

**SUNRIVER OWNERS ASSOCIATION  
BOARD OF DIRECTORS WORK SESSION  
SROA BOARD ROOM  
MAY 17, 2024**

**DIRECTORS PRESENT:** Bill Burke, Clark Pederson, Gerhard Beenen, Keith Mobley,  
Scott Gillies, Tony De Alicante & Linda Beard

**DIRECTORS PRESENT VIA ZOOM:** Julianna Hayes & Mark Murray

**STAFF:** James Lewis, Keith Kessariss, Susan Berger, Patti Gentiluomo, Jacki Bue, Kellie Allen, Mark Smith, Gary Seifert & Jesus Mendoza

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

**OWNERS IN ATTENDANCE:** 8

**OWNERS FORUM**

Lori Menalia, 7 Aquila Lodge Condo, submitted written and oral comments regarding recycling in Sunriver and provided her basis for and request that the existing recycling depot be removed. Ms. Menalia cited the availability of side-yard recycling for the past year and the increasing use of such. She also noted the unsightly nature of the recycling depot to residents in the immediate area and provided a list of possible solutions to provide for recycling while also removing the depot from its current location.

GM Lewis summarized one letter from owner Jeff Callison, 4 Pine Mt Lane, who wrote to the Board regarding the recent changes to the golf membership structure and green fees/rates implemented by Sunriver Resort to the two Sunriver golf courses. Mr. Callison asked the Board to address his questions and provide such information to owners. Mr. Callison also referenced the fact that Resort guests have access to other amenities in Sunriver and he suggested reciprocity regarding golf access to Sunriver owners.

Vice President Burke reported he received a letter from Paul Haggard, 23 Maury Mtn Lane, who also spoke in opposition to the recent changes to the golf pricing/membership requirements and wonders if there is not something SROA can do to negotiate a compromise with the Resort on behalf of the homeowners.

**MAGISTRATES ANNUAL REPORT – 2023**

SROA Magistrate Jo Zucker was in attendance to provide a report on the magistrate's activities in 2023.

Ms. Zucker reported there was a total of 91 Design rule violations, fifteen of which were attributed to a single property for failing to remove a prohibited animal feeder and failure to obtain Design Committee approval for deck fascia. This remains an on-going issue. Another property remained out of compliance because the project exceeded the two-year permit limit, and they received nine violations.

There were only ten paint survey violations in 2023. Eight other violations were attributable to a single property because the building project exceeded the two-year permit limit. Additionally, there are a couple of owners who appear to have chosen to pay the monthly fine assessed on their property rather than bring it into compliance. Unfortunately, these citations were issued prior to the rule that allows for graduated fines.

The Magistrate heard 149 violations of Sunriver Rules and Regulations, 104 of which were violations of ladder fuel rules. Several owners received up to three, fine-escalated citations, one property received four citations, and one is currently on their seventh citation and another on their ninth.

There were 14 noxious weed violations for which the Magistrate assessed a total of \$2,200. The Magistrate assessed fines to five owners who cut trees on SROA property (3 different owners) totaling \$16,000 and assessed a total of \$2,750 for an owner who had trees cut on private property.

The Sunriver Police Department issued 14 parking citations and one for jumping off Cardinal Landing Bridge and one for disturbing the peace for a total of 16 citations by the Sunriver Police.

A total of \$68,520 was assessed in 2023. SROA collected \$16,615 and the remaining \$41,160 was sent to accounting to be collected. Of that amount, the SROA Accounting Department has collected \$16,151 and \$24,645 remains unpaid. Of the unpaid balance of \$2,050 was attributable to numerous owners and \$22,595 was attributable to four Sunriver owners, one of whom just recently brought their property into compliance.

Three special hearings were held in 2023 and the Magistrate has already had two special hearings in 2024.

Ms. Zucker also reported she and Community Development Director Jacki Bue met recently to discuss and work on proposed changes to the current citation form that will be brought to the Board for consideration in the next month or two.

Treasurer Pederson added that Controller Healy reported in yesterday's Finance Committee meeting that there were two owners with outstanding fines who have recently set up monthly payment plans that have to be paid in full by the end of 2024.

GM Lewis thanked Ms. Zucker for her efforts on behalf of SROA. He understands it can be a thankless job especially when people may get overly passionate about what has caused them to receive a fine. They do not like enforcement of the rules, and they do like enforcement of the rules depending on their mindset at that particular moment in time. GM Lewis pointed out that these are the actual citations that end up coming in front of the magistrate. SROA staff works with owners to achieve compliance, which is what SROA is seeking. All of these citations and fines and the work to get in front of the magistrate equates to a lot of additional work for SROA staff on top of their regular duties and responsibilities.

Ms. Zucker responded that she attempts to echo that ethos in trying to help owners understand that SROA just wants them to comply with the rules and regulations they agreed to when they became a part of the community. Ms. Zucker also noted she regularly will set a hearing over to allow an

owner additional time to complete a project or task while also pointing out to them that by the time things get to her, SROA has tried diligently to obtain compliance in the matter. Ms. Zucker regularly points out to owners that she is not trying to be punitive and in fact can serve as that liaison figure between the owner and SROA.

Director Mobley noted his appreciation to Ms. Zucker for her efforts. The magistrate's role is an extremely important function of Sunriver and without the tone that Ms. Zucker sets and maintains in the administration of justice Sunriver would be a lot less than it is.

President Beenen asked the Natural Resources (NR) Director Patti Gentiluomo if her department is seeing an increase in compliance or in the number of violations issued. Ms. Gentiluomo noted the NR department is in the middle of their assessments for non-compliance for Ladder Fuels Reduction (LFR) and 30-day notices will go out on June 1<sup>st</sup>. So far things are similar to past years and her department is simply seeking compliance which in turn creates a safer community. Additionally, there is a cost associated with staff having to visit a particular property multiple times.

