

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS WORK SESSION
SROA BOARD ROOM
MARCH 15, 2024**

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

DIRECTORS PRESENT VIA ZOOM: Tony De Alicante & Julianna Hayes

STAFF: James Lewis, Keith Kessar, Leigh Anne Dennis, Patti Gentiluomo, Kellie Allen & Jesus Mendoza

STAFF PRESENT VIA ZOOM: Susan Berger

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

OWNERS IN ATTENDANCE: 10

OWNERS FORUM

Cindy McCabe, 13 River Village Condo, commented on pathway safety in Sunriver, particularly the dangers of having dogs off-leash and the hazard they can pose to bicyclists, other animals, people in wheelchairs, etc. She believes a new rule should be added to the pathway rules that requires all dogs be on leashes when on pathways. Ms. McCabe also submitted her comments in writing.

Linda Smith, 1 Loon Lane, commented on the overall changes in Sunriver (stemming from a law enforcement event the previous evening). Ms. Smith asked the question of whether or not Sunriver needs more developed amenities and the associated impacts such as noise and more hardscape or if we should consider retaining the natural environment which drew many to the community in the first place. Secondly, Ms. Smith commented on the dog park proposed for the Cottonwood Regional Park site. She stated that perhaps the park could be adapted to create a peaceful nature park also noting the Sunriver Christian Fellowship would be happy to help maintain something of that nature.

The General Manager noted there was one letter from an owner to the Board.

The letter was from Ronele Schaefer, 6 Pyramid Lane, who is opposed to the current proposed Design Manual rules for tree protections as recommended by the Design Committee. The belief is that protection is needed for all plants due to potential damage from unknowing visitors to the community.

INTRODUCTION: BETH HERRON SHARC EVENTS MANAGER

Assistant GM Kessar introduced Beth Herron who started as the Events Manager at SHARC on February 7th. We are very excited to have her and her experience here in Sunriver. Ms. Herron has hit the ground running and is doing a terrific job. Ms. Herron noted she relocated to Bend from Seattle last fall. Ms. Herron has been in the events industry for the past ten years, mostly in venue management. Previous to her relocation she managed a downtown Seattle venue for four years.

Ms. Herron noted that she enjoys playing pickleball and she and her husband have been getting to know their community and the area over the past few months. They look forward to availing themselves to all the area has to offer but she is still undecided on taking up her husband's suggestion that she start skiing.

Ms. Herron commented that the staff at SHARC have welcomed her graciously and she is already working on some ideas to elevate the event experience for the client with frequent communication, as well as some new software that will allow event staff to streamline contracts and invoices and provide the information needed to be set up for success with the events. Ms. Herron also noted they are currently interviewing for the events coordinator position and two part-time events assistant positions.

The Board welcomed Beth aboard and thanked her for being in attendance today.

SROA/SSD/DESCHUTES COUNTY MANAGEMENT AGREEMENT DISCUSSION

GM Lewis reminded the Board this was first brought to their attention at the Special Board Meeting that was held on February 2nd where Sunriver Service District (SSD) Managing Board Chair Fister gave a Power Point presentation discussing some contemplated changes to the existing management agreement. At the regular work session held on February 16th the Board discussed providing some comments back to the SSD and Deschutes County on the proposed changes.

Chair Jim Fister provided the same Power Point presentation the Board saw to the Deschutes County Commissioners last week and was asked to be here today to provide an update on where things currently stand. Two things of note he feels are worth consideration are the number of positions on the SSD Managing Board that are currently held by SROA Board members. This is something County legal counsel has made a case for eliminating. Secondly, was a question from one of the Commissioners as to whether or not SROA wants to submit any feedback to the proposed changes which would need to occur by next week.

President Beenen asked Chair Fister to explain how the nomination process for the SSD Managing Board would work under the proposed changes. Currently, SSD Managing Board nominations are facilitated by the SROA Nominating Committee whose charter includes a process for those nominations. If the management agreement changes, the SSD would need to either work with the existing Nominating Committee to redo a charter specifically for them or they would need to build their own SSD Nominating Committee. Both options have been considered and Chair Fister has had a discussion with Nominating Committee Chair Ron Angell as well as committee member Debbie Baker on how best to proceed.

If the SSD wants to establish their own Nominating Committee, they will need to do so soon so they can move forward to address any vacancies on the Managing Board for this year. With that said, and in relation to President Beenen's original query, SSD Chair Fister noted that one thing that would be different for any potential SROA Board member recommended to serve on the Board is a more extensive background check than is currently done. The SSD has two third "parties" who are interested in providing this service so it is not something that would be done internally. Mr. Fister envisions that the SROA Board would have a discussion as to who they would designate to the SSD Managing Board which would then go to the Nominating Committee who would initiate the background and conflict of interest checks and would report back if there was anything that might prevent that person from sitting on the Managing Board. Otherwise, if it is a designated SROA position, they would give deference to SROA for the choice they would have. Chair Fister noted there is no intent to ruin a relationship with SROA. They are simply focused on ensuring that they are a fully functioning government as a piece of the county while maintaining the established relationships they have in Sunriver.

During the presentation on February 2nd there was discussion about the potential to expand the SSD's services beyond Sunriver. Chair Fister noted this is something they continue to actively pursue, and he has nothing further to add at this time. Director Burke noted this is concerning as it poses the possibility for a reduction in services to Sunriver owners. At an earlier meeting, Police Chief Lopez reported this would not be a problem if his department is fully staffed but that is an ongoing problem with staff recruitment and getting officers on the road and fully working etc. Director Burke feels that is something that will need to be

monitored pretty closely and Sunriver owners voices need to be heard if concerns arise about the level of service deteriorating.

