

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
PRINGLE ROOM @ SHARC
MARCH 19, 2021**

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

STAFF: James Lewis, Susan Berger & Jesus Mendoza

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

OWNERS FORUM: Ronald Bailey, 17 Witch Hazel Lane, addressed the Board about the recent decision to not move forward in approving the proposed rule change that would have allowed for Class 2 Ebikes on Sunriver pathways. Mr. Bailey provided several handouts discussing Class 2 Ebikes as related to applicable statutes (law) and definitions.

Laura Bailey, 17 Witch Hazel Lane, address the Board regarding the subject of Class 2 Ebikes from a personal perspective. She stated that the difference between Class 1 & 2 (Class 2 having a throttle) allows individuals with health issues the ability to ride a bike where hills exist (especially assistance with starting). Ms. Bailey noted ebikes are becoming a more common form of travel and is expected to increase over time and that ebikes contribute to environmental benefits.

Lee Stevenson, 21 Wallowa Lane submitted a written statement to accompany his oral remarks. Mr. Stevenson discussed pathway use in Sunriver, particularly about bicycle use. He discussed the need to abide by pathway rules, as well as many common courtesy items among shared bicycle/pedestrian users.

Ed Pitera, 25 Quelah Lane addressed the Board about the proposed recycling facility, the report, and recommendations from the Recycling Task Force. He asked that the Board act in accordance with the Recycling Survey that was conducted as part of the task force work. He also stated that side-yard recycling and the recycling facility should both be allowed. Mr. Pitera asked questions regarding the proposed cost of a new facility and whether the current figures were realistic as well as the need to ensure owners understand the costs associated. Mr. Pitera also feels the recycle center should only be open to Sunriver residents and guests.

Mark McConnell, 3 Tamarack Lane discussed his background as a city council member and how that gave him experience working with trash haulers and franchise agreements. He stated that the Board should respect the recycling survey and taskforce work, specifically regarding side-yard recycling collection and constructing a private recycling facility.

Ray Johnson, 4 Muir Lane commented that the current cable service provided by Bend Broadband is not good, their customer service is lacking, and rates have been raised with no notice. He suggested not moving forward with a new contract with Bend Broadband and to allow a competitive service process to ensue.

Mr. Johnson remains concerned about bikes on pathways and roads after dark without the proper lights and/or reflectors. He suggested working with the local bike shops to encourage them to add lights to rental bikes, as well as encouraging later evening bike patrols.

COVID-19/RECREATION DEPARTMENT UPDATE

Recreation Director Steven Stanfield reported the COVID-19 level in Deschutes County has been lowered to moderate which will allow SHARC the ability to operate to a larger capacity and will also allow more facilities such as the basketball court to re-open. Mask wearing requirements, social distancing and handwashing requirements remain in place.

Oregon spring break begins tomorrow and runs through March 28TH. SHARC will be operating at the maximum capacity allowed under current guidelines. Both the indoor and outdoor pool as well as the outdoor slide will be open and available to owners and their guests. We are currently limited to a maximum of 65 people per swim session and there will be three sessions offered per day. Operating this way allows for a more controlled group and the ability for staff to sanitize the facility between groups.

Unfortunately, due to the social distancing requirement currently in place, we are unable to offer the lazy river feature this year. Lap swimming is available, and the outdoor pool will be open during spring break this year. Additionally, the Tubing Hill which normally shuts down in February will be open through spring break. The disc golf course at SHARC is also open for use by owners and their guests.

It is no secret that finding and retaining certified lifeguards is one of the Association's biggest challenges. SROA staff has held a lifeguard training class during spring break for several years until 2020 when COVID-19 hampered those efforts as instructors were not allowed to hold in-person classes. Mr. Stanfield was happy to report that SHARC staff will be holding the first in-person lifeguard class in a year next week. Interested individuals are already signing up for the class and hopefully we will have a good turnout and potentially find some summer employees. Staff is utilizing social media as well as other avenues to recruit summer help.

A successful COVID-19 vaccine clinic was held at SHARC and the folks that were able to receive that dose will return on Friday, April 2nd to receive their second dose. The clinic went very well, and we will be happy to provide the venue again in the future should the need arise. GM Lewis noted this clinic came about following an offer by SROA to Deschutes County to provide a venue in Sunriver and then working directly with the Deschutes County Health Department. 100 doses of the COVID-19 vaccine were distributed that day and the County has expressed an interest in possibly holding more clinics in the future. GM Lewis thanked Recreation Director Steven Stanfield and his team who provided all the necessary setup for the event which was modeled after what Deschutes County is doing at the Fairgrounds.

