

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
SROA BOARD ROOM
AUGUST 20, 2021**

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

STAFF: James Lewis, Keith Kessarlis, Joe Healy, Patti Gentiluomo, Susan Berger, Steven Stanfield, Brad Olson & Mark Smith

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

OWNERS IN ATTENDANCE: 3

OWNERS FORUM: GM Lewis read two letters into the record. The first from Shelly Lindsey, 5 Wolf Lane, expressed concern that the ballot measures in the recent election were listed in reverse order on the ballot than they were on the voter's pamphlet, and this has been noted for the future.

The second letter was from Paul Conte, 8 McKenzie Lane, urging the Board to require SROA employees to be vaccinated considering the recent week-long SHARC closure due to SROA employees contracting the COVID-19 virus.

TREE CITY USA

Natural Resources Director, Patti Gentiluomo, was in attendance to report that for the 41st consecutive year, Sunriver has been awarded the Tree City USA designation by the American Arbor Day Society. Requirements include a strong commitment to natural resource management and urban forestry. Healthy forests have been shown to reduce wildfire risk, benefit wildlife, reduce energy consumption, cool our air temperatures, and clean our drinking water.

Of the 69 communities in Oregon recognized to receive the award, Sunriver remains the only unincorporated area due to Sunriver's early involvement in the program. The award criteria set forth by the Arbor Day Society includes spending a certain dollar amount per capita on forestry activities, ordinances and governing documents that speak to tree care, an active forest management program, proclaiming an Arbor Day, or in Sunriver's case, Arbor Week event and maintaining a tree board or department.

This award is to honor the SROA Board of Directors for their dedication to urban forestry and congratulations on 41 years!

ADMISSIONS MODEL WORKGROUP UPDATE

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

A total of 6,147 Member Preference Program (MPP) cards were issued through the end of July 2021. This is approximately 1,519 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. Member preference revenue is currently at \$430,248 or 108% of budget. Mr. Kessarlis noted that there have been 15 more cards issued or renewed this year than in 2019 which illustrates owners desire to utilize the facilities.

Owners can purchase or update their Member Preference Program (MPP) cards in person at SHARC, at the Member Pool if they just need to renew, over the phone, 541-585-5000 and online at

sunriversharc.com > Programs > SROA Member Preference Program. Reservations are no longer necessary at the Member Services office, we are back to a first come, first served protocol.

In terms of the Recreation Plus Program, as of July 31st, there are a total of 834 properties signed up for the program. Revenue currently stands at \$1,998,711 which is 103% of the 2021 budget.

SHARC hosted a total of 32,317 attendees to the facility in the month of July. This, of course, is down considerably in comparison to pre-COVID where we hosted over 153,505 attendees to the facility in the month of July. Additionally, staffing challenges, particularly with lifeguards, forced the facility to be closed two days per week.

There are still many unknowns about how the rest of the summer 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 July 2021, 54,960 paper guest passes had been issued and of those 4,796 have been redeemed at SHARC and 3,211 have been redeemed at the Member Pool.

Mr. Kessarlis also noted there have been over 300 property sales recorded in Sunriver this year resulting in more new owners obtaining their Member Preference Cards and picking up their guest passes. Additionally, extended family pass purchases are also up over 2019.

The new member pool is a big hit with 4,000 more people having visited the facility in July than in July 2019. The desire to have more shade structures is the most often heard complaint. Three more shade structures were added yesterday, and more are scheduled to be added for 2022.

TELECOMMUNICATIONS TASKFORCE UPDATE

Director Beenen reported the taskforce continues their due diligence in researching the option of a new contract with the current provider Bend Broadband (BBB) or the possibility of building our own network to provide fiber to the home which would allow multiple providers the opportunity to offer their services in Sunriver creating a more competitive marketplace.

The question has been posed to BBB asking if a bulk agreement, which is common in the telecommunications industry, would be an option for Sunriver and we have yet to receive a response to that query. We have also received a draft proposed services agreement that both parties are comfortable with, if SROA decides to go that route and sign a 15-year non-compete contract with BBB.

Director Beenen also reported that over the past several weeks there has been a lot of movement with both federal and state government with respect to funding rural telecommunications, particularly broadband access. Discussions have been held with the Deschutes County Commissioners about the potential of helping to fund the design and construction of a broadband network in Sunriver. There is more legislation at the national level that will release \$65 billion dollars that will be distributed throughout the United States, so the taskforce is looking at all options available. The cost of the network would be approximately \$17 million dollars so if that can be offset by some of these funding opportunities, it may cost Sunriver owners significantly less.

The taskforce has also been talking with Midstate Electric regarding the opportunity to piggyback on to some of the work occurring at each of the circles where they are installing new conduit. They are approximately 30% done and do a certain number on an annual basis, so there might be opportunity to work together going forward. The new general manager at Mid-State transferred from an area in Oregon who had done this, so he is familiar with the request and the process as well as the role electric companies play in these type projects.