Managing Chair Fister responded there are a couple of methods for expansion of a county agency such as the SSD. One is through an annexation process of which there are two different methods to do that. The most likely method for any large territory expansion would be a re-vote of the management agreement. A rewritten management agreement would have to be produced and there would be a vote that would go to both the existing Sunriver owners but also any new members that might be joining the district and they would be voting on a revised management agreement which would require a Deschutes County ballot process. Chair Fister added that, similar to what was done with the Public Safety building, the SSD would hold owner forums, town halls, etc. to educate owners about any proposed expansion to the district.

GM Lewis also noted that SROA must have assurance that any expansion of the boundaries for the police specifically will not impact any of the agreements/contracts SROA has in place with the SSD such as the Agreement for the Enforcement of Rules & Regulations. SROA would not be in favor of being pushed aside or given a lower priority due to a call outside of Sunriver. This is an issue that is especially important to SROA and for which SROA pays significant dollars to the SSD annually.

Chair Fister responded that if an annexation were to happen it is obviously going to take some time and that anything they would do would be a significantly smaller population base than Sunriver. So one, Sunriver still does hold the sway being the largest. Additionally, he would not anticipate any changes to the existing agreements in place.

Director Mobley commented it gives him a great level of confidence knowing that Chair Fister has had the experience of serving on both the SROA Board & the SSD Managing Board. Director Mobley's reservations about what he has characterized and still believes are fairly substantial changes have somewhat lessened due to Mr. Fister's breadth of knowledge on the matters and obvious commitment to service. Chair Fister responded the SSD wants to be open as they value the relationship with SROA, but also understand the direction that the County wants to take and have been nudging the district towards for a while now. That said, they recognize that the SSD and SROA are codependent on each other in order to make sure that citizens of Sunriver are well taken care of in terms of safety, road and pathway safety and basic quality of life. Chair Fister added, there is no intent to change a relationship, it is really more an intent to make sure the SSD is driving all the right decisions for Sunriver.

The Board thanked Chair Fister for attending today's meeting and noted they will discuss sending comments to the County Commissioners within next week's deadline.

2024 COMPREHENSIVE OWNER SURVEY UPDATE

Assistant GM Kessariss introduced JD Cornutt from DRC Research who was in attendance to share some results from the 2024 owners survey. JD has been working with SROA since 2010 and has done an excellent job with our surveys.

Mr. Cornutt reported that a total of 2,464 or 68% of owners completed the survey compared to 2,608 in 2021. There were 17 owners who requested hard copies to complete and the remainder of 2,447 were completed online.

Regarding average age, 34% of owners fall in the 65–74-year age range while 21% are in the 75 + category which increased by 4% since 2021. 16% of owners fall in the 45-54 range and 5% are under 45 years of age.

56% of Sunriver owners are retired which is up 3% from 2021, 18% are employed and work from home, 25% are employed and do not work from home and 1% are not employed.

Sunriver is the primary home for 23% of owners, 40% are vacation homes that are not rented, 33% are vacation homes and rentals, 4% are long-term rentals and 2% are unimproved lots. These numbers are almost flat with 2021.

7% of primary owners, 47% of vacation only, 23% of vacation/rental, 3% of long-term rentals, and 3% of unimproved lot owners have all owned their property for more than 20 years.

In terms of amount of time spent in Sunriver on a yearly basis, 22% spend less than a month, 40% spend one to three months, 14% spend four to six months, 4% spend seven to nine months and 20% spend ten to twelve months.

Owners who list Sunriver as their primary residence were asked how Sunriver is to live as compared to the last few years. 29% responded it was better, 54% responded it was about the same and 17% responded it was worse.

Owners who exclusively use their home for vacation and/or as a vacation home/rental were asked how Sunriver is as a place to vacation compared to the last few years. 35% responded it was better, 56% responded it was about the same and 9% responded it was worse.

For those owners who rent their properties, 6% were rented for less than 30 days, 20% were rented for 30-59 days, 46% were rented for 60-120 days, and 29% were rented for more than 120 days.

In relation to attitudes toward any future amenities and their accessibility, 12% responded it should be owners only, 34% responded it should be mostly to owners, 53% responded there should be a balance between owner and guest access, 1% responded it should be mostly accessible to renters/guests and 3% responded it should be only accessible to renters/guests.

Ranking potential infrastructure and amenities projects 48% support more designated river access areas between Harper Bridge and Cardinal Landing Bridge, 41% support adding an indoor multi-use facility (courts for tennis, pickleball, basketball, etc.), 14% support expanding the Cottonwood Regional Park offerings including adding a covered pavilion, BBQ's, restroom, playground, and dog park, 5% support expanding the Meadow Road Regional Park offerings to include a covered pavilion, BBQ's, restroom and playground, and 7% support adding an indoor multi-use facility for social events, fitness, meeting space, etc.

Attitudes towards SROA Board decisions reflected 4% responding decisions completely favor full-time residents, 23% responded decisions mostly favor full-time residents, 65% responded there is a balance between full-time and part-time residents, 6% responded decisions mostly favor part-time residents and 1% responded decisions completely favor part-time residents.

In answer to the question about whether or not owners agree with SROA's Mission Statement, "Maintaining Sunriver as a premier residential and resort community, protecting and enhancing its quality of life, natural environment and property values," 54% strongly agree, 43% agree, 2% disagree and 1% strongly disagree.

Owners were asked about the four key area of emphasis for the 2030 long-term planning, community engagement ranked number one, excellence in governance ranked number two, environmental stewardship ranked number three, and quality of life/Sunriver experience ranked number four.

