

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

**DIRECTORS PRESENT:** Gerhard Beenen, Keith Mobley, Julianna Hayes, Linda Beard, Mark Murray, & Bill Burke

**DIRECTORS PRESENT VIA ZOOM:** Tony De Alicante

**DIRECTORS ABSENT:** Clark Pederson

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

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

**NUMBER OF ATTENDEES:** 6

**OWNERS FORUM:** Signa Gibson, 12 Forest Lane, spoke about the TDS fiber installation project. She had specific questions regarding the notifications from TDS about the work being done for the “drop” to the home. Ms. Gibson noted the difficulty in contacting TDS through multiple attempts and the lack of TDS staff knowing about the project. She has a concern about the location of the drop on her property and was trying to contact TDS staff.

GM Lewis read two letters into the record.

The first was from Ray and Marilyn Johnson, 4 Muir Lane, who cited the section of the Sunriver Rules and Regulations regarding pathway use, specifically the allowed uses, and noted that a variety of devices are not permitted (skateboards, roller blades, etc.) as well as bicycles not having reflectors during night-time use. The Johnson’s noted they have been bringing this issue to the attention of the Board for the past year because these are safety concerns, and they wonder what is being done about it.

The second letter was from Kathy Brown, 9 Quelah Lane, who commented on the draft Strategic Plan and questioned why the taskforce recommended changing the part of the existing Mission Statement that refers to “property values” to “economic vitality.” The letter provided references on the existing Mission Statement that were included in the 2024 Comprehensive Owner Survey and Ms. Brown also provided definitions for both “property value” and “economic vitality.” Ms. Brown believes that the existing language should not be changed.

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

GM Lewis was to follow up with Kathy Brown regarding her concerns about the recycling center, which is an agenda item today, after which he will be able to provide her with a definitive answer on the future of the recycling center in Sunriver.

Treasurer Pederson, who is currently out of the country, did follow up with Mark McConnell regarding his concerns about the future of the recycling center. Mr. McConnell was appreciative of the information Director Pederson provided him, and he supports the closing of the facility. Treasurer Pederson was also to follow-up with Kevin Mitchell regarding the future of the recycling center and Vice President Burke is

unclear if that occurred yet, however Mr. Mitchell was at yesterday's work session, so he is up to date on what is happening.

### **RECAP OF 7/19/24 BOARD WORK SESSION**

President Beenen reported that the Board held a lengthy discussion regarding the closure plan for the recycling center which is on the agenda for action today. The closure plan includes a communications plan to notify owners and people who live outside of Sunriver and use the facility of the closure date.

Assistant GM Kessarlis provided an update on recreation statistics for the month of June reporting that activity at SHARC has been brisk both in terms of gate attendance as well as overall attendance. Community Development Director Jacki Bue led a discussion regarding the proposed changes to the Sunriver Rules & Regulations and the citation form that will now be sent to the Covenants Committee for review.

GM Lewis & Assistant GM Kessarlis provided a presentation on the draft of the Sunriver Strategic Plan with a recommendation from the taskforce to put the document out to the owners for a 45-day input period. This item is on the agenda for action today.

The Board held an executive session to discuss a personnel matter, a contractual matter, and a legal issue.

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

Director Burke moved to approve the minutes of the June 14, 2024, board work session minutes as corrected. Seconded by Director Hayes, the motion passed unanimously.

Director Burke moved to approve the minutes of the June 15, 2024, board meeting minutes as corrected. Seconded by Director Hayes, the motion passed unanimously.

### **BOARD ACTION** **FINANCIALS**

Assistant Treasurer Murray reported that halfway through the year, things are looking good with an operating surplus for the month of June of \$26,855 which is \$40,992 better than budget. There was more SHARC activity in regard to gate admissions which were up for the month along with design review fees. There was significant savings in salaries and burden due to unfilled positions in Recreation and Public Works. There was a net deficit of \$37,812 for the month versus a budget of a deficit of \$151,472 resulting in a positive \$113,660 for the month.

In regard to non-operating, we ended the month with a positive \$164,444 versus a budget of \$94,300, a difference of \$71,144 to the good. Year-to-date total revenue is \$1,180,985 versus a budget of \$1,013,149 a difference of \$167,837 to the good. Interest rates continue to work in SROA's favor which contributed to this positive outcome.

