SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
PRINGLE ROOM @ SHARC & VIA ZOOM
July 18, 2020

DIRECTORS PRESENT: Bob Nelson, Keith Mobley, Jackie Schmid, Gerhard Beenen, Jim Fister, Gary Bigham, Brad Skinner, Mark Murray & Mike Gocke

STAFF: James Lewis, Jesus Mendoza, Brad Olson & Susan Berger via Zoom

The Board of Directors meeting was called to order at 9:00 am by President Mobley.

OWNERS IN ATTENDANCE: 5

OWNERS FORUM: Bob Stillson, 10 Belknap Lane, stated four points: 1.) There should be better access to the police department non-emergency dispatch number for reporting things; 2.) The recycling facility taskforce should include a variety of owner representation with a broad knowledge of recycling concepts and alternatives; 3.) Some problems with not wearing masks are related to Sunriver owners and not just visitors to the community; 4.) Mr. Stillson is thankful for SHARC being open and available even if on a limited basis. He’s enjoying being able to lap swim again in the mornings and he was very complimentary to staff, especially Brigid Kennady for exemplary service. Mr. Stillson has watched the SHARC staff have to endure verbal abuse by owners regarding the requirement to wear a mask that is just completely unnecessary, and the staff have handled it professionally and courteously.

Doug Hoschek, 7 Tournament Lane, wanted to follow up to his comments at the work session yesterday about the masses of people currently in short-term rentals in Sunriver. Mr. Hoschek stated he remains concerned about the number of people choosing not to wear a mask and wants to know how that can be enforced. According to Mr. Hoschek, the Bend City Council is discouraging travel to Bend until at least September and Mr. Hoschek believes the SROA Board should follow suit and institute their own ban on short-term rentals in Sunriver until further notice.

Cindy McCabe, 13 River Village Condo, since speaking to the Board at yesterday’s work session, also remains concerned about the number of people in Sunriver and the increase in the number of positive COVID-19 cases in Deschutes County. She is also concerned that out of town people are being diagnosed with COVID-19 and are taking hospital beds that may be needed for the local population. Ms. McCabe sent an email to the Board of the points she made yesterday and suggested better Zoom capabilities for these meetings as currently it is hard to hear what people are saying.

Mike Mitchell, Fairway Village Condo 26, Bill Burke, 24 Yellow Pine and Randy Schneider, 6 Dixie Mtn. Lane were in attendance to listen.

RECAP OF 6/19/2020 BOARD WORK SESSION
President Mobley reported the Board held a productive work session on Friday. Nominating Committee Chair Laurence MacLaren was in attendance to announce the committee’s recommendation of Robert Foster to Position 5 of the Sunriver Service District Managing Board. Boone Zimmerlee Deschutes County Fire Adapted Communities Coordinator and Director of Project Wildfire provided an update on the progress of the revisions to the Community Wildfire Protection Plan (CWPP), GM Lewis provided a COVID-19 update from a staff perspective.
President Mobley took a moment to commend GM Lewis and the SROA staff for their extraordinary efforts in managing both the effect of the virus on daily operations as well as the excellent job they have done in managing the revised budget and finances of the Association.

Assistant GM Kessaris provided an update on the progress of the North Pool Complex and gave an update on recreation stats for the month of June. The Board held discussion on the proposed rental registry from the SSD, the formation of a workgroup to address concerns relative to the proposed recycle center and an update on the efforts of the Telecommunications Taskforce. The Board held discussion on the Recreation Plus Program options and discussed the agenda for the annual meeting. An executive session was held to discuss a contractual matter.

The Board reviewed the agenda for today’s meeting.

**ACTION ITEM**

**MINUTES**

President Mobley asked for a motion to approve the minutes of the June 19, 2020 Board Work Session.

**Director Gocke moved to approve the minutes of the June 19th Work Session as corrected.** Seconded by Director Beenen, motion passed unanimously.

President Mobley asked for a motion to approve the minutes of the June 20, 2020 SROA Regular Board Meeting.

**Director Beenen moved to approve the minutes of the June 20th Regular Board Meeting as written.** Seconded by Director Schmid, motion passed unanimously.

