

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
SROA BOARD ROOM
MARCH 18, 2022**

DIRECTORS PRESENT: Keith Mobley, Clark Pederson, Mark Murray, Bill Burke, Tony De Alicante, Gerhard Beenen, Scott Gillies & Mike Gocke

DIRECTOR ABSENT: Paul Coughlin

STAFF: James Lewis, Keith Kessarais, Patti Gentiluomo, Kellie Allen, Mark Smith, Susan Berger, Jesus Mendoza & Leigh Anne Dennis

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

General Manager Lewis announced he received word from Director Paul Coughlin yesterday informing him that Mr. Coughlin has sold his Sunriver home and will need to resign from the Board.

OWNERS IN ATTENDANCE: 4

OWNERS FORUM:

Jim Remensperger, 21 Topflite Lane asked about the possibility of opening the Member Pool earlier than the historical mid-June timeframe. GM Lewis responded that the goal is to have the pool open earlier this year, but it is directly tied to staffing capabilities. The goal is to have it open by Memorial Day weekend. Due to the unknown future status of COVID-19 and it's variables, it is not known at this time if we will be limited on the number of people allowed in the facility at one time and if the pools will still have to operate by offering multiple sessions during the day or if we will be able to return to pre-pandemic operations.

GM Lewis read a letter from Mark and Julianna Hayes, 10 Sandhill Lane into the record. The Hayes' are concerned about the upcoming summer season at SHARC relative to their monetary outlay for Recreation Plus and Member Preference Program participation. This is a significant expense, and they would like some assurance that the facilities will be fully staffed and operational this summer.

SUNRIVER UTILITIES UPDATE

Tim Smith, General Manager of Sunriver Utilities was in attendance to provide an update on the company's activities. As most everyone already knows, there will be a water rate increase of 21.64% which will go into effect on May 1, 2022. Mr. Smith noted that SROA was very involved in this process which started out with an ask for a 49% increase.

In regard to water, Well #2, which is just off of Circle 3, will be replaced this year. While still capable production wise, the well, which has been there since the 50's tends to pick up a lot of sand and the well casing itself has a bend in it that needs replacing. They expect to have that project complete in July 2022.

Sewer rates, which are not subject to regulation by the Public Utilities Commission, also saw an increase of 5% that was effective March 1, 2022. The wastewater plant upgrade project which started in May 2021, is on schedule and budget with a completion date set for May 2023. Total project cost is approximately \$16.5 million, illustrating the need for the 5% increase in rates. One of the major things this upgrade to the existing equipment should accomplish is the elimination of the unpleasant odors that owners in homes surrounding the plant currently experience especially in the warmer months of the year.

The Caldera Springs annexation project is underway, and Caldera is paying for all of the infrastructure to be installed. That infrastructure system will eventually be donated to the utilities company. Mr. Smith commented that Sunriver owners are not paying anything for this infrastructure to be added in the Caldera development. Mr. Smith also noted the Caldera folks anticipate possibly having new homes hooked onto the system by fall of this year. In answer to a question from Director Pederson, no new wells had to be dug to accommodate this expansion.

Both the water and sewer companies are owned by Northwest Natural, a subsidiary of Northwest Natural Gas. The company now owns seven water companies, two in Oregon, two in Washington, two in Idaho and one in Texas. They are closing on another in Arizona soon and continue to expand their reach in Texas as well.

Mr. Smith has been with Northwest Natural for almost three years and was recently promoted to Pacific Northwest Regional Manager. Mr. Smith acknowledged SROA GM James Lewis' efforts on behalf of SROA in the recent water case and the enjoyment he has gotten from working together for the greater good.

ADMISSIONS MODEL WORKGROUP UPDATE

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

As of February 28, 2022, a total of 2,331 owners have purchased or renewed their Member Preference Program (MPP) cards. Of that total, 1,881 were renewals. 173 were new cards issued and the remainder were Extended Family Pass purchases or renewals and/or Long-term Renter Pass purchases or renewals. This is 756 more than the end of February 2021 when there was still some COVID restrictions in place but is behind pre-COVID 19 years by 360-400 passes. The Extended Family Pass continues to be a strong performer and we see that continuing again this year. Last year was the strongest year yet for the Extended Family pass with a total of 760 passes sold compared to an average of 450 per year prior to the COVID-19 outbreak. At the end of February, the MPP revenue totaled \$157,955 or 32% of the annual budget.

With the mask mandate set to end in mid-March staff anticipates a lot of owners will be in over spring break to purchase or renew their MPP cards and we will have a better picture of things after the end of March.

