

**SUNRIVER OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
SROA BOARD ROOM  
JANUARY 20, 2024**

**DIRECTORS PRESENT:** Clark Pederson, Bill Burke, Gerhard Beenen, Scott Gillies, Mark Murray & Linda Beard

**DIRECTOR PRESENT VIA ZOOM:** Julianna Hayes & Keith Mobley

**DIRECTOR ABSENT:** Tony De Alicante

**STAFF:** James Lewis, Susan Berger & Jesus Mendoza

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

**NUMBER OF ATTENDEES:** 2

**OWNERS FORUM:** June Sweeney, 23 Loon Lane, expressed her support for the Design Review Committee in their recommendations of the proposed tree protection rules and for the rules themselves and further supports their inclusion into the Design Manual of Rules and Procedures.

Scott Herbig, 15 Lone Eagle Landing, stated his firm opposition to the tree protection rules as recommended by the Design Review Committee. He believes that the rules being proposed are too restrictive and that all protections should be allowed.

GM Lewis noted that there is one letter received from Pat Hensley, 5 Vista Lane regarding proposed changes to the Nominating Committee charter and unauthorized use of the SROA logo. GM Lewis provided the Board members with a copy of Ms. Hensley's letter.

**OWNER FORUM FOLLOW-UP FROM PREVIOUS MONTH**

Vice President Burke commented that there was no follow-up necessary from the owners who spoke or wrote to the Board at last month's meeting.

There was one letter to the Board from August that inadvertently had not been responded to. This was from Martha Sharman & John Reid, 10 Loon Lane who are concerned about soil bank erosion of the riverbank in numerous areas in Sunriver. Since this oversight was discovered, Vice President Burke and SROA staff members have reached out to them.

Director Burke noted his appreciation for the work that staff have put into this concern which creates a blueprint for the future. It illustrates all the steps and necessary engineering that it would take, the extensive permitting process that would be required and the other agencies that must be coordinated with, so kudos to the staff for their efforts in this concern.

GM Lewis reported that he worked with Public Works Director Mark Smith and Natural Resources Director Patti Gentiluomo who are aware of the area Ms. Sharman & Mr. Reid referred to in the pictures they sent in, but there are other areas where restoration work also needs to be done. PW Director Smith met with Ms. Sharman and Mr. Reid in late September and explained the process involved.

Staff are hoping to start this project in 2024 and the goal would be to address all the areas in need of attention at the same time. Anytime something is done along a river, there is an extensive permitting process. An engineer will need to be engaged to create a design so that whatever restoration is done along the river, whether it is the placement of boulders, logs, soil, etc. is tied back into the bank and is structurally sound.

The agencies that would be involved are Deschutes County, Oregon State Parks due to the scenic waterway designation, the Department of State Lands, and the Oregon Department of Fish and Wildlife.

Timing wise, it will take 2024 to get the engineering, design, and permitting done. Work in the river can only occur when the water level is low, so the construction period is essentially November through March.

As an illustration, GM Lewis noted when the Marina lagoon was dredged recently, the Resort applied for the permits in the fall of 2021, and the work finally took place in the fall of 2022, so it is a lengthy process.

### **RECAP OF 12/15/23 BOARD WORK SESSION**

President Beenen reported that Public Works Director Mark Smith provided a detailed summary of what has been happening with roads in Sunriver over the past few days. The crews have done an amazing job given the amount of snow we received in such a short time. Compounding the problem is the melting followed by freezing rain making for dangerous driving conditions throughout the region. The Board expressed their appreciation for the efforts of the Public Works team and the great job they are doing.

Dick Luebke, President of the Midstate Electric Board and a Sunriver owner provided an interesting presentation on what is happening with the co-op, why electric rates were raised and some of the challenges the company is facing with aging infrastructure and hydro-electric issues.

GM Lewis and Assistant GM Kessarlis provided a brief presentation on how the police side of the Administration building will be repurposed for SROA employees once the SSD moves into the new Public Safety Building. The permitting and RFP processes will commence later this year.

HR Director Kellie Allen provided an update on upcoming changes to the Oregon Family Leave Act (OFLA) and Family and Medical Leave Act (FMLA) calendar which will necessitate a change to the SROA employee handbook.