The NR Department is doing additional outreach via reminder postcard mailings to owners trying to really encourage and empower owners to do the work prior to the deadline. GM Lewis added that it is important to note that before the NR department gets to the 30-day deadline notice, the property owner has been notified at least one year in advance in the form of a courtesy letter. Some properties may receive two courtesy letters. Once a property becomes non-compliant, the owner receives the first notice in March, followed by postcard reminders in both April and May. The non-compliant letter then goes out on the 1<sup>st</sup> of June. That letter notifies the owner that their 30-day notice is coming up and that the required work is to be completed by July 1<sup>st</sup>.

In answer to President Beenen's question about design rule violations, Community Development Director Jacki Bue responded that her department is currently doing the follow-up to last year's paint survey. Approximately 60% of those have not been painted and some have been given an extra year so they can plan the painting around the rental schedule for their property. Ms. Bue added that they have found that when they notify owners in the spring, a lot of the owners who rent their property already had numerous bookings. As such, the Community Development Department will now notify owners of the need to repaint their home/condominium in the fall so they can plan the painting along with or before they start accepting reservations for the following year.

Ms. Bue echoed Ms. Zucker's comments regarding some properties that were cited prior to the graduated fine schedule who just pay the monthly fine and do not complete the work. GM Lewis added that staff are extremely judicious in working with owners who have extenuating circumstances and cannot complete the work within the scheduled time limit and that the process is set up for compliance and not to be punitive.

Ms. Zucker added that in hearings she frequently relies on the scrupulous records the NR staff keeps to ascertain the number of times the NR department reaches out to owners, especially when an owners claims they never received any notice. This record is incredibly helpful to the magistrate in the course of her work.

The Board had a couple of questions for the Magistrate, thanked her for her work on behalf of the Association and for attending today's meeting.

### **LICENSE PLATE READER PROGRAM**

SR Police Chief Stephen Lopez and Police Captain Tory Kornblum were in attendance to introduce a presentation by Flock Safety, the company the Police Department (PD) has contracted with to provide license plate reader cameras at both entrance/exits to Sunriver.

Chief Lopez noted this outreach opportunity today will explain exactly what the product is and how it will operate. The department will be doing more community outreach in the coming weeks/months to better familiarize the community with the system and to convey why the PD is going this route and how it will benefit the community.

Chief Lopez introduced Captain Kornblum who commented that Chief Lopez was kind enough to ask her to spearhead the license plate reader project that they are planning to implement mid-year. The plan is to install a minimal level of cameras at both the main entrance and exit to Sunriver as well as the Cottonwood entrance/exit. While Captain Kornblum deferred to the representative from Flock Safety, she noted that the addition of these cameras will allow the PD to immediately identify when a wanted vehicle is entering the community. It can be used to assist in missing persons cases as well as for an investigative tool when the occasional criminal issue arises. With that, Captain Kornblum turned things over to Ulises Cabrera from Flock Safety who was in attendance via Zoom.

Mr. Cabrera, who is a Community Engagement Manager with Flock Safety commented that his company works hand in hand with communities and law enforcement to reduce crime. Mr. Cabrera noted that law enforcement agencies are reporting more challenges than ever before in hiring and maintaining staff levels. Motor vehicle thefts were up 29% from 2022 to 2023 while violent crimes are down 8.8% since 2019.

The current reality is that there are limited police resources and higher stakes. It is becoming more and more difficult to solve and complete investigations. That is where Flock Safety can assist as a force multiplier through the technology, they have available to them. Through these efforts, first responders as well as the community at large are better protected.

The two devices that will be used in Sunriver are the Falcon license plate reader camera and the Condor which is the video camera. The Falcon camera takes a still image of the license plate but can also identify the make, model, and color of a vehicle. These cameras are infrastructure free and operate via solar panel power although they can also be hardwired. They can be installed on poles provided by Flock or on existing infrastructure.

There is no maintenance required by the police department as that is all managed by Flock. Coverage is provided 24/7 capturing objective vehicle data around the clock and providing the PD with real-time alerts. The real-time alerts can be received via short message service (SMS), email and in-app alerts such as the FBI's National Crime Information Center (NCIC). It also provides officers with any Amber or Silver Alerts and custom hot lists can be created.

The technology is ethically built and does not look for people, there is no facial recognition, there is no speed tracking, and it is all indiscriminate objective evidence of the vehicle including the license plate number and the make and model of the vehicle. Officers will receive alerts within about 20-30 seconds allowing them to respond that much faster and more efficiently.

The vehicle fingerprint technology allows officers to search vehicles based on unique vehicle criteria, time, and location for investigative evidence. The program can identify the vehicle make, body type, color, and back or top racks. In regard to the license plate, it provides state recognition as well as the current tags on the vehicle. If a vehicle does not have a license plate, the program will still search for the make, model, color, etc. of the vehicle.

As was previously mentioned, this system will identify a license plate and gather objective evidence and facts about vehicles, not people. There is no facial recognition, or collection of biometric or sensitive information, it does not track speed or parking violations and the data automatically deletes every thirty days sans any footage that was preserved if it may be linked to an investigation. Additionally, the cameras can also serve as deterrents to bad actors.

The systems also provide a transparency portal that is customizable for each agency and can measure crime patterns and do an audit search history that is set up with strict parameters.

Chief Lopez discussed the locations for both of the cameras noting that the one at the main or waterfall circle will actually need to be placed on Deschutes County property and the police department has been working with the Deschutes County Sheriff's Department and Chris Doty at the Deschutes County Road Department regarding the placement of those poles.

Ideally, the police department would like the cameras to be up by July 1<sup>st</sup>, but it may be a little later than that date.

Director Burke inquired about how notification to owners will occur. Chief Lopez responded they plan to hold some type of community forum as well as an article in the Scene. The Chief fully expects that the system will be a benefit for Sunriver and will pay dividends moving forward.

The Board thanked Mr. Cabrera, Chief Lopez, and Captain Kornblum for being in attendance today and sharing this informative and important information.

### **TREE CITY USA – 44<sup>TH</sup> YEAR**

Natural Resources Director Patti Gentiluomo was in attendance to announce that for the 44<sup>th</sup> year in a row SROA has received the Tree City USA designation.

Tree City USA is a program of the Arbor Day Foundation and is sponsored by the Oregon Department of Forestry. Sunriver has been awarded this designation which reflects the SROA's strong commitment to natural resources and forest management.