In regard to the 2022 Recreation Plus Program (RPP), as of February 28, 2022 there were 791 homes/condominiums signed up on the program. This is an increase of 102 from the end of February of 2021. Mr. Kessarar also provided a breakdown of the RPP's by the number of bedrooms. Revenue at the end of February stands at \$1,961,962 or 94% of the 2022 budget.

SHARC hosted a total of 5,370 attendees to the facility in the month of February compared to 3,809 in 2021 when SHARC was still affected by COVID restrictions that were in place. This was mostly made up of owners and RPP pass holders although staff was able to allow for 375 gate admission entries in February as well. Year to date, 11,204 people have utilized the facility

SHARC is back to a seven day a week operation for lap swimming and is open four days a week for recreational swims with the exception of spring break week when the facility will offer daily recreational swim sessions.

Through the end of February 2022, staff had issued 14,950 paper guest passes and of those 622 have been redeemed at SHARC.

For owners who have not yet purchased or renewed their Member Preference Program (MPP) cards for 2022, they can purchase or update their Member Preference Program (MPP) cards in person at SHARC, or if just renewing it can be done over the phone, 541-585-5000 and online at sunriversharc.com > Programs > SROA Member Preference Program. The Member Services office hours are 8:30 A.M.– 4:30 P.M, seven days a week.

TELECOMMUNICATIONS TASK FORCE UPDATE

Director Beenen reported the telecommunications survey went out last week and a reminder was sent out yesterday. The survey will close on Sunday, March 20th. Approximately 4,500 emails were sent out and to date, 1891 owners have responded by completing the survey.

Going forward, Directors Beenen and Mobley will review the results of the survey and the taskforce will meet the first week of April to go over those results as well. The taskforce will then bring a recommendation to the Board as to what, if anything, should be put on the ballot for this year's annual SROA election.

PATHWAY MASTER PLAN UPDATE

Public Works Director Mark Smith was on hand and provided some background noting that the Pathway Master Plan originally came to be at the direction of previous boards and with the assistance of board appointed taskforces. The first extensive pathway study was done in 2006 followed in 2013 by the Conceptual Pathway Master Plan which Director Smith was involved in as a member of the taskforce assigned to that project.

This latest update to the plan, originally came to the Board in November 2021 and has been posted on the SROA website since that time. It retains approximately 80-90% of the original plan elements and is to provide an updated plan for improvements to a pathway system that is integral to the Sunriver community. This update also provided the opportunity for the plan to be put into Computer-Aided Design (CAD) format which will make it much easier when we want to put something out for bid.

As was reported last month, several owners wrote in with their comments and those were included in the board member binders including a new one that was received since that owner input was discussed at last month's meeting. This owner took the time to study the plan in depth and provide his input on every element of the plan. Mr. Smith has since talked with this owner, whose input has merit and Mr. Smith also shared the input/suggestions with his staff and the engineer. Additionally, Mr. Smith will be meeting with this owner next time he is in Sunriver to discuss more fully. To that end, Mr. Smith recommends this plan be revisited/updated every three years as is done with the road evaluations and any suggestions for changes/alterations be considered when those updates occur.

In answer to a question from Director Pederson, Mr. Smith commented he recommends the Board adopt this as a conceptual plan as that allows the flexibility necessary as trends in recreation cause change in amenities which can in turn affect pathways. An example he used, is the recommendation of a tunnel under Theater Drive going towards SHARC. This proposed tunnel would not have gotten that consideration were it not for the addition of SHARC and the increase in bike and foot traffic on the pathways in that area.

Going forward one of the things that stands out and should be given the highest priority is the lack of a direct path between Circles 2 & 3. This issue has been looked at by every Public Works Director and staff for more than twenty years. There is no easy answer due to the constraints of property lines and it will take the cooperation of several stakeholders for that project to move forward. Secondary would be the loop proposed around Meadow Road. This is the item that received the most owner input with several owners not wanting a pathway going by their home. On the other hand, quick/close access to the

pathways is one of the first things listed on a vacation rental or real estate listing as a benefit to the property.

The timing of these pathway modifications is unknown at present as the current focus is really on tunnel replacement which is not inexpensive. That said, Mr. Smith remains committed to tying in small connector projects in conjunction with scheduled road work when it makes sense and pencils from a budget perspective. He feels tackling the Circle 2 to 3 issue soon is most important as that is the biggest safety concern we currently face with more and more pedestrians and bicyclists on Abbot Drive between those circles which is where Google maps directs people. There is money budgeted in the next couple of years for a study to be done on that section to determine what could be done and the coordination necessary to accomplish that.