Assistant GM Kessarlis provided an update on recreation statistics for both month-end and year-end numbers as well as some preliminary data on 2024 statistics. Both the Recreation Plus Program (RPP) and the Member Preference Program (MPP) came in slightly better than the budget for 2023. While there were more attendees overall at SHARC in 2023 than in 2022, the numbers at the Member Pool were less in 2023 than in 2022. The Board discussed a few ways to entice owners to use that owner only facility more and there will be some questions regarding the Member Pool included in the Comprehensive Owner Survey that will go out in early February.

The Board heard an update on the efforts of the Dog Park Taskforce, and their efforts to mitigate the impact to neighboring properties and their desire for a conceptual plan that illustrates the separate phases of what could be added to the Cottonwood location in future years. They will meet again at the end of the month and hope to have a recommendation ready for the Board at the February meeting. They are actively engaged with the leadership from both churches and will be talking with them again before they finalize their proposal.

Several proposed benign changes, additions, and clarifications to the Design Manual of Rules & Procedures were discussed. These are things that have been discovered as staff and owners have started utilizing the new manual that came out in July of 2023.

The Board heard about proposed changes to the SROA Bylaws, the Nominating Committee charter, and the Conflict-of-Interest form. The Board decided they need more time to review the proposed changes and were instructed to provide their input to GM Lewis by next week. A special board meeting will be scheduled for the following week for the Board to vote on the proposed changes.

GM Lewis and President Beenen provided an update on the Transient Room Tax (TRT) dollar efforts. They will be meeting next week with Sheriff Shane Nelson as well as having individual meetings with each of the Deschutes County Commissioners.

Director Mark Murray and owner Randy Schneider, 6 Dixie Mtn Lane, provided an update on the results of their unscientific recycling survey. They went out on three different days and were able to gather some interesting preliminary information. The Board discussed the need to facilitate more of these surveys, but felt we should wait until the results of the owner survey that will go out in early February are back as there are some questions included on the survey regarding the recycle facility.

An executive session was held to discuss a legal matter.

**BOARD ACTION**  
**BOARD MEETING MINUTES**

Director Pederson moved to approve the minutes of the December 15, 2023, board work session minutes as corrected. Seconded by Director Burke, the motion passed unanimously.

Director Pederson moved to approve the minutes of the December 16, 2023, board meeting minutes as corrected. Seconded by Director Murray, the motion passed unanimously.

**BOARD ACTION**  
**FINANCIALS**

There was no financial report this month as staff is still closing out year-end items. The Board will receive the December 2023 and January 2024 financials at the February 16<sup>th</sup> meeting.

**GENERAL MANAGER'S REPORT**

GM Lewis reported his recap for activities in December.

GM Lewis participated in the on-going Newberry Regional Partnership Strategic Action Plan for south Deschutes County.

GM Lewis continues to participate in the Central Oregon Intergovernmental Council (COIC) Board of Directors meetings as the Tourism and Recreation representative. This will continue to be a monthly on-going participation through end of term of December 31, 2024.

GM Lewis continues to attend Sunriver/La Pine Economic Development (SLED) Board regarding coordination with south county economic development efforts. This will continue to be a monthly on-going participation.

GM Lewis worked with SROA legal counsel regarding fine/fee lawsuits, HR issues, litigation, by-law amendments and more.

GM Lewis met with the County Administrator regarding transient room tax issues.

GM Lewis worked with SROA collections legal counsel regarding fine/fee lawsuits, HR issues, litigation, bylaw amendments and more.

GM Lewis continues to participate in ongoing/regular meetings with TDS staff regarding the physical construction and eventual migration of owners to fiber to the home and their SROA account.

GM Lewis continues to participate in the on-going Newberry Partnership Strategic Action Plan for south Deschutes County.

GM Lewis continues to attend and participate in the regular monthly meetings of the Owner Enrichment, Finance, and Covenants committees, the Dog Park Task Force, Strategic Plan Taskforce, Admissions Model Workgroup and Design Committee, as necessary.