Healthy forests have been shown to reduce wildfire risk and energy consumption, benefit wildlife, cool our air temperatures, clean our drinking water, and air, and enhance communities.

Of the seventy communities in Oregon that have the Tree City USA designation, Sunriver is the only unincorporated community due to its early involvement going back to 1980.

Sunriver continues to meet the necessary criteria which includes spending a minimum dollar amount per capita on community forest activities, having ordinances and/or governing documents like the Ladder Fuels Reduction (LFR) plan, a forest care and management plan and the proclamation of a yearly Arbor Day or Week event. This year's Arbor Week ran from April 19<sup>th</sup> to April 26<sup>th</sup> with ponderosa seedlings being available at various locations in Sunriver for owners to pick up for planting.

The final criteria are to maintain a tree board or department which is our Natural Resources Department and the SROA Board that acts as the tree board. This award is to honor the SROA Board of Directors for their dedication to urban forestry and congratulations on 44 years of protecting and maintaining Sunriver's forests.

### **RECYCLE DEPOT – INFORMATION GATHERING PROCESS - DISCUSSION**

GM Lewis reminded the Board that at their April meeting the Board discussed the next steps in determining the fate of the recycle depot. Since that meeting GM Lewis has followed up with Cascade Disposal and he along with Assistant GM Kessarar and Public Works Director Mark Smith met with Erwin Swetnam, the District Manager for Cascade Disposal.

GM Lewis also noted that Treasurer Pederson has put together a recap of the activity at the depot from 2022-2024. Side-yard recycling services started in February of 2023 and based on the most recent information provided by Cascade Disposal, there is starting to be a trend in the significant reduction in the amount of material that is being brought to the site. GM Lewis and others have also met with some of the local property managers who have not been participating in the program due to the transient nature of rentals and the complexities surrounding how to facilitate recycling for those properties.

The information that Treasurer Pederson provided shows a significant drop in the tonnage of recyclables picked up in at the recycle depot in Sunriver when comparing 2022 to 2023 and the first four months of 2024. The results clearly illustrate that a lot of owners are using the side-yard recycling option. GM Lewis commented that the Board, at their April meeting discussed holding additional surveys at the depot to gather more information and determine how many of the current users of the depot are Sunriver owners and how many are coming from Caldera, Crosswater, etc.

GM Lewis noted the Board heard some of this today during the owners forum, and if upon doing additional surveys at the depot it turns out that most of the people utilizing the depot live outside of Sunriver then SROA should not be providing that service. GM Lewis noted he believes the board members who participated in this information gathering exercise that was done around the Christmas holidays indicated they would participate again.

Treasurer Pederson referenced the page he handed out. He took all the information provided by the hauler and put it all on to one sheet together. In 2023, the total tonnage of recyclables hauled from the depot were down 35.2% from 2022 and total number of hauls required to remove all those materials was down by 31.6% from 2022 which should have been pleasing to those owners who live close to the depot. Additionally, when one looks at the 2024 numbers, there a further decrease of 13.8% in total tons and a further 16.9% decrease in total hauls since 2023.

In reference to side-yard recycling, Treasurer Pederson reminded the Board that the side-yard recycling went into effect in January of 2023, owners were in the process of getting the required container for the recyclables, so the first couple months of 2023 are a bit lower than the rest of the year.

Treasurer Pederson also noted that when comparing the first quarter of 2023 to the first quarter of 2024, there was a 129.4% increase in the total tonnage of side-yard recyclables from 31.36% in 2023 to 71.95% in 2024.

From 2022 to 2023, there was a total of 486.51 tons of recyclables removed from the recycle depot. In 2023, there was a total of 315.31 tons of recyclables removed from the depot and another 211.52 tons collected from the side-yard recycling for a total of 526.83 tons, an increase of 8.3% in overall recycling. GM Lewis noted that some owners might be recycling more now that the side-yard option is available just due to sheer convenience.

Treasurer Pederson added that neither Caldera nor Crosswater have recycling facilities although there was some talk by the hauler previously indicating they were considering adding recycling to some routes outside of Sunriver. This was some time ago, but his understanding is that those people will be able to choose whether or not they want to opt in where in Sunriver, the Deschutes County Commissioners voted to require Sunriver owners to pay for the service whether they use it or not.

Assistant GM Kessarlis referenced some statistics from the recently completed comprehensive owner survey in which over 2,000 owners participated noting that 70% of respondents said they still use the recycle depot however out of that, 58% said they use it primarily for cardboard recycling, 49% use it for mixed recyclables, and 46% use it for recycling glass. Approximately 15% or 620 dwellings do not subscribe to garbage service at all, so they do not have access to the side-yard program. In answer to one of the survey questions inquiring what owners will do with their recyclables if the depot goes away, 30% said they would just throw it in the trash instead of recycling. That said, overall owners indicated they are happy with the garbage/recycle service they are receiving.

President Beenen commented that the question at hand comes back to do we continue with the recycling depot or not. As GM Lewis mentioned, the suggestion was made at a previous board meeting to conduct additional informal surveys of people actually coming to recycle, like was done over the Christmas holiday, to determine if they are owners, guests, or someone who lives outside of Sunriver. GM Lewis added that collection of this additional data will illustrate if there are a significant number of folks utilizing the depot who are coming from outside of the community.

GM Lewis commented there are also questions that could be posed to the County and Cascade Disposal and/or Republic Services as to why they are not providing recycling service to the neighborhoods outside of Sunriver.

Public Works (PW) Director Mark Smith added there is currently a fence project and some safety concerns over at that location with the heavy equipment that is brought in to change out the bins, mixed with the SROA equipment coming in and out of that location, further mixed with people darting in and out that creates a less than optimal situation. Additionally, Mr. Smith noted that as soon as PW gets a decision from the Board on whether the recycling depot stays or goes away or is altered, will affect the way they alter the traffic flow through that area. Mr. Smith is hopeful that the Board can decide by early fall so that PW will have the direction they need to complete the overall project.

