

**SUNRIVER OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
SROA BOARD ROOM
MARCH 15, 2025**

DIRECTORS PRESENT: Bill Burke, Clark Pederson, Mark Murray, Keith Mobley, Linda Beard, & Randy Schneider

DIRECTORS PRESENT VIA ZOOM: Brad Banta, Veronica Jacknow & Gerhard Beenen

STAFF: James Lewis, Susan Berger & Richie Villagrana

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

NUMBER OF OWNER ATTENDEES: 0

OWNERS FORUM: No owners addressed the Board.

OWNER FORUM FOLLOW-UP FROM PREVIOUS MONTH

Vice President Burke reported there was no follow-up necessary from last month.

Relative to input received this month, Assistant GM Kessariss followed up with Richard Baldwin, 23 Poplar Loop, regarding his input on the Strategic Plan and Director Pederson offered to further follow up with Mr. Baldwin to ensure he did not have any other questions or concerns.

Director Schneider will follow with Collin Jackson, 4 Fairway Village Condo, regarding his concerns about the recent changes to the Resort's golf program.

RECAP OF 3/14/25 BOARD WORK SESSION

President Beenen reported that the work session started off with the introduction of Community Development staff.

GM Lewis provided an update on the most recent meeting of the Pathway Safety Taskforce and Assistant GM Kessariss provided an update on recreation statistics. It is early in the year but we are tracking close to last year in regard to the Recreation Plus and Member Preference Programs. With spring break around the corner, we expect those numbers to increase by month's end.

GM Lewis & Communications Director Susan Berger provided an update on the recent meeting of the Communications Workgroup who recently held their first meeting. This group, which is comprised of owners, both full and part-time, board members, staff and community partners will be ongoing and will meet on a quarterly basis. The group discussed current methods used to communicate with owners as well as some suggestions for other ways to connect with owners.

Discussion was held on the Second Reading to the SR Rules & Regulations, Section 1. These changes are being made to provide clarification and to align with the Sunriver Design Manual of Rules & Procedures. The proposed changes were posted to the SROA website for 60 days and no comments were received. Additionally, discussion was held on the SROA Governing Document Violation Citation and the proposed changes to that document. Both of these items are on the agenda for action at today's meeting.

Assistant GM Kessarlis provided an update on the Administration Building remodel which is currently on schedule and on budget. They are hoping to finish Phase I by March 27th after which the Community Development Department, Assistant GM, and HR Director will transition into the former police department space and the Communications & Natural Resources Departments will temporarily move to the Public Works Department.

A brief discussion about the 2025 reserve carry-over was held. There were a number of items that were approved for capital purchases in 2024 that did not get purchased, however some of those items do have purchase orders in existence or the items have already been ordered, and they just have not been delivered yet. There is another shorter list of items that were originally planned for 2024 and at this point in time do not look like they will be implemented in 2025 so they have been removed from the list.

Assistant GM Kessarlis provided a brief update on the status of the move to online voting for the Association's annual and/or any special elections. Owners will have to opt in for a paper ballot otherwise they will receive their ballot electronically. While the SR Bylaws currently do permit online voting if available there are some minor revisions necessary to address the role of the Election Committee and those will come to the Board in April.

Natural Resources (NR) Director Patti Gentiluomo provided an update on the recent request from SR Resort to remove 444 trees on the back nine of the Woodlands Golf Course. After careful review by the NR staff, along with Resort personnel and a certified arborist, 286 trees were approved for removal. The Resort has now requested removal of a number of trees on the front nine of the course and the NR staff will begin walking the course and reviewing those next week.

The Board reviewed the agenda for today's meeting.

In other business, the Board discussed the current contracts between SROA and the Sunriver Nature Center and some concerns the Board has with those. GM Lewis will invite the new executive director Shannon Reese to next month's meeting to discuss the issue further. NR Director Patti Gentiluomo lent her strong support to continuing that contract as there are a number of things the Nature Center does that SROA is not equipped, educated, or staffed to do.