GM Lewis met with architects to discuss future remodeling at the SROA Administration building once the police vacate the space they currently occupy.

GM Lewis conducted annual employee evaluations.

In the Accounting Department, Controller Healy prepared the unaudited financials for the month ended 11/30/23.

2024 maintenance fee invoices were mailed and emailed to owners depending on their preference.

The 2024 operating and reserve budgets were finalized.

Staff began collection of 2024 maintenance dues, Member Preference & Recreation Plus program revenues.

The Controller attended a Deschutes County Audit Committee meeting.

The IT department set up the Azure foundation and security to move servers into Azure. IT employee Jesus Mendoza attended Azure Administrator training.

The IT office was reconfigured, and new work surfaces were added to provide staff with what they need to do their jobs effectively.

IT tasks for 2024 were set up in Teams Drive for tracking and reporting.

The desktop support tech job was posted.

Email notifications were set up on all backups and the monthly DR test was conducted.

Phase II of the recommended security fixes after penetration testing has been completed.

The Community Development Director was set up for remote working.

Staff held a kickoff GIS meeting with TetraTech.

Tax lot data in the SROA GIS database was updated.

The ESRI licensing was updated to reduce annual costs.

The final ADP transfer for the SSD was completed.

The new video camera for the Member Pool was installed.

A switch replacement was completed in the pump room at SHARC.

The old fuel system equipment was removed, and the Public Works Assistant was set up on a new laptop.

In the Communications Department, Scene advertising was at \$48,057.02 (Biggest ad sales month in Scene history.) Several advertisers, especially real estate agents, paid upfront for the entire year.

There were 353 reads of the online December Scene including readers from Australia, Sweden, Canada, and the United Kingdom.

SROA websites most popular pages in December were weather, firewood, Member Preference Program.

The SHARC websites most popular pages were recreation swim, calendar, and plan your visit.

December eblasts included information about the December Sip Sip Soiree, owner holiday party and holiday hours.

Social media projects promoted the Sip Sip Soiree event, SROA/SHARC holiday hours, snow/ice control procedures, and holiday lights rule.

Additional projects included continuation of updating Design Review forms, updated and had printed the 2024 firewood permit and load tags.

Staff are finalizing the work on the new kiosk maps.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule with multiple items on each agenda – there was only one meeting in December that included two items on the agenda.

There are currently approximately 322 active projects/building permits (down by fifteen from the previous month of Nov.)

The number of applications submitted in December was up from the same month in 2022 – from 18 in 2022 to 48 in 2023.

Community Development staff continued issuing compliance letters for design and rule violations.

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

Community Development staff continue modifying the new application forms and informational

handouts, as necessary.

Community Development staff continue to provide updates to the Design Committee on the procedural elements in the new Design Manual of Rules & Procedures and how staff conveys those to owners.

The Natural Resources (NR) staff prepared and mailed ladder fuels reduction (LFR) sixth violation letters.

The summer/fall ladder fuels reduction and tree thinning on commons was completed.

Winter ladder fuels reduction and tree thinning project at SHARC commenced.

NR staff completed the Working with GIS Dashboards training.

NR staff processed private property LFR inspection data.

The Natural Resources Director completed the 2023 Tree City USA recertification.

Public Works (PW) staff reopened some of the sport courts at Fort Rock playground area due to unseasonably nice weather. Since reopening the courts have been receiving a lot of use.

The log rounds that were previously staged next to the Public Works Department area have all been moved out to the Owners Park and an area for firewood splitting has been developed.

PW staff installed a demonstration section of a new permeable pathway surface that is made of recycled plastic and meets ADA standards. It is located just adjacent to the new restroom at the Owners Park aka Mary McCallum Park.

PW staff picked up several loads of exceptionally large rounds of firewood from commons and relocated them to the Owners Park, an effort that will be ongoing as time allows.

PW staff are installing light covers on the new Midstate streetlights to reduce the glare.

Willows are being pruned along the meadow pathway sections.

One full plow of roads and pathways occurred in December.

In fleet services repairs were made to the bucket truck lift system.

The SSD's wildfire engine had some repair work done.

At SHARC, the Co2 injection systems received regular maintenance.