**FINANCIAL**

Treasurer Beenen noted the revenue shortfall that we experienced in June is mostly related to COVID-19 related restrictions on our recreational facilities and programs. Expenses did come in under budget by $222K for the month of June. Year to date we are $614K under budget in expenses. The majority of that has come from money saved in salaries and burden, some of which will continue through the end of the year. Insurance and legal expenses are over budget, but we anticipate that will decrease in July. Given the current circumstances Treasurer Beenen believes we are in good shape overall.

For the month ended June 30, 2020, there was a net operating deficit of $192,126, which was $215,006 worse than budget. Total operating revenues were less than budget by $396,536 for the month of June. Recreational revenues (admissions, special programs, merchandise, MPP & RPP) were under budget by a combined $372,110 due to the limited opening of recreation facilities. SHARC admissions and merchandise revenue were under budget by a combined $142,403. There was no RPP revenue recognized in June’s financials. Out of a total of 839 RPP participants, 45 (5%) selected Option 1 and 483 (58%) selected Option 2. The remaining 311 (37%) participants were automatically accounted for in Option 2. Option 1 is to leave the program and receive a full refund or credit towards 2021 fees. Option 2 is to stay in the program and receive between a 25%-50% refund or credit determined by the SROA Board of Directors in September 2020. Interest income WAS under budget by $10,473 due to a reduction of rates. Wages and burden costs were under budget by $130,060 due to staffing reductions and limited recreation facility openings. Material and services expenses were under budget by $92,721 due to reductions in expenditures and timing of invoices. Legal fees were over budget by $40,597. This variance relates to continued fees for defending SROA’s land-use challenge, owners of record and Fir Cone settlement.
For the six months ended June 30, 2020, there was a net operating deficit of $690,683 which was $371,904 behind budget. Operating revenue were less than budget by $865,526 due to the above-mentioned COVID-19 related reasons. Salaries and burden were a combined under budget by $242,259 through the first six months. Material and services expenses were under budget by $372,616 through June due to the reduction in recreation expenditures and timing of invoices. Total interest income earned in the first six months of 2020 was $102,967.

Total assets as of June 30, 2020 were $33,991,203. Cash and investments totaled $15,431,489, a decrease of $589,674 from May. As of June 30, 2020, a total of $12,958,226 was invested with First Interstate Wealth Management (FIW). Assets placed into service during the second quarter included the Fort Rock Restroom, 4x4 truck, chipper, copier and IT equipment.

Director Fister commented on the past year he has spent as a member of the SROA Finance Committee noting what an informed and dedicated group of people they are. The committee members are not afraid to ask the hard questions whether of SROA staff or First Interstate Wealth Management representatives.

<table>
<thead>
<tr>
<th>June 30, 2020 (Unaudited)</th>
<th>ACTUAL</th>
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<tbody>
<tr>
<td>TOTAL REVENUE</td>
<td>$4,714,230</td>
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<tr>
<td>TOTAL EXPENSES</td>
<td>$5,404,913</td>
</tr>
<tr>
<td>OPERATING FUND SURPLUS</td>
<td>$(690,683)</td>
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**GENERAL MANAGER'S REPORT**

GM Lewis noted this report is for the month of June activities. As in the previous few months, a substantial portion of staff time continues to be to monitor and respond to the county and state orders regarding COVID-19. Staff also continues to project revisions to the 2020 budget for revenue and expenditures as related to the effects of COVID-19.

Director Schmid asked what the city of Bend has decided regarding tourism related activities for the rest of the summer. Several of the Board members responded that the council voted to “discourage” people from traveling to Bend but they stopped short of doing an outright ban on travel. The order, issued by Bend City Manager Eric King by direction of the Bend City Council, strongly discourages recreational travel to Bend until Sept. 7. It also requests operators of hotels and other lodging facilities to refrain from booking any new tourism or vacation-related reservations. The order does not apply to work-related or other essential travel, or to reservations for stays longer than 30 days.

GM Lewis commented that it would be up to the Deschutes County Commissioners to reinstate the ban on short-term rentals in the county. Nothing in the SROA governing documents gives SROA the ability to prohibit an owner from renting their property out.

As was reported yesterday, staff worked hard to prepare and implement plans to reopen the SHARC pools. Additionally, the parks were opened for groups of 50 people or less and a liability release form has been implemented for users of those facilities. Planning for the Annual meeting continues including the scheduling of video productions for the website.

