

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
SROA BOARD ROOM
AUGUST 19, 2022**

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

DIRECTORS PRESENT VIA ZOOM: Julianna Hayes

DIRECTORS ABSENT: Clark Pederson

STAFF: James Lewis, Keith Kessariss, Patti Gentiluomo, Kellie Allen, Brad Olsen, Susan Berger & Jesus Mendoza

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

OWNERS IN ATTENDANCE: 12

President Mobley requested that owners in the audience wishing to speak to the proposed Ladder Fuels Reduction Plan hold their comments until after Natural Resources Director Patti Gentiluomo provides an update on staffs work on the document in response to the comments being received.

OWNERS FORUM: Ray Johnson, 4 Muir Lane spoke regarding the poor service he is receiving from Bend Broadband especially since being required to connect to internet television service. Mr. Johnson also spoke about bikes on pathways at night not using lights or reflectors. This continues to be a problem.

Jim Howard, 11 Mt. Rainer Lane, cited his background as a forester and discussed the affect that bug/beetle kill is having on the trees in and around Sunriver. He has observed dead and dying trees in the adjacent National Forest and its progression into Sunriver. Mr. Howard cited methods for removing such trees from Sunriver.

LADDER FUELS REDUCTION PLAN (LFR) PROPOSED REVISIONS

Natural Resources Director Patti Gentiluomo reported the 60-day comment period for owner input on the current proposed changes/revisions to the LFR ended on August 17th. Staff received numerous thoughtful and constructive comments during that time, copies of which have been provided to the Board of Directors. Some of these helpful comments and feedback have assisted staff in further refining the document even more and the incorporation of some of those suggestions is what has been provided to the Board today.

Ms. Gentiluomo reminded the Board that this process started in earnest over a year ago starting with a field trip in Sunriver with a number of partnering representatives from local, state, and federal agencies along with some of the SROA and SSD Board members. The group looked both at commons and private properties. Unfortunately, due to the extreme fire season we experienced last year the project had to be put on hold last summer and was picked up again in earnest in the fall. Staff consulted with our partners and utilized best science practices in producing this document. Staff reviewed the document multiple times and provided an update to the Board in April 2022.

Ms. Gentiluomo noted the importance of collaboration with numerous agencies and partnerships that exist noting that we have a spot on the steering committee for Project Wildfire for Deschutes County and were

recently asked to participate in the focus group for the Oregon State Fire Marshal's office for the development of the defensible space code that is currently in the works and is required to be adopted by the end of 2022.

The current plan that we are operating under was last revised in 2003. It remains an exceptionally good plan, is regarded as progressive and is a model for other communities to utilize as a template to devise their own plan. Sunriver was asked by Deschutes County several years ago to be a Firewise mentor to other communities considering the Firewise program.

The Sunriver LFR plan does two things; it is about forest management and wildfire risk reduction because a healthy forest and a healthy landscape lead to reduced wildfire risk. Staff also followed the National Cohesive Wildfire Strategy which is part of being a fire resilient landscape and means we can quickly recover from fire related disturbances. Sunriver is a fire adapted community meaning we acknowledge our wildfire risk and implement actions to protect lives and infrastructure, not suffer the losses that potentially happen. Additionally, we support safe and effective wildfire response which protects our firefighters and first responders.

As has been noted in previous meetings, there are two types of fuel in Sunriver, vegetative fuels and built fuels which are structures and the items within those structures. We have also talked before about the three types of ignitions: ember ignition, direct flame, and radiant heat. These are all the factors that are taken into consideration when updating/revising a document such as the LFR.

Defensible space starts with a healthy forest and healthy landscape which acts as a buffer to improve the chance of a dwelling surviving a wildfire, helps protect our first responders, and also helps firefighters be more effective.

Science, while continually changing, is extremely helpful and shows that home ignitions during extreme wildfires are primarily determined by the local conditions of the structure and its immediate surroundings. If we know that the requirements of combustion are not met, then the home will not ignite and one of those requirements is fuel. It is a collective benefit that owners actions to increase structure survival will in turn increase the entire community's ignition resistance. What an owner does or what their neighbor does definitely affects that area and in turn the whole community.