For the month ended June 30, 2024, there was a net operating surplus of \$26,855 which was \$40,992 better than the budget. Operating revenues were over budget by \$40,635 due to SHARC event revenue, gate admissions, and design review fees. Salaries and burden were under budget by a combined \$57,392 due to four open f/t positions in recreation and public works and p/t summer labor. Materials and services were over budget by \$63,898. We received all the back invoices from the Sunriver Nature Center (Jan. – June). Other expense variances included pool chemicals for SHARC and Member Pool, dust abatement for the canoe takeout road and collection attorney fees.

For the first half of 2024, there was a net deficit of \$37,812 which was \$113,660 better than the budget. Operating revenues were over budget by \$18,059 due to SHARC gate admissions, event revenues at SHARC, Scene advertising, and ladder fuels compliance fines. There have been thirty-nine less Recreation Plus Program passes sold in 2024 compared to the same time frame in 2023. Legal fees were over budget by \$57,896 through the first six months of 2024. Salaries and burden were by a combined \$181,630 through the first six months of 2024 mainly due to open f/t positions. Materials and services were over budget by \$42,482 due to pool chemicals, fuel, and building supplies.

As of this report date, 134 homes have been converted to bulk fiber and transitioned to SROA’s master billing account.

As of June 30, 2024, there was a combined operating and non-operating surplus of \$1,180,985 which was \$167,837 better than budget.

Total assets as of June 30, 2024, were \$40,010,697. Cash and investments totaled \$17,786,927, a decrease of \$330,506 from May. As of June 30, 2024, there was \$17,685,480 invested in Federated Hermes Government Obligations Fund and US Treasuries with durations between 90-days and 5-years with an annual yield of 5.08%. Construction in progress items included the public works building, SHARC/Administration office design, carwash equipment, and Circle 2 & 3 pathway study.

June 30, 2024 (Year to Date Unaudited)

	<u>ACTUAL</u>
TOTAL REVENUE	\$ 6,702,658
TOTAL EXPENSES	\$ 6,740,470
OPERATING FUND SURPLUS	\$ (37,812)

Director Mobley moved to approve the unaudited financial statements for the month of June 2024.  
Seconded by Director Beard, the motion passed unanimously.

**GENERAL MANAGER’S REPORT**

GM Lewis reported his recap is for activities in June.

GM Lewis attended the regular monthly meeting with the Sunriver/LaPine Economic Development (SLED) Board regarding coordination with south county efforts for economic development. This will continue to be a monthly, on-going participation.

GM Lewis met with Tom O’Shea from Sunriver Resort regarding a maintenance fee agreement between SROA and the Resort.

GM Lewis met with owners at a public meeting at SHARC (along with PW Director Mark Smith) regarding the Winners Circle Park design.

GM Lewis attended the Deschutes County Commissioners meeting regarding changes to the County/SSD/SROA Management Agreement.

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

GM Lewis met with the Village @ Sunriver Manager Denease Schiffman, regarding summer coordination.

GM Lewis met with the consultant and staff regarding the on-going wage analysis.

GM Lewis participated in interviews for the IT help desk employee.

GM Lewis continues to meet on a monthly basis with TDS staff regarding the physical construction and eventual migration of owners to fiber.

GM Lewis met with owners and some board members regarding the future of the recycling center.

GM Lewis attended a follow-up meeting with Saj Architects to discuss future remodeling at the SROA Administration building and SHARC.

In Accounting, the Controller presented the unaudited financial statements for the month ending June 30, 2024, to the Finance Committee and Board.

Controller Healy finalized December 31, 2023, audited statements and presented to the Audit Committee, Finance Committee, and the Board of Directors

Accounting staff continued to add owners to the billing process for bulk fiber to the home accounts.

Accounting staff has been kept very busy with the processing of recreation receipts.

The IT department reported there were no outages in the month of June.

The weather station was critically damaged after a cyber-attack in May.

Richie Villagranan, a recent OSU Computer Science graduate has joined the IT staff as Desktop Services Technician.

IT staff reviewed the new audio video proposal for SHARC with a targeted installation in October or November of 2024.

A new template was created for Community Development to run adjacent property mail merges, and a new dropdown interface was created.

The Accounting Department database has been updated to resolve access issues.

IT staff resolved Tetra Tech VPN access issues with GPS.

IT staff attended MS Azure training on migrating on premise database to cloud-based solution.

IT staff worked with the Police Department to restore access to the nuisance property database.

In the Communications Department, Scene advertising was at \$27,344 (\$21,639 in June 2023).