The staff members involved with the Telecommunications Taskforce continued their work on the future of telecommunications for Sunriver.

Staff is coordinating with the police and fire chiefs on the update of the Sunriver Emergency Operations Plan which is set to be complete in the fall/winter of 2020/21.

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GM Lewis worked on developing a scope of work documents for the creation of a Rental Registry Taskforce and the Recycle Facility work group that the Board is scheduled to take action on today. GM Lewis is also working with the Community Development Department to address some code enforcement issues.

Staff continues to meet weekly with the architect, contractor and pool contractor for the North Pool Complex project. Those meetings are going well and have proven to be beneficial to all.

The Accounting Department completed the December 31, 2019 audit and presented it to the Finance Committee, Audit Committee and Board. Controller Healy is tracking the Recreation Plus Program modification agreements regarding withdrawal from the program. New staff member Brooke Smalley is getting settled and doing well.

The IT Department is replacing telephones throughout several SROA facilities. The new gate is installed at Mary McCallum Park and will allow members with a current MPP card the ability to just swipe their card in the card reader to prompt the gate to open. IT staff are working on getting all the current member data merged and installed and hope to have it completed by the end of the month.

New time clocks have been installed at SHARC and the new accounting employee has been set up with a computer system. Worked with Public Works and Recreation on installing some new security cameras in response to the vandalism that occurred at SHARC earlier in the month where someone jumped the fence. Staff is working with the Police Department on this issue as well.

The Communications Department continues to see a reduction in advertising revenue due to the coronavirus. The July Scene ad revenue was at $16,975 compared to $23,434 the previous year.

Staff continues to order fewer copies of the Scene for distribution as many locations have removed the racks that hold “removable” items from their locations. Currently the Scene is available at either grocery store, Camp Abbot Trading Co. and the SROA Admin office foyer. There were 372 digital reads of the June Scene. As an odd side note, there were 13 reads of the Scene in Columbia!

As was mentioned last month, staff continues to receive lots of positive feedback on the new SROA website, www.sunriverowners.org. The COVID-19 page is updated frequently to ensure the most current information is available.

The SROA website was visited by 14,000 users in June with popular pages being the COVID-19-page, News & Notices, Weather, Tennis/Pickleball & Member Preference Program. The SHARC website was visited by 26,800 users in June with popular pages being the Main Home Page, Admission, Outdoor Pool & Hours.

Sunriver Style was visited by 4,700 users looking at Pathways, River, Fishing & Horseback Riding. The Sunriver Tennis website was visited by 1,300 users looking at Tennis/Pickleball Facilities. Staff continues to use Facebook to post information such as reminders about physical distancing protocols, common Sunriver rules, pathway rules and fireworks restrictions.

Staff has also been busy assisting other departments with sign making, War on Weeds efforts and creating the board candidate videos as well as the educational videos that will be posted soon. Staff created the ballot materials for this year’s board election. Ballots went out in the mail on July 10th and are due back by noon on August 8th.
The Community Development Department continued their protocols for safe submittal of applications/plans and for applicant meetings/contacts, including means for electronic submittals.

The Design Committee meetings are occurring on a regular schedule, with multiple items on each agenda. Administrative applications are up from the previous month and are almost equal to last year at this time which is significant given the roughly six-week slowdown in March and April due to the COVID outbreak. A significant increase was seen in the number of requests for final inspections as projects have been completed.

Natural Resources staff prepared and mailed final notices for ladder fuel reduction work. The 2020 ladder fuel reduction contracts on commons have started and crews are working on the north end of the property.

Staff has started mapping noxious weeds on commons in preparation for the Virtual War on Weeds (WOW) which runs from August 1-14. Weed bags will be available at the SROA Admin office. Bullfrog eradication continues. Windstorm clean up on commons is ongoing. Staff responded to and completed numerous site visits regarding tree removal requests and LFR compliance on private properties.

Public Works Staff inspected and prepared the playground at Fort Rock Park for re-opening. Volleyball is open again at Fort Rock Park. The restrooms at Fort Rock and Mary McCallum Parks are now open and ready for use. We now have seven-day week coverage at the River Access site.

Ladder fuels chipping from the big windstorm earlier this year will take several months of ongoing efforts to complete. Several hazard trees have been removed. Micro sealing took place on 22 different roads, 399,600 square feet of pathways, three parking lots and 165,360 square feet of tarmac at Skypark. Spring/summer slurry sealing is complete.

