

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
SEPTEMBER 17, 2022**

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

DIRECTOR PRESENT VIA ZOOM: Clark Pederson & Bill Burke

DIRECTOR ABSENT: Julianna Hayes

STAFF: James Lewis, Susan Berger & Jesus Mendoza

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

NUMBER OF ATTENDEES: 6

OWNERS FORUM: Randy Schneider, 6 Dixie Mtn Lane, commented in relation to the proposed new rules regarding limits/placement of firewood, Mr. Schneider suggested that SROA find a location for a communal wood yard for owners where wood can be stored until needed on individual properties throughout the years.

Patty & Dan Day, 34 Tan Oak Lane, spoke to the closure of SHARC, specifically the indoor offerings/fitness room, during the past week of heavy smoke where conditions indoors and outdoors exceeded safe threshold levels. They stated that SROA did not communicate the closures.

Bob Stillson, spoke on multiple issues. He stated that he understands the staff budget presentation and the rising costs/fees to provide services. He also stated that when presented with the issue of SORA constructing its own fiber optic infrastructure in the community, he understood the premise and positive benefits but opposed the proposal. As related to the recognition for the two SROA lifeguards who performed life saving procedures he wanted to point out that much of what the lifeguards do is to prevent accidents from occurring which should also be acknowledged. He also provided a “thank you” for the owner event held at the member’s pool. Lastly, he acknowledged fewer complaints to SROA and the Sunriver Police Department regarding problem properties (noise, etc.) over the past year and attributed it to rules education efforts by SROA.

Cindy McCabe, 13 River Village Condo, submitted a letter and petition of owners supporting further improvements at Mary McCallum Park, including: the need for increased water service, paved walkways suitable for ADA access, bike racks, increased signage prohibiting bicycles on pathways and benches along the river.

RECAP OF 9/16/22 BOARD WORK SESSION

President Beenen reported the Board met on Friday with Recreation Director Leigh Anne Dennis and Fire Chief Tim Moor starting the work session off by recognizing SHARC lifeguards Anika Hornbeck and Carlee Demeree as well as the EMT’s for their lifesaving efforts on a young child on September 4th. These young folks went above and beyond in their efforts to assist this youngster and Sunriver is lucky to have them in its employ.

Further discussion was held on the TDS/Bend Broadband agreement, Director Burke provided an overview of 2022/23 board assignments and the Board heard a 2023 budget presentation from staff. Assistant GM Kessarlis provided an update on recreation statistics to date reporting things have gone very well in most all aspects of recreation with pickleball being the front runner in popularity this year.

The Board heard an update about Oregon House Bill 2534 and how that affects some of the governing documents for SROA including the Consolidated Plan on which owners must vote if there are any changes.

A first reading of proposed changes to SR Rules & Regulations, Section 4.02-C, Firewood was heard and discussed at length. The proposed changes, if approved by the Board today, will be posted on the SROA website, www.sunriverowners.org for a minimum of 60-days for owner input and comments.

An executive session was held to discuss a legal matter.

BOARD ACTION
BOARD MEETING MINUTES

Director Pederson moved to approve the minutes of the August 19, 2022, board work session meeting minutes as corrected. Seconded by Director Mobley, motion carried unanimously.

Director Pederson moved to approve the minutes of the August 20, 2022, board meeting minutes as corrected. Seconded by Director De Alicante, motion passed unanimously.

BOARD ACTION
FINANCIALS

Treasurer Pederson reported that the operating surplus for the month of August was \$182,409 mostly driven by recreation revenues and cost savings. Year-to-date, the operating surplus stands at \$732,950, with a variance to budget of \$805,774. On the non-operating side, the variance for the month was \$12,546 and year-to-date is \$133,874. Total surplus for the month was \$159,377 and year-to-date is \$939,648.

We do have some significant expenditures coming up in the next quarter including ladder fuels reduction work and fall paving and road projects, but we still anticipate having an \$800,000 to \$900,000 surplus at the end of the year. Typically, discussions are held once the yearly audit is complete about transferring that surplus to the reserves which helps in reaching our capital reserve percentage goals. It was noted that \$260,000 of the surplus is a result of full-time positions that were not filled this year and over \$100,000 from the platting of additional lots in Caldera.