The Member Services Office is open seven days a week to accommodate owners updating or purchasing their Member Preference cards and/or Recreation Plus Program participation. Appointments are available but walk-in's can be accommodated between appointments. Owners can also update over the phone or on the SHARC website: www.sunriversharc.com.

Information has been updated on websites, Facebook pages and for the April edition of the Scene.

The SROA Administration Office remains closed to the public, however, staff is available via email and telephone to assist owners.

ADMISSIONS MODEL WORKGROUP UPDATE

GM Kessarlis provided a breakdown of current recreation statistics through the end of February noting we had a significant number of properties change hands in 2020 so we will most likely have a significant number of new Member Preference Program (MPP) cards issued this year. Mr. Kessarlis also reminded the group that SHARC was closed from November 18, 2020 until

February 1, 2021 due to COVID-19 restrictions. Since reopening, both lap swimming and recreational swimming are being offered.

A total of 1,406-Member Preference Program (MPP) cards were issued through the end of February 2021. This is approximately 1,057 fewer cards than this same time in 2020 however we do expect an additional uptick over spring break later this month. These lower numbers are directly related to COVID-19 and SHARC being closed over the holidays which is when a lot of owners would normally have visited the facility and updated their cards for 2021. Member preference revenue is currently at \$96,757 or 24% of budget.

Owners can purchase or update their Member Preference Cards in person at SHARC, over the phone and online at sunriversharc.com > Programs > SROA Member Preference Program.

Through February 28, 2021, there are 689 properties signed up on the Recreation Plus Program (RPP), down 95 properties from the same time in 2020 and attributable to COVID-19. Revenue is currently at 87% of budget and staff anticipates another surge in signups during next week's spring break.

Additionally, Mr. Kessarlis mentioned that since this report was produced, 40 more homes have signed up for the RPP. While confident we will achieve our budgeted projections as far as the number of homes on the program, it would seem some owners are still holding back to see what will be available for use this summer.

Through the end of February 2021, 13,420 paper guest passes had been issued and of those 360 have been redeemed.

NORTH POOL COMPLEX UPDATE

Assistant GM Kessarlis reported he is spending significant time at the North Pools Complex and things are going well. Work at the site is picking up as the snow melts and we are seeing nicer weather.

Assistant GM Kessarlis and Public Works Director Mark Smith continue to meet weekly or bi-weekly with the contractor, architect, and pool company for the project to ensure everything is on track and that we are meeting the timelines laid out. The goal is to have all construction complete so training with staff and the Anderson Pool people can take place between the first of May and the opening date in mid-June.

Mr. Kessarlis encouraged anyone who has not driven by lately to do so. The outside concrete flatwork is essentially 95% complete and it looks very nice. Additionally, they are completing the plumbing of the building as well as work on the reception desk for the Welcome Building.

The plastering of the pools is the next tricky thing as it must be done when we will have at least three to four nights of temperatures above freezing. Currently, it is looking like this can be accomplished the week of March 29th. The plastering will take approximately one week after which the pools will be filled immediately to create the necessary pressure to hold it in the tanks which is an exciting step in the project.

While most of the underground landscaping work is complete, the actual beautification of the area will not start for a few another two to three weeks. Trees, plants, and shrubs have been ordered and will be picked up soon. Mr. Kessarlis noted the great communication staff has with the general contractor who also feels confident they can meet the timeline laid out without any problem.

Director Beenen commented he feels we need to plan on a big open house event for all owners at the North Pool with a table set up selling Member Preference Program (MPP) cards, however Assistant GM

Kessarar cautioned any gathering of this nature will be contingent on any COVID-19 restrictions for large gatherings and may have to be spread out over an all-day or multi-day event.

Director Beenen also supports a strong marketing effort to educate owners about the new facility and thus encourage owners to either purchase or renew their MPP cards. Lastly, Director Beenen would encourage direct contact with any property management companies that do not currently participate in the Recreation Plus Program encouraging them to do so as it is highly likely that we will not have general gate admission entries available again this year and the RPP is the only way their guests will have access to the amenities.

RULES, EDUCATION & COMPLIANCE TASKFORCE UPDATE **(FORMERLY RENTAL REGISTRY TASKFORCE)**

GM Lewis reported the taskforce has held six meetings to date and continued their work on the report/recommendations they will be bringing to the Board in April. One of the main things proposed and currently being worked on by Communications Director Susan Berger is an aggressive marketing campaign.