Regarding recycling in Sunriver, 70% responded yes, they continue to use the recycling center and 30% responded no. 58% responded they recycle cardboard, 49% responded they recycle mixed recycling and 46% responded they recycle glass illustrating that owners are not just using the location to recycle cardboard.

In response to the question on what owners would do with their recyclable materials if the center closes, 44% said they would add to their side-yard recycling, 35% said they would put their recyclables in the garbage, 9% would go to Knott Landfill, 9% said they would go to the South County Transfer Station and 19% said they would take their recyclables to their other home.

Currently 65% of respondents subscribe to year-round garbage/recycling services, 20% subscribe seasonally, and 15% do not subscribe to garbage/recycling services in Sunriver.

Mr. Cornutt also reviewed statistics of governance, operations, police & fire operations, pathways, and the design review process. Mr. Cornutt added there is much more information in the full report, including hundreds of pages of verbatim comments that will be available early next week. In answer to a question about what may have risen to the top in those comments, Mr. Cornutt responded the Resort's recent decision to change the golf programs came up a lot as well as ebikes, dogs, use/access, and value.

The Board thanked Mr. Cornutt for all of this information and for being in attendance today.

TREE PROTECTION RULES UPDATE/DISCUSSION

Assistant GM Kessarar reminded the Board that the 60-day comment period for owners to submit their input regarding the proposed changes to Section 3.19 of the Design Manual of Rules & Procedures tree protections ended on February 14, 2024.

The Board and the Design Committee received those comments as they were received during the 60-day period. In addition, there were some postcards that were mailed out by an individual owner. Those were copied and sent to the Board and the Design Committee. The Board has been provided with hard copies of all of these comments/postcards in their binders.

Based on the 60-day read period itself, SROA received seventeen letters that came in from owners opposed to the proposed rules, however, out of those 17, five were from the same individual owner and/or spouse. There were 8.5 comments received that were in support of the proposed rule and there was 1.5 that the proposed rules did not need to be in place at all and there should be no rule that allows for protections. There was a total of 22 postcards that came back during that time limit. 19 were opposed to the proposed rules and three were in favor of the proposed rules.

Assistant GM Kessarar noted that while overall, there are more opposed to the rule than in favor of it, the postcard mailing was very specific in saying do not support this new proposal. Additionally, this past summer/early fall there was a postcard that an individual owner developed and sent out that was based on the original recommendation from the taskforce which did not allow for any protections of trees. Out of those, 67 were opposed and 2 were in favor. The Board sent the original proposal back to the Design Committee asking them to focus on tree protections. GM Lewis added there was more than one mailing of postcards sent to some Sunriver owners, so we do not know how many owners received the different postcards from an individual owner urging them to oppose the proposed rules. We do know that not all owners received these mailings but without context of it being sent to all owners it is hard to determine how representative it is of the community.

Assistant GM Kessarlis reported the Design Committee met on March 8th and discussed the comments received during the 60-day comment period and their recommendation back to the Board is to leave what was presented to the Board back on December 15, 2023, as proposed.

Assistant GM Kessarlis also noted that prior to the revised Design Manual of Rules and Procedures going into effect on June 15, 2023, the original manual which was in place for over 30 years required that any type of tree protections had to be submitted via a landscape plan and go through the Design Committee approval process. It was not and never has been carte blanche to do whatever you choose.

The proposed rule will allow for protection of up to five trees with some parameters around that but if an owner needs more than five, they can go to the Design Committee and ask for additional tree protection allowances. For new landscaping and/or owners who have multiple lots, this may be necessary. There is more flexibility in the proposed rule than there ever has been in the past. However, this is for tree protection only and does not include shrubs or plants.

GM Lewis added that this rule will allow an owner flexibility in the process because what was in place for the previous 35 years is still possible. This will ultimately cut down the process for an owner that has trees they want to protect as they can now do that within the prescribed standards without going through any process.

President Beenen commented that there are some owners who are opposed to the proposed rule as written is as they deem it too restrictive and there are others who feel there should be no rules at all.

Director Murray added that he is speaking on behalf of the apparent minority of owners such as himself, who believe there should be no protections allowed period. Part of the reason is going back to the quality of life and reasons people choose to live in Sunriver to begin with, which is not in an urban environment. As more and more restrictions are added, it creates more and more of that urban environment. If we are serious about supporting the natural environment as opposed to a built environment, then let nature take its course for good or bad and enjoy what we have. Director Murray also noted that he has lost one tree and numerous bushes and flowers over the years.

President Beenen noted there are really in essence four factions of this issue; those who believe the rules are fine as stated, the proposed rules are too restrictive, there should be no rules, and there should be no protections allowed at all.

Treasurer Pederson read a statement regarding his thoughts on this issue noting that the topic has been debated for eight months with many references being made to the Consolidated Plan. It was noted that the word wildflower is not part of that actual document. It is mentioned once in the Foreword to the document discussing the intent to create a community which would provide an unusually attractive place to live, appealing particularly to those attracted to a controlled area of natural beauty.

The Consolidated Plan sets the authority for the establishment and enforcement of rules and regulations with the Administrator, and provides that the Administration may adopt, amend, or repeal rules and regulations which may provide for the manner in which private areas, commercial, areas, and resort areas may be used (Section 6.1).

Section 8 of the Consolidated Plan discusses the Design Committee who will be responsible for the approval of plans and specifications for the development of all areas subject to the Consolidated Plan and for the promulgation and enforcement of rules and regulations governing the use of maintenance of such area and improvements thereon. (Section 8.01)

Section 8.06 of the Consolidated Plan discusses the duties and rules of the Design Committee and states that the Design Committee, may in its discretion, adopt, amend, and repeal rules and regulations to be known as the Design Manual of Rules & Procedures establishing its operating procedures, and interpreting, detailing, and implementing the provisions it is charged with provided however, that any adoption, amendment, or repeal of the rules shall be subject to approval by the Board of Directors.