One thing that was unaccounted for in our budget is the café at SHARC. At the time the budgets were done, we were not sure if we would have an operator, whether COVID would continue to impact us, etc. Bigfoot Barbecue Co. stepped up and have done a fabulous job this summer. SROA's share of that agreement is currently at \$82,000. Treasurer Pederson also reviewed the cash investment balances and capital reserve percentages.

For the month ended August 31, 2022, there was a net operating surplus of \$182,409 which was \$146,831 better than budget. Operating revenues were over budget by \$63,747 mainly due to recreation revenues. Gate admissions, Member Preference Program (MPP), Recreation Plus Program (RPP) and revenue from café sales were all over budget for the month. Salaries and burden were under budget by \$60,965 due to open full-time positions in Recreation (4) and Natural Resources Department (1) along with several part-time positions in Recreation. Materials & services were under budget by \$12,574 mainly due to savings in

supplies and contract services.

Through the first eight months of 2022, there was a net operating surplus of \$732,950 which was \$805,774 better than budget. Operating revenues were \$392,235 ahead of budget due to RPP, café rental, Scene advertising, compliance fines and the Caldera expansion settlement payment. As of the end of August, net RPP sales totaled \$2,287,722 which is \$202,298 over the 2022 annual budget. \$449,351 was generated in gate revenue through August compared to an annual budget of \$500,000. Materials and services were under budget by \$121,711 due to savings in contract services, operating equipment/supplies and fire station roof not needing to be cleared of snow this past winter. Through the first eight months of 2022, there was a combined operating and non-operating surplus of \$1,790,416 which was \$939,648 better than budget.

Total assets as of August 31, 2022, were \$35,863,876. Cash and investments totaled \$14,151,392 a decrease of \$193,319 from July. As of August 31, 2022, investments included \$11,432,734 in US Treasuries and \$1,000,153 in First Interstate Banks CDARS program. The third and final payment for the RPP cards were received in August. Construction in progress included work on the return grating at SHARC, landscaping on the cinder storage building area, and fiber to the Member Pool.

August 31, 2022 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$8,727,790
TOTAL EXPENSES	\$7,994,840
OPERATING FUND SURPLUS	\$ 732,950

Director Mobley moved to approve the unaudited August 2022 financial statements. Seconded by Director Pederson, motion passed unanimously.

GENERAL MANAGER'S REPORT

GM Lewis reported this recap is for activities in August.

Staff continues to monitor and respond to both state and county orders regarding COVID-19 requirements for facility closures and social distancing requirements, including the status change during the month of August.

GM Lewis continues to participate in the Central Oregon Intergovernmental Council (COIC) Board of Directors and Sunriver/La Pine Economic Development (SLED.)

GM Lewis continues to work with SROA legal counsel regarding a number of items.

GM Lewis continues to attend and participate in the regular monthly meetings of the Owner Enrichment, Finance, and Covenants committees. GM Lewis also participates as a member of the Telecommunications Taskforce and serves as the primary contact with TDS/Bend Broadband regarding agreements.

GM Lewis continued working with the taskforce updating the Design Review Manual, with meetings occurring on a regular basis as they work through Draft #5 with three meetings having been held in the past month.

GM Lewis collaborated with Controller Joe Healy on a template for financial forecasting.

GM Lewis met with SR Resort Managing Director Tom O'Shea to discuss maintenance fees for the Resort properties.

GM Lewis continues to dialogue with Gail Long and other staff at TDS/Bend Broadband (BBB) to refine and finalize the draft bulk agreement.

GM Lewis participated in the IT Strategic Plan Taskforce meetings.

GM Lewis began collaborating with the consultant and taskforce on the Park and Recreation Master Plan including a facility tour.

GM Lewis and Controller Joe Healy met with a sub-committee of the Finance Committee regarding financial forecasting and exploring revenue opportunities.

GM Lewis met with County Administrator Nick Lelack for an overall update.

GM Lewis met Fire Chief Tim Moor regarding service contracts between SROA and the Sunriver Service District (SSD).

