

Board of Trustees Meeting Saturday October 28, 2023, at 10am

Summary of Actions

Meeting called to order at 10:07am

Lake Josephine Muck Abatement Plan: Rigerio Bio Pod Health System

Preserving our healthy Lakes is paramount, and the RCC Lakes Committee has devised a plan to battle excessive “muck” at the North and South ends of Lake Josephine. After extensive research, the committee is making a proposal to the BOT to commit \$10,000 for the permitting (\$500), purchase (\$7500 for single unit) and installation of 1 Rigerio Bio Pod Health System. Once necessary permits are obtained, the system will initially be installed at the South end of Lake Josephine and closely monitored by the Lakes Committee as well as Riviera employees. After approximately 4 months of operating, results will be reported to the BOT by the committee. This is a chemical-free, non-invasive option that at this point is an exploratory first step. It’s an initial investment considered capital budget, and based on the results, could lead to a bigger expenditure that goes through the budgeting process next year. Please reach out to Dan Morgan or Phil Ronning for more information. Following the presentation, the BOT voted unanimously to approve the expenditure of \$10,000 for a single Rigerio Health Pod System unit.

President’s Report, Chistopher Frye:

Thanks to those of you who logged on, and to all of you for showing up in person today, your attendance is much appreciated. The board as a whole has had two meetings so far. The first was an ice-breaker meeting and the second was a deeper dive into the items we felt needed our attention. We will be holding a Town hall meeting in regard to changes to the founding documents, and the solicitation of partnership with Verizon which we hope will vastly improve our internet situation. There are a lot more documents available at today’s meeting, and in addition, we will be issuing membership cards and hopefully find a way to give them a bit more value. We will be providing updated KPI reports and budget reports that include information members want to see. We will be looking at all of our amenities, suggested maintenance and use as well as an ROI on any future considerations.

I want to remind members that there is a Good Neighbor brochure available through our office for members and their guests. We have many good neighbors, and we also have opportunities. Over the past several months there have been disputes between members that have unfortunately escalated to an interpersonal issue. I would like to remind everyone that we don’t know what goes on behind someone’s eyes and their feelings. A kind word and a smile go a long way with some people, and for others it’s just another wave as you drive-by. If you or a fellow member have an interpersonal issue, the office is not who should be called, 911 should be called. We want to remind you that you that filing a report with the Sheriff is essential and one of the best ways to prevent future incident.

I truly hope we as a board can provide the type of transparency that members are asking for, and I hope we can all enjoy each other’s company at future events.

Thank You.

GM and Committee Reports:

Forestry: Issued 4 new permits and closed 2. 13 trees committed to replanting.

ACC: Issued 4 permits, and 6 were closed.

Compliance: 18 *daily* issues resolved, and 4 letters mailed to engage members in more complex resolution. There were 2 fines issued to members.

Lakes: Very good water temperature and clarity. Working on a muck (Rigerio Health Pod) and weed abatement plan for the Spring and possibly this Fall for Lake Josephine.

We hope you got a copy of this key performance indicators report, it's something we've been producing for the past many months and as Chris mentioned we're going to be expanding that probably in November, if not the first of the year. Our variance to date is -\$286,518 from budget for the year. The amount is attributable to two factors: this year we lost a considerable amount at the Lakeshore, more than last year when we lost \$152,000. This is a problem that resulted in a change of management at Lakeshore. The previous manager had no idea how to fix this problem and it was getting worse and worse and that is the reason that I changed management. We are making progress to make this profitable, if not profitable to lose as little money as possible. The Board has consistently said that, like the golf course, the Lakeshore is an amenity, and it is supported through member dues. It has always been that way, and it need not necessarily continue to be that way but the nature of the market for both golf and restaurant services is such that it can only exist through member assessments.

We've been spending money on foreclosure and collection. Based on 3 years of disappointing performance, we terminated our relationship with our previous attorney earlier this month and we have hired a new attorney, who's highly recommended by our current general counsel. Moving forward, the budget committee will be assisting me in preparing a framework for us to do a better job of managing the foreclosure process. For example, last year we sold six lots that netted us around \$70,000 which offsets the money we spent on the attorney, and we will also continue to collect assessments from those lots.

