

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
SROA BOARD ROOM
JULY 15, 2022**

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

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

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

OWNERS IN ATTENDANCE: 6

OWNERS FORUM: No owners addressed the Board at the meeting, but GM Lewis did read one letter from Ken Munson, 5 Pyramid Mtn. Lane, expressing his appreciation for how reasonable the maintenance fees in Sunriver are. He feels owners receive a lot for their money and cannot understand what people have to complain about. He congratulates both staff and the Board for a job well done in managing the finances of the Association.

**NOMINATING COMMITTEE RECOMMENDATIONS FOR
SSD MANAGING BOARD POSITIONS**

Nominating Committee Chair Pat Hensley was in attendance along with some of the other members of the committee to announce the recommendations of the committee for Sunriver property owners to serve on the SSD Managing Board.

There are seven members on the SSD Managing Board, two of which are also current SROA Board members. The remaining five board members are appointed by the Deschutes County Board of Commissioners, which is the governing body for the SSD.

The Nominating Committee Charter calls for the committee to make recommendations to the SROA Board of Directors who in turn make recommendations to the Deschutes County Commissioners. This year, four of the five positions expire at the end of August 2022. All four of the incumbent directors are eligible to serve a second term.

The Nominating Committee sought applications from SROA owners through Scene articles and email blasts encouraging owners to submit applications. The committee received applications from six individuals, including all four incumbents. The six applicants are Dennis Dishaw, Jim Fister, Bill Hepburn, John Ralston, John Shoemaker, and Ron Stephens.

As provided in the Management Agreement with Deschutes County and the Nominating Committee Charter, the committee sought guidance from SROA Board President Mobley and SSD Managing Board Chair Hepburn as to the skill sets and backgrounds desired for the vacant positions. SSD Chair Hepburn identified four desirable qualifications:

1. An applicant who could step into the chair position of the SSD.
2. An applicant who could manage the position of Treasurer of the SSD Managing Board.
3. With regard to the new public safety building, an applicant with construction background.

4. Someone who is interested in public safety and who are willing to devote a certain amount of time to help keep us safe.

The committee interviewed all six candidates on June 7, 2022, utilizing a uniform set of questions that had been provided to the committee along with follow-up questions based on the applicants' answers. The committee determined that all six applicants are well qualified to serve as members of the SSD Managing Board. Ms. Hensley then reviewed the applications of the six individuals with the SROA Board.

The four individuals the Nominating Committee is recommending are:

Jim Fister
Bill Hepburn
John Ralston
John Shoemaker

Ms. Hensley again emphasized that all six candidates were truly qualified and as one committee member noted, it was excruciating having to select four.

The Board thanked Ms. Hensley for being in attendance to make these recommendations and thank you to the entire Nominating Committee for their hard work on this issue.

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

ADMISSIONS MODEL WORKGROUP UPDATE

Assistant GM Kessarlis provided a breakdown of current recreation statistics through the end of June, 2022 noting that June was a robust month for our recreational facilities, and he recognized Recreation Director Leigh Anne Dennis and her team for continuing to accommodate individuals at the pools as well as at the tennis and pickleball courts in such a helpful and professional manner.

As of June 30, 2022, a total of 5,674 owners have either purchased or renewed their Member Preference Program (MPP) cards. Of that total, 4,663 were renewals and 425 were new cards. The remainder are extended family passes or long-term renter passes. This is 157 less than the end of June 2019 when there were no restrictions in place. At the end of June, the MPP revenue totaled \$381,616 or 78% of the annual budget. Staff remains confident we will hit our 2022 budget number.

In regard to the 2022 Recreation Plus Program (RPP), as of June 30, 2022, there were 906 homes and/or condominiums signed up on the program which is the highest number participating since the SHARC facility opened. Mr. Kessarlis also provided a breakdown of the RPP's by the number of bedrooms. Revenue at the end of June stands at \$2,253,688 or 108% of the 2022 budget.

Gate revenue is currently at 22% 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. Budget is \$500,000 and we are currently at \$110,026 with over \$80,000 of that coming in June.

SHARC hosted a total of 28,881 attendees to the facility in the month of June compared to 14,801 in 2021 when SHARC was still affected by COVID restrictions that were in place. Of that number, 3,120 were owners, 21,030 were RPP pass holders, 136 were member guests, 300 were extended family and 2,787 were gate admissions. Year to date, 64,061 people have utilized the facility compared to 35,861 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 Member Pool is open seven days a week from 11 A.M. – 6:00 P.M.