GM Lewis met with Directors Burke and Mobley regarding board member assignments to committees, taskforces, etc. for the coming year.

In the Accounting Department, Controller Healy presented the August financial statements to the Finance Committee.

Controller Healy distributed 2023 budget packets to the SROA department heads.

Accounting Department staff continue processing and reconciling RPP and MPP sales.

Controller Healy began preparation of the SSD annual audit schedules.

Controller Healy worked with Jonas software reps on adding member access to their HOA accounts online.

The IT Department has been working with the Accounting Department and Jonas including a training session by Jonas reps on adding a feature that will allow owners to access their SROA account information online in the future.

A security update was performed on Accounting Department computers.

IT staff continues working with the Community Development Department working to migrate from paper to iPad for staff and Design Committee field work.

The wide format printer was replaced with a 24" printer.

At SHARC, IT staff created a workaround for an ActiveNet server outage. Updates to the ActiveNet credit card readers to handle tap to pay and Apple pay are complete.

IT staff worked with Public Works to repair/replace the Ranch Cabin Tennis Courts gate.

SROA was tagged as SPAM for sending too many messages to Verizon email text server so IT staff is looking for an alternative.

IT Department Director Brad Olson continues to participate on the IT Strategic Plan Taskforce and is collaborating with the committee chair on information gathering and working with vendor for a penetration test for SROA.

In the Communications Department, Scene advertising was at \$19,310 (August 2021 was \$17,358.)

There were 127 reads of the online August Scene. Readers from other countries included three from Sweden.

The SROA website was visited by 9,700 users in August with the most popular pages being Member Pool, weather, tennis/pickleball, river shuttle and paint colors.

The SHARC website was visited by 18,000 users with the most popular pages being recreation swim, admission, calendar, and aquatic hours.

Sunriver Style had 3,100 visits with popular pages being river, pathway, what is going on and fishing.

Social media posts: War on Weeds (WOW), wildfire smoke, heat & electrical storms and Uncorked.

August eblasts included Ladder Fuels Reduction (LFR) owner review & comment period, Member Pool party and access, after Labor Day aquatics access information, Uncorked, and dog training classes.

Additional projects for Scene staff included: creating marketing materials for Uncorked wine event, creation of a web page specific to the Park & Recreation Master Plan (under Capital & Reserves projects on the SROA website), compiled the LFR update questions from owner comment period, updated the telecommunications page to include the final report documents from the taskforce, and updated the SHARC website to reflect operation changes after Labor Day.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule with multiple items on each agenda – the two August meetings had a total of 12 items (combined).

There were 132 administrative reviews during the month of August which is 37 more than in July.

There are currently approximately 349 active projects/building permits in August (up by nine at the same time during the previous month of July.)

The number of applications submitted in August was down by 25 in comparison to the same month in the previous year.

Community Development staff continued issuing compliance letters for design and rule violations. There were 13 compliance request letters sent with one citation issued. There were 12 owner concerns that were addressed.

Community Development permit compliance (compliance with approved project requirements) resulted in four citations and no warnings.

In the past year there were 91 compliance actions opened and 63 closed.

Community Development staff participated in Magistrate Hearings for background on violations and citations.

Community Development staff continued assisting with the Design Manual Update by participating in the most recent taskforce meetings.

The Natural Resources Department prepared and mailed Noxious Weed postcard reminders.

The Natural Resources Department prepared and mailed Noxious Weed violation letters.

Natural Resources staff sprayed and pulled noxious weeds on commons.

Natural Resources staff completed numerous site visits regarding tree removal requests and provided noxious weed identification guidance on private properties.

Ladder Fuels Reduction and tree thinning efforts continued on commons.

Natural Resources staff continued tracking the Oregon defensible space code development.

Natural Resources staff thanks the over 50 volunteers who participated in the annual War on Weeds (WOW) event. Over 175 bags of noxious weeds were collected throughout Sunriver.

The Public Works Department crews continue their weekly park safety checks and cleaning of all sport courts continues including emptying 68 trash receptacles along the pathway network on a daily basis. The sports courts were all washed in August. Several playground items including teeter totter, swings, and tire swing were repaired/replaced at Fort Rock Park

Several tennis nets were replaced and gates at the Pickleball courts were repaired.