A fairly lengthy discussion was held about SR Resort's recent announcement of the further changes to their golf program whereby owners are only able to use the courses if they have a membership or if they utilize the Resort to manage their rental property. GM Lewis has had discussions with Vice President of Operations Josh Willis about the changes and has found the Resort is solidly standing by their decision to take the courses completely private. As they are a private entity they can run the golf courses how they see fit but there is concern by community and board members that the changes are going to have a significant impact on the community.

There was no executive session held at yesterday's meeting.

BOARD ACTION
BOARD MEETING MINUTES

Director Pederson moved to approve the minutes of the February 14, 2025, board work session minutes as corrected. Seconded by Director Burke, the motion passed unanimously.

Director Pederson moved to approve the minutes of the February 15, 2025, board meeting minutes as corrected. Seconded by Director Burke, the motion passed unanimously.

BOARD ACTION
FINANCIALS

Treasurer Pederson reported that things are looking favorable for this early in the year. Referencing the key data sheet, Mr. Pederson reported we were ahead of budget on revenue largely due to prepaid Scene advertising which is currently \$60k above where we were last year at this time. Operating expenses were slightly over budget and the net between the revenue and expenses is \$2,933 to the positive. Year to date we are \$112,104 below budget but is still better than the budget by a positive \$108,590. Legal expenses remain under budget for the year by \$20k.

On the non-operating side, we are pretty much right on budget. Revenue was \$4,241 to the positive for the month largely due to higher interest earnings than expected. Year to date, there is a surplus of \$454,581 compared to a budget of \$321,536 a difference of \$133,046 to the positive.

Looking at cash balances, we are currently approximately \$800k to the positive over last year. The Board was reminded however that we canceled plans last year to construct a tunnel which costs approximately \$500k plus we had a \$172k carry over which largely explains that difference. Our portfolio is averaging a 4.11% interest rate which is good news and we hope that will continue for a while longer.

Referencing capital reserve percent funded, because of the under spending and the previously mentioned surplus, we finished the year at 79.9% funded and that percent funded is projected to remain in the 70's for the next few years.

Treasurer Pederson reviewed the replacement reserves briefly noting that there is not a lot happening at this time of year due to weather and as we progress into spring and summer that will change.

Looking at the aging summary, we are down \$15k from last month and there is a property that owes a significant amount in fines and fees that is scheduled to be auctioned off by Deschutes County on the courthouse steps next Wednesday due to defaulting on the mortgage for the house. If SROA is able to reach a settlement with this owner prior to that it will reduce the aging summary significantly.

In terms of staffing, we are down two people in Public Works and the Recreation Department is starting to look for summer help as well as a full time aquatics supervisor.

For the month ending February 28, 2025, there was a net operating deficit of \$103,811 which was \$2,933 better than budget. Operating revenues were over budget by \$13,823 mainly due to prepaid Scene advertising and interest income. Operating expenses are over budget by \$10,890. Material and services were over budget by \$20,470 mainly due to sanding cinders/deicer and two months of utility invoices. That variance was partially offset by legal fees being under budget by \$10,583.

For the two months ending February 28, 2025, there was a net deficit of \$112,104 which was \$108,509 better than budget. Operating revenues were over budget by \$72,989 due to advanced payments for Scene advertising, Recreation Plus Program (RPP) sales and interest income. At the end of February there were eight fewer RPP passes sold and 103 fewer Member Preference Program (MPP) passes sold than at this time last year. Operating expenses were under budget by \$35,601 mainly due to timing of contract services invoices and savings in legal fees.

As of February 28, 2025, there was a combined operating and non-operating surplus of \$454,581 which was \$133,046 better than budget.

As of this report date 400 homes have been converted to bulk fiber billings.

Total assets as of February 28, 2025, were \$43,566,549. Cash and investments totaled \$19,714,830, an increase of \$51,580 from January. As of February 28, 2025, there was \$19,508,051 invested in Goldman Sach Financial Square Government Fund and US Treasuries with durations between 90-day and five years with an annual yield of 4.11%. Construction in progress included administration building remodel, Circle 2 to 3 pathway study, and SHARC pool shower replacement.

Director Banta moved approval for the unaudited SROA financial statements for the month ending February 28, 2025, as presented. Seconded by Director Schneider, motion passed unanimously.