President Beenen inquired about the significant number of properties who are unable to accommodate the additional container required to use the side-yard recycling option. GM Kessarlis responded that yes there are some homes that due to the configuration it would put them over the side-yard set back line or in some

cases, owners have the garbage enclosure built into their garage and they do not have room to expand. Assistant GM Kessarlis added that the Community Development Department and Design Committee have been very lenient on allowing owners time to expand and are not charging for that option. President Beenen added that this issue is something the Board needs to take into consideration.

The Board held further brief discussion on the hesitation of some of the property managers to have their properties participate in the side-yard recycling. It is no secret that when people are on vacation they are not necessarily paying as much attention to garbage/recycling as they would at home, which explains some of the hesitancy of the property managers. Director Burke added that recycling programs also differ from city to city and state to state so something that might be recyclable in California may not be here and vice versa. Assistant GM Kessarlis added that when he and GM Lewis recently met with Cascade Disposal, they were told that changes are coming to the state of Oregon in regard to what is and is not recyclable and some of that impact will be on those who are manufacturing the packaging. Cascade Disposal reps indicated they expect these changes during the next fiscal year. These changes should make it more universal in regard to what states recycle what. Director Pederson added that one of the state law changes for Oregon will be to make all Oregon communities have uniform recycling guidelines as far as what is allowable and what is not.

Directors Pederson and Murray along with homeowner Randy Schneider have agreed to be involved in doing additional surveys. Homeowner Ed Pitera has also volunteered to assist with these additional surveys and formulating questions. GM Lewis will set up a meeting between the aforementioned group to develop some questions and timelines so the surveys can be conducted over the next few months.

Lastly, GM Lewis reported that at the recent meeting he attended with Cascade Disposal representatives, they were informed that Cascade is raising their rates by \$11 per month starting July 1, 2024, which Cascade said is primarily tied to the increase in drivers, labor, and equipment required to provide the side-yard recycling in Sunriver.

#### **ELECTION COMMITTEE CHARTER – PROPOSED REVISIONS**

Election Committee Chair Patty Smith was in attendance to discuss any questions or concerns the Board may have to the proposed revisions to the Election Committee charter. The biggest change is that SROA will no longer accept more than one ballot in a signed blue envelope, a change from what has been accepted historically. Up until now, owners of more than one property have been allowed to put all of their ballots in one blue envelope but that will no longer be acceptable if the Board approves these changes.

After discussing the Board agreed they would like further changes to be made so that invalid votes are listed as uncounted votes. In response to a question from Director Pederson, GM Lewis noted that in the past we have generally only had auditors come and do a second count if there was a money measure in front of owners but we could absolutely have auditors at every election and in fact GM Lewis has asked the audit firm to provide him with a proposal/fee for the auditors to just do that every year but he has not received that information back yet.

Director Mobley thanked Mrs. Smith for her continuing service. In the public sector there are many people in elections who are giving up those positions and he is incredibly pleased that is not the case for SROA.

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

#### **ADMISSIONS MODEL WORK GROUP UPDATE**

Assistant GM Keith Kessarlis provided a breakdown of recreation statistics for the month of April.



As of April 30, 2024, a total of 4,091 Member Preference Program (MPP) cards have either been purchased or renewed. Of that total, 3,386 were renewals and 268 were new cards. The remainder are extended household, long-term renter, or commercial passes. This is 244 more MPP cards than the end of April of 2023. At the end of April, the MPP revenue totaled \$353,660 or 56% of the annual budget.

Regarding the 2024 Recreation Plus Program (RPP), as of April 30, 2024, there were 831 homes and/or condominiums signed up for the program. Last year at the same time there were 880 properties participating in the program. Mr. Kessarlis also provided a breakdown of the RPP's by the number of bedrooms. RPP revenue is at \$2,333,802 or 88.7% of the 2024 budget. As has been discussed previously, one of the property management companies that had participated in the RPP in the past is going a different direction this year and chose not to renew a number of properties that had previously participated in the program. This should however mean that we will see more gate revenue as the property manager will reimburse the guest 50% of their entrance fee when they pay at the gate.

Gate revenue is currently sitting at \$33,555 or 5.78% of the budgeted \$580,357.

SHARC hosted a total of 7,736 attendees at the facility in the month of April compared to 6,653 in 2023. Of that number, 2,943 were owners, 3,480 were RPP pass holders, 67 were member guests, 302 were extended family, 341 were gate admissions, and 44 were Central Oregon Sunday users.

By the end of April 2024, staff have issued 31,340 paper guest passes and of those 1,441 have been redeemed at SHARC. There were 23,350 passes issued by the end of April 2023 of which 1,518 were redeemed at the SHARC. The main difference is that more individuals in the same home have purchased their MPP passes this year than last year. The number of passes issued in 2024 is the highest number we have had since 2016.

Mr. Kessarlis noted that there was a definite uptick in the number of people playing pickleball in April. Owners must have an updated MPP card to gain access to the courts. Also, the Sunriver Music Festival will be holding a pickleball tournament fund raiser on the last weekend of May.

Mr. Kessarlis reminded the Board that owners can renew or purchase their cards for 2024 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](http://sunriversharc.com/Programs/SROA%20Member%20Preference%20Program). The Member Services office is open seven days a week from 9:00 A.M.– 4:30 P.M.

The Café will open on the Friday of Memorial Day weekend and will be open seven days a week for the summer season.

Facility event space rentals are off by \$7,824 at the end of March. Year-to-date sales are approximately \$25,000. There is a large wedding scheduled on Saturday and three other major events in May. The overall budget, which includes AV rentals, linens, etc., is \$115,000 for the year. As of the end of April, there were 23 paid events on the books. There continues to be a lot of non-paid events for local groups on the books as well.

An Events Coordinator has been hired to help Events Manager Beth Herron. Two part-time events assistants started recently as well.

The Board thanked Assistant GM Kessarlis for this update.

### **DOG PARK UPDATE**

Assistant GM Kessarlis reported that most of the fencing is installed, and the contractor is now installing the gates. The water has not been hooked up as of now, but we expect that to happen soon. Trash and dog poop bag receptacles have been installed and a porta potty is in place for the summer. Signage has been received and will be installed this week.

A grand opening is scheduled for June 15<sup>th</sup>, and the Owner Enrichment Committee is helping to promote that. The idea is to schedule it so that if the Board members would like to attend after the board meeting that morning, they will be able to do so.