Over 20 hazardous trees were removed from commons.

A full round of ladder fuels pickups was completed now that the department is fully staffed.

The cinder bay area landscaping was completed inhouse.

The river access gate was repaired, again.

Trees and brush on roads that will be rebuilt in September/October were removed and the fall road rebuild project schedule was developed.

The canoe takeout road was graded for the third time this year.

Sight clearing on pathway/road intersections and trimming of willows along River Road and pathways is complete.

Fleet Services repaired the brake system on the Sunriver Fire Department water tender.

Fleet Services also rebuilt a sander pack and repaired air conditioning to fire engines.

The storage/wash bay building was painted inhouse.

At SHARC, the fitness air conditioning was repaired, and a water leak was repaired. At the Members Pool, water quality and chemistry are consistently very good and landscaping issues are improving.

The Parks Master Plan project is ongoing, the Mary McCallum Park restroom project is in process, and the Public Works campus design and cost estimate process has been restarted.

August was a very busy month in Recreation with lots of pickleball usage and heat waves that prompted more SHARC and Member Pool use.

There were 47,842 guests at SHARC in August versus 63,219 in 2019.

Total attendance at the Member Pool for August was 7,062 compared to 4,186 in 2019 and 4,425 in 2021 when the pool was closed for 14 days.

SHARC was open 6 A.M to 7 P.M through Labor Day when we moved to fall/winter operations. The Member Pool will remain open through the end of September for lap swimming only.

The Member Pool Party on September 1st was sold out and well received.

Event staff have been working on the Uncorked event on September 16 & 17.

Staffing wise we have returned to limited availability of summer season staff and are relying solely on after school hours and a few year-round staff members to keep the wheels turning. In addition to the Events Coordinator position that is still open, there is also the need for two full-time head lifeguards, an aquatics director, and a front desk associate.

Copies of GM Lewis' full report were included in the board binders.

LIAISON AND COMMITTEE REPORTS

Copies of the minutes received from committees that met last month were included in the Board binders.

SUNRIVER SERVICE DISTRICT (SSD) REPORT

Director De Alicante reported that our new Police Chief Michael Womer has taken the reins from Cory Darling and is now leading the police force for Sunriver. Additionally, Sgt. Lopez has been promoted to Lieutenant Lopez and is the probable heir apparent to the chief position as Chief Womer plans to retire in approximately 18 months and move to Texas.

The Public Safety building is progressing, with a design team in place and an owners representative, Doug Nelson, having been decided on. Surveying has occurred and boring and soil testing will begin soon. They are in the process of putting the RFP for a general contractor together now. Actual construction will begin in 2023.

The approved minutes of the July 14, 2022, meeting are included in the board binders.

BOARD ACTION
COMMITTEE APPOINTMENTS/RESIGNATIONS

Director Mobley moved approval of the roster of names for committee and taskforce appointments and end-of-term departures as presented. Further moved to thank these individuals for their service to the community. Seconded by Director Pederson, motion passed unanimously.

BOARD ACTION
RESOLUTION 2022-006 AUTHORIZED SIGNATORIES

Director Pederson moved to approve Resolution 2022-006 authorizing designated signatories for the Association accounts. Seconded by Director De Alicante, motion passed unanimously.

BOARD ACTION
3% DISCOUNT FOR FULL PAYMENT OF 2023 MAINTENANCE FEES

Director De Alicante moved to approve a 3% discount to owners who pay their regular maintenance fees, excluding special purpose assessments, in full by January 25, 2023. Seconded by Director Burke.

Director Pederson proposed the Board consider a 2% discount instead of a 3% discount for 2023 noting that would net the Association approximately \$17,000 per year.

Director Pederson moved to amend the motion from a 3% to a 2% discount.

The amended motion failed due to lack of a second.

Call for the question on the original motion, motion passed with 8 yea and 1 nay votes.

BOARD ACTION
1ST READING TO SR RULE & REGULATION SECTION 4.02 C - FIREWOOD

Director Mobley moved to approve a first reading of the proposed amendments to Section 4.02-C of the Sunriver Rules & Regulations. Seconded by Director Pederson.