The Consolidated Plan establishes the authority of the Design Committee and the Board of Directors for the rules being discussed today.

Treasurer Pederson added that input on this issue has been solicited and gathered through Scene articles, a Sunriver You forum, letters/emails to the Board, comments during owner forum portions of Board meetings and personal discussions with owners. Much has been repeatedly said about how many and what percentage of owners have what opinion of whether the proposal has the right amount or too many rules on the topic. Both sides have at times had inconsistencies in their tallies as you attempt to calculate the number of owners who carry which positions. It is a difficult task as you need to adjust to the fact that several owners have multiple properties in Sunriver and thus are entitled to multiple opinions and adjusting for the fact that writing a letter and signing a postcard statement on the topic entitles that owner to one opinion not two opinions.

Treasurer Pederson also noted that when the postcard mailings are combined with the non-duplicated letters/emails received during the 60-day comment period as well as adding in the postcards received in the summer of 2023, it represents responses either for or against the proposed rules from approximately 2.5% of all Sunriver owners which he does not feel represents an impartial poll of the wishes of Sunriver owners as a group. The Board received and gave thoughtful consideration to all comments received.

Treasurer Pederson referenced fences in Sunriver, most of which the majority of people would agree are necessary. There are fences around swimming pools for safety and per state law, fences around the Public Works yard and Resort Maintenance area, and around the recycle center to partially hide these properties from view. There are barbed wire fences on the horse pasture and the airport, fences to limit access to the private Mary McCallum Park, the SROA boat launch and Resort Marina to distinguish boundaries, and a few around condominium areas. As a general rule, these fences are located in commercial and traffic areas. The vast majority of land in Sunriver, the residential areas, do not allow fences in order to keep that open feeling and to have properties blend into the landscape and not stand out. Allowing numerous landscaping fences, no matter how much they attempt to blend in, will change the nature of Sunriver.

Treasurer Pederson concluded that the Board has a fiduciary responsibility as elected members of the Board of Directors to represent 100% of the owners as this issue is decided and that he would be supporting and voting in favor of the Design Committee proposed rules if a vote is taken tomorrow.

Director Burke commented on one thing that has not been discussed and that is the term “wildflowers” which are not planted things, but things that are already in the wild, so he believes some of the argument is a misinterpretation. Director Burke noted when his Sunriver home was built he was lucky to have a master gardener living next door who encouraged him to do his due diligence and to be cognizant of what he planted, or it would be a waste of money. He struggles with deer eating columbine, something they are not supposed to like. He has been using a wire cage around it and understands that will have to be removed, but that is his individual issue to address. The Board has a fiduciary interest to look at Sunriver as a whole and he can't just consider the challenges he has on his property.

Director Burke added that in his opinion, while a person has the opportunity and flexibility to offer input, he feels it was ill guided, centered around self-interest and it does not build community, but instead divides the community.

Director Beard commented that she has a very large wildflower garden, and she has made a concerted effort to research native plants that are deer resistant. Despite that deer do nibble on some things, but do not generally come back as what she has planted is not attractive to the deer. Director Beard noted she did find out the first year she moved to Sunriver how much the deer enjoy hydrangeas which are supposed to be deer resistant, but she still lost thirty-six. There is definitely a learning curve involved and she has been planting appropriately for that. Director Beard noted she does not have any fencing whatsoever, noting they did have some elk damage to some pine trees this past winter. Unless we eliminate the deer and elk, which would never happen, owners will need to learn to adjust.

Director Hayes commented on her appreciation for what Director Pederson said, noting that summarization was extremely helpful. She agrees with the comments made by her fellow board members today and supports the Design Committee's recommendation.

President Beenen added that another piece of feedback that has been received is that this is an issue that should get community input versus something the Design Committee voted on moving forward to the Board themselves. He noted that this is not something the committee decided on their own and there was a significant amount of community input that went into the discussions that resulted in what was included in the June 15, 2023, Design Manual of Rules & Procedures.

Assistant GM Kessarlis agreed, noting that in addition to the Sunriver You Webinar that was held last fall, there was a 60-day comment period held to provide owners the opportunity to provide their input back to the Design Committee and the Board. In reference to the Design Manual of Rules and Procedures taskforce, it was made up of full-time owners, part-time owners, non-resident owners, contractors, and community partners so it was not insulated amongst full-time owners only.

GM Lewis added the Design Manual Taskforce met twenty-two times and those meetings generally ran three to four hours. This issue was not a fifteen-minute discussion at one of those meetings. It was discussed for multiple hours over multiple meetings prior to the plan being recommended to the Design Committee who then spent a considerable amount of time reviewing the document before they ultimately forwarded this to the Board. There has been significant opportunity for community input and a lot of input was received. This issue has been discussed and considered for many months now since it was one of the primary issues with the new manual which has resulted in ample opportunity for comment.

President Beenen commented that as Director Pederson noted earlier, the Design Committee is responsible for proposing the rules and the Board's responsibility is for approving or not approving. After receiving all the community input and after numerous discussions on the issue, the Board has a proposed rule to vote on tomorrow.

However, if the vote is not successful, the rule will revert to the June 15, 2023, version that does not allow for any protections at all. It comes down to this, does the Board want to allow for a certain amount of tree protection as outlined by the Design Committee or does the Board want to not allow any protections at all.