GENERAL MANAGER'S REPORT

GM Lewis reported his recap is for activities in February.

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 continued follow-up work with SROA legal counsel regarding fine/fee lawsuits.

GM Lewis attended and participated in the monthly meetings of the Finance Committee, Finance Subcommittee and Admissions Model Workgroup.

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

GM Lewis continues the ongoing/regular meetings with TDS staff regarding the physical construction and eventual migration of owners to high-speed fiber and SROA account.

GM Lewis participated in a follow-up meeting with the Sunriver Fire Department and Sunriver Resort representatives regarding emergency messaging and responsibilities.

GM Lewis organized and conducted the second Pathway Safety Taskforce meeting on February 27th.

GM Lewis met with two owners regarding their desire to create a Deschutes County no shooting designation for Sunriver and the potential for SROA participation.

GM Lewis met with Ashley Steinbrecher, Sunriver Police Department Community Service Officer regarding pathway bike patrol statistics.

GM Lewis held a follow-up meeting with an owner who spoke at a recent Owner's Forum regarding SROA actions for fire/wildfire protection actions.

GM Lewis attended the joint meeting of the Sunriver Service District (SSD) Managing Board and the Deschutes County Commissioners.

GM Lewis provided a presentation on the Association's 2025 Work Plan at the recent SR Area Chamber State of South County breakfast meetings.

GM Lewis heard a presentation on Flock security systems regarding Sunriver.

In Accounting, the Controller presented the unaudited financial statements for the month ending December 31, 2024, and January 31, 2025, to the Finance Committee and Board.

The Accounting Department staff continued processing 2025 maintenance dues payments, bulk fiber billings and Recreation Plus Program /Member Preference Program pass sales.

The SROA Controller conducted the second meeting of the sub-committee of the Finance Committee that was formed to study possible new revenue sources.

The Controller attended a Deschutes County Audit Committee meeting.

The IT department reported there was a Sunriver wide power outage on February 23rd. All items were resolved by the morning of February 24th.

A new admin network was established and enabled for the new area of the Administration building.

IT staff continue to work through some potential power related issues with the new AV equipment at SHARC.

IT staff continue the work on the new Jonas Point of Sale (POS) replacement project. Testing of a single workstation at SHARC has been conducted and inventory has been uploaded.

IT staff are assessing the GIS/Database improvements to simplify Community Development processes.

In the Communications Department, Scene advertising was at \$13,646 (\$23,979 in 2024).

There were 249 reads of the online February Scene including readers from Ireland, Jamaica, and Canada.

There were 12,000 visits to the websites with top pages being weather, aquatic hours, today's schedule, SROA calendar, tree flagging/paint colors, job opportunities, and member fitness.

Sunriver Style received 1,896 site visits in the last month. Top page was Romantic Getaways.

Social media: Benham Hall vendor spotlight; last call for tickets to Lob of your Life; SSD Public Safety Building ribbon cutting.

Eblasts: None in February.

Other projects included regular meetings to plan the inaugural community-wide Oktoberfest event coming in September. There will be related activities at SHARC, the Village, and the Sunriver Business Park. Shae Callewaert in the SROA Communications Department has created the marketing materials for the Oktoberfest event to promote the event starting in March.

Communications staff continue to participate in Pathway Safety Taskforce meetings.

Mr. Callewaert also created a postcard for the Natural Resources Department to mail owners requesting that those owners remove juniper/arborvitae from their property due to the extremely high fire danger they pose.

Communications staff is also working with the Natural Resources Department to create the annual April

Scene spread about what owners should do to harden their home/property against wildfire.

Communications Director Susan Berger created a presentation for the first Communications Workgroup meeting.

The Community Development Department reports the Design Committee meetings continue to occur on a regular schedule. The first meeting in February consisted of two projects (one minor addition and one addition in excess of 600 square feet.) The second meeting consisted of one new home project.

There are currently approximately 254 active projects/building permits (down by 2 from the previous month of January.)

The number of applications submitted in February was down slightly from the same month in 2024 – from 67 in 2024 to 59 in 2025.

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

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

Community Development staff modified the new applications forms and informational handouts, including the updated fee schedules.