The café at SHARC re-opened on June 17th with Bigfoot Barbeque at the helm, and they had an exceptionally good half a month making the same amount of revenue as the gate revenue for the month. They are putting out some excellent choices of food and we are happy to have them in that space.

Assistant GM Kessarlis noted that Events Manager Camille Collard has been remarkably busy with weddings, parties, reunions, and meeting with event space rentals totaling \$36,872 year-to-date against a budget of \$14,872.

Through the end of June 2022, staff had issued 41,660 paper guest passes and of those 2,610 have been redeemed at SHARC and 513 have been redeemed at the Member Pool.

Member Pool attendance for June was 2,552 compared to 3,261 attendees in June 2021 due in part to the cold, rainy weather we experienced in June this year.

Director Hayes noted that her family has been to the pools, both SHARC and the Member Pool three times this week and the difference in the overall vibe from last year to this year is palpable. She is extremely appreciative, it has been unbelievably amazing, and the work staff has done to facilitate it has been fantastic.

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.– 4:45 P.M, seven days a week.

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

RECREATION/PUBLIC WORKS STAFFING UPDATE

Recreation Director Leigh Anne Dennis reported that her department is doing much better in the lifeguard department this year with 25 new lifeguards having started recently and another six set to start this weekend. There will be some shuffling necessary in the later part of July and into August as kids go on family vacations and others get ready to go back to school but so far things are going very well. The end goal is that the majority of these employees will come back for the next two-three years. Over all things have been great and we have a very professional group that are constantly training to make sure they are up to speed. The overall vibe at SHARC and the Member Pool are really good, and people seem genuinely happy to be there.

Ms. Dennis thanked the Board for the increase in pay for recreation staff as it has made a tremendous difference in our ability to attract employees. Ms. Dennis encouraged the Board to keep the wages at this level beyond just this summer as it is obviously key to attracting and keeping the number of employees, we need to properly serve owners and guests and is an essential part of doing business in Central Oregon now.

Public Works Director Mark Smith noted his department has also struggled recently being down three people with a fourth out on extended leave. In past years, we have been fortunate to have employees that have stayed a long time but the past couple of years we have had difficulty finding and keeping people despite advertising heavily. After comparisons to starting wages at similar jobs at both the County and City of Bend, a recent change in starting pay while still staying within the approved wage range was made

and has made a significant difference. Approximately ten qualified applicants have recently applied. One new person starts on Monday, another the following week and a third is in the works.

Mr. Smith pointed out the reason he brought this issue forward to begin with is the additional work and burden it puts on his existing people when they are short-handed. This also results in tasks and projects taking longer or dropping off the radar. Additionally, all snow removal equipment operators must have a Commercial Drivers License (CDL) which is an approximately three-month process to complete. Having a CDL also changes one's personal life as there are stricter requirements for things such as the limit of alcohol one can have in their system when driving drops to half of the normal .08. Additionally, these folks are required to be on call especially during harsh winter weather which is why Mr. Smith was so concerned about getting his staff levels full now so they will be ready when that time comes.

GM Lewis pointed out that these folks are very important to our operations as they provide the essential services that are necessary to allow owners and guests to go about their daily lives as normal and not having the staff to complete the tasks can be detrimental to the community as a whole.

Mr. Smith also noted that he is working with HR Director Kellie Allen on restructuring the positions and opportunities for growth in the department to hopefully entice employees to stay. We remain focused on ensuring that employees know that they are valued, appreciated and that we want them to stay for a long time.

Ms. Dennis reminded everyone that despite the fact the budgets are currently doing well, everything is looking really good, and even when we are short-staffed, we find a way to get the job done, we all need to be aware it is probably not sustainable long-term. We are still in a crunch period that everyone needs to remain aware of.

GM Lewis pointed out that one of the reasons budgets are doing well is due to unfilled positions which has put an additional burden on existing staff. These people are willing to go above and beyond to a point which is simply the human nature element of it, and we cannot risk pushing people to the point of exhaustion. PW Director Smith also noted that with gas prices going out of control, it makes it even harder for our existing employees that commute from Bend, Powell Butte, Prineville, etc. to afford to drive back and forth to work. Currently moral is great and everyone is on board to tackle the busy summer.

Director Hayes noted her appreciation for the live camera on the SHARC website that informs one if the facility has reached capacity yet or not.

The Board thanked Ms. Dennis and Mr. Smith for their reporting today.

