

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
SROA BOARD ROOM
SEPTEMBER 16, 2022**

DIRECTORS PRESENT: Keith Mobley, Clark Pederson, Gerhard Beenen, Scott Gillies, Linda Beard & Larry Ishmael

DIRECTORS PRESENT VIA ZOOM: Julianna Hayes, Bill Burke & Tony De Alicante

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

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

OWNERS IN ATTENDANCE: 6

OWNERS FORUM: Kathy Brown, 9 Quelah Lane, discussed a need for improved communications between SROA and owners. She stated that topics she previously brought up to the Board were not followed up on. She suggested an owner only portal on the SROA website for owner discussion. She also questioned why the Board packets/binders are private and not available to owners.

Mike Breen, 35 Circle 4 Ranch Cabin & Jamie Potter, 36 Circle 4 Ranch Cabin, discussed their concerns about continual smoke generated by wood burning all day/every day by the resident of one of the Ranch Cabins. They cited the underlying reason given by the owner but suggested that SROA should adopt a rule banning the burning of wood during the months of June, July, and August.

GM Lewis read two letters into the record. The first from John Wiest, 14 Kinglet Road was in relation to the proposed changes to the Ladder Fuels Reduction Plan and posed a number of questions regarding the plan. Additionally, Mr. Wiest feels there should be at least three town hall meetings held, followed by a comprehensive plan that owners would then have the opportunity to comment and vote on.

The second letter was from Wendy Ferguson, 3 Jackpine Lane, who wrote with three concerns; 1) The lack of a bike path and enough signage notifying drivers of bikes and pedestrians along Meadow Road, 2) the pickleball courts at Fort Rock Park only have one gate to enter and exit the courts. Ms. Ferguson has seen as many as 60 people on those courts at one time and is concerned should there be an emergency if everyone would be able to get out of the courts safely. 3) River Road has no white line striping down the middle of the road. Please attend to these concerns.

LIFEGUARD/EMT RECOGNITION

Recreation Director Leigh Anne Dennis and Fire Chief Tim Moor were in attendance to recognize the recent efforts of lifeguards Anika Hornbeck and Carlee Demeree as well as the EMT's on shift on Sunday, September 4th. Their lifesaving efforts for a young child that day were nothing short of heroic. Both Ms. Hornbeck and Ms. Demeree reacted quickly and provided immediate emergency care for this youngster until the paramedics arrived. They not only performed their job duties but also did so in a calm and professional manner.

Also recognized were the efforts of the Sunriver EMT's who responded to the 911 call that day. The efforts of the Sunriver Fire and Police in activating our Emergency Action Plan from the initial response to the overall coordination illustrates the excellence in standard of care the Sunriver community has at its

disposal. Ms. Hornbeck and Ms. Demeree were unable to be in attendance today as they are both high school students who had to be in class. Likewise, the EMT's that were on shift that day are in a training session this morning, so they were unable to attend.

President Beenen noted this situation illustrates how crucial the training the Recreation Department requires for our lifeguards is in a situation like this. The Board joins Ms. Dennis and Mr. Moor in their thanks and appreciation to these individuals.

FIBER BULK AGREEMENT WITH TDS/BEND BROADBAND

GM Lewis reminded those in attendance that one component of the Telecommunications Taskforce's efforts is to determine what the future of internet connections should be in Sunriver. As has been previously reported, TDS/Bend Broadband (BBB) is offering SROA a new bulk services agreement contract whereby SROA basically becomes the customer and owners would pay for their TDS/BBB base charge via an increase in their SROA maintenance fees and all properties would have fiber to the home within three years. At the June 18th Board meeting, the Board voted to move the issue to a vote of the owners, which would need to pass by 60% of those who vote to be approved. Any services beyond the base charge would be the responsibility of the individual owner.

This vote will be held via a special election early next year and due to the requirements of the SROA Bylaws, the special election notification must be published at least three times in the Sunriver Scene. The proposed ballot language was been on the agenda in June, July, and August and is on the agenda again this month. GM Lewis noted approving the ballot language is followed by notification to the Chair of the Election Committee who is responsible for ensuring the special election is noticed in the Sunriver Scene according to the guidelines set out in the SROA Bylaws.

GM Lewis reported that while we have not received the final agreement with BBB, they have answered all the questions that were raised by the taskforce when the latest version of the agreement was received and reviewed by the taskforce, but the agreement has not yet been modified to include that information. President Beenen noted there were three things the taskforce questioned including, when the new agreement would begin, when the construction of fiber to the homes/condos will be complete and for people who don't want the basic internet service, what incentive is there for people to vote for a bulk agreement.