There are still ten homes that were identified on the 2023 paint survey who still have not painted their homes. Monthly citations are being issued.

The Community Development Director participated with the Covenants Committee in drafting the revised Section 1 of the Rules & Regulations.

A full-time member was added to the Design Committee.

The Natural Resources (NR) Department mailed notification postcards regarding ladder fuels reduction (LFR) work on commons this spring.

NR staff completed the annual Ladder Fuels Reduction (LFR) inspections of condominium and commercial properties on the north end and previous year LFR courtesy letter for private residential properties (south end). All LFR inspection data has been processed.

NR staff coordinated with the Communications Department regarding wildfire mitigation education and outreach.

NR staff performed site visits regarding tree removal requests on private properties.

NR staff finalized the GIS map for 2025 LFR contract area (available on the SROA website).

In Public Works (PW), staff cut and split firewood at Mary McCallum Park.

PW staff have discovered some minor flooding in common areas.

The general landscaping contract for the parks is in place for 2025.

Spring road/pathway sections have been identified for treatment and contracts are being developed.

Potholes and road edges are being repaired.

All of the old-style tunnels required PW staff to pump water out after some of the recent rains we experienced. Some tunnels had up to two feet of standing water.

Snow plowing and cinders were completed, as necessary.

In Fleet Services, reserve/capital purchases are underway for a plow truck, snow blower, striping buggy and trailer and a Ford Escape.

In SHARC Facilities/Aquatics the pool leak detection testing is scheduled to begin on March 10th.

The pool heater was replaced under warranty.

Pool cover removal is in process for the upcoming spring breaks.

A cabinet for the fitness room was fabricated and installed.

Lighting fixtures for the natatorium were ordered and a contractor was selected to replace failed wiring.

At the Members Pool, the tennis building remodel/design is underway for Community Development process. Work to start this spring.

The Public Works Building is complete and the project is now closed. The building is functioning great and staff is already seeing numerous efficiency improvements in operations.

In Recreation, 6,547 owners and guests visited the SHARC facility in February compared to 7,242 in February of 2024 (2025 was affected by community-wide power outage/closure on Sunday, February 23rd, plus 2024 had an extra day due to leap year.)

There were 2,541 Member Preference Program (MPP) memberships purchased to date and 767 homes are enrolled in the Recreation Plus Program (RPP) program.

Rec staff have been busy processing both RPP and MPP sales.

President's weekend was a busy one at SHARC.

A complementary meditation class is being offered on the first and third Fridays of the month.

Rec staff is busy planning for upcoming spring breaks and starting to prepare for summer.

Congratulations to the newest member of the Baby SHARC family recently born to front desk employee Sammi. Congratulations to the Tirrill family.

Part time and summer maternity leave front desk position open and posted on February 4th. The Aquatic Supervisor position will be advertised in March.

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

Ex-officio member Randy Schneider reported the SSD Board met on February 20th.

The SSD has hired a new police chief who is currently in background check process. There were two finalists, one from Bend and the other from El Monte, CA who is the one who was chosen and who Director Schneider thought was the better candidate. Director Schneider added this candidate seems to have the right experience to be a good fit for this community and has a lot of experience in the right places. Additionally, Mr. Schneider does not believe he is one of the people that comes in to use Sunriver as a steppingstone for another job which is good for Sunriver.

Director Schneider reported as the new SROA ex-officio member to the SSD Managing Board, he is learning more about the SSD including the fact that the district is different for the police and fire departments. Director Schneider has learned the police are now responsible for patrolling the SR Business Park, Crosswater, Caldera and Vandervert Ranch. In terms of fire department coverage, those developments still rely on LaPine Rural Fire District.

President Beenen questioned if this expansion of services for the Police Department was voted on by the SSD Managing Board or just decided by the police department? Director Schneider responded that to his knowledge it was not something that the SSD Managing Board voted on unless it was something that he missed. Further questions included whether or not the police department is receiving additional funds for this expanded patrol area and how is Deschutes County reimbursing that? Director Schneider remarked he would try to find out more details he can share with the Board.