PUBLIC WORKS CAMPUS PROGRESS REPORT

Public Works Director Mark Smith reminded the Board of the plans that have been shared previously which focus the department activities on safety, efficiency, and resource protection. Mr. Smith utilized slides to illustrate the Public Works yard as it currently stands noting the addition of the cinder storage facility has made an enormous difference in efficiency as the crews are no longer having to deal with snow covered frozen cinders in the winter.

There is money in the budget this year to replace the existing "round house" which served as a sewage storage device back in the early days of Sunriver. This is easily the worst building on our campus and possibly in Sunriver and yet is where the majority of the Public Works employees report for work each day. It is highly inefficient and overall, just a really bad working environment. The replacement building will include an office in the front for the employees who need to utilize computers as part of their daily

tasks with a bay in the back to house and protect our rolling stock ensuring that it is ready to roll when needed.

Safety remains the biggest concern and problem. Currently the parking spots that are supposed to be for the Public Works employees are constantly utilized by people dropping items at the recycle center, so the employees have had to move their parking to the annex adjacent to the round house. Mr. Smith is currently working with a landscape architect to see how that space can be reimagined to be more efficient.

The big decision that needs to be made is what to do with the existing recycle center. That space was built to accommodate two dumpsters and as we all know we currently need numerous dumpsters on a regular basis to handle the load of recyclables that are being brought to the site. Without the additional dumpsters Public Works staff have an almost daily duty to clean up the mess left by owners and visitors who leave things on the ground when the dumpsters are full. This is not just on Monday's either, it can happen numerous times throughout the week. Additionally, people leave behind unrecyclable items such as Styrofoam, packing peanuts, plastic bags, etc. that the Public Works guys then have to sort through and dispose of properly. We take care of this even though it is actually a county operation due to the unsightliness of it otherwise.

Since the failure of the proposed new recycle center last year, it will now be up to the Board to decide whether to step away from recycling completely at this location, but it is an ongoing problem Mr. Smith's department is having to manage on an almost daily basis. A decision is needed in order to layout the public works yard properly.

The money in this year's budget will cover getting engineered documents of the new building completed and actual construction will commence in 2023.

GM Lewis reported he has contacted the County regarding when side-yard recycling will begin in Sunriver and was told the hauling company is waiting on additional trucks that have been ordered to accommodate the need, but those trucks have not yet arrived. They now estimate that side-yard recycling will start in December of 2022 or January of 2023. Past board discussions on this topic were that we should wait until side-yard pickups have started to see the impact it has on the recycle center to be able to gauge the need more accurately. GM Lewis reminded the Board that an owner reported SROA to the County last summer for having the extra recycle bins on site as the agreement calls for just the two under the shelter. SROA received a notice from Deschutes County about the violation but if we did not have those additional two bins available during the summer and during the holidays, the mess would be astounding. When that facility was built Sunriver was not near as built out as it is now, and it could handle the load at that time, unfortunately that is no longer the case.

This Public Works Campus project has been in the works for a number of years, and it is truly time for SROA to provide a better working situation for our employees and get them out of an old sewage facility.

This is a tough situation as there are many people in Sunriver who are passionate about recycling and SROA is all about sustainability, but this is a situation that is out of control.

If the Board were to decide that once side-yard recycling begins, the current recycle facility will go away, that would allow Mr. Smith to move forward with the necessary planning, permitting, public comment period, etc. that are all necessary but would not immediately impact the current recycle center. Depending on when side-yard recycling starts this may allow some time to see how well the side-yard service is embraced. If the center closes completely people would either have to go to Knott Landfill or the Southwest Transfer Station to dispose of their recyclables.

The Board held further discussion on the matter envisioning several different options or scenarios that could serve as a long-term solution.

OREGON WILDFIRE RISK MAP

Natural Resources Director Patti Gentiluomo was in attendance to review and discuss the recently released Oregon wildfire risk map. As required by Senate Bill 762, Oregon Department of Forestry (ODF) and Oregon State University (OSU) have produced a state-wide map that includes risk classification and wildland urban interface (WUI) for the entire state of Oregon.

The map was just released on June 30th, so Natural Resources staff have been busy reviewing it. There are five classifications of risk that include no risk, low, moderate high and extreme. The classifications of risk are based upon wildfire intensity which corresponds to flame lengths and the likelihood of occurrence which gets to topography, weather, climate, and vegetation.

The tax lots that are within a WUI boundary and also have a classification of high or extreme will be subject to defensible space codes that are currently being developed by the Oregon State Fire Marshall's office and are set to be done by the end of the year as well as home parking rules and home building codes.

