

**SUNRIVER OWNERS ASSOCIATION  
BOARD OF DIRECTORS WORK SESSION  
SROA BOARD ROOM  
JUNE 17, 2022**

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

**DIRECTOR VIA ZOOM:** Julianna Hayes

**STAFF:** James Lewis, Keith Kessariss, Patti Gentiluomo, Mark Smith, Susan Berger & Jesus Mendoza

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

**OWNERS IN ATTENDANCE:** 3

**OWNERS FORUM:** No owners addressed the Board.

**2021 AUDIT**

SROA Controller Joe Healy introduced Heather McMeekin from Price, Fronk & Co. who was in attendance to provide the Board with the 2021 audit report. Mr. Healy noted the audit was presented on Thursday to both the Audit and Finance Committees.

Ms. McMeekin thanked Mr. Healy and his team for making SROA's audit one of the more enjoyable audits that they do because of the clean, concise records that are kept as well as staffs swift responses to questions or requests for additional materials.

Ms. McMeekin and her team audited the financial statements for the Association after ensuring the proper controls are in place and functioning correctly. They check for the appropriate approvals, signatures, correct GL accounts etc. Additionally, they examine the payroll system to ensure everything is in order there and Ms. McMeekin noted everything looked good and is being done well. The audit team goes through the SROA records in a lot of detail and appreciates the assistance they receive from staff in that regard.

The audit was conducted in accordance with auditing standards generally accepted in the United States of America. Ms. McMeekin and her team found that the financial statements present fairly, in all material respects, the financial position of the Sunriver Owners Association as of December 31, 2021, and the results of its operations and its cash flows for the year then ended.

The Board had several questions for Ms. McMeekin and thanked her for attending today's meeting.

Copies of the audit are available at the SROA Administration office.

**LADDER FUELS REDUCTION (LFR) PLAN UPDATE**

Natural Resources Director Patti Gentiluomo was in attendance to report on her team's work over the past several months updating the Ladder Fuels Plan (LFR.) In consultation with our partners which include the Sunriver Fire Department, Deschutes County, and the Oregon Department of Forestry as well as multiple departments within SROA, the group utilized best science and went over the document multiple times. What is being provided to the Board now is the final draft of the plan for their consideration of approval.

The Sunriver LFR Plan has been periodically revised to reflect evolving wildfire science, best practices, and legislative standards. The Plan was updated to assist Sunriver property owners meet obligations outlined in the Oregon Forestland-Urban Interface Fire cooperative agreement with the Oregon Department of Forestry that recognized the Sunriver LFR Plan met or exceeded its requirements and could be used as an alternate to Senate Bill 360. This agreement remained valid through 2021, when the Act was superseded through the enrollment of Senate Bill 762 by the 81<sup>st</sup> Oregon Legislative Assembly. As wildfire science, best practices, legislative standards (such as those under SB762) continue to progress, the Sunriver LFR Plan will be reviewed and updated as appropriate.

As was previously reported, Ms. Gentiluomo and her team have tried to make the LFR plan more user friendly. The narrative has been reduced, the document has been divided into sections, and an appendix has been added. Hopefully, these revisions will make it easier for owners, contractors, and staff to locate the information they are looking for.

Ms. Gentiluomo referenced defensible space noting there two kinds of fuels; vegetation and built. What Ms. Gentiluomo and her staff have focused on is defensible space in regard to vegetation which is an important segue into home hardening and how to prevent structures from igniting in the first place as a structure that ignites will burn. As a result, you will see the term “home hardening” used repeatedly in the updated document. Also mentioned in the document are ignition resistant materials and construction methods as well as the “zero to five” foot rule. It was also noted that the word “should” is being used on a few occasions as we wait for the Office of the State Fire Marshall to make a final determination on defensible space which is expected to be out by the end of this year.