BBB responded they are fine with the start date being immediately following a successful special election vote, construction should be complete within three years of the start date of the agreement, and for owners desiring more than the 300 up/down speeds, TDS/BBB will commit to a ten-year agreement of an additional \$25 per month for 600 up/down speeds and \$45 per month for 1 gig up/down speed.

The Board held further discussion on the issue with more than one member noting they were not comfortable approving the ballot measure language until we receive the final document from TDS/BBB. This item is on the agenda for action at tomorrows meeting.

2022/23 BOARD MEMBER LIASION/REPRESENTATIVE OPPORTUNITIES

Director Burke, participating from France, reported that one of his responsibilities as Vice President is to engage with the rest of the Board members to identify who will represent the Board in different capacities for the next year. Vice President Burke reviewed his spreadsheet with the Board noting that Board officers were elected in June:

President: Gerhard Beenen
Treasurer: Clark Pederson

Vice President: Bill Burke
Secretary: Scott Gillies

The terms for these officer assignments began at the close of the Annual Meeting in August.

Director Burke reported that Director Mobley will fill the Assistant Treasurer position and Director Ishmael will fill the Assistant Secretary position. These individuals along with the aforementioned officers will have signing privileges on behalf of the Association.

Currently Directors Beenen & De Alicante fill the two required SROA positions on the Sunriver Service District (SSD) Managing Board. Director Beenen, who has two years left on his SSD term, has indicated he is willing to step down from that position and allow another SROA Board member the opportunity to serve in that position to gain a better understanding of how the SSD operates if anyone is interested. Director De Alicante has one year left on his SSD term that he stepped into when that seat was vacated by Director Burford's passing.

In relation to the SROA committees, liaison appointment are as follows:

Covenants: Director Tony De Alicante
Design: Director Scott Gillies
Finance: Clark Pederson
Owner Enrichment: Director Bill Burke

As President, Director Beenen will continue to service on the Finance Committee per the requirement in the committee charter and Directors Mobley and Hayes will also serve as members of that committee

Directors Ishmael & Burke will serve on the Admissions Model Workgroup and Director Beard has been invited to participate in that workgroup as well.

Director Gillies is assisting with the revisions to the Sunriver Design Manual of Rules & Procedures.

Directors Beenen & Mobley will continue to serve on the Telecommunications Taskforce.

Directors Gillies & Burke are serving on the Parks & Recreation Masterplan Taskforce

Directors Mobley & Hayes will serve on the Information Technologies (IT) Taskforce.

There are several other projects on the horizon or that may be close to being finished. One of those is the SSD Facilities Taskforce that Director Pederson serves on, and whose work is diminishing as the project enters the next phase of implementation.

Directors Beenen, Pederson, and Mobley are agreeable to participating in the workgroup to address Transient Room Tax (TRT) monies and their availability to specific projects in Sunriver with representatives from Deschutes County. President Beenen commented he believes this should be a joint SROA/Sunriver Service District (SSD) effort. Sunriver contributes several million dollars a year to this fund, and we would like to see more in return for those dollars. It was noted that the County, in recent years, has been supportive when funds are tied to a specific project such as the Fire Department Training Facility up off of Cottonwood Road or their recent commitment to contributing to the construction of the new Public Safety Building. They have not to date been supportive to providing monies not tied to something specific.

Director Hayes will participate in the employee compensation analysis and Director Burke will participate if another director is needed.

The upcoming five-year Strategic Plan will require full board participation and engagement with specific liaisons to be determined some time in the coming months.

SROA STAFF 2023 BUDGET PRESENTATION

GM Lewis led the SROA Department Heads in the yearly presentation provided to address and identify future financial impacts to the Association, long-range planning as well as challenges and opportunities ahead of us. While the expectation is that COVID-19 will minimally influence overall operations, we have to stay aware of potential impacts. The overall goal is to provide a high level of service to owners and guests.

Overall, there are no significant changes being proposed and staff will continue to maintain reductions in expenditures wherever possible, while acknowledging challenges to this posed by staffing needs. The Recreation Department budget planning will continue to be challenging and must reflect flexibility to meet staffing needs to maintain service expectations and facility availability.

GM Lewis also noted in recent years the creation or updating of various documents including the Rules Awareness Taskforce Plan, Conceptual Pathway Master Plan, Design Manual update, IT Strategic Plan, Infrastructure & Amenities Master Plan (IAMP), etc.

