

**SUNRIVER OWNERS ASSOCIATION  
BOARD OF DIRECTORS WORK SESSION  
SROA BOARD ROOM  
OCTOBER 15, 2021**

**DIRECTORS PRESENT:** Keith Mobley, Mike Gocke, Clark Pederson, Scott Gillies,  
Mark Murray, Bill Burke, Tony De Alicante and Paul Coughlin

**DIRECTOR ABSENT:** Gerhard Beenen

**STAFF:** James Lewis, Keith Kessarais, Joe Healy, Jesus Mendoza, Susan Berger & Leslie Knight

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

**OWNERS IN ATTENDANCE:** 4

**OWNERS FORUM:** No owners addressed the Board during the Owners Forum.

**HAYS COMPANIES INSURANCE PRESENTATION**

Randy Hughes and staff from Hays Companies were in attendance via Zoom to report on the property and casualty insurance rates for the Association for 2022. In short, premiums are scheduled to go up dramatically in 2022 as a direct result of wildfire risk in the West. Wildfire risk modeling has become more refined in recent years and risk modeling scores have increased as the drought and heat continue. As a result, rate increases of 300% to 400% are now common.

Philadelphia Insurance Company (PIC), who has been a good carrier/partner for SROA for well over a decade, offered to renew the general liability, automobile policy and the umbrella policy on a monoline approach but they were unable to extend renewal terms for the property. PIC has limited capacity to write for property in wildfire areas, something that has not been an issue before, but they were unable to find reinsurance support to help shoulder the increase in exposure. PIC values SROA as a client and their reps were heartbroken that they are unable to continue to provide coverage for the Association and hope things change in the future so they might have the opportunity to engage SROA as a client.

Mr. Hughes and his staff have worked diligently to find the best rates with the greatest amount of coverage having noted to the different the carriers Sunriver's ongoing efforts to ensure the utmost in fire protection to the community via the Ladder Fuels Reduction program, local fire department, community wildfire protection plan, etc. and while those programs still matter, they don't carry the weight they once did. Over 40 companies declined coverage as result of the totality of their own loss experience in recent years coupled with more sophisticated software which have caused ratings to skyrocket,

There is one carrier, AIG/Resort Guard, who will offer the necessary coverage but whose proposal was received several days after the renewal date came and went. AIG will provide the coverage the Association needs with a savings instead of the hefty increase currently being proposed. Coverage would switch to AIG at the beginning of 2022 to avoid any penalty with the existing carrier. Between now and then, if the Board agrees, Randy and his team will continue to work on filling in the liability gaps to ensure all coverage necessary is in place. Mr. Hughes feels this will enable SROA to secure a much stronger property placement at a reduced premium.

Mr. Hughes and staff addressed a number of questions from the Board who thanked Mr. Hughes and his team for being in attendance today and providing a clear and concise presentation.

## **OWNER ENRICHMENT COMMITTEE ANNUAL REPORT**

Meagan Iverson, Chair of the Owner Enrichment Committee (OEC) was in attendance to provide the Board with a recap of the committee's activities over the past year. The mission of this committee is to assist with the development, promotion and evaluation of SROA programs and activities of a social, educational, cultural, and/or recreational nature for the benefit of all SROA owners.

In spite of the ongoing pandemic, the OEC met on a monthly basis via Zoom to discuss opportunities and initiated a range of activities and events. Some events had to be cancelled due to masking and social distancing mandates, but many were conducted virtually. Attendance was reduced, though participants were enthusiastic and glad for the diversion.

The two most important developments of the year for the committee were the adoption of the independently founded Sunriver You as the OEC's educational arm and the change in policy that allows the Sunriver You classes, programs, and events to be held at SHARC at no cost. Sunriver You matches up "the people who know stuff" with "the people who want to learn stuff" in the greater Sunriver community.

Just a small sampling of some of the Sunriver You classes held include Financial & Estate Planning, History of Sunriver, Emergency Preparedness, Birds of Sunriver, SROA Town Halls, Conversational Spanish, Music Matters and Navigating the SROA Design Process.

In the first three quarters of 2021, OEC and Sunriver You classes and activities combined included over 1,270 participants and 1,073 volunteer hours.

Fourth quarter plans include Volunteer Appreciation, Owner Happy Hours (COVID-19 dependent) and the proposed labyrinth project.

The OEC has a bright future as an incubator for ideas resulting in programs and classes that enrich the experience of community members and often facilitate the formation of spinoff clubs such as the Sunriver Hiking Club and the Sunriver Pentaque Club.

Ms. Iverson expressed heartfelt gratitude on behalf of the committee to GM Lewis, Assistant GM Kessarlis and former Recreation Director Steven Stanfield who attended OEC meetings and whose collaboration was critical to the success of these activities. Also thanked for her efforts, was former board liaison, Jackie Schmid.