Staff is shooting to have a soft opening on Memorial Day weekend as long as everything is up and running. Public Works Director Mark Smith added he believes we can do the soft opening even if the water is not hooked up yet. Additionally, he noted that long-term the plan is to install a restroom similar to what is at Fort Rock Park, which is something that is included in the Infrastructure and Amenities Master Plan (IAMP).

### **NW NATURAL WATER CASE UPDATE**

GM Lewis reminded the Board that NW Natural has submitted an application to the Public Utility Commission (PUC) proposing a rate increase of 24%. In past rate increase proposals SROA has participated as an intervenor. This is done in support of the Sunriver owners who have to pay any approved increase. As an intervenor, SROA is able to review that proposal to see if it is an agreeable ask and then take appropriate action which can include challenging it with the PUC.

Three years ago, when NW Natural proposed an increase just under 40%, through intervening, mediation, and a settlement agreement the request was cut in half to a 20% rate increase that was subsequently approved by the PUC. In that situation, we had two attorneys involved, one of whom, John Stevens, who specializes in these types of cases. GM Lewis reached out to Mr. Stevens who has been out of the country and GM Lewis just received a response from Mr. Stevens yesterday.

Our participation would essentially be broken into three pieces. Step one is that SROA can make a request to intervene which gives SROA a seat at the table and provides the ability to be privy to information NW Natural submitted to the PUC but also access to comments or concerns submitted to the PUC. Step two would be if SROA does not agree that the PUC is looking at some things correctly or SROA wants to challenge some of the information NW Natural submitted as the basis for their rate increase, SROA can hire their own consultant to review the information NW Natural has submitted and provide their analysis of the situation. That can then be submitted to the PUC for their consideration and NW Natural would have the ability to rebut that information.

The third part that SROA would be able to participate in is the public hearing process, provide comments and challenge the decision made by the PUC which is what SROA did three years ago and then entered into a mediation with NW Natural with the PUC as the mediator. SROA illustrated the reasons why they felt what NW Natural was asking for was not appropriate. The PUC provided their comments, NW Natural rebutted and ultimately a settlement agreement was reached, and the proposed increase was cut in half.

In terms of cost, the first step would require approximately five hours at \$500 per hour, the second step would take an additional ten to fifteen hours to create the needed information/arguments to submit to the PUC. Regardless of whether SROA is looking at the PUC data or creating our own data, SROA has the ability to enter into a mediation and settlement agreement. If SROA is relying on the PUC data and provides comments the PUC could adjust things and SROA may not need that mediation and settlement agreement as long as SROA is ok with the results, findings, and decision of the PUC.

GM Lewis' suggestion is that SROA needs that seat at the table, which would cost approximately \$2500 for Mr. Stevens to prepare and submit the intervener status materials. However, we will not know if we need to participate in the next step unless we do that first. GM Lewis noted that three years ago the proposed rate increase was a substantial 40% and the PUC ended up approving a 20% increase. In the present instance the ask is a 24% increase which is still substantial but the PUC through their own review many not agree with NW Natural basis for that much of an increase.

Director Pederson noted the water usage portion of his bill fluctuates from as low as \$8 a month in the winter up to \$130 a month in the summer when he is watering his lawn. GM Lewis in response to a question from President Beenen said the SROA spent \$110k on water last year. A 24% increase would push that to \$136,400. President Beenen responded that a \$2500 expense to intervene is insignificant or a small fraction of the increase so it would probably be the best option for SROA to intervene.

### **TRANSIENT ROOM TAX (TRT) UPDATE**

President Beenen reported that he and GM Lewis have been discussing this issue and feel that it might be time to terminate the TRT taskforce as it has run its course. The taskforce members have done all they can at the Deschutes County level and the County has made a decision that they are not interested in sharing TRT dollars with Sunriver entities any time soon. The County has earmarked those dollars for things they want to use those monies for and at this time the County does not think it is in their best interest to share that room tax with Sunriver entities. The County is dealing with their own issues having had their courthouse remodel/addition project soar from \$24 million to \$40 million, due mainly to inflation.

President Beenen does not believe there is anything further the taskforce can do at this time so there is no reason to keep the taskforce in place. He will put together a final report and if SROA were to go forward with investigating incorporation, there would be a different task force put in place to assist.

Director Mobley added that he believes it is important to remember that the County has contributed TRT dollars towards the Fire Departments training facility and the new Public Safety building and there may be an opportunity in the future for more, although it is not likely to be what SROA would consider to be an equitable basis.

President Beenen added that his personal belief is that until the debt is paid back for the remodel/expansion of the County Courthouse, he does not think the County is going to steer any money Sunriver's way. GM Lewis added that the other way to possibly receive some of those dollars would be through a change in legislation that changes the way TRT dollars are collected and distributed. That is something SROA could participate in, but it is a very big endeavor.

President Beenen added that personally he would be in favor of putting together a taskforce to investigate the implications of incorporation, something that he understands is a controversial issue.

Director Burke encouraged any Board members who have not already done so to read the section of the book Sunriver, the First Twenty Years, on incorporation which is quite illuminating. Director Burke added he is not sure at that point in time, how accurate the summary is, and the action taken, and the different points of view both pro and con, or how much things have changed since then but he does remember it being very divisive in this community.

GM Lewis added that it is one thing to look at incorporation and consider how conditions have changed in 25 years since incorporation first came up. To create a report for informational purposes only, to be able to compare the data from then and now might be fine, but the Board must be incredibly careful and cautious that it not to be confused to say or imply that SROA or the Board are moving forward with incorporation. Having data allows you to make decisions and his participation would be merely to create the data.

Additionally, the data could very well come back to prove there is no reason to move forward with an incorporation effort.

President Beenen added that that would be the charter of the taskforce to determine what would the implications of incorporation be for Sunriver. Director Gillies added that he believes it must be structured that way as opposed to a general “should we incorporate” without specific parameters. Additionally, the taskforce would only be gathering data for comparison purposes and to perhaps to assist a necessary consultant. Director Pederson suggested that somehow including “information gathering only” should be included in the title of the taskforce.