Assistant GM Kessarlis added that when the Board asked the Design Committee to revisit that portion of the manual and determine if there was some flexibility with the rule, the committee was also trying to provide consistency for the future. The mission statement speaks to the need for things to blend in with the natural environment and if protections are going to be allowed, they should be consistent, which would not happen if owners were all choosing their own type of protection.

GM Lewis added the Consolidated Plan is very specific about the fact that the Design Committee writes the proposed rules, and the Board then votes on whether or not to approve what is being proposed. During this process, going back many months now, the Board provided the Design Committee with direction about

what they did not like about the proposed rule and provided reasoning behind their position. Based on that feedback from the Board, the Design Committee revisited the rule using the Board's input as their starting point resulting in collaboration between the Board and the Design Committee.

President Beenen referenced the reduction a couple of years ago in the number of cords of wood an owner can have stored on their property noting he recently asked Director De Alicante, who heats his house with wood, if he was able to get through the winter on three cords. Director De Alicante responded that he had applied for and received the available exception to the wood rule that allows him to have up to five cords. President Beenen's point of this is to illustrate that in the same fashion, the proposed change to the Design Manual rule also has a process built in for owners to request more tree protection than what is being proposed allows.

Director Burke feels it has been a very balanced approach with a lot of transparency and a lot of opportunity for input. He added that he really appreciates what the committee, taskforce and staff have done to address this issue and he hopes that what comes out of this is fewer nasty comments and more civility about SROA volunteers and staff that have been seen throughout this process from some.

President Beenen thanked everyone for their comments and input today and as has already been mentioned, this item is on the agenda for action at tomorrow's meeting.

ELECTION COMMITTEE CHARTER PROPOSED CHANGES DISCUSSION

Election Committee Chair Patty Smith, who was in attendance, noted that the majority of the proposed changes are of a housekeeping nature. One major thing that is changing is that we will no longer allow more than one ballot in a blue envelope. This applies to those owners who have more than one property and want to put all their ballots in one envelope. This will be published repeatedly to owners ahead of time, so they are aware prior to this year's election. Also, going forward all vote count numbers will be published. There was a long-standing direction to not publish the number of votes candidates received in order to spare the feelings of those that lost. This item is on the agenda for action at tomorrow's meeting.

SUNRIVER RULES & REGULATIONS, SECTION 4.08 SROA/SHARC NAME/LOGO USE **1ST READING**

GM Lewis reported that in January, the Board directed the Covenants Committee to consider a new rule regarding the unauthorized use of the SROA/SHARC name and logos. The Covenants Committee has considered such and is now providing the Board with suggested language for a new rule which, if approved after the 60-day comment period, would become section 4.08 of the Sunriver Rules & Regulations.

The Board held discussion on the proposed language and provided some input for suggested edits prior to the Board meeting tomorrow when the Board will vote on a first reading. If the first reading is approved tomorrow, the proposed language will be posted on the SROA website for 60 days to allow for owner input.

SUNRIVER RULES & REGULATIONS, SECTION 4.02 OPEN HOUSE SIGNS – 1ST READING

GM Lewis reminded the Board that as part of the process of the re-writing the Design Manual of Rules & Procedures, there were certain sections of the manual that were in fact rules, and which have been moved to the Sunriver Rules & Regulations. The Design Manual encompasses the building design/aesthetic requirements for new and/or remodeled homes and commercial structures but does not regulate temporary structures such as Open House signage that is associated with temporary events.

Unfortunately, the open house signs rules inadvertently did not get transferred to the Sunriver Rules & Regulations and are currently still in the Design Manual of Rules & Procedures. The Design Committee has requested the Open House sign regulations be removed from the Design Manual of Rules & Procedures and instead be included in the Sunriver Rules & Regulations, Section 4.02. This is in accordance with the

procedure followed for many other provisions that were moved from the Design Manual to the Rules & Regs when the updated Design Manual was adopted in 2023. There are no proposed changes to the language, it is simply moving the existing rule from one document to another.

If the first reading is approved tomorrow, the proposed language will be posted to the SROA website for 60-days to allow for owner input.

DOG PARK TASKFORCE REPORT & RECOMMENDATION

Assistant GM Kessarlis first recognized and acknowledged the hard work of the Dog Park Taskforce noting that there was equal representation from full and part-time owners as well as one of the property managers, two SROA Board members, and staff who all worked on this project. Not only did the taskforce provide great input at their meetings, but they also went out and did some independent research as well.

The taskforce held eight meetings, two of which were held on-site at the Cottonwood Regional Park. The first on-site meeting was held last October when a letter was sent to all the neighboring residential and commercial properties inviting them to attend. A Sunriver Your Webinar was also held in October of 2023. Additionally, Assistant GM Kessarlis and GM Lewis met with some of the neighboring property owners as the process was moving forward.

The taskforce utilized a scoring criterion that was designed for the three locations considered which were the Cottonwood Regional Park, SROA Pasture 11 (Boat Launch area), and the Shamrock Lane parcel. The scoring criteria that was used included things such as separation of large and small dogs, adequate parking, pathway connectivity, easy access to drinking water for dogs and humans, adjacent restroom facilities, existing natural shade, and the desire of some to be close enough to the river that their dog could go for a swim.

The taskforce also considered the amenities that would be needed such as seating, appropriate signage, dog pick-up bags, and trash cans.

In regard to the various locations, the taskforce was given the opportunity to, on their own, visit and review each location and provide their synopsis of why they thought each particular location would or would not meet the criteria.

Out of those individual evaluations, the Cottonwood location ranked highest for a number of reasons. The pathway connectivity from multiple directions ranked high as it would allow more people to walk to the park instead of drive. Amongst the three locations, the Cottonwood location would also require the least amount of development/cost to install the dog park.