The fire vault, backflow and main water line were installed and tapped in the new Public Works building.

Backfilling around the newly poured slab of the Public Works building has been completed.

One new PW employee has been hired and there are currently two positions open. The Operations Manager position will be posted on January 1<sup>st</sup>.

The Recreation Department reports 7,299 Member Preference Program (MPP) memberships have been sold in 2023 and 914 homes/condominiums are currently participating in the Recreation Plus Program (RPP) which is ten less than the same time in 2022.

The fitness center has been full, and people have been using the reservation system to ensure they got a spot, especially during the holiday season.

The lack of snow has impacted the customer service side of things at SHARC as staff are not receiving a lot of tubing/sledding hill questions.

The November Sip, Sip Soiree was a sell out and everyone had a fantastic time. The December Sip Sip Soiree was very educational but had a lower than expected turn out. These events, if held annually, will be a great complimentary addition to our Uncorked event.

The Member Holiday party was wonderful, the busiest one yet, and the owners seemed to really be enjoying themselves.

Recreation Plus & Member Preference sales for 2024 commenced on December 15<sup>th</sup>.

Interviews for the open positions in the Events Department start on January 5, 2024.

There was a total of 7,023 visitors to SHARC in the month of November versus 7,417 in November of 2022, and 8,202 in 2019.

SHARC was closed on Christmas Day.

### **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**

President Beenen reported the new Public Safety building is moving along right on schedule. The building is completely “dried in” which means they can continue to work on the interior of the building during the winter months. An addition is being added to the east side of the building where the bays are located. That is progressing nicely and should be completed in the next month or so. The concern about the safety of the roof under high snow loads has been addressed with the addition of more supports in the rafters, which was completed in December.

The project remains on schedule and on budget with completion set for the end of 2024. President Beenen noted that SSD Managing Board Director John Ralston has contributed hundreds of hours to this project.

Overall activity for the Fire Department was down in 2023 compared to 2022. That is good news in terms of less need for ambulance transports, but not so good news in terms of ambulance revenue.

In the Police Department, new Police Chief Stephen Lopez is settling into his new role as is Captain Tory Kornblum. There are still some openings in the police department that they are actively trying to fill. The challenge on the police side is not a new one. An officer is hired and then must complete the required training and go through the police academy only to have them find a job elsewhere some time down the road. The chief is focused on creating a culture where people want to stay and continue to work in Sunriver. The Police Chief also provided the annual Use of Force report which totaled three instances for 2023.

The SSD is starting their budget process for the next fiscal year which will begin July 1, 2024. The SSD must submit their final budget to the Deschutes County Commissioners no later than May 1, 2024, for final approval. While things look favorable for the current budget to end close to zero or with a small surplus against a budgeted \$100k deficit, President Beenen noted that moving beyond this years budget, expenses are going up must faster than revenue is coming in so next year will be a bigger challenge. Revenue currently increases by approximately 3% per year and expenses are going up closer to 7% a year.

Earlier this year the SSD had a full reserve study done, and the results revealed that the SSD is not currently funding their reserves at the level they should be so there is a need to increase the amount of money going into the reserves which means there is less money available for operations.

Lastly, President Beenen referenced the Management Agreement between SROA, the SSD and Deschutes County. The SSD is proposing some changes to this agreement, most of which directly impact SROA.

One thing they are proposing is eliminating one of the two positions that are currently required to be held by an SROA board member and changing that to a community member at large position. They also want the opportunity to vet the SROA board member recommendation to the SSD Managing Board. Additionally, they are proposing that any SROA board member serving on the SSD Managing Board should not be allowed to hold an officer position on the SSD Managing Board.

GM Lewis inquired if there are any sitting SSD Managing Board members who are non-resident owners, of which there are none. GM Lewis noted it is important to have that representation especially since all owners pay taxes to the SSD but only the owners who are registered to vote in Deschutes County can vote on ballot measures in Deschutes County that affect the SSD.

The SSD Managing Board is also proposing that they source their own candidates for the Managing Board going forward instead of utilizing the SROA Nominating Committee.