BROADBAND ENGINEERING RFP

GM Lewis reminded the Board that at the July meeting the Board supported the Telecommunications Taskforce moving forward with budgeted engineering feasibility analysis study to determine what a broadband network for Sunriver would look like and what the cost estimate would be. That RFP was let last week, and they are due back by September 10th. The taskforce has also discussed reimbursement for this study with the Deschutes County Commissioners. The Board will be kept updated on this item moving forward.

DESIGN MANUAL UPDATE- TASKFORCE

GM Lewis reminded the Board of the update to the Design Manual of Rules & Procedures that will be underway shortly and spoke to the primary goal of the project which is to move toward clear and objective development standards that are subject to administrative staff review and away from discretionary criteria subject to full Design Committee review for small-scale, straight forward projects such as the additions, remodels and maintenance projects within Sunriver thus speeding up the timeline for review and approval.

An important part of this review and update process will be the input of stakeholders. The creation of a taskforce comprised of stakeholders from the community will be created to assist the consultant in drafting revisions to the manual. The stakeholders will include owners, existing Design Committee members, architects/designers, contractors, realtors, SSD/police/fire staff and SROA staff.

GM Lewis reviewed the timeline of the project noting the completion and report to the Board will come late in 2021 or early 2022.

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

SHARC EVENTS MANAGER DISCUSSION

Controller Healy reported, as was discussed last month, staff would like to move forward with advertising for and hiring an events manager for SHARC in the last quarter of 2021 to handle the requests already coming in for later in 2021 and for dates in 2022. As this is an unbudgeted position, the Board directed staff to compile the financial impact and the scheduled events for the rest of 2021 and 2022. Staff has provided the Board with a breakdown of this information in their binders. This information was also provided to the Finance Committee at their meeting yesterday. The Board held further discussion on this item and GM Lewis and Assistant GM Kessarlis answered several questions posed by the Board. This item is on the agenda for action at tomorrow's meeting.

FIR CONE LANE DRAINAGE CONTRACT

GM Lewis reminded the Board of and provided an explanation of the drainage issues on Fir Cone Lane going back several years and the need for a stormwater drainage system to alleviate flooding in that area in the future. That construction contract is complete and ready for approval by the Board. The Board held discussion on this item and GM Lewis answered several questions posed by the Board. The work will occur after the Woodlands Golf Course has closed for the season in October. This item is on the agenda for action at tomorrow's meeting.

SROA EMPLOYEE VACCINES – DISCUSSION

GM Lewis reported on the current status of employee vaccines, noting that it has been on a voluntary basis and approximately 75% of SROA employees are fully vaccinated. In recent weeks, he and the Board have received several emails and phone calls from owners urging the Board to require SROA employees be vaccinated against COVID-19. The need to close the SHARC facility for five days earlier this month due to four SHARC employees contracting COVID, three of which were unvaccinated, drove most of those emails and phone calls.

We know the vaccination not only protects the employee, but it also protects the owners and guests who utilize our facilities. Our owners and guests have come to expect a certain level of service at our facilities and when those facilities or services are not available it does not go over well with them. That said, SROA is staffed very lean, so if someone is out on an extended illness, that also has a direct impact on services.

Unvaccinated full-time employees, who total 14, are concerned about the vaccine being a requirement of employment and some may choose to leave SROA should the Board choose to adopt a vaccination policy. Some may be waiting for the FDA approval, but others may just simply refuse to consider receiving the vaccine even after FDA approval has been granted. GM Lewis noted some of these people may be in positions that will have a direct effect on day-to-day operations, so the Board needs to consider that as well. GM Lewis referenced the letter sent to the Board from an employee who has issues with the vaccine and who urged the Board not to require the vaccine for SROA employees for their own personal reasons.

GM Lewis also reported that it was announced yesterday that Governor Brown has signed an order requiring all health care workers and school employees be vaccinated by October 18th or six-weeks after the first full FDA approval, whichever is later. Following the science of the CDC and the Oregon Health Authority, what we know is the vaccine reduces the number of illnesses, reduces the severity of the illness, reduces the number of deaths, and slows transmission of the disease. As people who visit our facilities come from all over, the vaccine would also provide a layer of protection for the employees from someone who may come to our facility.

Beyond an employee requirement, the Board needs to consider whether people who utilize our facilities should be required to be vaccinated. Director Murray also pointed out that the average age of Sunriver owners is in the mid to high 60's putting residents at a higher risk. Director Beenen pointed out that with the Delta variant much younger kids are getting sick as well. It was also pointed out that we must rely on trusted sources for information. The Board felt we should continue to follow the directives from the Governor's office.

In answer to Director Pederson's question, GM Lewis reported that until this latest mask mandate went into effect, unvaccinated employees were not required to wear a mask as SROA followed state guidelines. The option of requiring all unvaccinated employees to wear masks whether there is a mandate or not was also discussed. It was also noted that while completely understanding of an employees right to choice, the Board also has a responsibility to provide the safest operations they can for both the employees and our owners and guests.