The Board held further discussion on this issue especially where it concerns the number of cords an owner can have on their property at one time, piles of old rotting wood around the community, and the creative fence building some owners have done. The Board agreed on several modifications to the language that will be posted on the SROA website for a minimum of 60-days for owner input and comment.

Director Beenen commented that he feels it might have a greater impact on owners if the fine were significantly higher than it has been in the past. His perspective, from a community safety issue standpoint, is that these old wood piles and fences owners have built create a serious fire danger to the community and if an owner knows they may be fined \$1,000 they may have more incentive to get rid of that old rotting wood or remove the fence they have built between them and their neighbors.

Director Beenen moved to amend the motion to change Section 4.02 – G from a Class “B” offense to a Class “A” offense. Seconded by Director Burke, motion failed with 3 yea and 6 nay votes.

Call for the question on the original motion: motion passed with 6 yea and 3 nay votes.

The proposed changes will now be posted to the SROA website, www.sunriverowners.org > News &

Notices > Proposed Firewood Rules Changes for a minimum of 60-days to allow for owner comments and input. The item will come back to the Board, along with all comments received during the comment period at their regular November meeting.

BOARD ACTION
RESOLUTION 2022-007

AMENDING SR DOCUMENTS TO COMPLY WITH OREGON HOUSE BILL 2534

Director Mobley moved approval of Resolution 2022-007 providing direction to the SROA General Manager to notice the Election Committee Chair regarding the proposed amendment to the Consolidated Plan requiring a vote of the members and to publicize the Special Election to consider amendments to the Sunriver Consolidated Plan for compliance with Oregon House Bill 2534 to remove discriminatory language. Further move that the Election Committee solicit Pro/Con statements in accordance with the SROA Bylaws limiting the word count for those statements to one hundred (100) words. Further move to approve the ballot measure language as attached hereto for publication in the SROA Voter’s Pamphlet for the special election. Seconded by Director Burke, motion passed unanimously.

BOARD ACTION
RESOLUTION 2022-008

BEND BROADBAND (BBB)/TDS BULK AGREEMENT – SPECIAL ELECTION

As was discussed yesterday at length, while all of SROA’s questions and concerns have been addressed by BBB/TDS, they (BBB/TDS) have not yet modified the agreement to incorporate the changes.

Director Pederson moved approval of Resolution 2022-008 providing direction to the SROA General Manager to notice the Election Committee Chair regarding a requested vote of the members and to publicize a Special Election to consider a bulk services agreement with Bend Broadband/TDS and to solicit Pro/Con statements in accordance with the SROA Bylaws limiting the work count for those statements to one hundred (100) words. Further move to approve the ballot measure language as presented for publication in the SROA Voter’s Pamphlet for the special election. Seconded by Director Gillies.

Discussion followed with several board members expressing their discomfort in approving this resolution until all the items that SROA has been going back and forth with BBB on are actually included in the agreement.

Director De Alicante moved to table this item until next month when we have the full agreement. Seconded by Director Burke, motion passed with six yea and three nay votes.

OTHER BUSINESS

Director De Alicante noted that since last month’s meeting he’s observed people looking for returnable beverage containers over at the recycle center and also in garbage cans at the park and along the pathways. This brought to mind for him a concern that when we go to side-yard recycling it creates a new field for people to start “shopping” individual properties for returnable containers or possible invasion. He believes it is inviting a nuisance into Sunriver and we should relay such to the county commissioners and ask what if anything can be done. GM Lewis noted that from a legal perspective, if the container is on your property which they will be in Sunriver as an owner is not required to leave it roadside, it is illegal for someone to come on your property and take something and law enforcement should be called if an owner experiences or sees that happening. It can certainly be brought to the commissioners attention but GM Lewis does not know that there is much they will be able to do.

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

Director Ishmael moved to adjourn the meeting. Seconded by Director De Alicante, motion passed unanimously.

The meeting adjourned at 12:22 P.M.

Respectfully Submitted,

Scott Gillies, SROA Secretary