There were 476 reads of the online June Scene including readers from the Mexico, France, India, Ireland, Sweden, Brazil, and the Philippines.

There were 26k visits to the websites including users from Mexico, France, Sweden, Brazil, and the Philippines.

SROA websites most popular pages in June were weather, Member Pool, tennis/pickleball, tree flagging/paint colors on trees, member Fitness, and Member Preference Program.

The SHARC websites most popular pages were aquatic hours, admission rates, today's operations, and recreation swim.

Social media: No fireworks and Turf Tunes.

Eblasts included information about Dog Park grand opening, kickoff to summer aquatics, and outdoor yoga.

Other projects included assisting Community Development with designing a new SROA citation form, installing no fireworks signs at photo shoot public locations and along roads. Created additional Turf Tunes marketing materials and held a phot shoot at SHARC to obtain fresh images to use for marketing purposes.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule. There were no submittals for the first meeting in June and no meeting was held. The second meeting in June consisted of a new home project.

There are currently approximately 297 active projects/building permits (down by 79 from the previous month of May.)

The number of applications submitted in June was down from the same month in 2023 – from 121 in 2023 to 92 in 2024.

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.

There was one appeal of a Design Committee decision.

The Natural Resources (NR) department reported that ladder fuels reduction (LFR) and tree thinning contracts for 2024 have started.

NR staff participated in the Sunriver five-year Firewise Community Risk Assessment field tour with representatives from the Oregon Department of Forestry, Oregon Department of State Fire Marshal, and Sunriver Fire Department.

NR staff responded to phone calls and emails and performed site visits for private property LFR

compliance and tree removal requests.

NR staff prepared and mailed LFR deficiency reminder postcards.

NR staff prepared and mailed LFR deficiency letters.

NR staff started bull frog monitoring.

NR staff mapped (GIS) and sprayed noxious weeds on commons.

NR staff made preparations for the 24<sup>th</sup> annual War on Weeds (WOW) which runs from August 1<sup>st</sup>-14<sup>th</sup>.

In Public Works (PW), new BBQ's were installed at Fort Rock and Mary McCallum parks.

The dog park project is underway with drinking fountains scheduled to be installed in July.

PW did weekly cleaning of all sports courts and prepared all courts for a tennis tournament.

The additional emergency access gate at the Fort Rock pickleball courts will be installed in July.

River access is in full swing and has been very busy.

Improvements to the Fort Rock Park ballfield have started. Someone stole all the bases (no pun intended), and replacements have been ordered.

The new map kiosks have been installed at Fort Rock Park and Mary McCallum Parks and the maps will be added once received from the printer.

The waterfall sign was removed and refreshed.

Road and pathway crack sealing has been completed for 2024.

The surface treatment of the Skypark tarmac and taxiway was completed.

4.5 miles of pathway sealing with work that started in June was completed and looks great. This is the treatment that will add a bit of grit to the surface to assist in preventing slips/falls on the pathways in the winter months.

The Circle 2-3 pathway evaluation is almost complete.

Ladder fuels pickups continue, and staff are seeing a lot of large piles this year illustrating that there are lot of owners reducing the ladder fuels on their property.

Road striping for all of Sunriver is complete.

The last of the Sunriver Women's Club memorial bricks were installed at SHARC.

The reserve replacement Freightliner sander chassis is in production, and we should receive it in early 2025.

The large public works trucks received their annual service and have now seasonally switched over to dump trucks.

The annual servicing of all loaders and skid steers has been completed.

PW Facilities/Aquatics staff facilitated the repair of an indoor pool plumbing break in late June.

The Unity automatic smoke control software is complete and scheduled to close the dampers when the air quality index (AQI) reaches one hundred.

The activator for the splash pad at SHARC was replaced and reprogramed.

Staff repaired indoor pool gutter grating at SHARC.

A leaking spa pump was repaired at the Member Pool.

Staff fabricated and installed sleeves for lap pool pit valves.

The new Public Works building is moving along nicely with exterior walls going up.

Commercial Drivers License (CDL) training is underway for PW staff.

All SROA backflow testing and repairs were completed in-house.

The recycling depot is over capacity on a weekly basis.

In Recreation, 31,239 owners and guests visited the SHARC facility in June compared to 27,614 in June of 2023.

There were 2,585 owners and guests who visited the Member Pool in June compared to 1,853 in June of 2023.