OEC member Katie Keller, who was also in attendance, announced one of the committee's fourth quarter projects, the "Labyrinth Project." Although there are many kinds of labyrinths what this effort aspires to is a meandering and clearly delineated path, often circular in form with a way to the center and a retracing of steps back to the beginning.

The OEC is proposing bringing this experience to Sunriver in the form of a unique, community built, site sensitive labyrinth approximately 40 feet in circumference. They hope to create it in an open space with all natural materials similar to those which people have used for reflection and walking peacefully with their thoughts for centuries.

There are several sites in the common area between Circles 2 and 11 offering a natural setting well separated from houses that the committee feels are worthy of consideration. The closest homes are Quartz Mtn, Cedar, Lookout, Acacia, Diamond Peak, Lava Top and Dogwood Lanes. Access would be via the existing bike path; no trees would be removed, and the environmental impact would be low. The

configuration of the labyrinth would be changed annually but doing so would not further impact the environment in any way.

In preparation for this project, a sub-committee has been formed and the OEC has earmarked some of their 2021 budget to go towards this project. Preliminary meetings regarding site location and any extenuating circumstances that may affect the project have been held with SROA GM James Lewis and Natural Resources Director, Patti Gentiluomo.

A letter is being prepared and sent to nearby residents asking for their input and public notice will be printed in the November edition of the Scene inviting anyone to walk to the proposed site. The group is planning a walkabout of the potential sites on Saturday, November 6<sup>th</sup> at 1:30 P.M. and will meet at the Fort Rock Park picnic pavilion.

After site determination is made and any neighboring issues are addressed, the committee will come back to the Board with a final plan seeking approval. GM Lewis commented that in accordance with the Consolidated Plan, this would be an allowable use on commons and could be approved by the Board of Directors. The Board posed several questions including parking considerations, fire danger, changes to the land, etc. things the committee will address as part of their proposal.

Ms. Iverson also noted that in the fourth quarter the committee will be assisting in the recognition efforts for owners who volunteered their time and expertise to SROA in 2021.

Ms. Iverson recapped the committee expenditures to date and on behalf of the committee requested the same amount, \$5,000, for their 2022 budget.

#### **OWNER ENRICHMENT COMMITTEE (OEC) PROPOSED CHARTER CHANGE**

Assistant GM Kessar reported that as Sunriver You is the educational and social arm of the Owner Enrichment Committee, the committee feels it only makes logical sense that the Sunriver You liaison to the OEC have permanent appointment on that committee.

The Board held a brief discussion and asked for a minor modification in the language to clarify that the Sunriver You liaison will be designated by Sunriver You. This item is on the agenda for action at tomorrow's meeting.

#### **2022 BUDGET UPDATE**

GM Lewis reported staff is diligently working on creating a budget similar to what was done for this year. We are hopeful that we will see some gate revenue return in 2022 and that our recreation facilities can be opened to full capacity again. Department managers have been instructed to once again budget as lean as they can while still covering the needs of the owners.

There are some reserve items that will be carried out in 2022 such as some of the additional improvements to Mary McCallum Park, a tunnel replacement, some permitting for improvements to the public works yard, standard road, and pathway work, etc. but there are no major projects beyond what is already included in the reserves being scheduled for 2022.

GM Lewis was recently notified by the Resort of the need to conduct some dredging at the entrance to the marina/boat launch area. We do have an agreement that calls for SROA to share in some of those costs and while GM Lewis does not have a firm number at present, he's in communication with Josh Willis from the Resort and will keep the Board apprised going forward as there will have to be some money added to the 2022 budget to address the issue.

The Finance Committee starts their series of budget meetings next Tuesday where they will have their first look at the budget which will be followed with a second meeting at the end of the month and a third in mid-November before making a recommendation to the Board for approval.

### **ADMISSIONS MODEL WORKGROUP UPDATE**

Assistant GM Kessarar provided a breakdown of current recreation statistics through the end of September.

A total of 6,542 Member Preference Program (MPP) cards were issued through the end of September 2021. This is approximately 1,398 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. Of these, 5,477 were renewals and 1,065 were new cards. Part of this can be attributed to the significant number of properties that have changed hands in the past year. Member Preference Revenue is currently at \$455,604 or 114% of budget.

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](http://sunriversharc.com) > Programs > SROA Member Preference Program. Reservations are no longer necessary at the Member Services office.

In terms of the Recreation Plus Program, as of September 30<sup>th</sup>, there are a total of 841 properties signed up for the program. Revenue currently stands at \$2,008,750 which is 103% of the 2021 budget.

SHARC hosted a total of 4,631 attendees to the facility in the month of September. Staffing challenges, particularly with lifeguards, continued to force the facility to be closed two days per week. Year to date through the end of September, 90,489 people have utilized the SHARC facility.