The Board directed GM Lewis to prepare a motion for tomorrow's meeting to approve an employee policy which will be added to the SROA Employee Handbook requiring all employees to get vaccinated once FDA approval has been received.

2021 ELECTION RESULTS

The results of the recent election announced:

Ballot Measure 1: Consolidated Plan Changes to Section 8.05 a & c **passed**
with 1,776 yes votes and 205 no votes or 85%

Ballot Measure 2: Recycling Center **failed** as it did not reach the 60% requirement with
1,040 yes votes and 1,013 no votes or 50%.

SROA Board Members Elected to a 3-Year Term

Paul Coughlin

Tony De Alicante
Keith Mobley (Incumbent)

Discussion was held relative to the number of votes cast overall, the failure of the recycle center measure and what the future will be for recycling. GM Lewis reported things will remain as they are for now but that doesn't mean things won't change in the future if Cascade were to change what services they provide or SROA decides to move or discontinue the facility at some point in the future.

As has been discussed previously, the current location creates a real safety hazard as it is right in the middle of where different types of large pieces of equipment are entering and exiting on a frequent basis. Due to higher demand, additional recycle containers have been placed in the main Public Works parking lot on weekends creating even smaller margins for error on the part of a user of the facility or an employee entering or exiting the lot.

Public Works Director Mark Smith was in attendance and spoke to the ongoing safety issues as well as the master plan for that area which included alternatives should the recycle measure fail. Those plans call for fencing and gates to separate and more clearly define the recycle area from the Public Works yard. The downside is that it will cause the recycle area to take up a smaller footprint which in turn could result in people piling items up when the limited number of bins available are full. He urged the Board to move forward with taking the steps necessary to make that area as safe as possible. The Board held further discussion on updating signage and the need for education on acceptable recyclable items.

The most recent communication with the carting company indicates that side-yard recycling will now not begin until the spring of 2022. Further discussions with the carting company and reports to the Board will be forthcoming.

President Mobley thanked Election Committee Chair Patty Smith and the entire Election Committee for their hard work in counting this year's ballots. It was also noted that Price Fronk Auditors also did a second count to ensure accuracy.

SSD MANAGING BOARD POSITIONS #1 & #2

Director Schmid whose term on the SROA Board ends tomorrow is also currently serving in Position 1 on the SSD Managing Board. That term has two more years expiring August 31, 2022. This Board has been polled as to interest but none of the sitting members currently has an interest. President Mobley has been in contact with recently elected board member Tony De Alicante who officially starts his term at the close of the Annual Meeting tomorrow. Mr. De Alicante attended the regular SSD meeting on Thursday and has agreed to serve out the remainder of Director Schmid's term. This appointment will take place at the September Board meeting once Mr. De Alicante is officially an SROA Board member.

Additionally, Director Beenen who is currently completing a term in Position 2 has agreed to stay on in that position for another three-year term. This recommendation to the Deschutes County Commissioners will take place at tomorrow's meeting.

SROA BOARD SECRETARY POSITION

This position remains open at present.

REVIEW OF 8/21/21 AGENDA

The Board reviewed the agenda for tomorrow's meeting.

OTHER BUSINESS **COMMITTEE MEMBER REMOVAL**

GM Lewis shared recent dialogue he had with the Sunriver Magistrate regarding an owner who is also an alternate member of the Design Committee and who received a violation for not being in compliance on their property. This person has not been allowed to serve in a voting capacity on the committee until their property was brought into compliance which they failed to do. At the recent hearing with the Magistrate and staff, the owner became very loud, rude, and belligerent. The Magistrate was completely offended by the actions of these owners, enough so that she reached out to the general manager. GM Lewis feels their actions were reprehensible at the hearing and his recommendation is that this member be removed from the committee. The Board held further discussion on this item and directed the general manager to take the steps necessary to facilitate the process and bring it back to the Board in September.

OTHER BUSINESS

ADMISSIONS MODEL WORK GROUP

Assistant GM Keith Kessarlis noted the need to have another member from both the Board and the Finance Committee join the Admissions Model Workgroup. This opportunity will be shared with the Finance Committee at their next meeting to see if any members are interested in serving and any board member who might be interested should contact Keith.

OTHER BUSINESS

THIRD QUARTER TOWN HALL

The next owner town hall will be held on October 5th and the topics will be telecommunications, Mary McCallum Park and the Member Pool. GM Lewis and PW Works Director Mark Smith will assist in this Zoom offering.

MEETING DEBRIEF

The Board held a meeting debrief. GM Lewis reminded the Board the regular meeting tomorrow begins at 9 A.M. in this room and the Annual Meeting will begin at 1 P.M. in Benham Hall at SHARC.

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

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

The meeting adjourned at 12:00 P.M.

Respectfully submitted,

Jackie Schmid, SROA Secretary