There is a notification process to property owners underway which will inform the property owner of their current risk. There is an appeal process if an owner feels their property has been classified incorrectly. You can appeal the wildfire risk classification however, you cannot appeal a wildland urban interface boundary.

Ms. Gentiluomo noted that the current classifications do not consider the future of any sort of climate change, and it is only about structures and some human development, it does not consider infrastructure or watersheds drinking water.

The map will be updated within twelve months of a new wildfire risk assessment update or at least every five years. There is an interactive map available at www.oregonexplorer.info > Forestry & Agriculture > Wildfire Risk where owners can view the entire state as well as their own neighborhood and surrounding areas.

Sunriver has always been considered a high or extreme risk due to the fact that we are a fire adapted ecosystem, and our weather, topography, and vegetation is such that even in our Community Wildfire Protection Plan (CWPP) Sunriver has always been considered extreme. Despite all the efforts done on an ongoing basis to reduce the risk of fire, Sunriver has always been rated high or extreme.

On this new map, Sunriver is now in the moderate category which was a bit of a surprise but might also be a reflection on all the work on commons removing fire fuels and thinning trees that the various SROA Boards have approved over the years to make Sunriver a safer place as well as the compliance and enforcement aspect of it on private property.

There are eight tax lots within Sunriver that do fall into the high category that are located in the River Road area. Three of these lots are owned by the Resort and this does include the airport, the stables, and part of the meadow. One is actually public land and the remaining four are owned by SROA and include a portion of Pasture 1, along River Road and the other two are Mary McCallum Park and the River Access location.

ODF will be mailing notices to any property owner who falls within the high or extreme category and those notices are actually to be mailed today, July 15th after which one has sixty (60) days to appeal that

classification which provides anyone who chooses to appeal a classification until September 15, 2022, and Ms. Gentiluomo recommends we appeal the four high ratings received as those areas are treated in the same manner as we utilize on commons throughout Sunriver.

ODF is currently scheduling public meetings in regard to this map throughout the state of Oregon and the one for Central Oregon will occur in August.

Ms. Gentiluomo cautioned that despite the moderate rating, we still have to be very vigilant going forward and noted how fortunate we are to have great partnerships with the Forest Service, ODF and OSU.

The Board thanked Ms. Gentiluomo for being in attendance today and sharing this important and valuable information.

TELECOMUNICATIONS TASKFORCE UPDATE/TDS BEND BROADBAND UPDATE

Director Beenen reminded the Board of the decision at last month's meeting to put the bulk agreement option to a vote of the owners. Since then, GM Lewis and Director Beenen have been working on getting everything agreed to with TDS/Bend Broadband (BBB) in writing. That document was received last Friday and has been shared with the taskforce who responded with several comments and/or questions. Those have been passed on to TDS/BBB for clarification and unfortunately, we did not receive a written response yet, so the proposed ballot language is not yet available.

GM Lewis added that he had a meeting with BBB representative Gail Long on Tuesday to pass the comments received from the taskforce on to her which was followed by a lengthy email to her with a list of comments and questions and then specific comments on the draft agreement. She was not able to provide a lot of feedback as she needed to get the information to her people, and she did not commit to getting anything back to us by today's meeting. We added the ballot measure language approval to tomorrow's agenda, but GM Lewis recommends holding off on moving forward with that action item until we get all these outstanding issues resolved.

Director Beenen commented that there are currently two gaps, one being how soon TDS/BBB will finish the upgrade to the overall system and secondly the proposed bulk agreement is for a ten-year period and the service agreement is for a fifteen-year period. The question that remains unanswered is what happens with the bulk agreement during that five-year period. To date, TDS/BBB has not provided us with clarification as to what their intent is there.

SROA ANNUAL MEETING AGENDA/PRESENTATIONS DISCUSSION

GM Lewis provided the Board with draft copies of the agenda for the Annual Meeting that will take place on Saturday, August 20th at 1:00 P.M. It's very similar to the past several years, quite straight forward starting with a welcoming by the president, the 2022 election results, announcement of 2022/23 Board officers, recognition of the outgoing board members, the Treasurers Report, Presidents Message and GM Report followed by the owners forum at the end of the business portion of the meeting. GM Lewis then reviewed the topics that will be covered followed by discussion by the Board.

REVIEW OF 7/16/22 AGENDA

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

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

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

The meeting adjourned at 11:45 A.M.

Respectfully submitted,

Mark Murray, SROA Secretary