The Natural Resources Department staff have reviewed all the comments submitted during the 60-day comment period and utilized previous agency feedback when reviewing the document again. In addition to several grammar corrections and restructuring of some sentences, there were also additions to the definitions in Appendix C including structure, wall, and hazard trees.

There was a clarification of terms regarding using the words shall and should. Shall means the items that are required to be done and that Natural Resources inspects for as part of the enforcement program. But there is also a lot of use of the word should which allows owners to have the choice to perform additional activities on their property that will make their property safer, but they not be required to do. Essentially it opens the door to recognizing best practices.

There were questions regarding using fire resistant building materials and whether there is still a need to do vegetation removal to create that defensible space if using those materials, and the answer is yes. Those measures work together, and you cannot replace one with the other. While home hardening definitely benefits, one gets the maximum benefit when you do both.

There were several comments questioning whether the property inspections were complaint driven or part of design review. The Natural Resources program is a stand-alone enforcement program. Staff does

inspections of private properties every fall. Half of Sunriver is done each year, so properties are inspected every other year. All private and commercial properties are inspected and scored for the amount of fuel load on a particular property. If a property gets to the point that they have a heavy fuel load, they will receive a courtesy letter informing them of the issue. Any property receiving a courtesy letter is then inspected every year instead of every other year.

Notification from the Natural Resources Department comes first in the form of a courtesy letter informing the owner of the fuel load building on their property to allow them plenty of time to address the problem so they do not get to the point where they will become non-compliant or receive a notice of deficiency. While a good number of owners respond quickly to courtesy letters, there are also a lot of owners who never receive a notice because they have taken it upon themselves to maintain their property according to the guidelines required.

There were also concerns noted that the Sunriver LFR plan is stricter than the state standards. For years, our current plan has been stricter, and we can always be more strict than state or federal we just cannot be less strict than the state and federal requirements. This is a community plan and what the community wanted to adopt as their plan. One reason SROA's is stricter is because we have an enforcement and compliance component.

There were a lot of questions about the zero to five-foot zone which is a Firewise concept from the National Fire Protection Agency (NFPA). Basically, there are three zones. The first zone is zone zero, or the first zone which includes your structure and the first five feet from your structure. The second is the immediate zone, which is five to thirty feet from the structure, and the third is the extended zone which is 30-100 feet from the structure.

While acreage of lots in Sunriver varies, most properties are fairly small so that immediate zone needs to be recognized in the new plan and that area should be free of combustible materials. We know of conifers and evergreens that are combustible although staff does not yet know how this will apply to deciduous trees. Wood chips, limbs, bitterbrush, etc. should all be pulled away from this immediate zone as it is probably the most important in terms of ember fire starting and surface flame contact as one never wants any sort of flames close to the structure.

The zero to five zone referenced in the proposed revised plan is a "should" with the exception of limbs touching a structure which are required to be removed. While not required, it is highly recommended that owners remove any other items close to their structure that may ignite the structure if they were to become inflamed.

There were also comments regarding our status as a Tree City USA and the number of trees removed as part of the rotating LFR schedule on commons. Ms. Gentiluomo explained that Tree City is also forest management, not just tree planting. It is about taking out trees and managing forests to allow healthy trees to thrive on the limited water resources available while eliminating diseased and/or otherwise compromised trees. Staff does plant numerous ponderosa seedlings on commons each year.

Additionally, there were comments about some logs being left behind when LFR work occurs. Those logs serve as a nutrient source for our forests, basically trying to mimic the natural process that occurs when a tree falls in the forest. Logs are also used in restoration efforts to block trails which in turn protects the environment as well as being beneficial for wildlife. Limbs are removed and only the log is left behind to reduce fire risk.