Vice President Burke questioned how they can just randomly decide to do that without a vote of the owners? GM Lewis responded that while there are mutual aid agreements in place that require a SR Police Department officer to respond if Deschutes County is unable to, this is a clear expansion of territory that would require a ballot measure for everyone in the existing district and the proposed expansion area to vote on.

President Beenen added that calls to respond to Vandervert, Caldera or even when the SR Police are patrolling on Highway 97 as they have been of late, is entirely a discretion call for that department. If they are actually picking up the responsibility for the aforementioned developments, that is no longer discretionary.

Director Schneider added that while they are already patrolling those areas, he is unsure where things are as far as formalizing this change. President Beenen added he agrees with GM Lewis and at the very least there should have been an SSD Managing Board vote if not a public vote.

GM Lewis added his understanding is that the SSD Managing Board would need to make a recommendation to the Deschutes County Commissioners who have to agree to put it on the ballot as the expansion of a service area for the police operations only.

President Beenen added that from an owner perspective the thing that is of interest to SROA is that if they do expand their service into those areas that those areas also must pay into the special assessment that Sunriver owners pay into for those services.

Director Jacknow commented that she would hope that it might result in a reduction in cost for Sunriver

owners as a result of possibly more people paying into it. President Beenen responded he highly doubts there would be any reduction for Sunriver owners as the SSD is currently financially challenged. While it may keep costs from rising, he doubts that it will reduce things. The SSD is currently at the maximum allowed millage rate of \$3.45 per \$1,000 assessed value. They cannot raise the millage rate any further without going to a special levy vote of the owners who are registered to vote in Deschutes County.

GM Lewis remarked that whether it is an expansion of service area levy or creation of a new district it would still have to go to a vote of the people in those proposed expanded areas as well as the Sunriver owners registered to vote in Deschutes County. GM Lewis understands there has been some talk of “re-creating” the district, so it would not be an expansion but would instead be creating a new district that would include these areas they want to expand to. Either way, it would have to go to a vote of the owners in the affected areas for it to be successful.

The Public Safety Building is complete and the ribbon cutting ceremony was held on February 20th. Staff is completely moved in and settled and the employees are enjoying the new facility.

The SSD is currently doing a reserve study on the public safety building costs and are also working on a strategic plan.

The SSD Managing Board continues their work on creating their own Nominating Committee after many years of relying on the SROA Nominating Committee to find candidates for them.

The art in public places proposal that had been in the works for the Public Safety Building did not work out.

Once again, the police department finds they are short staffed as they have lost two more officers and they are actively looking to replace them.

There were two drone deployments last month.

Director Schneider is unable to attend this month’s meeting due to a prior commitment and asked if any of the other board members would like to cover that meeting for him. GM Lewis noted he would be available to attend if no other board members are available to cover for Director Schneider.

GM Lewis reminded the Board that the annual joint meeting with the SSD will be held next month on April 18th.

BOARD ACTION
COMMITTEE APPOINTMENTS

Director Mobley moved approval of the appointment of Sherry Smith as an alternate to the Design Committee. Seconded by Director Jacknow, motion carried passed unanimously.

BOARD ACTION
SUNRIVER RULES & REGULATIONS – SECTION 1

Director Murray moved to approve a second reading for proposed amendments to Section 1, Rules; Procedure and Enforcement, of the Sunriver Rules and Regulations as recommended from the SROA Covenants Committee as attached hereto. Seconded by Director Burke, motion passed unanimously.

BOARD ACTION

SROA GOVERNING DOCUMENT VIOLATION CITATION FORM REVISIONS

Director Murray moved to approve amendments to the SROA Citation Form to reflect amendments to SROA Rules and Regulations, Section 1 – Rules; Procedure and Enforcement, as attached hereto.

Seconded by Director Burke, motion passed unanimously.

BOARD ACTION

RESERVE CARRYOVER

Director Banta moved approval of a revised carryover of \$961,838 from the 2024 Reserve & Capital Budget to the 2025 budget resulting in a total of \$4,508,042 in the 2025 Reserve & Capital Budget.

Seconded by Director Jacknow, motion carried unanimously.

OTHER BUSINESS

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

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

The meeting was adjourned at 10:16 A.M.

Respectfully Submitted,

Mark Murray SROA Secretary