Communication with owners and visitors will continue to be an important, evolving element that impacts all departments. To that end, we need part-time staff in Communications, a former full-time position that was never filled after the COVID-19 layoffs. Also noted was that staff continues to encourage owners sign up for eblasts to make sure we have accurate phone number and email addresses on file for them.

Looking out over the next three years, which is what department heads are required to do as part of the budget process, the Administration office is becoming overcrowded with as many as four people housed in an office designed for two. As the Public Safety building comes together and the space currently utilized by the Police Department becomes available, SROA will happily reclaim that space and make good use of it.

The 2030 Strategic Plan, on which conversation started on last year, will be pursued more actively in 2023. This plan should include goals, polices and actions to guide SROA through the next five years.

GM Lewis continues to push for a coalition of planned community associations of Central Oregon to provide for a stronger voice when it comes to legislative matters in Salem.

The department heads then detailed their individual areas and expanded on different parts of their departmental budgets. Department heads also provided a brief recap of the past year, what they anticipate for next year, and for two years beyond that. The Board had numerous questions throughout the presentation that staff addressed.

The Board thanked the department heads for their continued efforts in keeping costs down while maximizing revenues this year. Additionally, the Board thanked GM Lewis and his team for the informative presentation.

ADJOURN TO EXECUTIVE SESSION

President Beenen noted that at this time the Board has a scheduled executive session with legal counsel to discuss a legal matter. The regular meeting will recess and then recommence once the executive session concludes.

Director Gillies 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 12:37 P.M.

The public session resumed at 1:54 P.M.

ADMISSIONS MODEL WORKGROUP UPDATE

Assistant GM Keith Kessarlis provided a breakdown of recreation statistics for the month of August, noting that August was a very busy month for both aquatics and court sports.

As of August 31, 2022, a total of 7,204 Member Preference Program (MPP) cards have either purchased or renewed. Of that total, 5,774 were renewals and 664 were new cards. The remainder are extended family passes or long-term renter passes. This is 17 less than the end of August 2021 when there were still COVID-19 restrictions in place. At the end of August, the MPP revenue totaled \$490,380 or 99% of the annual budget. Staff is confident we will hit our 2022 budget number.

In regard to the 2022 Recreation Plus Program (RPP), as of August 31, 2022, there were 917 homes and/or condominiums signed up on the program which is the highest number participating since the SHARC facility opened. Last year at the same time there were 837 properties participating in the program. Mr. Kessarlis also provided a breakdown of the RPP's by the number of bedrooms. Revenue at the end of July stands at \$2,287,822 or 110% of the 2022 budget.

Gate revenue is currently at 99% of budget currently sitting at \$499,351 against a budget of \$500,000. This is good news given the fact that we did not allow for any gate revenues in 2020 or 2021 due to COVID restrictions on the number of attendees allowed in the facility at a time.

SHARC hosted a total of 47,935 attendees to the facility in the month of August compared to 17,719 in 2021 when SHARC was still affected by COVID restrictions that were in place and we experience several days of smoke issues. Of that number, 3,760 were owners, 33,516 were RPP pass holders, 221 were member guests, 520 were extended family and 5,952 were gate admissions. Year to date, 168,157 people have utilized the facility compared to 85,858 in 2021 when stricter COVID restrictions were still in place.

The Bigfoot Barbeque café at SHARC continues to have a very good first year with business being brisk and patrons being happy to have a café option available to them again this year after a two-year hiatus due to the pandemic.

Assistant GM Kessarlis noted that Events Manager Camille Collard continues to be very busy with reunions, weddings, parties, and meetings. Space rentals currently total \$74,994 year-to-date against a budget of \$30,494.

Through the end of August 2022, staff had issued 56,000 paper guest passes and of those 9,549 have been redeemed at SHARC and 4,273 have been redeemed at the Member Pool.

Member Pool attendance for August was 7,063 compared to 4,425 attendees in August 2021 when the facility was closed for a week due to smoke. Year-to-date, approximately 18,000 owners and their guests have enjoyed the Member Pool. The Member Pool will remain open for **lap swimming only** through the end of September.

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 consistently thorough reporting of these important statistics.

1ST READING SR RULES & REGULATIONS SECTION 4.02-C – FIREWOOD

GM Lewis reported that this proposed rule change comes in response to the input received on numerous occasions over the past several months regarding the amount of firewood an owner can have on their property at one time which is currently set at five cords. Naturally these concerns center around the fire danger within the community.