Parking is already in place and could be expanded to sixteen parking spots, there is quite a bit of natural shade at that location, and the natural ground surface is already suitable. This location also scored high for access to fresh water as well as minimal sewer cost in comparison to Shamrock Lane.

Assistant GM Kessarlis referenced the Parks & Recreation Master Plan that talks about the Cottonwood Road and Meadow Road tennis court locations becoming regional parks. Part of the amenities associated with that would be the construction of a picnic Pavilion and restrooms similar to what is at Fort Rock Park.

The Pasture 11 location presents challenges starting with the complicated, but necessary permitting that would be required by outside agencies due to the proximity to the river and it being a wetland area. The natural ground would require significant fill material and better drainage engineering which adds to the overall cost plus there are no natural shade areas.

The Shamrock location has no developed infrastructure, and an additional parking lot would have to be built as the Fort Rock Park lot is already at capacity many days of the summer. This location is also in close proximity to some homes and is on a busy curve along East Cascade Rd.

Assistant GM Kessararis explained that all three locations that were considered have been zoned as recreational through Deschutes County for over thirty years. There are very few of those type areas left in Sunriver and future conceptual plan amenities are projected to include a Pavilion/Restroom building, kids playground, and multi-use sport court.

The conceptual plan layout was developed from the previous SROA Infrastructure & Amenities Plans (IAMP) from 2017 & 2021, along with the 2023 SROA Parks & Recreation Master Plan. In the 2023 Parks & Recreation Master Plan survey results, a dog park scored high on the “Short Term Action Plan. In the summer of 2023 the SROA Board requested a dog park taskforce to be developed to address this often-heard request of owners and guests.

Taskforce received feedback on the proposed Cottonwood site, more so from the two churches than from residential properties, and they wanted to make sure they addressed those neighboring property concerns.

Assistant GM Kessararis and GM Lewis met with church leaders twice and in the second meeting Director Pederson joined them.

The four main concerns from the churches are as follows:

- Future noise impact for church goers and visitors on each church property.
- Concerned that dog owners will come and try to use their restrooms.
- Feels that some dog owners will choose to use the church parking lot instead of the assigned parking area for the dog park.
- Overall, not the environment the churches want their members to be negatively impacted by.

The Sunriver Christian Fellowship (SCF) also shared that they are looking at potentially adding a meditation area on the east side of their entrance and/or at some point they also want to build a labyrinth. That would of course need Design Committee approval, but they are looking at adding those amenities and are concerned a dog park would affect the serenity of their space.

Director De Alicante noted his main concern has been if a dog park will disturb worship services and he asked if the churches are satisfied with what is being proposed. Assistant GM Kessararis responded that in the most recent meeting held with church leaders, they indicated that if the fence were moved to thirty feet off the property line, they could get behind that and they would attempt to get their congregation on board. The church leaders were also informed that Acoustiblok, which is a noise blocking material could potentially be added to the fence if deemed necessary. This material would also function as a visual barrier as well as a sound barrier.

Assistant GM Kessararis went on to say that after further research by the taskforce it was determined that the impact from the noise of a dog park is much more minimal than originally thought. One taskforce member’s on-site noise recording at a large dog park in Bend found the overall noise was extremely low, almost non-existent as compared to the nearby pickleball noise. The recommendation from the taskforce is for it to be an alternative to add the noise/visual blocking material on the fence line if it is deemed necessary, but not to include it initially.

Also, when revisiting the site, the taskforce looked at the pathway in that location noting it is a pathway that already flows through that area and if they did not have to remove an existing pathway that would save significant dollars. Plus, if you move the path thirty feet away from the property line, the pathway would

run through the middle of the dog park disrupting the flow of the pathway system that is already in place and creating safety concerns for children, bikes, etc.

Assistant GM Kessarlis shared information from noise studies done by a couple of different researchers that compare noises from a whisper up to a jet taking off. It indicates that noise from a dog park falls right about in the middle at 80-100 dB(a) and a kids playground is slightly higher.

Assistant GM Kessarlis shared a slide of the conceptual plan for the park illustrating where the dog park would be located in relation to the existing tennis courts and the Holy Trinity Catholic Church. The area for small dogs would be in the north part of the area and the south part will be for large dogs. A fence will separate the two areas and will include a double entry gate.

GM Lewis added that at the last on-site meeting with the taskforce and they looked at the property line separating the two spaces. They looked at fence distances ranging from five to forty feet. They looked at how that configuration would change the overall area, but they also considered the potential effectiveness of the various mitigation measures and how much an additional five, ten or fifteen feet may block the sound.

They looked at the efficiency of the park property land use. For instance, if you have a thirty-foot strip between the fence and the property line, for what can that be used? GM Lewis feels the taskforce listened to the input received and adjusted the plan to mitigate concerns as much as possible. He believes they did a really good job of trying to balance everything in their recommendation.

The proposal the Board will vote on tomorrow has the fence line set at fifteen feet off the property line. Future irrigation, plantings, berming, and sound reduction materials such as are currently used on the pickleball courts at Fort Rock Park could be added between the properties if is determined to be necessary. Ideally, the church would prefer not having to look at a black wall of sound reduction material if possible.

The fenced area for large dogs equals approximately 590 linear feet and the small dog area equals 385 linear feet.

A four-foot-high black chain link fence will run along the south, east and north sides of both fenced areas. Higher fencing will be installed along the entire west boundary fence line of both fenced dog park areas for increased separation of neighboring church parking areas.

There is the potential for additional tree and landscape plantings and some possible berming if needed to reduce visual and noise impacts.

There will be one 10x10 entry area for all dogs.

A water faucet for dogs and humans will be added.