One substantial change is a new requirement to remove highly flammable juniper and arborvitae shrubs and conifer landscaping shrubs within five feet of any structure or under and within three feet beyond the dripline of conifer trees. Owners will also be encouraged to clear their driveways in such a way that emergency response vehicles would have no problem entering and reaching the structure/structures. Spacing between trees has been increased to ten feet from the previous six to eight-foot guideline. The firewood stacking rules have also been revised to move wood to the furthest point from the structure without endangering neighboring properties during wildfire season.

Additionally, a permit summary table has been created to assist owners in the permitting requirements for ladder fuels reduction activities in Sunriver which illustrates that many of the ladder fuels reduction activities do not require a permit from SROA. Also added are a resource appendix as well as a definitions/glossary/terminology appendix to assist owners in their understanding of the importance of ladder fuels reduction.

Director Pederson noted his experience with the Natural Resources staff who came out and walked his property with him, made some recommendations and issued him a permit on the spot. The staff members were helpful and courteous, and it was all extremely easy plus he was able to remove the juniper he never liked anyway! He also suggested adding pictures of the different plants frequently referred to in the plan on the SROA website to help owners easily identify what they are looking for.

In answer to a question from Director Gocke, Ms. Gentiluomo encouraged owners to notify the SROA office if they see a dead tree that needs attention. Sometimes out of town owners may not be aware a tree on their property has died and we appreciate owners being observant out there on regular basis.

Director Beenen wonders how we communicate the need for fire fuels reduction to owners. Ms. Gentiluomo pointed out the full-page spreads that were done in both the April and May issues of the Scene. In addition, there is something in the Scene every month that reminds owners of the need to make

sure they are taking care of their property and reducing the wildfire risk as much as possible. Staff is out on property meeting with owners on a constant basis, along with email and telephone correspondence that occurs daily. In addition, targeted mailings and courtesy postcards are sent out to owners letting them know they have issues they need to address to avoid a citation at a later date if the issue is not addressed. Overall, the department does a lot to try to communicate with owners, but unfortunately some owners put this issue at a lower priority than others. In regard to the number of non-compliant properties in Sunriver, Ms. Gentiluomo noted there are currently 65 non-compliant properties and just over 300 properties that have received courtesy letters. The majority of owners are responsive to these letters and take care of the issues noted and others choose to not do anything until they receive a citation.

The Board held further discussion on the plan especially as it applies to wildfire risk and the possibility of some rules being absolute, such as wood piles next to a home, branches touching roofs, etc. Director Hayes noted she recently experienced this in her home community, and she recommends a tiered approach over a two-to-three-year period with different goals set out for each year such as hardening the landscape one year and a focus on wood piles the next year, etc. allowing owners ample time to address the issue.

Ms. Gentiluomo also noted a state-wide wildfire risk map that is supposed to be available by the end of June that includes five classifications of risk ranging from no wildfire risk to extreme wildfire risk, however the defensible space code requirements which are to come from the State Fire Marshalls office will not be out until close to the end of the year. Property owners will be notified via mail what their current risk is set at and if an owner disagrees with the rating there is an appeal process, they can avail themselves of. Sunriver has never rated lower than a high risk due to our vegetation, topography, climate, and weather. Central Oregon is classified as a fire adapted eco-system.

President Mobley noted a job well done and thanked Ms. Gentiluomo for her presentation today. GM Lewis added that as this lengthy conversation will illustrate, the work of Ms. Gentiluomo and her team is especially important to this community and is Sunriver is considered a model for other communities in the state so kudos to her and her team for a job well done.

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

#### **ADMISSIONS MODEL WORKGROUP UPDATE**

Assistant GM Kessariss provided a breakdown of current recreation statistics through the end of May 2022.

As of May 31, 2022, a total of 4,615 owners have purchased or renewed their Member Preference Program (MPP) cards. Of that total, 3,816 were renewals and 310 were new cards. The remainder were Extended Family Pass purchases or renewals and/or Long-term Renter Pass purchases or renewals. This is 237 more than the end of May 2021 when there was still some COVID restrictions in place. It was noted that the Extended Family Pass is proving an ever-popular option again this year. At the end of May, the MPP revenue totaled \$310,040 or 63% of the annual budget. We are seeing another push now as school is getting out and owners are arriving in Sunriver to vacation. Staff remains confident we will hit our 2022 budget number.