Fleet services has been busy with repairs to the sweeper, fire truck 221 and the tool cat. Facilities repairs include numerous projects at SHARC as well as building and installing the new gates at Mary McCallum Park.

The Abbot/Beaver Circle landscaping has started and is looking very nice. It should be completed in the next week or so. Director Fister noted he’s heard from numerous owners passing on their compliments on how nicely it turned out.

The Recreation Department successfully opened SHARC for five days a week under the Phase II guidelines laid out by the state. The Recreation staff conducted daily meetings to create the operations plan for reopening. Tennis and pickleball has been operating five days a week and will be open seven days a week starting in July. Owner fitness continued operating five days per week by reservation only with expansion to seven days a week planned for July. Member Services is now operating seven days a week. SHARC is now back to five full-time staff members which is one less than normal, but they are making it work.

Member Services processed all the Recreation Plus Program amendments with 90% choosing Option 2, which keeps them in the program with a refund of 25-50% to be determined by the Board no later than September 30, 2020.

GM Lewis expressed huge kudos again this month to Recreation Director Steven Stanfield and his staff for their remarkable efforts in getting SHARC back up and running and for how well they are handling things. The feedback we have been receiving has been very positive and most visitors to SHARC are just
pleased that it is open at all.

GM Lewis commented on the recent vandalism at SHARC. Someone jumped the fence and threw a pool cover into the lazy river damaging one of the walls. Additionally, one of the slides was damaged. This has been turned into our insurance company and additional security cameras have been added to the site.

Copies of the general manager’s entire report was included in the board binders.

**LIAISON AND COMMITTEE REPORTS**

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

**SUNRIVER SERVICE DISTRICT (SSD) REPORT**

Director Murray reported the SSD Board met yesterday. Employee reviews for the two chiefs and one administrative staff member were completed. The HR manual is currently under review. Facility security remains an issue at the police and fire stations and actions are being taken to tighten those areas up.

Significant to the earlier pathway discussions, is that of the two additional bike officers that were approved to be hired last month, only one is currently on staff as the second candidate was involved in an auto accident and broke his ankle. Director Murray is unsure whether the Police Department has found a replacement for this candidate or not. These are the two positions that the SROA Board agreed to pay half of the cost for at the June 20, 2020 regular board meeting. Director Fister commented he believes that Police Chief Cory Darling has identified another candidate but he’s unsure if that person is on board yet or not. The newest police officer is set to be on patrol some time in September.

Director Fister added the fiscal year for the District ended on June 30, 2020. The good news is the District ended the year $930K in the black, $500K of which is the contingency that is built into the budget every year. The difference, $430K, is due to improved ambulance billing and collection rates, Medicaid reimbursements, an increase in property values resulting in higher tax revenues and departmental savings.

Five-year projections indicate that the impact of PERS and employee health care expenses will start to affect the balance of the operating budget by the 2021/22 fiscal year. This will be monitored closely by the SSD Board going forward as a tax rate increase may be needed in the near future.

The District still has a desire to create a joint Fire/Police facility but lack the funds to do so. This is an item that will be focused on more heavily in the fall/winter of 2020/21 with a recommendation to follow.

Three seasonal paramedics have been hired which allows the Fire Department to respond to more than one ambulance call at a time. There are currently two open positions at the Fire Department and 23 applications have been received. The plan is to have them on board in late August or early September.

The Police Department has enhanced patrol presence on the pathways by utilizing Citizens Patrol members. They are also making a more concerted effort to have a more consistent presence in the Village.

Director Fister reported that according to the Deschutes County Sheriff’s Department, they will be out aggressively citing people parking illegally in the Harper Bridge area for the rest of the summer. The river is extremely busy this summer due to the limits on the number of people allowed at SHARC, the North Pool being closed and the weather being so hot.

Director Fister noted that long-time Sunriver owner Al Braemer passed away recently. Mr. Braemer was very involved with the formation and early days of the District. His volunteer efforts on behalf of the Sunriver Owners Association

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District and SROA were acknowledged and our sympathies go out to his family.

In answer to a question from Director Nelson, Director Fister reported the fire training facility is still being used on a semi-regular basis.

Copies of the approved minutes from the May 14, 2020 SSD Board meeting were included in the Board binders.