Owner Patty Smith, 6 Lodgepole Lane inquired as to how that information would be gathered and GM Lewis responded that it would most likely need to be by a third-party consultant who specializes in municipal type governmental regulations that would put together a feasibility analysis addressing all the issues with the assistance of a taskforce who can educate a consultant about the particulars of Sunriver and represent the community and what their concerns might be with such a proposal. GM Lewis added the taskforce provides a system of checks and balances to the consultant. Questions that need to be answered that perhaps the consultant did not think of or things that are important to the community that we would want the consultant to explore. At the end of that, there will be a report that the taskforce will then review prior to making a recommendation to the Board about whether to go forward or not. Director Pederson added there is no way this would go forward without a lot of community involvement.

President Beenen commented that this is not an agenda item for this month, but it is something for the Board to think about between now and next months meeting.

#### **TDS UPDATE**

GM Lewis reported there is not much that has changed since last month. TDS is still installing main lines in some areas. As the main lines get installed down the individual lanes, they have a separate group that they contract with to install the drops between the main line and the house. They are sending out notification to the owner giving them the opportunity to opt out of the service. Between 600 and 700 drops have been installed thus far and approximately 55 owners have had the service activated in their house.

SROA Controller Joe Healy receives a weekly list of the properties that have been connected to the fiber service after which he sends a bill to the owner pursuant to the bulk agreement and then the charge the owner had been paying to TDS for internet service only goes away. If owners have other services through TDS, they will still receive a bill from TDS for those services.

GM Lewis added that is the update and will be the update next month, and the month after that with the only change being the number of homes that have been hooked up to the service. GM Lewis also noted he has requested updated maps of the different regions illustrating where the main line is complete, where drops have been completed, etc.

#### **TDS HEADEND SUB-LEASE**

GM Lewis explained that NW Natural owns the property where the headend equipment for TDS’s distributing communications throughout all of Sunriver are located. Back in 1989 when the property was still owned by Sunriver Resort, SROA entered into a lease agreement of that property from Sunriver Resort, now NW Natural, so that SROA could ensure on behalf of all of the owners that cable communications, telecommunications, and radio communications could be provided to all properties in Sunriver.

Through the master lease, SROA had the right to sub-lease to the actual provider who at the time was Chambers Cable, so this lease has been in place for many years. Back in 2012, SROA entered into an agreement with Bend Broadband, now TDS for cable communications throughout Sunriver. As an exhibit

to that agreement that SROA had with Bend Broadband/TDS there was a sub-lease. It is the same sub-lease that goes back to 1989 that they have the right to use that property for cable communications, etc.

Now that we have the bulk agreement in place, that 2012 agreement that we had with TDS went away and we are now operating under a new service agreement that has the bulk agreement as part of that. The sub-lease was not included as part of that new services agreement. We were operating outside of any overall services agreement subject to a five-year extension that was afforded to TDS for use of that area. We are two years into that at this point. Because that will expire in three years, SROA and TDS need to look at an amendment to the sub-lease, a stand-alone document that specifies what the site can and cannot be used for. In looking at this amendment to the sub-lease GM Lewis focused on trying to provide a term for the amendment to the sub-lease that is commensurate with the bulk agreement. There is an approximate eight-month difference of when this sub-lease would expire as to when the bulk agreement would expire. That is so if we go into negotiation with TDS on a new services agreement, we are also talking about and taking into consideration this sub-lease at the same time. At this point, GM Lewis is recommending we enter into this agreement which provides for a longer term, the same responsibilities, the same payment, and that if they ever stop providing service that sub-lease goes away. GM Lewis added that NW Natural is aware and fine with this proposed agreement.

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

#### **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 11 to discuss contractual, personnel, and legal matters that may be subject to a claim of privilege. Seconded by Director De Alicante, the motion passed unanimously.

The public meeting recessed at 11:31 A.M.

The public meeting reconvened at 11:58 A.M.

#### **SROA/SSD/DESCHUTES COUNTY MANAGEMENT AGREEMENT**

Deschutes County Commissioner Tony De Bone and Sunriver Service District Managing Board Chair Jim Fister, SSD Director John Shoemaker and SSD Administrator Mindy Holliday were in attendance to discuss the proposed changes to the current management agreement that would eliminate any SROA Board representation on the SSD Managing Board, something the SSD Board has repeatedly indicated is being pushed for by Deschutes County.

Commissioner De Bone remarked there is nothing controversial about these proposed changes and the organizations do not need to separate their views on this. There has been concern expressed at the County level regarding potential conflicts of interest and different concepts in SROA Board members also serving on the SSD Managing Board. Commissioner De Bone remarked that the Deschutes County recently approved the contribution of \$8 million to empower, and then the citizens voted to add to that to build this big, beautiful facility for the fire and police departments so according to Commissioner De Bone, this is an update cycle.

Commissioner De Bone went on to say that the SSD is empowered to be a public agency under the Board of Commissioners in partnership with the sheriff. Commissioner De Bone added that prior to the formation of the SSD, the Deschutes County Sheriff's Office used to certify the Sunriver Public Safety officers.

GM Lewis remarked that when he met recently with Commissioner De Bone, Chair Fister, SSD Managing Board member John Shoemaker and SSD Administrator Mindy Holliday and County staff, he brought

forward the comments that SROA has provided in the past on behalf of the SROA Board. The main question was what the rationale is aside from some of the perceived potential conflict of interest issues that have been brought up and the matter of confidential privileged information which were some of the issues given by the district county legal counsel. The question for SROA was are there reasons beyond that?

The proposed changes are to go to a five-member voting SSD Managing Board and two ex-officio positions, one of which could either be a SROA Board member or someone the SROA Board designates, and the second ex-officio position would be a county representative. These would both be non-voting positions. GM Lewis reached out to Commissioner De Bone who agreed to attend today's meeting.

Commissioner De Bone remarked he is trying to make sure there is no undertow here as that is the key to this whole thing because Sunriver is just this magical thing, and there not that many folks associated with it as intimately as board members are and Commissioner De Bone thanked the all the board members on both boards for their service.

