

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
June 19, 2021**

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

DIRECTOR ABSENT: Mark Murray

STAFF: James Lewis, Jesus Mendoza & Susan Berger

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

OWNERS FORUM: Cindy McCabe, 13 River Village Condo, thanked the Board and staff for listening to owner concerns and acting on them, specifically improvements to Mary McCallum Park. She also reminded the Board of the upcoming Community Picnic scheduled for July 13th at the park.

Doug Keep, 8 River Road and Margaret Ward, 6 Lone Eagle Landing presented information to the Board regarding a request to place a gate at the road entrance to the Skypark area, as well as a continuation of fences preventing bike and pedestrian access. They cited safety concerns and conflicts from the aircraft using the tarmac and the direct access to vehicles. A discussion of the process necessary to amend the Consolidated Plan was also provided. The Board noted their request to initiate a necessary ballot measure and stated that they would decide in July.

OWNER FORUM FOLLOW-UP FROM LAST MONTH'S MEETINGS

President Skinner reported that Dennis Connors, 3 Filbert Lane sent a written statement offering his criticism for the current paint color review process. This is one of the things that will be looked at as part of the complete review of the Sunriver Design Committee Manual later this summer. Randy Schneider, 6 Dixie Mtn. Lane, as a member of the Rules, Education & Compliance Taskforce offered his full support of GM Lewis and Police Chief Darling and the job they did on that project. Cindy McCabe, 13 River Village Condo, thanked the Board for improvements to Mary McCallum Park and expressed her desire to have the paving of the walking path done sooner but that paving is already scheduled as part of the fall road projects. Ms. McCabe also brought up the dust issue on the canoe takeout road which is being addressed.

RECAP OF 6/18/21 WORK SESSION

President Skinner reported the Board heard the 2020 SROA Audit report from Heather McMeeken of Price & Fronk. Magistrate, Jo Zucker provided her annual update and statistics. A serious and sobering discussion on staffing issues was held, capital improvement projects were discussed as was the opening today of the Member Pool. Director Beenen and Director Mobley provided an update on the efforts of the Telecommunications taskforce. Discussion was held on agenda items for the annual meeting of the ownership scheduled for Saturday, August 21st at 1 P.M. A second reading of the Nuisance Property Rule was held.

ACTION ITEM
BOARD MEETING MINUTES

Director Burke moved to approve the minutes of the May 14th SROA Board Work Session as corrected. Seconded by Director Mobley, motion passed unanimously.

Director Gocke moved to approve the minutes of the May 15th Regular Board Meeting as written.

Seconded by Director Beenen, motion passed unanimously.

FINANCIAL

Treasurer Beenen referenced the financial packets included in the board binders and noted in general May was a strong month for SROA financially.

Income Statement

For the month ended May 31, 2021, there was a net operating deficit of \$12,387 which was \$45,718 better than budget. Operating revenues were better than budget by \$14,376 mainly due to Recreation Plus Program (RPP) and Scene advertising revenues. Salaries and burden were under budget by a combined \$43,401 mainly due to savings in part-time labor in the recreation department and f/t positions open in recreation, public works, and natural resources departments. Materials & services were under budget by \$16,480 for the month. Legal fees were over budget by \$27,734 due to April's legal invoice. As of this report date, the May's legal invoices have not been received.

Through the first five months 2021, there was a net operating surplus of \$27,386 which was \$288,374 better than budget. Operating revenues were under budget by \$34,766 mainly due to the SHARC closure and Member Preference Program (MPP) trending slightly behind budget. As of May 31, 2021, MPP and RPP sales were at 67.1% and 99.5% of their respective annual budgets. Salaries and burden were under budget by \$95,700 due to the above-mentioned reasons. Material and services were under budget \$252,849 year-to-date from the SHARC closure and timing of invoices/contract services.

There was a combined operating and non-operating surplus of \$1,116,845 through the first five months of 2021.

Balance Sheet/Investments

Total assets as of May 31, 2021, were \$35,480,844. Cash and investments totaled \$13,729,341, a decrease of \$610,791 from April. As of May 31, 2021, investments included \$7,151,639 in short-term US Treasuries of one year or less, \$1,250,000 in a two-year treasury, and \$3,750,195 invested in the CDARS program. There was \$160,216 in receivables from RPP sales at the end of May. Construction in progress items included the North Pool, Fir-Cone settlement project along with the tennis & pickleball court resurfacing.

May 31, 2021 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$4,336,944
TOTAL EXPENSES	\$4,309,558
OPERATING FUND SURPLUS	\$ 27,386

Director Pederson moved to approve the unaudited May 2021 financials. Seconded by Director Burke, motion passed unanimously.