There were comments submitted regarding the amount of firewood, up to five cords, that an owner can currently have as well as the location of that firewood especially during fire season. Firewood in

proximity to a structure is a concern for SROA as is any firewood that creates an obstacle for first responders in terms of access, pulling hoses, etc. The language has been changed from 20 to 30 feet closest to the property line which is inline with Firewise. If there is not at least 30 feet available, it should go to the farthest property line.

Comments were submitted questioning property lines and if blending of properties across the landscape occur. Ms. Gentiluomo noted that their operations are always within the boundaries of a private property not looking beyond to neighboring properties. Questions were also raised about juniper and arborvitae which also touches on landscape. Juniper and arborvitae are already included in the 2003 LFR Plan in terms of them being recognized as highly flammable plants. The proposed revision calls for mandatory removal of juniper and arborvitae on both private and common lands in Sunriver.

Questions were raised about whether it is necessary to remove limbs within 15 feet of the chimney if the dwelling has a gas stove. For consistency, the rule in place will continue to apply to both gas and woodburning chimneys.

There were several questions/comments in regard to the Oregon Department of Forestry (ODF) wildfire risk map that was sent out recently. Staff touched on this in previous presentations to the Board. Since the last update in July, ODF has pulled that map off its website, and they are going through a reassessment. While Sunriver was classified as moderate in the most recent map distributed, staff does not know where Sunriver will be when the new map comes out. Up until the most recent moderate classification, Sunriver and south county have always been in the high or extreme category due to topography, vegetation, and climate.

Another major change is to the tree thinning on commons and private properties. Staff has reversed their recommendation in the new plan of spacing trees ten feet apart back to the six-eight feet that is in the current plan based again on comments received from SR owners.

Ms. Gentiluomo answered numerous questions from the Board and provided further clarification on several items. This item is on the agenda for action at tomorrow's meeting.

OWNERS FORUM (continued):

Laura Bailey, 17 Witch Hazel Lane, submitted a letter into the record regarding the Ladder Fuel Reduction (LFR) plan. She suggested the following: A.) The treatment of dead grasses in Sunriver needs to be addressed in relation to fire prevention, B.) A specific timeline for ladder fuel reduction treatment of Sunriver commons needs to be included; C.) Owners should be allowed to remove grasses on SROA commons adjacent to their home; D.) the SROA LFR plan should be more restrictive than Federal or State requirements; and E.) She commended the Board and staff on the commitment to forest health and fire protection.

Signa Gibson, 12 Forest Lane, also submitted written comments to the record regarding the Ladder Fuels Reduction (LFR) plan. Ms. Gibson stated that there needs to be more opportunity for owners to review and comment and be educated on the draft LFR plan. She suggested a Town Hall for owners participation be conducted. She also suggested that the LFR document include a table specifying and differentiating the "shoulds" from the "shalls."

Richard Gibson, 12 Forest Lane also submitted written comments to the record regarding the LFR plan. Mr. Gibson suggested completion of the LFR plan be halted until the implementation of Senate Bill 762 by the State of Oregon. He also stated that "lawn" should be addressed in the plan especially as it relates to an active area for fire reduction. Mr. Gibson discussed a calculation that he did based on the tree

separation requirement proposed in the draft LFR plan stating that it would result in removal of up to 60% of the existing trees in Sunriver. Lastly, he stated that dry grasses need to be addressed in the LFR plan.

NOMINATING COMMITTEE RECOMMENDATIONS

Nominating Committee Chair Pat Hensley addressed the Board on behalf of the committee regarding a number of possible changes the committee has been discussing regarding the way the committee operates. The goal of these changes would be to enable the committee to conduct more effectively its functions as set out in the committee charter. The committee notes that many of these changes would require approval by the SROA Board of Directors.

Over the past few years, the Nominating Committee has received annual training from SROA's legal counsel on legal and ethical issues that the committee must keep in mind as it fulfills its responsibilities as spelled out in the committee charter. The committee recommends that the committee also receive orientation sessions to include a review of SROA information that would be pertinent to their assignments. Additionally, the committee recommends a review of their current charter to include a discussion of the role and responsibilities of the committee.