A portable restroom will be placed on-site until a permanent one can be constructed as part of the Parks & Recreation Master Plan in the future.

SROA has agreed to remove an old walking path between SROA's property and the Sunriver Christian Fellowships (SCF) property at the request of SCF.

Appropriate signage, trash cans, and biodegradable dog waste bags will be provided.

The capital reserve budget for this project is \$50k. The black chain link fencing and gates will cost \$37k, signage \$1,500, dog station/trash cans \$2,000, plumbing connection, parts, drain, water connection fee \$5,500 and miscellaneous expenses \$2,000 for a total of \$48k.

We already have an ADA water fountain with a dog spicket on hand so that will save several thousand dollars. We also have a number of picnic tables on hand that will be moved to the site to provide seating and will not add any additional cost as they have all been refinished already.

If we find the Acoustiblok fencing needs to be added for sound dampening, that will cost another \$15k and landscape plantings and berming will cost \$8k bringing things to a grand total of \$69k. Those additional items would be included in the following years budget if deemed necessary.

The proposed completion date is August of 2024.

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

ADJOURN TO EXECUTIVE SESSION

At this point legal counsel was ready to meet with the Board in executive session after which the Board will reconvene in public session to complete the items on today's agenda.

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 confer with legal counsel regarding threatened litigation that is subject to a claim of attorney-client privilege. The threatened litigation include an SROA member's request to examine certain SROA records, which has been denied by SROA because it had determined that the SROA member has failed to establish that the request to examine the records has been made in good faith for a proper purpose, it also includes threatened litigation by another SROA member relating to the operation of SHARC. Because of their privileged nature, these deliberations must remain confidential and cannot be disclosed to owners or anyone outside of this meeting. Seconded by Director Murray, the motion passed unanimously.

The public meeting recessed at 12:22 P.M.

The public meeting reconvened at 12:52 P.M.

ADMISSIONS MODEL WORK GROUP UPDATE

Assistant GM Keith Kessar is provided a breakdown of recreation statistics for the month of February.

As of February 29, 2024, a total of 2,571 Member Preference Program (MPP) cards have either been purchased or renewed. Of that total, 2,113 were renewals and 158 were new cards. The remainder are extended household, long-term renter, or commercial passes. This is 49 more MPP cards than February of 2023, and 5 more membership renewals overall. At the end of February, the MPP revenue totaled \$224,366 or 35.5% of the annual budget.

Regarding the 2024 Recreation Plus Program (RPP), as of February 29, 2024, there were 770 homes and/or condominiums signed up for the program. Last year at the same time there were 844 properties participating in the program. Mr. Kessar is also provided a breakdown of the RPP's by the number of bedrooms. RPP revenue is at \$2,061,137 or 79.8% of the 2024 budget.

The Board briefly discussed recent changes some property managers have made to their programs offering monetary credits or cost of entry refunds in lieu of participating in the Recreation Plus Program. For one company, it is simply a shift in philosophy to offer a cash credit that can be used at SHARC or for golfing, visiting the High Desert Museum, etc. to appeal to a wider audience. GM Lewis added that he and Assistant

GM Kessarlis will be attending a meeting with the property managers planned for April 3rd so they will hopefully be able to get additional information.

Gate revenue is currently sitting at \$10,970 or 1.80% of the budgeted \$580,357.

SHARC hosted a total of 7,620 attendees at the facility in the month of February compared to 7,419 in 2023. Of that number, 3,293 were owners, 2,976 were RPP pass holders, 36 were member guests, 288 were extended family, 276 were gate admissions, and 63 were Central Oregon Sunday users.

By the end of February 2024, staff issued 17,560 paper guest passes and of those 898 have been redeemed at SHARC. There were 12,970 passes issued in February 2023 of which 978 were redeemed at the SHARC.

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.

Facility event space rentals are off by \$4,584 at the end of February. Year-to-date sales are \$12,450. The overall budget and includes AV rentals, linens, etc., is \$115,000 for the year. As of the end of February, there are 35 events on the books between March and December. Currently we have \$74k in deposits for upcoming events along with an additional \$12k allocated for bar services for a total of approximately \$86k that when added to the \$12,450 resulting in a total of almost \$100k, so very close to budget by the end of the second month of the year so things are looking good. Assistant GM Kessarlis noted what a fantastic job new Events Manager Beth Herron is doing and commented she is really taking things up a notch.

SROA STRATEGIC PLAN UPDATE

GM Lewis commented he would be sharing the Power Point that was presented at the recent South County Chamber Breakfast.

A strategic plan is a disciplined effort to produce and guide fundamental decisions and actions that shape what an organization is, what it does and why it does it, with a focus on the future.

An overview of Sunriver was provided noting that as our 55-year-old planned destination resort community continues to mature and evolve, it is vital that SROA continues to provide exceptional service to its owners and guests, while maintaining \$30+M in facility assets, acknowledging emerging trends, and providing a safe and modern community for current and future generations. Ultimately approved by the SROA Board of Directors, the process utilizes feedback from property owners and community partners.

The process the taskforce is utilizing includes a mission statement, vision and values, the necessary building blocks, SWOT analysis, timeline, prioritization, proposal of strategic plan and implementation. GM Lewis estimates the taskforce should have a rough draft to the Board in the next two months and hopefully have it ready for formal adoption in June 2024.

GM Lewis commented on the thirty members of this taskforce noting there are full-time residents, non-residents, community partners, the fire and police chiefs, and staff. There are some very career successful individuals who are participating and whose knowledge has been extremely helpful to the process. Different ownership groups providing different aspects on their wants and needs while working towards the greater good of the whole creates a well-balanced group.