The incident reporting data base developed by Director Beenen, who is a member of the taskforce, is complete and has been conveyed to SROA IT staff who is working on loading it into the SROA systems already in place. Essentially, this is to serve as tracking/reporting tool for chronic violations by property.

Additionally, the taskforce is working on a Nuisance Property rule. They have received the draft back from legal counsel and will review it at their next meeting. This rule would be added to the Sunriver Rules & Regulations and would set a certain number of incidences over a certain time as a violation and will hold the owner accountable. The most frequent chronic violations seen in Sunriver include parking, noise, fireworks, and improper pathway use.

A voluntary questionnaire will be sent to owners asking them to provide their emergency contact information as well as whether they rent their home/condo or not and if so, do they do so on their own or use a property manager. This will also give us a better handle on demographics.

Education is key as is holding owners and/or property managers accountable. The Communications Department is already working on education material ideas for consideration by the taskforce. One idea that has been strongly supported by the taskforce members is requiring renters who utilize a property management company to receive and sign-off on an agreement to abide by Sunriver Rules & Regulations during their stay.

Lastly, the taskforce members are all agreeable to continuing to meet as needed once their assignment is complete to track and/or modify practices, as necessary. Director Schmid commented on how well represented the taskforce is including a variety of owners and staff as well as stakeholders in the community.

TELECOMMUNICATIONS TASKFORCE UPDATE

Director Beenen reported there is not much new to report from last month. There is still one major issue that continues to be a sticking point and has to do with chronic problems with connectivity that are not resolved in a satisfactory manner.

This is the main complaint that SROA IT staff has heard about from numerous owners over a significant length of time. Director Beenen feels strongly that SROA as the signer of the contract should have the ability to intervene if there is a chronic issue that is not resolved. BBB remains uncomfortable with such an arrangement.

GM Lewis reported he continues to try to work through the legal issues noting BBB's strong resistance to SROA coming between BBB and an individual customer which is typical when you have a franchise agreement with a municipality where there are other options or competitors services available. That is not the case in Sunriver as it would be a non-compete, sole provider agreement. SROA's position is that in entering a non-compete agreement, SROA is already between BBB and the customer. We would like to see specific metrics in the agreement that specify after a certain number of complaints over a given time, it would automatically trigger a sit down and remediation plan on behalf of the owners that has some consequence associated with it.

Additionally, IT staff continue to research other avenues and alternatives and the taskforce will continue to meet and will keep the Board apprised going forward.

COMPREHENSIVE OWNER SURVEY UPDATE

Assistant GM Keith Kessarlis started by thanking the workgroup that assisted in formulating the survey questions. Additionally, Mr. Kessarlis reported the Board will receive the Executive Summary of the survey at the April meeting where consultant JD Cornutt from DRC Research will be in attendance.

Mr. Kessarlis was pleased to report we have had the best response to the online version of the survey than any others in history. Over 2,200 owners completed the online version, which equates to 77% of owners who are signed up to receive emails from the Association. Previously, the best response to an online survey was 62.5%.

Mr. Kessarlis also highlighted a statistic related to some new questions regarding the Design Review process. 38% or 853 owners submitted for some type of project to the Design Committee within the last five years. While 89% of respondents indicated that SROA staff are very helpful, approximately 43% rated the ease of utilizing the Design Manual of Rules & Procedures as fair or poor thus illustrating the need for the comprehensive review of the manual that will occur later this year.

Owners who are either not signed up to receive emails from SROA or who do receive emails but did not complete the online version were mailed hard copies of the survey. Owners have until March 31st to return their completed surveys to DRC Research.

ENGINEERING CONTRACT/FIR CONE DRAINAGE DISCUSSION

GM Lewis reported in the winter and early spring of 2014, two separate flooding events occurred that highlighted needed improvements to the stormwater drainage system installed in the area. A property owner on Fir Cone Lane alleged damages from the events, which lead to a multi-party settlement based on the unique facts of this particular system.

Based on those unique facts and under the settlement agreement, SROA is required to install and operate a stormwater drainage system and Sunriver Resort Limited Partnership (SRLP) is required to provide an easement for location of the drainage system. Additionally, SRLP agreed to a monetary contribution toward the design and construction costs in the amount of \$150,000. This item is on the Board's agenda for action at tomorrow's meeting.