**BOARD ACTION**

**RENTAL REGISTRY TASKFORCE FORMATION**

On April 16, 2020, the Sunriver Service District (SSD) Managing Board approved a resolution requesting SROA establish a rental property registry for all of Sunriver. Their goal is to improve the safety and livability for all Sunriver residents, owners and guests. Work would commence during the fall/winter of 2020/21 with a targeted completion date of spring of 2021.

Director Beenen moved to direct the SROA General Manager to assist in populating a Rental Registry Taskforce to consist of SROA staff, SSD staff, resident & non-resident owners, property managers and a liaison from both the SROA & SSD Board’s to explore the possibility of establish a rental property registry for all of Sunriver. Further moved to allow additional members to be added to the taskforce as deemed necessary or beneficial. Seconded by Director Skinner, motion passed unanimously.

**BOARD ACTION**

**RECYCLE CENTER PROJECT TASKFORCE FORMATION**

The Board, at their June 19, 2020 Board Work Session, discussed the history of the recycling project and directed staff to move forward with the creation of a taskforce to address citizen concerns raised in relation to that project.

Director Schmid moved to direct the SROA General Manager to populate a Recycle Center Project Work Group consisting of 2-3 SROA staff members, a Board liaison, up to four Sunriver owners, a Deschutes County Solid Waste representative and a carting company representative. Further move to allow additional members to be added to the work group as deemed necessary or beneficial. Seconded by Director Bigham, motion passed unanimously.

**BOARD ACTION**

**RESOLUTION 2020-006, SSD MANAGING BOARD POSITION #5**

Director Fister moved to approve Resolution 2020-006 to the Deschutes County Commissioners recommending Robert Foster to fill Position 5 of the Sunriver Service District Managing Board for a term beginning on September 1, 2020 and ending August 31, 2023. Seconded by Director Schmid, motion passed unanimously.

**BOARD ACTION**

**RECREATION PLUS OPTIONS**

Director Beenen moved to establish September 30, 2020, as the final date for calendar year 2020 Recreation Plus Program (RPP) participants to submit the required documentation to receive a cash refund in an amount to be determined by the Board of Directors at the September 19, 2020 Board meeting. After September 30, 2020, all Recreation Plus Program participants who have not submitted the necessary documentation for a cash refund will automatically receive a credit in the same amount applied to the calendar year 2021 Recreation Plus Program fees whether or not they choose to participate. For those eligible for such credit but who do not participate in the 2021 Recreation Plus Program, the credit will be surrendered. Seconded by Director Fister, motion passed unanimously.

**BOARD ACTION**

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BEND BROADBAND (BBB) TDS TELECOM

The draft contract is based on an initial proposal from Bend Broadband – TDS Telecom that was received on May 13, 2020. The proposal was discussed multiple times with the Telecommunications Task Force, including two sets of additional questions to BBB-TDS asking for clarifying information related to the service they would provide.

Director Beenen moved to direct SROA staff to accept the recommendation of the SROA Telecommunications Task Force to request a draft contract from Bend Broadband – TDS Telecom and enter into non-binding contract negotiations for the fiber optic telecommunications service to Sunriver, with the shared understanding that SROA will continue to consider other alternatives. The request submitted to Bend Broadband – TDS Telecom shall include such relevant points pertinent to the contract as determined by the SROA Telecommunications Task Force. Seconded by Director Skinner, motion passed with eight yay votes and one nay vote.

BOARD ACTION

2019 OPERATING FUND SURPLUS

The SROA 2019 budget resulted in a $194,632 surplus in the Operating Fund. Typically, in past years, a surplus would be placed in the Reserve fund. However, due to the still yet unknown effect of the COVID-19 pandemic on the overall budget for SROA, the SROA Finance Committee recommended to the Board that the surplus be retained in the 2020 Operating Fund as a contingency measure.

Director Beenen moved to direct the retention of the 2019 SROA budget year operating fund surplus of $194,632 to be retained in the SROA 2020 budget year operating fund. Seconded by Director Schmid, motion passed unanimously.

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

Director Gocke moved to adjourn the meeting. Seconded by Director Skinner, the motion passed unanimously.

The meeting adjourned at 10:48 A.M.

Respectfully Submitted,

Gary Bigham, SROA Secretary