Currently the only major project scheduled for this year will be the tunnel replacement at Fort Rock Park. Work started in early March and will run through mid-May. This tunnel is being constructed and cast in place. They have run into a significant amount of extremely hard rock which has slowed the project down some and some blasting will take place next week.

Additionally, the walking path at Mary McCallum Park will also be completed this year.

The full plan is available on the SROA website, www.sunriverowners.org > Capital & Reserve Projects > Pathway Master Plan.

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

RECYCLE UPDATE

GM Lewis read a statement provided by the Solid Waste Department of Deschutes County regarding the County Commissioners decision on side-yard recycling in Sunriver:

At the February 28th board meeting, the Board of County Commissioners did approve the change in services and fees for Sunriver and authorized and signed the order for the rate change at the Monday, March 7th meeting. Cascade Disposal will be offering universal service that will include weekly side-yard collection of trash, co-mingled recyclables and glass at a rate of \$34.85 per month, an increase of \$14.00 over the current fee for the addition of the side-yard trash collection only.

As with trash collection service, participating residents will provide their own 32-gallon container with handles and a lid for comingled recyclables and Cascade Disposal will provide tubs for the glass collection.

Cascade Disposal anticipates they will launch the service in September of this year. The lengthy time of rollout for the service is tied to how long it will take to get the additional trucks and drivers needed for the expanded service. To be clear, when a resident signs up for service they get trash, comingled and glass as a package offering.

The Board held further discussion on this issue including the fact that there will no doubt be owners unhappy about this decision at the County level and they encouraged those owners to contact the County Commissioners with their letters of concern. If an owner chooses not to pay the additional fee, they will have to haul their own trash to either Knott Landfill or the South County Transfer Station.

Director Burke commented it is his understanding that some parts of area just south and to the west of Sunriver which is also serviced by Cascade Disposal are being offered a subscription service instead of

the package offering that was approved for Sunriver as the Commissioners were concerned about pushback from those residents.

Another point that was brought up and discussed was the issue that some current garbage enclosures are not going being able to accommodate the 32-gallon can Cascade Disposal is requiring. Currently all enclosures must be large enough to accommodate two cans, but some people use two cans for trash and would not have room for another without modification. The question was asked about what the process will be from a Community Development standpoint. How will staff monitor and enforce it from a design standard standpoint?

GM Lewis responded that staff has already been thinking about and discussing this issue and they propose producing two or three standard templates that can be distributed to owners. If an owner does need to modify their enclosure and they choose one of the standard templates approved by SROA, they will not have to go through the design review process. Owners will need to notify Community Development they are doing the project so it can be inspected once complete, but it will cut down significantly the standard amount of time it would normally take. That said, it still will be an additional expense for owners on top of the increase in monthly fees to the hauling company.

As this service will not go into effect until September, GM Lewis believes it will be another year after the program starts before the current recycle is reevaluated.

It was also noted that in addition to needing additional trucks to service the area, the hauling company needs more drivers before they can start the program.

SR RULE & REGULATIONS SECTIONS 2.01A & 2.03B, G (EBIKES)

President Mobley reported that while he initially did not particularly care for the Class 2 ebikes, through the discussions he has had with owners Ron & Laura Bailey, as well as his own recent experience of availing himself to the throttle option on the Class 2 ebike he keeps at the beach to outrun a sneaker wave, he now sees them from a different aspect and believes the current rule should be modified to allow for Class 2 ebikes on the pathways in Sunriver. President Mobley pointed out that the maximum speed either Class 1 or 2 can achieve is twenty miles per hour.

Director Pederson commented that first and foremost his main objective is making sure the pathways are as safe as possible for everyone using them. His main concern with the Class 2 ebikes is speed and safety. He is less concerned about older people who use their ebikes responsibly and more concerned with younger people who might use the ebikes at maximum speed.

Director Pederson reported that he did a lot of research in the past month on the ebike issue and actually found where some communities in California are now starting to ban them all together due to concerns with speed and safety. According to Oregon law you must be at least 15 years of age (with a learner's permit) to operate an ebike and he feels it would be important to include that information in any rule change instead of just noting the Oregon statute that applies.

Director Pederson cautioned the Board to educate themselves and take the time necessary to get this right as it can be difficult to take something away once it has been offered. Director Beenen added that if approved there will be owners who will purchase ebikes, rental companies may offer them as benefits, etc. As the ebikes are a pretty significant investment, if you come back later and rescind allowing the Class 2, there will be a lot of very unhappy people.