The committee suggests an orientation session to include a review of the Sunriver Service District Management Agreement. This document is an agreement among the SROA Board, the SSD Managing Board, and the Deschutes County Board of County Commissioners. This document spells out the relationship among these three entities as well as qualifications for service and terms for the SSD Managing Board.

The committee recommends that an orientation session include a discussion of the roles and responsibilities of SROA Board members. This would assist committee members in responding to questions from potential candidates about what is involved in being a member of the SROA Board. The committee would also appreciate an orientation session on the relationship between the SROA Board and the SSD Managing Board.

One of the primary functions of the committee is recruitment of SROA owners to become candidates for the SROA and SSD Boards. The committee recommends an orientation session include a discussion of the steps the committee can take to recruit candidates and possible changes that would make the recruitment process more effective.

The committee recommends a discussion about the way minutes of the meetings are managed as well as review and possible changes to both the SROA and SSD Managing Board application forms. Additionally, the committee has discussed review and possible changes to the interview questions for both SROA and SSD Managing Board applicants.

Lastly, the committee recommends a review of the standard documents; roster, charter and committee policy that are provided to all committee members be reviewed and possibly expanded to include additional information that might be helpful to the committee.

The committee has also discussed the challenges presented this year by the fact that the terms of four members of the SSD Managing Board were expiring at the same time. The committee notes that it is possible, under the current provisions of the management agreement, that six of seven members of the SSD Managing Board could be new to the Board at the same time. The committee has discussed recommending a change in the terms so that the end-of-term dates are staggered. The committee recognizes that such a change would require a revision to the SSD Management Agreement that would require approval by the SSD Managing Board, the SROA Board of Directors and the Deschutes County Board of Commissioners.

The Board held a brief discussion and thanked Ms. Hensley for this informative presentation and the rest of the Nominating Committee for their thoughtful input that will be taken under consideration.

IT STRATEGIC PLAN TASKFORCE UPDATE

GM Lewis reminded the Board that earlier this year the GM identified the need to develop an IT strategic plan to provide direction for our IT department as it is the basis and foundation of everything that we do. The goal is to provide direction for the next three to five years in terms of what the primary concerns should be for SROA both internal and external and from there establish recommendations and action items. The formation of a taskforce was approved by the Board earlier this year and today one member of that taskforce, Jim Fister was in attendance in person and task members Susan Jain and Perry Olson were in attendance via Zoom to provide the Board with more information on this topic. GM Lewis also noted this discussion will segway into the next agenda item for today which concerns approval of monies already budgeted to extend fiber to the Member Pool.

Taskforce member Jim Fister reported this will be a midpoint update and he anticipates that before the 2023 budget is approved the taskforce will provide a final update for the year and get direction from the Board on what direction they want the taskforce to go. Today, they hope their presentation will prompt some direction from the Board as to what more they may be looking for in the final update.

Mr. Fister shared the vision, mission and goals of the taskforce noting the vision is the picture they have of SROA's IT department. IT serves as the strategic enabler for all SROA operations thereby improving operations, productivity, and satisfaction of SROA team members.

The mission is to create a three-year strategic plan and budget proposal addressing SROA IT requirements. Goals are to have a strategic plan approved by the Board in time to be incorporated into the 2023 budget and waste no time acting on any opportunity or risk areas that can be immediately addressed.

Phase I of the taskforces activity has included interviewing members of various departments at SROA to determine future wants and needs. They have interlocked with the Telecommunications Taskforce regarding current and future connectivity/network issues and have been able to perform industry standard security self-assessments due to the talent and skill of some of the taskforce members.

Phase II includes identifying priorities and Phase III will be involve translating those priorities into a strategic plan.

The main priorities that have been identified by the taskforce include security and continuity to deliver continuous and secure IT services, networks to provide ubiquitous, dependable, fast, and secure IT services and cross-departmental Geographic Information System (GIS) requirements for public safety, better operations, and increased owner value. Mr. Fister also provided some information and background on exposures and opportunities that exist.