Director Pederson remarked that the hard part for SROA is that the two entities have worked so well together very seamlessly and are there for the benefit of Sunriver owners. The SROA Board is the board that all owners have the opportunity to vote for. On the SSD Managing Board only property owners registered to vote in Deschutes County get vote on any issue that comes to a measure, so it is a small, 20-23% of owners who have the ability to vote, and no owners get to vote on who gets appointed to the SSD Managing Board.

Director Pederson added the SROA Board feels it is important to have that input into SSD issues as illustrated by our communication and ability to work together on so many issues that have come up, the most recent one being the use of drones by the police department and now it is license plate readers. Working together and sharing that information is important and the SROA Board is just miffed at being excluded from representation.

Director De Alicante added that probably the biggest example of this would be the cooperation and coordination regarding the new Public Safety building. Without the intimate cooperation between the SSD and SROA that would not have gone nearly as smoothly as it has. Director Pederson added that had the SROA Board not been involved, the ballot measure may not have gone as smoothly as it did as the SROA Board was in the loop and they helped educate owners about the need for the new facility.

Commissioner De Bone responded that sides could be taken but there is no reason for it which is why he is here today. In regard to conflict of interest, there have been issues at the County in the past, a captain in the Sheriff's office that went to prison for stealing money, deaths in the jail, etc., so there are some bad things that can and do happen and as a result you end up with some serious legal liability situations. The same thing could happen to the SSD and if it ended up being a situation where if there is an appointed person from the SROA Board, information gets shared, legal cases could be compromised, etc. and for a small town working together, that is the last thing the County wants to have happen. It opens up a liability the County does not want to have.

President Beenen commented that the legal liability from the County's perspective is understandable but what he keeps coming back to is does this benefit the Sunriver owners because that is who the SROA Board represents and what is the tradeoff. While the County carries the legal liability, the SROA and SSD Board's experience the negative impact to the Sunriver owners. While he acknowledges that it is not a balanced equation, what is happening in his opinion is this is simply making changes to the structure of the SSD Managing Board in support of a legal theory or hypothesis. In the case of Sunriver, the two Boards have worked together for over twenty years and there have been no problems.

SSD Managing Board Chair Fister commented that there was an instance back when former Police Chief Mills resigned, that information was passed from a Sunriver board member to the press. While it was shut down pretty quickly, it did end up being a legal issue for the County.

Commissioner De Bone confirmed that Sunriver is in Precinct 16.1 comprised of approximately 1400 registered voters. He noted he is one of three commissioners for Deschutes County that is part of this decision process, and he is just here to do the outreach, to communicate back and forth right now, and to make sure that we are not going way off from what SROA, and the SSD expect from each other.

Commissioner De Bone commented he does support a five-member board for the Sunriver Service District Managing Board and he is also fine with the proposed non-voting ex-officio positions.

Chair Fister remarked that the ex-officio position is actually a pretty powerful opportunity as that person does not have to abide by the voting rules or any of the quorum rules that a regular voting board member would. The ex-officio position has the ability to serially or generally advocate either in or outside of a meeting and they can communicate that to owners. He believes it's actually got more power than a single vote but there's obviously tradeoffs. Chair Fister went on that from the SSD perspective, they represent the Sunriver owners and property, but they also represent the guests, visitors, workers, etc. and as such the SSD does have to act like a county entity because those are the rules and regulations that they need to abide by in terms of the Oregon Revised Statutes (ORS) that formed them.

Commissioner De Bone remarked that there is a business case of future appointments. A recommendation will come from the SSD Managing Board that says as a quorum of the board, have nominated this person to be on or to replace someone on the SSD Board. It is not an election as is done with some other special districts. This is done on a regular basis with road districts all throughout the county, three- and five-person road districts. The idea is to reduce the overhead of the election process as some of these are small districts with budgets under \$100k per year so it is not prudent to spend upwards of \$2k to put them on the ballot.

Commissioner De Bone added that there are relationships in Sunriver, and an owner can certainly do a term on the SROA Board and then do a term on the SSD Board, something multiple Sunriver owners have done. He feels the parties either try to land this thing or have more of a substantive discussion in front of the Deschutes County Board of Commissioners or meet individually with the Board of Commissioners.

Director Mobley commented that hopefully the proximity is going to help as it has in the past. While Director Mobley thinks the future looks good, what is unusual in his perspective, having been a city attorney several times, is that cities usually include police and fire, and they answer to the city council and this group is very much like a city council. Sunriver has many attributes of a city and instead of having that direct relationship between the police chief, fire chief and members of the council or in our case, members of this board, if a problem does develop in the short space between these two entities SROA will be coming to the County.

SSD Managing Board Director John Shoemaker commented that he does not believe the SROA Board will be losing anything. Speaking to a potential conflict between SROA and the SSD Board, Director Shoemaker noted that the members of the SSD Managing Board are Sunriver owners too and they have what's best for the owners of Sunriver in mind as they carry out their duties. As such he does not anticipate that conflict should arise. The reality is that the proximity we do have, we are all here together, but the SSD Managing Board has to act at the best interest of not only Deschutes County but of the citizens they are serving and so to even alleviate a sense of conflict will help overall.

Director Mobley commented that yes, Sunriver is a remarkable place and for the most part everyone gets along but the SROA Board starts each meeting with an owners forum and some of those have been exciting

over the years. The hope and the expectations are that we will get along and serve the owners equally well, but this is in his experience, an unusual arrangement whereby the County is in between the police and fire departments and the main governing body for the community.

Director Burke commented that one of the potential concerns he has and has had all along is the repeated hints that have been noted about the expansion of the jurisdiction of the service district. Mr. Burke is concerned about how that may reduce services to our constituents.

SSD Chair Fister responded that as the district looks for future revenue inside of the SSD, instead of trying to get another fifty cents to a dollar out of the Sunriver owners, they might look to see if they could offset that cost by scaling that out to other tax units that are nearby. There is currently nothing active in the works to do that although there have been a lot of discussions about it. To the point, if they can gain revenue and add staff, this wouldn't be gaining revenue to try and tread water, it would be gaining revenue to add staff while it would require adding territory, at the same time you would be adding more coverage to be able to do that. No matter where this district would expand, outside of a twenty-year plan down to State Rec Road or something like that, Sunriver would always be the biggest area and would be the primary property that the district would control.