GENERAL MANAGER'S REPORT

GM Lewis noted this report will be for activities ending May 31st. Negotiations with Deschutes County and Cascade Disposal regarding the proposed recycle center were completed. Implementation of tasks stemming from the Rule Awareness & Compliance Task Force started including new signs, emergency contact forms, printed materials to property managers, resort, etc. GM Lewis thanked Communications Director Susan Berger and her assistant Linda Donohue for all their hard work on this effort.

GM Lewis worked with legal counsel on several Association issues. GM Lewis continues to work with the Sunriver Service District (SSD) regarding their facility site search. They would like SROA

representation on that effort. Staff prepared and issued a Request for Proposal for a consultant to assist with the review and update of the Design Review process which has since been awarded to MIG out of Portland, Or.

Dust abatement efforts on the canoe takeout road were completed yesterday. President Skinner thanked GM Lewis and Public Works Director Mark Smith for their efforts and ability to engage with the Forest Service to find an acceptable product to apply to that road surface. The hope is that the product will do the job providing a much nicer experience for those traveling on that road or those who live near and receive a constant dusting. GM Lewis thanked the Resort for their involvement and contributions to the solution.

GM Lewis continues to work with the Central Oregon Intergovernmental Council (COIC) to fund a bus from Bend to Sunriver. COIC wanted to conduct a survey to gauge interest, and which will run through the end of June.

GM Lewis has prepared the necessary land use permits from Deschutes County for the scheduled improvements at Mary McCallum Park. Staff just received the completed materials from our architect to submit with the land use application. The review process should take approximately 45 days, but it will take until the end of the summer and into fall for the construction to be complete.

GM Lewis met with Tom O'Shea and John Fettig of Sunriver Resort/Realty regarding the final phase of the Caldera expansion.

GM Lewis & Public Works Director met with Skypark owners about their request for a gate across the road to prevent access to Skypark. They were informed of the SROA requirements necessary for their proposal.

The Administration office is once again open to the public.

Controller Healy and staff worked with the auditors on the 2020 SROA audit. Revisions to the SROA Financial Policies are also in the works with the assistance of some members of the Finance Committee.

IT had a very busy month preparing the Member Pool for opening from an IT perspective. Some new computers were configured and installed at SHARC, and the network fiber connection switch was replaced. Emails for seasonal staff have been set up and an SROA text alerts system for SROA employees has been set up.

IT Director Brad Olson continues to participate with the Telecommunications Taskforce.

In the Communications Department, Scene advertising was at \$18,279; previous year was \$16,779.

The SROA website, www.sunriverowners.org continues to feature a COVID-19 page, which is updated frequently to ensure the most current information is available.

There were 140 reads of the online May Scene.

The SROA website was visited by 9,400 users in May with popular pages being weather, Member Pool, member benefits/member preference program and coronavirus.

The SHARC website was visited by 20,000 users with popular pages being plan your visit, outdoor aquatics, and aquatic hours.

Sunriver Style was visited by 3,500 users with popular searches for pathways, river, and horseback riding.

Sunriver Tennis website: 1,300 views looking at tennis and pickleball facilities, lessons, and contact us.

Social media pages continue promoting recreational summer job opportunities as well as Sunriver's common rules and pathway rules.

Staff members recently completed creating new signage for river access at Harper Bridge as well as the sign for the new no parking, waiting, etc. rule at Cardinal Landing Bridge and those signs have been installed by the Public Works Department.

Staff is working on the ballot materials that will be mailed the first week of July for the annual SROA election.

The owner emergency contact form was launched, and staff have received close to 300 back.

The Community Development Department continued their protocols for safe electronic submittals of applications/plans and for applicant meetings/contacts. There are currently 303 active projects/building permits (up approximately 10% from last month.)

The filling of the compliance officer position has enabled other Community Development staff to process application submittals and final inspections in a more expedient manner.

The Natural Resources Department prepared and mailed ladder fuel reduction (LFR) reminder post cards. The 2021 LFR contracts have been awarded. Staff responded to numerous phone calls and performed site visits for private ladder fuel reduction and tree removal permits.

Director Gentiluomo completed follow-up correspondence and meeting notes with agency partners from their May 12th site visit.

Public Works has been busy with the completion of spring road projects including crack and slurry sealing.

The installation of the new tables and pads at Mary McCallum Park is complete.

The pickleball conversion at Fort Rock is 50% complete and the sound wall is 90% complete. The Circle 4 Courts, for which the suggestion has been made to rename "Herb's Courts" in honor of longtime owner and engineering contributor Herb Dix.

All BBQ's have been installed and tested.