The taskforce currently sees two opportunities they recommend the Board move forward with. The first is to utilize the \$15k allocated to the taskforce for general consulting to do network penetration testing which should be performed annually.

Secondly, the taskforce agrees with the staff recommendation to release the \$60k that is included in the 2022 budget to complete the fiber optic line to the Member Pool. Not only is it already earmarked in this year's budget, but it will address security and operational exposure and will save money by piggybacking on to other work being performed by the utility company.

A comparison matrix illustrating the advantages of having the fiber work done now was also provided, explained, and discussed. GM Lewis explained that in looking at what we currently have available to us versus owning our own system, we currently have our own fiber between the Administration Building and the SHARC facility which has provided countless benefits. Ultimately, from a financial perspective in pure construction costs, we would save approximately \$40k by combining the construction this fall in conjunction with the utility company. Total cost of that shared construction costs and materials for SROA is approximately \$57k. Additionally, and there are two components involved in this, we are currently under contract with TDS Bend Broadband (BBB) to pay \$10k per year for that connection to the Member Pool and there are two years left on that contract which equates to \$20k spent.

If we do not have our own system, we will continue to rely on and pay TDS/BBB for as long as we needed this service at \$10k per year. If you take that under current circumstances and extend that out over an extended period of time, this is a 50-year system, building our own system would save significant money over the life span of the system. However, we are, through the work of the Telecommunications Taskforce, looking at an agreement with TDS/BBB and while we do not know exactly how that will end up the taskforce has been doing a significant amount of negotiating with TDS/BBB and a key component to that is that it provides for courtesy accounts. If we enter into an agreement with them, this would be considered a courtesy account and as such we would not be charged the annual fee. That portion of the cost savings over the long haul would go away for the lifespan of the agreement and subject to negotiation at the end of that term. The unknown remains what we are going to do with TDS/BBB and that agreement and when coming back full circle, what is the difference in the services that are available to us.

Director Beenen disagrees with spending the money to extend fiber to the Member Pool at this time. While it was discussed and identified as a worthwhile project during the budget planning process, we also have a goal of funding our reserves to the 70% or higher level which has not yet been reached and he feels strongly that every expenditure must have a thorough review. Mr. Fister, as a past board member respects Director Beenen's perspective, but as a member of the IT taskforce, noted their recommendation is to approve the expenditure to extend said fiber.

Jim Fister added the IT Taskforce having met with Director Beenen to discuss the proposed agreement would have concerns as to the platonic ideal of what might happen and to the other point, the courtesy account is sufficient, but is it sufficient over the lifetime of that and would this courtesy account, long-term actually track with what the requirements could necessarily be up there meaning we might end up having to go contract above that courtesy account. As such the IT taskforce recommends continuing to go on our own.

IT Taskforce member Susan Jain added another way to look at it is going forward if SROA were to build a major facility, the connectivity should be part of the plan. We know this will happen with the new Public Safety building, which is excellent, but this is more of a fix for something that was overlooked in the past. Once we have a strategic plan in place where IT is part of all departments' strategies situations like this will not be an issue. IT Director Brad Olson provided numerous examples of how having our own connection between SHARC and the Administration building has saved the Association time and money since the SHARC facility came online.

The Board and taskforce members held a lengthy discussion on this complex matter, and the taskforce members present answered a number of questions posed by the Board.

The next steps for the taskforce will be to complete the three-year strategic plan, build out their budget recommendations for 2023 and prioritize the IT personnel needs to improve overall service.

The Board thanked Mr. Fister, Ms. Jain, and both Mr. Olson's for being in attendance today and providing this valuable information.

BUDGETED FIBER EXTENSION TO MEMBER POOL

GM Lewis commented the Board has in their binders a request for approval to authorize the expenditure of those funds that were included in the budget but held pending authorization by the Board to extend fiber to the Member Pool from the Administration building. The Finance Committee did discuss this item at their meeting on Thursday because they were instrumental when the budget was being developed that the monies be included but that further approval be given by the Board prior to those dollars being spent. The committee voted in favor of spending up to \$60k to extend fiber to the Member Pool. GM Lewis added that this is a small expenditure in comparison to the overall cost of the facility.