In regard to the 2022 Recreation Plus Program (RPP), as of May 31, 2022, there were 896 homes and/or condominiums signed up on the program which is the highest number participating since the SHARC facility opened. Mr. Kessariss also provided a breakdown of the RPP's by the number of bedrooms. Revenue at of the end of May stands at \$2,224,776 or 107% of the 2022 budget.

Gate revenue is currently at 6% of budget but we generally do not see a lot of gate revenue until July and August so as long as COVID restrictions do not change, this line item should increase over the next couple of months.

SHARC hosted a total of 8,326 attendees to the facility in the month of May compared to 5,818 in 2021 when SHARC was still affected by COVID restrictions that were in place. Of that number, 2,560 were owners and 4,498 were RPP pass holders, 52 were member guests, 234 were extended family and 399 were gate admissions. Year to date, 35,180 people have utilized the facility compared to 21,030 in 2021 when stricter COVID restrictions were still in place.

As a reminder, SHARC is back to a seven day a week operation with facility hours set at 10 A.M. – 6:00 P.M. daily.

The café re-opens today after a two-year hiatus. Bigfoot Barbeque is our new vendor, and we are excited to offer them this opportunity.

Through the end of May 2022, staff had issued 32,680 paper guest passes and of those 1,376 have been redeemed at SHARC and 1 has been redeemed at the Member Pool.

A total of 59 people visited the Member Pool over the Memorial Day weekend, despite the very chilly weather.

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](http://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.

Tennis teaching programs will begin on Monday, June 20<sup>th</sup> and Pickleball has been ongoing since the middle of April. Busy summer ahead of us.

The Board thanked Assistant GM Kessarlis for his always thorough reporting.

#### **TELECOMMUNICATIONS TASKFORCE UPDATE**

Director Beenen presented his Sunriver Telecommunications Interim Report noting that this effort started over three years ago. He reported the taskforce explored both wireless and fiber to the home (FTTH) as options for service in Sunriver. They have looked extensively at delivery and funding sources and have conducted extensive owner engagement opportunities.

What they have learned is that while the preferred technology is FTTH, some owners and taskforce members are split on continuing with Bend Broadband (BBB)/TDS, some prefer a community owned network and still others would like a third-party network. The options narrow some based-on affordability, lack of available government funding, etc. The cost of an SROA owned network is estimated to cost approximately \$20 million which would require owners to invest around \$5,000 per property and the results of the survey done last fall indicated owners were only willing to pay up to \$1,500.

The most recent survey also indicated 66% of owners said they would prefer to go forward with BBB/TDS. One of the challenges with government funding, is that the monies available are earmarked for communities that are un-served and under-served communities. Sunriver is not either of those by the

government definition of less than 25Mbps Download and less than 3Mbps Upload which Sunriver surpasses significantly. Sunriver currently has available up to 1Gbps Download and 20Mbps Upload. Most areas that are eligible for the government funding are in Eastern Oregon.

Another issue that has been suggested is, do owners truly understand that in the long-term, a community owned network would be the lower cost solution except that it will take about 30 years to get to that point. Treasurer Beenen has determined that in a long-run scenario, it would actually save each property owner \$25 per month. Also noted is the fact that Sunriver properties can change hands quite often and not too many people are going to own their home for at least 30 years. So, from a financial perspective, there is a lower cost by investing and building a fiber to the home network, but that lower cost would only be realized after 30 years and even then, the savings is pretty insignificant.

Director Beenen broke down community-owned network pricing available in areas that have their own networks, and they range from \$35-\$110 depending on the Mbps/Gbps. The BBB/TDS bulk agreement is lower than any other offering currently on the table. In the short-term, the next ten years which would be the duration of the BBB/TDS bulk agreement contract, it would be a particularly good deal for a Sunriver owner. Director Gillies pointed out that the other prices in the comparison do not have a ten-year price lock guarantee either.