Fleet Services replaced the clutch in one of the chippers.

The foundation forms and rebar of the cinder storage building are complete.

The Member Pool start up required public works staff time for training and trouble shooting.

The Public Works Department is currently down two staff with ongoing recruitment efforts continuing.

The Recreation Department opened the outdoor pools in May. Staff was able to accommodate 400 people

per session for a total of 1,200 people per day over Memorial Day Weekend.

A second in-person job fair was held on May 22nd.

Plastering of the lazy river, spa, and tot pools at SHARC are all complete. The waterplay area concrete was poured and new toys were delivered.

A lot of time was spent working on setting up the Member Pool for opening.

The Fort Rock Refreshments location is open for the season for grab and go snack, beverages, and ice cream.

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 Board continues with their Board training.

The major focus for the SSD is their search for a new facility. A remodel/expansion of the current fire station facility remains the most likely choice. A recent appraisal of the current fire station came in at \$2.7 million. A structural engineer has identified some deficiencies in the building such as maximum snow load, etc. that SROA, as owner of the building will need to address. The SSD remains engaged with the Deschutes County Commissioners regarding possible assistance with funding of the facility. Director Schmid noted it is quite unique for a police and fire department to be willing to share a facility.

The police and fire chiefs are working to fill some open positions in their departments.

The approved minutes of the April 15, 2021, meeting are included in the board binders.

BOARD ACTION COMMITTEE APPOINTMENTS

Director Burke moved to approve the appointments of Carol Mosman to the Owner Enrichment Committee and Anny Byers as an alternate to the Design Committee. Seconded by Director Schmid, motion passed unanimously.

BOARD ACTION AUDIT REPORT ACCEPTANCE

The Board heard a review of the 2020 audit report at their work session on Friday.

Director Beenen moved to accept the 2020 audit report as presented. Seconded by Director Pederson, motion passed unanimously.

BOARD ACTION ACCEPTANCE OF 2020 MAGISTRATES REPORT

Magistrate Jo Zucker presented the Board with her annual report on Friday.

Director Mobley moved to accept the 2020 Magistrates report as presented. Seconded by Director Schmid, motion passed unanimously.

BOARD ACTION
SR RULES & REGS, SECTION 5.08 NUISANCE PROPERTY

The Board reviewed input received and held discussion on the addition of the proposed rule at their work session on Friday.

Director Beenen moved approval of the proposed addition to Section 5 of the Sunriver Rules & Regulations as presented. Seconded by Director Burke, motion passed unanimously.

BOARD ACTION
SROA/SSD AGREEMENTS

Director Schmid moved approval of the proposed amendments to agreements between SROA & SSD as presented by SROA and SSD staff and further move approval of a SROA Board signatory to sign the amended agreements on behalf of SROA. Seconded by Director Gocke, motion passed unanimously.

BOARD ACTION
2021/22 BOARD OFFICERS

Director Burke moved to approve the following appointments for the 2021/22 Board Officers: Keith Mobley, President (pending outcome of election, Mike Gocke, Vice President, Gerhard Beenen, Treasurer and Clark Pederson, Assistant Treasurer & Bill Burke, Assistant Secretary. Seconded by Director Pederson, motion passed unanimously.

The secretary position will be filled at a future meeting.

BOARD ACTION
INTERIM SROA PRESIDENT

Director Beenen moved to approve the election of Director Mobley to serve as interim SROA President until the end of his current term. Seconded by Director Burke, motion passed unanimously.

BOARD ACTION
WATER NEGOTIATIONS INTERVENTION
OPUC DOCKET NO. UW 186

On May 21, 2021, Sunriver water LLC filed a request for a general rate increase with the Oregon Public Utility Commission. Sunriver Water is seeking an overall 39.41% increase in rates (a projected \$726,524 annual revenue increase) and approval of a 7% return on a rate base of approximately \$4.9 million.

SROA has an interest in assuring that Sunriver Water continues to provide adequate and safe service to SROA and its members in exchange for reasonable rates.

Director Beenen moved to authorize SROA to intervene in the OPUC Docket No. UW 186, which is the rate proceeding commenced by Sunriver Water, in order to protect and advance that interest. Seconded by Director Pederson, motion passed unanimously.

The Board held their meeting debrief.

President Skinner expressed his thanks to his fellow board members for the enjoyable time he has had serving on this Board. Director Pederson noted his thanks to President Skinner for his hard work and contributions to this Board which was seconded by the rest of the Board.

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 Mobley, the motion passed unanimously.

The meeting adjourned at 10:42 A.M.

Respectfully Submitted,

Jackie Schmid, SROA Secretary