The taskforce first reviewed what SROA has accomplished/undertaken in the past four years and that list is pretty extensive. Several taskforces and or workgroups worked over the past few years to address

telecommunications, recycling, rules enforcement, COVID-19 protocols, IAMP, construction of the Member Pool, ladder fuels reduction update, Vision 2020, parks and recreation master plan, design manual re-write, IT strategic planning, a comprehensive owners survey, pathway master plan update and a full capital reserve study.

The strategic plan incorporates all of these elements, so it was important for the taskforce members to be familiar with these different efforts.

The taskforce has drafted a new mission statement for consideration by the Board at a future date:
“Maintaining Sunriver as a premier residential and resort community, protecting its natural environment, vibrant quality of life and economic vitality.”

As has been previously reported the taskforce is utilizing four guiding principles:

- Excellence in Governance
- Environmental Stewardship
- Quality of Life/Sunriver Experience
- Community Engagement

The taskforce feels these guiding principles embody what is important in Sunriver and they are currently working on developing goals and policies to implement the Guiding Principles and achieve the Mission Statement.

The taskforce has also noted the need for flexibility, that this will not be a prescription but rather a road map with multiple routes that will be updated on a five-to-seven-year timeline. GM Lewis reviewed the timeline noting this effort started in May of 2023 and the taskforce plans to have an initial draft completed by May 2024 which is a pretty significant accomplishment in that amount of time.

Assistant GM Kessarlis noted that he, along with GM Lewis and a couple of the taskforce members will be hosting a Sunriver Webinar through the Sunriver You platform on April 23rd. This will provide owners with a chance to provide feedback and ask questions of the taskforce as well.

In summary the key aspects are as follows:

- Establish community Vision/Mission
- Establish Guiding Principles
- Develop Goals, Policies, & Actions
- Communication with Community
- Board of Directors engagement
- Well-balanced taskforce
- Implementable Plan – support & funding
- Engage Community Partners
- Mindful of Fiscal Abilities/Budget

The Board noted that the taskforce has produced a particularly good foundation, and they look forward to seeing the draft report from them.

TRANSIENT ROOM TAX (TRT) UPDATE

GM Lewis reported that since they provided an update last month, the only thing that has really happened since the first of the year was that GM Lewis along with President Beenen and SR Resort Managing Director Tom O’Shea met individually with the three Deschutes County Commissioners. The Sunriver reps

explained and made their case for why Sunriver should receive more of the TRT dollars and what they got back was that the Commissioners are really not interested in including any allocation to Sunriver in their next fiscal year budget for 2024/25.

The County Commissioners do understand the rationale and they did entertain the suggestion that some of the options for change may be legislative changes that are necessary. The Commissioners do have on their schedule at their next meeting on March 20th a discussion of TRT funding. The staff report related to that agenda item notes that if the County were to start spending their unallocated TRT dollars on things other than the infrastructure or capital improvements they have planned, that a variety of their accounts will basically go down to zero.

President Beenen noted one line of the report that was indicative of the County's position on the matter read: "Both the general fund and the general capital reserve fund rely on a transfer from transient room tax revenue to remain financially viable." The report went on to say, "Before considering any additional TRT expenditures and with only minimal capital expenditures, the capital reserve forecast includes approximately \$19 million in FY 24." President Beenen commented it appears their perspective is that they have to protect this money as they need it for other purposes.

Also pointed out from the Deschutes County staff report was the following summary, "In summary ongoing TRT contributions outside of the current forecast jeopardized the County's ability to cover courthouse debt service over the twenty-year period, maintain necessary capital improvements, invest in future capital improvements, provide services at the same level. Any future commitments outside of the norm will move the general fund closer to the fiscal cliff sooner than discussed during the long-term forecast."

While the County Commissioners indicated they would be open to legislative changes, the changes they would like to see may not necessarily align with what Sunriver would like to see.

President Beenen added that while he doesn't necessarily understand the political dynamics from the commissioner's perspective and how they think about these issues but one thing that has been made clear by the commissioners is that they are not in favor of providing any additional dollars to the Sunriver Service District (SSD) until the district maxes out their millage rate.

President Beenen noted this topic came up at Thursday's Finance Committee meeting and centered around the fact that it feels like we are not going to get there with the county commissioners and county administration with what has been proposed, and it may be time to pursue a different avenue.

President Beenen also briefly touched on the subject of incorporation noting that would immediately provide Sunriver with more tax dollars. He went on to say that incorporation was attempted back in the 1990's and was unsuccessful as the owners were concerned about losing representation for those people who are non-resident owners and are not full-time residents as they would not be able to vote as they are not registered in Deschutes County. President Beenen added that incorporation is exactly how the SSD runs and the SSD was approved by owners. Under a good education program, he feels there would not be as much resistance as what some people imagine to incorporation.

GM Lewis commented we need to stay diligent in this effort although we know there will be nothing available to Sunriver in the next fiscal budget that will begin on July 1, 2024, and run through June 30, 2025. He believes we need to produce and present to the county some specific legislative changes that may benefit both entities. Additionally, GM Lewis plans to attend the aforementioned Deschutes County Commissioners meeting next week.

REVIEW OF 3/16/24 AGENDA

The Board reviewed the agenda for tomorrow's meeting.

OTHER BUSINESS

Director Burke inquired if there was any further movement on short-term rental business license proposal that was on the Deschutes County Commissioners meeting agenda a few weeks back? GM Lewis said there has not been any further action or direction provided from the County Commissioners on this subject. As GM Lewis understands it, there is one commissioner in favor of moving forward with the proposal and two who are against it.

ADJOURN

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

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

The public meeting adjourned at 1:58 P.M.

Respectfully submitted,

Scott Gillies, SROA Secretary