President Beenen noted he was not part of the discussions that have resulted in these proposed changes as it is a sub-group of the SSD Managing Board that has put this together. Director Mobley commented he would be interested in learning the rationale behind what appears to be a deterioration in the formal relationship between SROA and the SSD and he would like to have a representative of the SSD explain that rationale. GM Lewis questioned if the SROA Board was approached at all regarding providing their input to this proposal which President Beenen responded no, neither he nor Director De Alicante were asked for input on the matter.

Director Mobley commented he believes the Deschutes County Commissioners would also be interested in the rationale for these rather substantial changes adding that relationships make such a difference in Sunriver especially when things are going well between the partners. When that begins to slide in the other direction, it is generally not good. GM Lewis commented that from a day-to-day standpoint in working with the chiefs and their departments, we have a very good working relationship, as was noted yesterday by Public Works Director Mark Smith when recapping the recent coordination between the Public Works plowing crews and the police department during the recent harsh winter weather we experienced.

President Beenen commented he could certainly ask SSD representatives to come to the next Board Work Session to explain their rationale however as he understands it, the SSD Managing Board plans to vote on this at their next meeting so by then it would be after the fact. Director Mobley noted he feels this is



important enough to ask the SSD Managing Board to postpone the vote until that conversation has happened. Director Mobley feels this has the potential for being a rather divisive issue if it is not clearly understood. Further, he feels that this is inconsistent with what is happening between the staff members of the SROA and SSD.

Director Beard reminded the Board that a special meeting is going to be held prior to the next regular meeting to deal with the items on this month's agenda that the Board requested additional time to review. Perhaps the SSD could be invited to that special meeting to provide an explanation and overview of their thought process.

President Beenen commented he would be happy to reach out to SSD Managing Board Chair Jim Fister and invite him to the yet to be scheduled special meeting or ask him to consider postponing any vote on the matter until the SROA Board has been fully brought up to speed.

After further discussion, the group was supportive of President Beenen reaching out to Chair Fister.

### **BOARD ACTION POSTPONED**

President Beenen announced that no action will be taken today on the proposed changes to the Nominating Committee Charter, the Conflict-of-Interest Policy amendments and the SROA Bylaw amendments as the Board has requested more time to review the proposed changes. A special board meeting will be scheduled in the next two weeks to act on these items.

### **DESIGN MANUAL OF RULES & PROCEDURES**

Director Burke moved to approve the recommendations from the SROA Design Committee, submitted on Friday, January 19, 2024, in reference to new and amended language of the current SROA Design Manual of Rules and Procedures. Seconded by Director Murray.

GM Lewis pointed out that the motion should make reference to subject to the revisions directed by Board at the January 19<sup>th</sup> work session and provided on January 20<sup>th</sup>. President Beenen inquired of Directors Burke and Murray if they accept those changes and both directors replied in the affirmative.

Motion passed unanimously.

Director Murray noted his appreciation for the challenging work of the Design Committee on this project.

### **OTHER BUSINESS**

Midstate Electric: The Board discussed Midstate Electric's request for an article in the Scene to address their concerns regarding the possibility of electric rates increasing substantially if dams were to be removed on the Snake River. There were concerns expressed about it being made clear that the Board is not taking any position on the matter.

Tree Protection: GM Lewis noted that the comment period for owners regarding tree protections ends the day before the February Board work session so this item will come back to the Board in March. In that 30-day interim the Design Committee will have the opportunity to consider all the comments submitted and amend the recommendation if they feel the input received warrants doing so.

There being no other business, President Beenen asked for a motion to adjourn to Executive Session.

Director Gillies moved to recess the public meeting and reconvene in Executive Session under the

authority given in the SROA Bylaws, Article IV, Section 10, to confer with legal counsel regarding threatened litigation that is subject to a claim of attorney-client privilege. This will be a privileged communication and it cannot be disclosed to anyone outside of this meeting. Seconded by Director Murray, the motion passed unanimously.

The public meeting recessed at 10:40 A.M.

The public meeting resumed at 11:24 A.M.

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

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

The meeting was adjourned at 10:54 A.M.

Respectfully Submitted,

Scott Gillies, SROA Secretary