Assistant GM Kessarar reminded the Board of the substantial number of properties that have changed hands in 2021, approximately 300, which contributed to over 1,000 new MPP cards being issued this year coupled with some owners who may not have gotten the MPP card in the past doing so this year to take advantage of the new Member Pool.

Additionally, the number of Extended Family passes is up considerably this year with \$41,956 in revenue for new extended family passes and \$48,093 in revenue for renewal of existing extended family passes again illustrating the desire of owners and their families to enjoy the amenities available to them by way of those passes. Approximately 300 more cards were issued this year than in previous years.

All combined, MPP and extended family, there have been over 7,000 cards issued which is even more than in pre-pandemic seasons.

Through the end of September 2021, 58,490 paper guest passes had been issued and of those 6,444 have been redeemed at SHARC and 4,609 were redeemed at the Member Pool which is now closed for the season.

### **TELECOMMUNICATIONS TASKFORCE UPDATE**

GM Lewis commented that while taskforce continues work on the future of telecommunications in Sunriver there was not much new to report from last month's update.

Staff was directed to engage with an engineering company who can do a higher-level feasibility analysis that will look at specifications such as design and materials as well as help with an RFP for actual development of an SROA owned system.

The Board had several questions for the GM and this item will be on the agenda for approval at tomorrow's meeting.

#### **EMPLOYEE VACCINE MANDATE UPDATE**

GM Lewis provided an update on the mandate the Board adopted in August requiring all SROA employees be vaccinated against COVID-19 by October 18, 2021 or receive a religious or medical exemption.

When the mandate was approved approximately 20% of the SROA staff was unvaccinated. Since that time, four employees have received the vaccine, four have received religious exemptions, two have temporary medical exemptions and three have left SROA, one directly related to the mandate, and two partly due to the mandate.

When the original mandate was approved it did not spell out the requirement that any unvaccinated employee receiving a religious or medical exemption must wear a mask at all times whether a state mandate is in effect or not. The Board will be asked tomorrow to approve amendments to the policy to provide direction regarding workplace safety related to COVID-19 exposure to those employees who have been granted an exemption as contemplated and permitted under the original policy language.

To date, the federal government has not mandated any weekly testing requirements for unvaccinated personnel, but if it comes to that the employer typically ends up paying that expense of approximately \$100 to \$150 per week.

HR Director Leslie Knight noted that the vaccine requirement has not posed any problems or issues with new hires and actually is considered an enhancement by some.

The Board held discussion on the matter and agreed on minor modifications to the wording prior to approving the final document tomorrow.

#### **DESIGN MANUAL OF RULES & PROCEDURES MANUAL REVIEW – UPDATE**

GM Lewis reported the process is moving along. Initial interviews were conducted between the taskforce members and the consultant which was followed by the first full taskforce meeting.

Based on the input received during the initial interviews, the consultant put together an audit report identifying the information gathered as well as recommendations for changes and/or modifications. Secondly, the consultant put together an annotated design manual illustrating where changes are recommended.

This annotated version is what the taskforce undertook at their most recent two-hour meeting and written comments from that meeting have been submitted back to the consultant. While they did not make it through the entire manual, they did make some good headway. The next taskforce meeting is scheduled for November 5<sup>th</sup>, where the consultant plans on providing his first draft of the revised manual.

Director Gillies, a member of the taskforce, feels the consultant is doing a terrific job but he is concerned about timing as there are just so many items that need to be addressed. Currently the goal is to have the final draft to the Board by the end of the year. GM Lewis believes that after the next taskforce meeting, the group will have a much better idea if the project is going to need more time than what is currently scheduled to complete.

#### **FIR CONE LANE DRAINAGE PROJECT**

GM Lewis provided an update on this project noting work is scheduled to commence next week. There is the need to approve a modification to the pond design pursuant to the plans and original SROA Design

Committee approval from July 30, 2018. This modification, which all parties agree to, eliminates an unnecessary pump station and reconfigures the design of the existing pond area to preserve a number of large pine trees.

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

#### **REVIEW OF 10/16/21 AGENDA**

The Board reviewed the agenda for tomorrow's meeting.

#### **OTHER BUSINESS**

Director Gillies commented on the next Town Hall that will be held in January and the desire to drill down further into to approximately five of the top amenity priorities owners identified in the most recent comprehensive owner survey. Director Gillies brings this up now so the Board and staff can be thinking about it ahead of time and be prepared to address owners questions and/or concerns.

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

Director Murray 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 De Alicante, motion passed unanimously.

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

The public meeting resumed at 12:16 P.M.

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

Director Pederson moved to adjourn the meeting. Seconded by Director Burke, motion passed unanimously.

The meeting adjourned at 12:17 P.M.

Respectfully submitted,

Mark Murray, SROA Secretary