Record high temps required extra heat precautions for all staff. Cool towels, extra breaks, and extra hydration were the theme of the month.

The Sunriver Solstice Tennis Tournament was very successful. SHARC team member Duncan Atwood managed everything from trash pick-up to serving as grill master. Sunriver owner and tennis instructor Tom Wimberly once again pulled off a fantastic event.

SHARC is in need of an event coordinator and two aquatic supervisors.

Recreation is operating at fully anticipated summer staffing levels in order to maintain maximum open hours.

### **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 noted the police department lost one of its officers who was in training, so they are down a person.

Fire Chief Boos reported that we are already seeing a very active fire season with July of 2024 being as active as August of 2023 was. 90% of fires are human caused which led to a discussion on the number of people living on forest service land adjacent to Sunriver. A motion was made to address the situation with the Forest Service to see if they can do a better job in enforcing the rules about camping in areas close to Sunriver.

The new Public Safety Building continues to be on schedule and on budget. President Beenen added the contingency dollars have been completely consumed. There was a special locker the fire department wanted for the turnout equipment for firefighters, however the quote came in \$17k over budget. Approval for the locker was given provided that \$17k is cut from somewhere else so while things remain on budget, things are tight.

The SSD Managing Board was asked about endorsing current legislation going on that will change the eligibilities of special service districts, of which there are many in Oregon, to make them eligible for federal funding. It moves them within the definition of a federal entity. The proposed legislation has been approved by the Oregon House and is now going to the Senate. The SSD Managing Board has authorized the Chair of the SSD to engage Oregon Senators to ask for their participation and endorsement of that.

The license plater reader cameras are due to be installed this week at both entrances/exits to Sunriver.

August will be the last month that SROA will have voting representation on the SSD Managing Board due to recent changes in the Management Agreement with Deschutes County. There is an ex-officio position available to the SROA Board with the approval of the SSD Managing Board. This is a non-voting position that is not privy to executive sessions. SROA has been uniformly opposed to the change however it is still moving forward.

**BOARD ACTION**

**2<sup>nd</sup> QUARTER RESERVES TO OPERATING FUND TRANSFER**

Director Murray moved approval of the transfer of \$514,587.93 from the Reserve Fund to the Operating Fund for the 2024 second quarter acquisitions. Seconded by Director De Alicante, motion passed unanimously.

**BOARD ACTION**

**2023 OPERATING TO RESERVES FUND TRANSFER**

Director Mobley moved approval of the 2023 year-end transfer of \$70,936 from the Operating Fund to the Reserve Fund. Seconded by Director Burke, the motion passed unanimously.

**BOARD ACTION**

**RECYCLE DEPOT SCHEDULED CLOSURE**

Director De Alicante moved to approve the plan attached hereto for the closure of the SROA Recycling Depot. Seconded by Director Murray, the motion passed unanimously.

Director Murray noted the discussion from Friday's work session regarding the education and communication effort that will commence soon to notify users of the facility that it will permanently close on October 31, 2024.

**BOARD ACTION**

**SROA 2030 STRATEGIC PLAN**

Director Burke moved to approve a 45-day comment period beginning Monday, July 22, 2024, through



Wednesday, September 4, 2024, to provide owners an opportunity to read and provide comment on the Draft Strategic Plan. Seconded by Director Mobley, the motion passed unanimously.

Directors Mobley and Murray both commented on what a successful operation this was given the number of people involved and the fantastic results obtained in a truly short period of time. They both thanked the taskforce and staff for all of their hard work.

**BOARD ACTION**  
**RESOLUTION 2024-002**  
**NW NATURAL/SR WATER RATE CASE**

Director Mobley moved to approve Resolution 2024.002 to accept a stipulated settlement for a water rate increase proposed by Sunriver Water LLC to the Oregon Public Utility Commission as attached hereto and authorize signature by the Board Secretary. Seconded by Director Hayes, motion passed unanimously.

**BOARD ACTION**  
**RESOLUTION 2024-003**  
**BOARD INDEMNIFICATION OF VOLUNTEERS & STAFF**

Director Hayes moved to approve Resolution 2024-003 to indemnify an SROA staff member as attached hereto due to the threat of litigation from an SROA owner and to authorize signature of the resolution by the SROA Board Secretary. Seconded by Director Murray, the motion passed unanimously.

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

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

The meeting was adjourned at 10:46 A.M.

Respectfully Submitted,

Mark Murray, SROA Secretary