Much of the discussion has centered around three issues: 1.) the necessary amount of wood (on average) for an owner to burn throughout the winter as compared to the fire danger generated by storing the wood on the property during fire season; 2.) the location and stacking of the wood on properties in relation to structures; and 3.) the appropriate fine for a violation of the rules.

Ancillary to these issues was the discussion of removing “old wood” and the creation of “firewood fences.” Additionally, it was recognized that there may still be some homes in Sunriver that rely solely on wood for heating, in which case an exception to the proposed amendments is included.

In this vein, the Covenants Committee had much discussion over multiple meetings and in addition to their own knowledge of the community and personal firewood use, sought input from SROA Natural Resources Director Patti Gentiluomo and Sunriver Fire Chief Tim Moor.

The proposed amendments to Section 4.02 C, will specifically address the three primary issues listed above. The Covenants Committee discussion was based on a balance of what would be an average a month that would be burned through a winter (though not applicable to each situation) while at the same time significantly reducing the fuel load in Sunriver. Discussed multiple times by the committee was the fact that there is no exact answer or “one-size fits all” provision.

Ultimately, the Covenants Committee determined that two cords of wood for personal use seemed to be appropriate while also factoring in the overall intent to significantly reduce the fuel load. Of equal importance to this discussion is that by limiting the number to two cords allowed on a property at any given time, it should be much easier to meet the spacing/stacking requirements as proposed and make it difficult to use firewood piles to create fences.

The Covenants Committee is recommending an effective date of June 1, 2023, post winter and at the onset of fire season. This will allow owners an opportunity to burn or otherwise remove the wood from their property to meet the two-cord limit. Additionally, this timeframe will allow owners several months for the removal of old wood through burning or other means.

The placement and stacking requirements match those of the draft SROA Ladder Fuels Reduction Plan. These requirements further reduce the opportunity for firewood to serve as a catalyst to structure fires and reduce the potential for wood piles to serve as obstacles to fire department response.

The proposed amendments as recommended by the Covenants Committee could have an undetermined effect on SROA’s ability to dispose of wood/logs generated through fire fuel treatment to SROA

commons. Currently the wood generated through fire fuel reduction actions on commons are available for collection by Sunriver owners. Under the existing five-cord limit there has been little issue with all the wood being collected by owners on a yearly basis. The reduction to a two-cord limit *could* result in some wood not being collected. If there is/are remaining wood/logs, these would need to be removed from commons so as to eliminate the intended fuel load reduction. If wood does remain on commons as a result of the rule change this could generate an additional cost to SROA for removal unless other means are found (such as volunteer collection and donating the wood). Aside from noting this potential financial impact, the true financial impact will not be realized until after the rule has been in place for a full season of fire fuel reduction and owner collection and the amount of remaining wood/logs can be determined.

An additional financial impact is the degree of work that will be required of SROA staff to inspect and ensure compliance with the new requirements. The inspections can/will occur as have been done in the past for the existing rule, however, if there are many properties that are out of compliance, the number of citations and follow-up necessary could be very time consuming.

Director De Alicante, who needed to depart for another meeting, asked to go on the record as being adamantly against the change to two cords of wood being allowed instead of five. He went on to say that he primarily heats his Sunriver home with wood and will easily go through five cords of wood in the winter. Director De Alicante also noted that a person who burns wood primarily generally has part of their wood seasoned and ready to burn and part of it still in the process of seasoning. That in theory, could mean that he would only have one cord of wood seasoned and ready to burn and one that is still seasoning. This scenario would not get him through the winter months. Furthermore, he feels there are a lot of the older homes in Sunriver that heat primarily with wood and as such two cords is an unattainable limit.

Director De Alicante feels this item should be restructured to address the issues and problems that have been identified and discussed repeatedly, old wood piles that are rotting and fence building with rounds or split wood. He strongly opposes the two-cord limit.

The board held further discussion on the matter especially in relation to how an exception would work and the need for further clarification of some of the proposed language. This item is on the agenda for action at tomorrow's meeting.

The proposed changes will be posted to the SROA website, www.sunriverowners.org > News & Notices > First Reading Proposed Firewood Rules Change until November 16th to allow owners the opportunity to provide their input and comments.

REVIEW OF 9/17/22 AGENDA

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

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

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

The meeting adjourned at 2:42 P.M.

Respectfully submitted,

Scott Gillies, SROA Secretary