Additionally, Director Pederson does not like tying our rules to Oregon statutes. He believes the rules should be clear and easy to understand by reading them and without having to reference another

document that most people are not going to have readily available. He is opposed to the proposed Section “G” as it is currently written as it is confusing to the reader. It uses the same verbiage that applies to reckless driving and reckless behavior on a bike path is different in his opinion than reckless driving.

Director Burke believes we need to look at the pathways holistically as new innovations are always on the horizon, who knows what the future holds and what the next thing we see on the pathways may be. He is already seeing the one-wheeled electric scooters around and he too is concerned about providing the safest experience we can for all users on the pathways.

Director Beenen who rides his bike on the pathways frequently noted he has seen a significant uptick in the number of ebikes already on the pathways, many of which are probably Class 2. Director De Alicante also noted that Sunriver has become a destination for local people from Bend and the surrounding areas to come for the day and ride their bikes. He is not as concerned with whether it is a pedal or a throttle start as he is with the maximum speed of the bikes. Director Pederson suggested we limit the speed on Sunriver pathways to fifteen miles per hour and require all ebikes have a speedometer on them. Director Gillies commented that speed is his main issue as well and he would like to see it limited to fifteen mph. no matter what you are riding on. Additionally, by limiting the speed limit overall, it can apply to anything that is invented in the future.

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

EVENTS COORDINATOR POSITION REINSTATEMENT DISCUSSION

GM Lewis recapped that prior to the COVID-19 pandemic we had both an Events Manager and Events Coordinator who facilitated all the bookings at the SHARC facility. Both of those positions were eliminated once the pandemic hit. As COVID restrictions eased and SROA was able to begin scheduling events in/at SROA facilities at the end of 2021, the SROA Board approved the hiring of an Events Manager in the fourth quarter of 2021. Since beginning work for SROA, the Events Manager has been highly successful in scheduling new events throughout the calendar for 2022.

Assistant GM Kessariss reviewed with the Board the events that are currently booked at SHARC and the projected revenue associated with those events. The volume of events is expected to increase over the year and is commensurate with the years of 2018 and 2019 as a comparison. The volume of work associated with the events has reached a point where the addition of the previous Events Coordinator position is again necessary in order to have staff available seven days per week and to provide superior service to our event customers/patrons.

This position was not budgeted in the 2022 budget and staff is asking the Board to approve the unbudgeted monies so the position can be refilled as it is becoming too much to do for one person. It is anticipated that additional revenue generating events will be added to the calendar to reduce the projected deficit and it is already offset through saved labor costs resulting from unfilled recreation positions, including the vacancy of an Aquatics Manager that has been absorbed by other existing positions.

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

RECREATION STAFFING DISCUSSION

GM Lewis referenced the SROA Recreation & Staffing & Recruitment report prepared by HR Director Kellie Allen who was also in attendance. Seasonal staffing challenges are nothing new in Sunriver and at SROA, however, a unique set of circumstances brought upon by two years of the pandemic, the current employee’s hiring market, and inflation, particularly the rise in gas prices, brings the organization to a critical juncture in planning for summer hiring and staffing.

Without the resources to attract seasonal employees and maintain adequate staffing levels, SROA's ability to offer full recreation amenity access and maintain the level of service owners have come to expect is not sustainable, potentially affecting SROA's bottom line not just in 2022 but into the future. To uphold SROA's mission to maintain Sunriver as a premier residential and resort community, by offering full access to recreation amenities and a high level of services to owners, additional investment in the recreation staffing budget is necessary.

Current recruitment efforts include Scene advertisements, social media posts, in-house hiring event, offering referral and retention bonuses, creating college internship programs, SROA E-blasts engaging owners, online job board post, paid job postings reaching out to previous employees, exploration of transportation options and connecting with high schools through EDCO's Youth Career Connect Program.

The majority of our seasonal help is teenagers and Sunriver's proximity to population centers along with the lack of public transportation options from Bend is another barrier. While there is a free shuttle that comes daily from LaPine it has not been utilized as much as was hoped for. With the price of gas increasing from \$3.11 per gallon last year at this time to \$4.70 per gallon now, the commute from Bend or LaPine can become a significant expense especially for younger people driving their first vehicle which often times is an older model and may not get good gas mileage. Additionally, there is the commute time which adds up to approximately two hundred minutes or 3.3 hours per week.

Lastly there is intense competition for entry level employees, including higher starting wages, bonuses, better perks, and benefits.