FISCAL YEAR 2020/21 CONTINGENT BUDGET ITEMS DISCUSSION

GM Lewis reported that during the 2021 budget preparation and approval process, several items that were fully funded in the budget were withheld from moving forward until such time as more information was available for the 2021 estimated revenue projections, primarily the projections for the Recreation Plus (RPP) and Member Preference Program (MPP) revenues. The withholding of authorization from the

expenditures on these contingent items was recommended by the SROA Finance Committee and acknowledged by the Board of Directors as part of the 2021 budget approval.

A request is now being made to authorize the expenditure of budgeted funds totaling \$245,111 for the filling of both Natural Resources and Database Administrator staff positions, consultant services to facilitate the update of the Design Manual of Rules & Procedures and GIS consulting and engineering design for tunnel replacement. The requested expenditures are necessary to meet service demands currently facing SROA staff due to increased workload, and to correct an inefficient and antiquated design review process to meet owner's needs.

The Board discussed this item at length, and it was noted the Finance Committee also held a lengthy discussion on the issue on Thursday and recommend approval of the proposed action. Additionally, both Directors Mobley and Pederson thanked the SROA Finance Committee for their due diligence, thoughtful analysis, and recommendation for passage on this issue.

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

SECOND READING – SR RULES & REGS – SECTIONS 2.02, 4.03 & 5 – DISCUSSION

In January 2021, the Board received a first reading of proposed changes to Sections 2.02, 4.03 and 5 of the Sunriver Rules & Regulations. Since that time, the proposed changes have been posted to the SROA website and noticed in the Sunriver Scene. The proposed changes are aimed at addressing cars parked in the road waiting to pick up floaters and floaters exiting the river at non-access points.

Director Gocke however noted that some owners whose property abuts the river, a total of 130 properties in all, want the ability to access the river directly from their property while not allowing others the same opportunity. Additionally, Director Gocke pointed out that if 130 owners did two trips across commons per day, that equates to approximately 500 passages across those common areas a day which is going to significantly contribute to further degradation of those riverbanks. Is this being considered, and should the rule not be the same for all when it comes to preserving our riverbanks?

Several comments were received, predominantly in favor of the proposed changes and those comments have been provided to the Board for review and consideration. This item has been sent to legal counsel for review and we anticipate their final input in the immediate future.

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

RECYCLE TASKFORCE FINAL REPORT & RECOMMENDATIONS

Assistant GM Kessarlis recapped the information that was provided in detail to the Board via a very thorough report from the Recycle Task Force at the February 19, 2021 meeting. The taskforce was comprised of eight SROA owners, Carolyn Barr, Gary Bigham, Joe Huseonica, John Miller, and Ed Pitera in addition to Directors Burke and Pederson, staff members Keith Kessarlis, Susan Berger & Mark Smith, Shawna Pence representing Sunset Lodging and providing a property managers perspective and Timm Schimke & Erwin Swetnam representing Deschutes County and Cascade Disposal.

The taskforce held 14 meetings including extensive deliberations and evaluation of alternative options. As the taskforce worked through the process and the evaluation proceeded, Deschutes County Solid Waste representatives indicated that residential collection of recyclables, like the current side-yard trash collection, is planned to be offered, to residents of Sunriver later this year.

This new offering of side-yard recycling for SR property owners was fast tracked through Deschutes County and the franchise carting company on behalf of the efforts of the SROA Recycling Taskforce and

its multiple meetings and discussions. While the focus of this report is on a recycling center as a central collection point for recyclables, the proposal for side-yard collection was described because of the potential for reduction of recyclables deposited at the center.

As the evaluation progressed toward a conclusion, it has become clear that significant data gaps persist that must be filled before a definitive conclusion can be reached. Foremost is a more accurate capacity estimate for the new SR Recycling Center. Second, is a more accurate estimate of the construction cost, both of which are dependent on an estimate of volume of the recyclable in side-yard collection rather than the central recycling center. The conclusion of the SROA Recycling Taskforce is **1) to fill the data gaps to reduce the uncertainty on cost of the new recycling center before submitting a ballot measure to a vote and 2) continue the evaluation of Options 2 & 3 in the recommendations below.**

Recommendations:

1. Collect tonnage data at SROA's current recycling center through December 31, 2021 to determine the effects of a new side-yard recycling subscription service being available to Sunriver owners (starting July 2021) as compared to tonnage amount collected in 2020. In addition, conduct on-site surveys of recycling users to determine the contribution of users outside of Sunriver to the tonnage of recyclables handled at the current recycling center. This data will help determine if reserve funds should be committed to construct a new recycling center for owners and guests only. Lastly, this timeline may allow for any proposed state-wide recycling law changes to be incorporated into the final design. These multiple factors combined will help to determine the appropriate size the potential new recycling center should be to serve the needs of its collective users, as well as providing a basis of deciding whether the center should be public or eventually private based on the users.
2. The option of a recycling center available to Sunriver owners, their guests, and the public should be presented to the owners as a ballot measure. SROA reserve funds will be used to construct the facility, which will be reimburse by Cascade Disposal over a 5–6-year period. The center could be converted from a public to a private facility for Sunriver owners and their guest only, at some time after the reimbursement period as agreed upon the County and the SROA Board of Directors. As a private facility, the cost for Cascade Disposal to service the facility would be paid by SROA based on a negotiated agreement. Any contribution from owners would also be determined by the Board.
3. The option to construct the recycling center as planned, but as a private facility available to owners and their guests only, paid from SROA reserve funds without reimbursement should also be presented. This option would require an assessment in an amount to be determined by the Board of Directors.

GM Lewis reported in correspondence with Timm Schimke with Deschutes County Solid Waste, he has learned the maximum the County would reimburse SROA for this project is \$600,000 in reimbursements of \$120,000 per year for five years via a three-party agreement between SROA, Deschutes County and Cascade Disposal. Any design or construction beyond that amount would be the responsibility of SROA. The monthly cost of side-yard recycling to begin in July should run approximately \$15 per month, a cost being provided to incentivize owners to participate in side-yard recycling noting that this will not cover their actual true costs and they would be essentially subsidizing the program.

The Board held further discussion at length to flush out questions and/or concerns in preparation to act on this item at tomorrow's meeting with Director Murray cautioning forging ahead with an owner only facility via an assessment to owners when there may be the need for an assessment sometime in the not-too-distant future for telecommunications capabilities as well depending on what transpires with Bend Broadband.

Director Beenen wonders if the Board does not have the option of moving forward with putting the matter to a vote of the owners later in 2021 after some of the recommended data is collected over the next few months, then let the owners decide what they want to see. GM Lewis confirmed that yes, that would be one option and could be accommodated via a special election later in 2021.

Director Pederson also pointed out that if the facility were to become private, SROA would also be responsible for the cost of dumping those containers. Currently, with the facility open to the public, the County pays the carting company \$40,000 per year to dump those containers. Should the facility become private, that money would go away. Director Burke also noted that 38% of the respondents to the online survey indicated that due to set-back issues they would not currently be architecturally able to modify their existing trash enclosure to accommodate the side-yard recycle cart. Additionally, 72% of those who do have the ability to expand their current enclosure, said they were not willing to do so at their expense. Also noted was how fluid the whole recycling situation is at both local and state levels.

Director Burke noted he was struck by how many owners were unaware that the current recycle center is open to owners and guests at Caldera, Crosswater and the greater Three Rivers area and feels it odd that we reference being in line with our mission statement and our commitment to being green, yet some feel that same service should not be available to all members of the public. Director Burke feels we must continue to endeavor to educate people and that gathering some of information over the next few months is crucial to making an informed decision.

Director Beenen pointed out that regardless of the side-yard recycle option we are going to need a recycle center of some type as not everyone, even if they are an owner, are going to take advantage of that option. Secondly, the current recycle center is not acceptable, it presents real safety hazards for our Public Works staff in regards the large pieces of equipment they operate out of that location and overall, it is not in keeping with what he believes to be Sunriver standards.

The idea of us having a center available only to Sunriver owners makes little sense to him and will result in substantial additional costs associated with outfitting and servicing it. While the additional data collection will provide direction as far as what size the new recycle center should ultimately be, currently the trash hauler can't keep up with demand even with the addition of more containers and more frequent pickups, so having too much capacity is not currently an issue. Additionally, Director Beenen pointed out that the design of the new center is done in such a way that should we not need to utilize all of it for recycling purposes, the Public Works Department can utilize it for other purposes to fit their needs.

The Board thanked staff as well as the members of the taskforce for their admirable efforts on this matter. There being no other business, President Skinner asked for a motion to adjourn the meeting and move into Executive Session.

OTHER BUSINESS

GM Lewis reminded the Board there will be a joint SROA/SSD Board Meeting on the same day as the SROA Board Work Session, April 16, 2021.

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 Murray, motion passed unanimously.

The public meeting recessed at 10:50 A.M.

The public meeting resumed at 12:00 P. M.

REVIEW OF 3/20/21 AGENDA

The Board reviewed the agenda for tomorrow's meeting.

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, motion passed unanimously.

The meeting adjourned at 12:24 P.M.

Respectfully submitted,

Jackie Schmid, SROA Secretary