Strictly from Director Beenen's perspective as a member of the taskforce, he believes we should let the owners decide whether or not they would like to move forward with a bulk agreement deal with BBB/TDS. It is good on cost and timing in terms of completion of the fiber to the home network. The rub for some owners is that they will have to pay that \$35 per month, every month, even if they do not or will not be visiting their Sunriver home for an extended period of time. There would be no "hibernation" type option available with the bulk agreement. But by going to a vote, we let the owners make that decision.

President Mobley commented he remains an advocate for a community owned fiber to the home system as his desire remains getting competition to the forefront, so we are able to have a better-quality service at less cost. This would also reduce the need for regulation because there would be real competition and he remains interested in what develops with Midstate Electric and Conexon.

If a vote of the owners fails, our fallback options will be a standard services agreement with BBB/TDS, a third-party network or revisiting funding sources. The Board held further discussion on the issue and received a BBB/TDS update from GM Lewis.

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

#### **SROA FINANCIAL POLICIES PROPOSED CHANGES**

SROA Controller Joe Healy noted that in a recent periodic review of the current SROA Financial Policy, the Finance Committee found a couple of items that require updating including the bid process and asset management sections of the document. Controller Healy reviewed the proposed changes with the Board and reported the Finance Committee has reviewed and voted in the affirmative on the changes and recommends approval by the Board. The Board had a few questions for Controller Healy and thanked him for being in attendance today.

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

#### **PARK MASTER PLAN UPDATE**

GM Lewis noted there has been a lot of community interest in our park and recreation facilities since the Infrastructure and Amenities Master Plan was adopted a couple of years ago. GM Lewis pointed out that it is important to note that this is a "facilities" plan, not a programming plan.

In early May, an RFP was put out for a consultant to assist us through preparing a Park and Recreation Facilities Master Plan. This was approved as part of the 2022 budget. The cut off for submissions was June 6<sup>th</sup> and we received one response despite it being sent to numerous people. That response was from MIG, a large engineering firm that has swallowed up a number of smaller companies that may have otherwise been interested. That proposal is being reviewed at present and GM Lewis is familiar with the project manager having previously collaborated with this individual on the Redmond Parks Master Plan.

An eblast was sent to owners yesterday asking folks that might be interested in serving on a taskforce to assist in this project to complete a Volunteer Service Form online indicating such. We have already received a couple of responses and expect more. Josh Willis from the Resort and Denise Schiffman from the Village will participate, and Directors Burke and Gillies have expressed an interest in serving as board liaisons to the group. GM Lewis expects to come back to the Board in July with a roster of names for approval which will be followed shortly after by an initial meeting between staff and the consultant. Following that, taskforce meetings will be scheduled, and he expects it will take approximately four meetings. Public Works Director Mark Smith and Recreation Director Leigh Anne Dennis will be key players in this effort.

#### **REVIEW OF 6/18/22 AGENDA**

The Board reviewed the agenda for tomorrow's regular board meeting.

#### **OTHER BUSINESS**

Director Gillies reminded everyone of the upcoming candidates' forum on June 23<sup>rd</sup> that is being hosted by Sunriver You. You do need to sign up in advance at sunriveryou.com to receive a Zoom link to attend. Owners will have the opportunity to ask questions of the candidates. It will be recorded so if owners are unable to attend on the 23<sup>rd</sup> they will still be able to access the recording on the Sunriver You website.

The Board held a brief discussion on the election of the Board officers for 2022/23 that is on the agenda for action at tomorrow's meeting. Director Gocke reviewed the requirements of the SROA Bylaws which require election of those officers in June with their terms beginning at the end of the Annual Owners Meeting in August. Director Gocke has reached out to the current board members to gauge their interest in serving in one of these one-year positions. This item is on the agenda for action at tomorrow's meeting.

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 12:25 P.M.

The public meeting resumed at 1:23 P.M.

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

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

The meeting adjourned at 1:35 P.M.

Respectfully submitted,

Mark Murray, SROA Secretary