The employment climate has changed so rapidly that last fall's seasonal staffing budget is nearly obsolete and renders SROA uncompetitive in a highly competitive job market. SROA's staff has worked diligently to create an outstanding work environment, and to attract and retain staff. However, it is time to reassess wages in relation to the current hiring climate and unique locational challenges. SROA needs to offer a high enough wage for seasonal staff to be competitive within the current market and offset the prohibitive cost of working in Sunriver. The increase in seasonal staff wages will have a compression effect on regular staff wages, which will be addressed for equity and morale reasons.

The recreation operational goals include SHARC being open from 6:00 A.M. to 8:00 P.M, seven days a week (offering recreational swim hours from 10:00 A.M. to 7:00 P.M. and to have the Member Pool open from 7:00 A.M. to 5:00 P.M, seven days a week (offering both lap swim and recreation swim).

Staff is proposing an increase in seasonal employee wages for the summer season (May 1st to September 15th) with an adjustment in regular, full-time recreation employee wages plus a bonus for equity with higher seasonal rates. The Board's ability to quickly adjust to the rapidly changing economic environment over the last two years is a testament to their dedication to upholding SROA's mission by supporting the employees. Once again, SROA finds itself navigating a changed and highly competitive workforce market in which the cost of providing high-level service through hiring and retaining employees has increased dramatically. SROA's response to these current challenges will have ramifications on SROA's ability to deliver on its mission in future years.

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

IT STRATEGIC PLAN- TASKFORCE APPOINTMENT

The Information Technology (IT) Department at SROA provides a vital and prominent service to the entirety of SROA and is instrumental to the organizations ability to operate and serve the entire

community. Underlying the function of each SROA department are the services and capabilities afforded and provided by the IT department staff. To say that the IT department is essential to all SROA operations is an understatement.

Unlike other SROA departments that are guided by various master plans, operating plans or other guiding documents, the IT Department has often been called to respond and react to immediate needs as they arise. Although SROA has very knowledgeable and top-grade IT staff members, without the benefit of a longer-range plan that marries the needs of each department and SROA as a whole in a cohesive manner, longer term planning and budgeting for organizational needs becomes a challenge.

As is the case for other departments and the plan/guiding documents they utilize for programmatic and budgetary planning, a strategic plan (IT strategy) is necessary in this same vein. A necessary component of developing such a plan is the assistance of a taskforce which is and has been a common component utilized by SROA.

The creation of a taskforce comprised of stakeholders from the community and specialized professionals in the IT field can be created to assist in identifying existing issues, future needs, and methods to implement the plan. Although specific taskforce members have not yet been identified, the stakeholders should include representatives from SROA staff and Board, IT industry professionals and business management professionals.

It is unknown at this time if the services of an IT consultant will be necessary to help consolidate the ideas that come from the taskforce. One of the first duties of the taskforce will be to identify the Goals for the Strategic Planning project and help determine whether outside consulting help is necessary. Any such recommendation will be brought back to the SROA Board for consideration.

Ultimately, the final IT Strategic Plan is expected to include goals, strategies, funding, and timing for implementation, wrapped into specific recommendations for the SROA Board to consider and guide the IT Department in the coming years.

Pursuant to the SROA Bylaws, the creation of a taskforce is permitted and can be created by the SROA Board of Directors pursuant to a five-point directive adopted by the Board.

This item is on tomorrow's agenda for action.

SUNRIVER SERVICE DISTRICT (SSD)
REQUEST FOR VOTER'S PAMPHLET STATEMENT

A Deschutes County Ballot Measure (#9-144) for a capital levy to collect \$7,000,000 over ten years will be subject to voter approval during the May 2022 election. The requested funds are a portion of the overall funds necessary to construct an expanded Public Safety building to house Fire, Police and SSD Administrative staff, as well as community rooms available to the public (estimated construction costs are \$18,000,000 – not including the building or land.) The levy will supplement a pending sale of the existing fire station by SROA to the SSD and a lease of the land upon which the facility will be located.

The SSD Managing Board is requesting a statement from the SROA Board of Directors to be included in the Deschutes County Voters Pamphlet that supports Deschutes County Ballot Measure #9-144.

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

REVIEW OF 3/19/22 AGENDA

The Board reviewed the agenda for tomorrow's meeting.

OTHER BUSINESS

GM Lewis reminded the Board that we hold a joint meeting with the Sunriver Service District in April of each year. GM Lewis is proposing holding that meeting in May this year instead as the Deschutes County vote will be over then and the SSD will be able to report on their next steps whichever way the vote goes.

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 Burke, motion passed unanimously.

The public meeting recessed at 12:44 P.M.

The public meeting resumed at 1:27 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 De Alicante, motion passed unanimously.

The meeting adjourned at 1:28 P.M.

Respectfully submitted,

Mark Murray, SROA Secretary