Director Beenen does not believe we can have private connections to all SROA facilities and remains opposed to this approval. Director Mobley disagrees and feels strongly that there are few better investments looking to the future than community owned fiber.

ADMISSIONS MODEL WORKGROUP UPDATE

Assistant GM Kessarlis provided a breakdown of current recreation statistics through the end of July, 2022 noting that July was a very busy month for our recreational facilities despite a rather cool start to the month.

As of July 31, 2022, a total of 6,771 owners have either purchased or renewed their Member Preference Program (MPP) cards. Of that total, 6,046 were renewals and 581 were new cards. The remainder are extended family passes or long-term renter passes. This is 101 less than the end of June 2021 when there were still COVID-19 restrictions in place. At the end of July, the MPP revenue totaled \$460,050 or 93% 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 July 31, 2022, there were 915 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 July stands at \$2,280,353 or 109% of the 2022 budget.

Gate revenue is currently at 64% of budget and we have the remainder of August as well as the Labor Day weekend ahead. As long as COVID restrictions do not change, this line item will continue to increase over the few weeks. The budget is \$500,000 and we are currently at \$321,771 or 64% of budget.

SHARC hosted a total of 56,161 attendees to the facility in the month of July compared to 32,412 in 2021 when SHARC was still affected by COVID restrictions that were in place. Of that number, 4,600 were owners, 39,109 were RPP pass holders, 330 were member guests, 571 were extended family and 7,374 were gate admissions. Year to date, 120,222 people have utilized the facility compared to 68,139 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 with Bigfoot Barbeque at the helm continues to do well and patrons are happy with both the food options available as well as their overall experience.

Assistant GM Kessarlis noted that Events Manager Camille Collard continues to be terribly busy with weddings, parties, reunions, and meeting with event space rentals totaling \$44,171 year-to-date.

Through the end of July 2022, staff had issued 50,299 paper guest passes and of those 6,314 have been redeemed at SHARC and 2,621 have been redeemed at the Member Pool.

Member Pool attendance for July was 8,427 compared to 8,539 attendees in July 2021.

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 thorough reporting of these important statistics.

SROA FACILITIES OVERNIGHT PARKING DISCUSSION

GM Lewis reported that in the summer especially we see an uptick in the number of vehicles left in SROA facility parking areas. This is sometimes because guests have too many vehicles to fit in the designated parking spaces at a particular property or because an owner may have too many vehicles to fit comfortably in the garage or driveway so they will park a vehicle at one of the tennis courts or other SROA facilities sometimes for weeks on end which leads to complaints.

Currently there is not a rule prohibiting this type of action so there is nothing we have the authority to enforce. Staff requests the Board direct the Covenants Committee to work on a rule that would address overnight parking as well as citations and fines associated with such.

TDS/BEND BROADBAND (BBB) BULK AGREEMENT BALLOT MEASURE LANGUAGE

Director Beenen noted the Board has discussed this issue at the last few meetings. In June, the Board approved moving forward with a special election to the owners on a bulk agreement deal with BBB. At the July board meeting, approval of the ballot measure language was deferred as we waited on some final information from TDS/BBB.

The final written agreement from TDS/BBB was not received until yesterday at 2 P.M. so it has only had a cursory review and is not ready for the Board to vote on at this time. The Board discussed the fact that putting this off another month will push the election into the new year, but it is imperative that we have all the facts prior to formulating the final ballot language.

REVIEW OF 8/20/22 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 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 Beenen, motion passed unanimously.

The public meeting recessed at 12:31 P.M.

The public meeting resumed at 1:38 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 Murray, motion passed unanimously.

The meeting adjourned at 1:39 P.M.

Respectfully submitted,

Mark Murray, SROA Secretary