Director Burke responded that comes on the heels of repeatedly hearing how hard it is to find, hire and then retain employees, especially police officers.

Chair Fister responded that it sounds like the Bend and Redmond Police Departments have been able to turn things around, but he did hear recently that the County Sheriff is assuming they are not going to hire everything this year. There is currently one open position in the police department and a lot of effort is going into filling that position. If there was going to be any expansion, there would need to be an understanding of how they would staff it. Additionally, any expansion would have to go to a vote of those who reside in any proposed expansion area. If the SSD were not able to guarantee that they would be able to cover the district from a staff perspective, any attempt at expansion would most likely fail.

Director Burke noted this illustrates that need for a voice at the table from an SROA perspective.

Director Shoemaker added that Sunriver Police already respond to Caldera, Spring River, and the Business Park, so if that were to happen the district would be gaining funding to support the police for something they are already doing. They would add personnel and in theory the coverage in Sunriver may even improve.

Director De Alicante addressed Commissioner De Bone and commented that there has been a long-term good working relationship between SROA and the SSD. He feels the members of the SROA Board felt like it was an unnecessary severing of that relationship by taking the two SROA Board members who participate as voting members of the SSD Managing Board off that board and reformatting it to this one ex-officio position and it feels as if the County is trying to fix something that is not broken.

SROA Treasurer Pederson commented that additionally it was sprung on the SROA Board without any consultation and legally that was not necessary, but it was not managed well. SSD Chair Fister responded that he disagreed with that as when the agreement was modified back in 2017, it was noted at that time that the two entities should become more independent, so he feels it has been signaled for a while and that it is in the best interest of Sunriver and the County and propriety and the rest for this to long-term happen. Chair Fister thought he had properly conveyed that to the SROA Board when he first spoke to them earlier this year, but he very specifically said that they were acknowledging at that point that it was time to continue to be more independent.



GM Lewis commented that the thing that keeps going through his head is when you have a relationship or process that has been in place for a long time and then you change it, it is the change itself that really becomes the point of discussion. He hears the two primary legal reasons, but he also hears the SROA Board saying we represent all the owners and as the SSD members have said they too represent all the owners but there are only 1,400 owners that really can vote on County issues that affect the SSD. So, you have a large percentage of owners who do not have the ability to influence what the SSD does unless they are on the Managing Board and the power of the owners is the ability to vote.

GM Lewis inquired if there has been any request for information from all of the owners that are not registered in Deschutes County as to what they might think about this proposed change that affects their ability to work with the SROA Board to work with the SSD?

SSD Chair Fister responded that he could say specifically while he personally has talked to owners, they have not done a requested forum or anything, but he can recall very specifically talking to an owner recently who was a firefighter and who told Mr. Fister when asked where he gets his information relative to the SSD, the owner responded he gets it from the SROA Board meetings, and he was not aware the SSD even held meetings. Mr. Fister continued that owners can get the information and they have the ability to address the SSD Managing Board one way or another. It is a public meeting which follows all government public meeting laws to allow people to approach that, but the SSD Managing Board does not get a lot of feedback.

GM Lewis added that if you play out a scenario similar to what Director Burke was talking about, if the SROA Board does something that affects the community they are subject to backlash and/or not being elected or reelected, by all of the owners who vote in the yearly election. Let us say the SSD wanted to expand the district and you have 3,000-4,000 owners who do not want to do that, what ability do they have to effectively participate in the process, other than speaking during an owner's forum.

Commissioner De Bone responded that he wanted to back up a little bit and look at the big picture from what has taken place over the last few years. The SSD Managing Board came to the County regarding the new Public Safety building asking for a \$10 million contribution from the County. Commissioner De Bone noted that was a big ask but he has a lot of love and aloha for Sunriver, and the lion's share of the transient room tax dollars are generated to the County from Sunriver. Ultimately, the County contributed \$8 million to the project, and he noted it felt good to invest that money back into Sunriver. To that end, he believes there is another way to look at the situation which is that the SSD is like an eagle leaving the nest, a mature and healthy organization going out on its own and he believes that positive point of view should be embraced.

President Beenen commented that SROA is certainly appreciative of the County's support for the public safety building which does benefit all of Sunriver and is why SROA chose to sell the fire station to the SSD for the cost of one dollar and came to an agreement on the land lease that neither party really liked but they came to an agreement on. Right now, things are working very well between the two entities. There is advocacy for a change and from SROA's perspective the change looks like it has the potential of harming that relationship and that is the thing the SROA Board is really concerned about.

SSD Director John Shoemaker added that it might be that it would have the potential to improve that relationship. President Beenen noted that although he cannot disagree with that, it is harder for him to see and he personally is concerned that the two organizations will separate from each other.

SSD Chair Fister in response to GM Lewis' scenario noted that back in 2002 there was an advisory vote of all Sunriver owners about whether or not Sunriver should form a special service district for the police and fire departments. That advisory vote failed resoundingly. When it was put to a vote of only the people who are registered voters in Deschutes County it passed.

Chair Fister continued that when the SSD went out to go for the bond for the new public safety building, he spent 20-25 hours sitting up at the North Store talking to both resident and non-resident owners trying to answer their questions to ensure they had a clear understanding of the project. Further, he feels you would be hard pressed to find anyone who is unhappy about the new building. The district and its volunteers did spend a tremendous amount of time going out to educate as many people as they could, including online forums. President Beenen noted that this was all in cooperation and with the support of SROA. The concern has been made clear and that concern is exacerbated by a somewhat one-sided agreement.

Director Pederson noted that while this proposed ex-officio position is written into the new agreement, SROA has absolutely no control over the agreement, so he worries what happens ten years down the road if the SSD suddenly decides that do not want any involvement from SROA at all on their board. SROA's only role is to acknowledge.

The Board thanked Commissioner De Bone for taking the time to attend and have this discussion.

**ADJOURN**

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

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

The public meeting adjourned at 12:34 P.M.

Respectfully submitted,

Mark Murray, Secretary