stroll at their leisure without worrying about encountering bicycles.

Director Beenen noted one unaddressed issue that is sitting out there and is significant to some owners is a dedicated dog park. He believes the Board should probably be thinking about how best to address this as it has been raised on numerous occasions before. Director Gillies pointed out that there is still strong support for a dedicated dog park. With more people moving to Sunriver full-time the number of dogs and dog lovers will no doubt increase as well.

GM Lewis also pointed out that we also now have survey results going back to 2010 allowing us to see changes and trends going back over time as well as how the community has evolved and how it may evolve in the future. There is a tremendous amount of data available that can assist the Board in a variety of ways moving forward.

RECYCLE CENTER AGREEMENT DISCUSSION

At the April 17th SROA Board meeting the Board approved ballot measure language for the proposed recycling center. Today, GM Lewis introduced the language received since that meeting that spells out the three-party agreement between SROA, Deschutes County and R.A. Brownrigg Investments, Inc., dba Cascade Disposal on how the project will be funded and operated.

The effective date would be after the vote of the owners and the completion of the construction of the facility. It is a ten-year agreement, meaning it would have to operate as a recycling facility for ten years beginning on the effective date of the agreement. Deschutes County will reimburse SROA \$600,000 over a five-year period in five equal payments of \$120,000 for the construction of the facility.

SROA will be responsible for all aspects of the construction process and SROA will be the sole owner of the facility. Ultimately, SROA will be responsible for the operation and maintenance of the facility and the carting company will be responsible for removing the recyclable materials on a regular basis. At the end of the ten-year term, SROA can modify the use of the facility in any way it desires including keeping it open as a recycling facility but only limiting it to Sunriver owners and their guests if that is where the community wants to go. The facility could also be completely repurposed for another use if that is what is desired. If, during the term of the agreement, SROA desires to discontinue the recycling use or limit it to Sunriver residents and their guests only, that will come at a cost to SROA. We would be obligated to pay back part of the reimbursement on a pro rata basis.

The Board held further discussion on the matter and Director Schmid noted the Owner Enrichment Committee and Sunriver You are interested in orchestrating another **virtual** town hall session with a question-and-answer session in the later part of June specific to the proposed recycle center. Director Gillies added he believes there are a lot of people who do not understand what is even happening with recycling or they know the basics but may not understand all the details. The town hall event would provide an opportunity to get accurate information out to owners in a concise and professional way.

Director Gillies who is a member of Sunriver You and assisted with the recently held town hall reported the group talked about and suggested GM Lewis along with Directors Burke & Pederson who were members of the taskforce make up the panel that would begin with an overview of the proposed project followed by a question-and-answer period. Information about the event will be shared via an email blast, on the website, in the next edition on the Scene and on social media.

This item is on the agenda for action at tomorrow's meeting.

SUNRIVER SERVICE DISTRICT (SSD) FACILITIES **FORT ROCK PROPERTY DISCUSSION**

GM Lewis reported the SSD as part of their due diligence on site exploration for a new public safety facility, looked at 22 different properties in Sunriver that were of a size or location that would meet their needs. Most of those properties were common areas owned by SROA. After identifying the parcels, they examined zoning and other development requirements. Many of the parcels have restrictions per our governing documents that prohibit a facility like that to be constructed.

Their search has ultimately narrowed to three properties, one of which is the 3.6-acre parcel located adjacent to Fort Rock Park, the second is part of the former Mavericks location and the third option would be to remodel/expand the current fire station to house both the police and fire departments.

The property in question is not called out specifically as common area thus a facility such as a public safety building would be allowable at that location. However, because that property does not carry the same restrictions that common areas in Sunriver do, it may also be beneficial to SROA for use in the future and is the last piece of vacant land that the Association owns that is not subject to some sort of restrictions through the Consolidated Plan or some other document. At this time, GM Lewis would not support selling or transferring this parcel to the SSD. While no formal action is necessary at present, if SROA is not interested in parting with that parcel, it would be beneficial for the SSD to know that so they can eliminate it as an option.

Director Beenen felt the need to add that as has been previously reported, the current facilities do not meet the needs of the departments and they are looking at all options. The desire is to have a shared facility for both the fire and police departments. The Board held some further discussion on the issue and was in consensus that the Fort Rock location would not be conducive due to the congestion, pathways, homes, etc. in that area and it would not be appropriate for SROA to consider parting with that parcel and instructed GM Lewis to notify the SSD accordingly.

OTHER BUSINESS

Director Pederson inquired about the status of addressing properties that have excessive wood piles and, in some cases, rotting wood piles that owners never intend to use as well as some properties that are within the letter of the law but still pose a hazard to neighboring properties, etc. He wonders if at a minimum, owners can somehow be informed that they are creating a hazard and encourage them to dismantle the piles, especially if there is rotting wood.

GM Lewis responded that the Ladder Fuel Reduction Plan includes in Section 3, that firewood shall be stored twenty (20) feet from the structure, or at the property line during fire season (June 1 – November 1.) Additionally, it cannot be larger than a 4x4x8 and there must be separate piles if the owner has more than one cord of wood. An owner is allowed to have up to five cords of wood at one time. The new code enforcement officer in Community Development has inherited a long list of properties to check after the June 1st date and will be addressing any piles that are non-compliant.

GM Lewis shared he was involved in a very good meeting a few days ago with representatives from the SR Fire Department, ODFW, the Forest Service, SROA Natural Resources and others and one of the questions raised was how the five-cord limit was established and if it perhaps goes back to the beginning of Sunriver when more people were heating the homes more often with wood. GM Lewis believes this should maybe go to the Covenants Committee for review and reconsideration.

GM Lewis also noted the update to the Ladder Fuel Reduction Plan is starting up and there may be other things that come out of that update that will need to go to the Covenants Committee as well. Additionally, the review of the Design Committee Manual of Rules & Procedures has sections that also speak to firewood storage that will need to be addressed.

In the interim, the Natural Resources and Community Development Departments will continue to work on properties that are non-compliant.

REVIEW OF 5/15/21 AGENDA

The Board reviewed the agenda for tomorrow's meeting.

There being no other business, President Skinner asked for a motion to adjourn to Executive Session.

Director Schmid moved to recess the public meeting and adjourn into Executive Session under the authority given in the Sunriver Bylaws, Article IV, Section 10 to discuss contractual, personnel and legal matters that may be subject to a claim of privilege. Seconded by Director Beenen, motion passed unanimously.

The public meeting recessed at 11:00 A.M.

The public meeting resumed at 11:55 P. M.

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

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

The meeting adjourned at 11:56 A.M.

Respectfully submitted,

Jackie Schmid, SROA Secretary