The Country Club Drive Watermain replacement project has been completed; final audit numbers are finally available. We are in the process of insurance renewal through our broker, Brown and Brown, and the Lakeshore recently received a "**great**" rating from the health department.

I had a meeting at the direction of the board this week with a representative from Cole Point to discuss how we might move forward with a potential annexation. We agreed that we will establish a joint conference committee, which is an exploratory committee comprised of three members from Cole Point and three members from RCC. Again, no action will be taken and no RCC money will be spent without the approval of existing RCC members and will bear no cost associated with the process. We will keep you updated as things unfold.

*Reminder: The RCC has made a "Good Neighbor" brochure that renters and neighbors can use to help welcome and inform guests/tenants about life in the RCC. Please contact Dan Morgan or stop by the office for a copy.

Member Comments/Questions:

Who is now the manager of the Lakeshore?

Angel is fully managing the Lakeshore Restaurant with Troy's departure. A position wasn't posted because there wasn't an open position to fill; instead, a position was eliminated. Our GM is excited to see Angel perform and working closely to ensure finances remain in check.

What is the reason for not providing financials for membership?

Financial information has been distributed monthly at the Board meeting, and we are now providing detailed income, statement and balance sheet as well. Today we have distributed the fiscal year-end, regular basis, in addition as to the KPI report that covers a lot of areas. If you aren't able to obtain copies at the meeting, please reach out to the office for copies.

A question was raised about the status of the Marina Project?

The Marina project is still in the works and no major actions have been taken since the last update by the GM. Members will be updated on any new information as it becomes available. This highlights an

opportunity to have more information on the monthly agenda. Traditionally an Agenda would only have actionable items. Many of the items, like the Marina, are always on the table and being monitored weekly. Only when there is an update is the membership informed.

Who gets to decide employee benefits?

Employee benefits such as healthcare insurance, PTO, days off, etc. are bargained in for all union employees. Additional employee benefits have been managed by the General Manager as part of daily operations with board input.

Questions were raised about the possibility of the Golf course path being opened to walkers?

Currently it has been requested by several members to have equal access to all amenities, which includes the Golf Course. No decision has been made at this point. The BOT is exploring all options and trying to find an ideal solution that accommodates all members' needs. Updates on any changes will be provided to members. To be clear, walkers will never be authorized to walk on the Golf Course when there are active golfers. This is misinformation and an assumption that this was the intent.

Who authorized a raise for the current GM? Is he still interim manager and why hasn't a replacement been found yet?

The GM received only a cost-of-living adjustment like every other employee, and it was authorized by the Board of Trustees. It's important to note that this is the 3rd BOT during Phil Ronning's tenure as General Manager that fully supports his hiring and the work he's doing as General Manager.

Additional details:

The Board of Trustees Treasurer, Phil Ronning, stepped down from the Board to fill the interim General Manager position for ninety days while the search for candidates took place. During this time, he facilitated the Collective Bargaining Agreement process and on-site Reserve Study, finalized the 2022-23 budget with department managers, established relationships with the various governmental entities regarding the Marina Ramp project, managed personnel issues and gained familiarity of the organization's operations.

A Request for Proposal was sent to six property management companies. However, due to the Riviera's location and complexity of the different amenities none were interested in engaging.

Phil Ronning applied to the permanent position in August, was interviewed by the Board of Trustees, and hired through June 30, 2023, by unanimous Board vote. This was announced to membership via email and at September Annual Meeting. His focus is "preparing the nest" for the next General Manager and strengthening overall operations of the Riviera to the benefit of employees and membership.

ALL FOLLOWING INFO POSTED ONLINE WHICH MEMBERS CAN ACCESS

(notes from May 2022 BOT Meeting) The updated job description for GM has been posted to Indeed, CAI and our website. There have been six applicants, none meeting the RCC minimum criteria. Additionally, the BOT has created a request for the proposal and targeted local property management companies to provide a response to their services, looking for general management support and more limited consulting, which would not replace any of our current staff or any of their duties. This had been tried a few years ago with no success, however, given the challenging job market we really need to explore all options – what is viable and why and not viable and why not.

(notes from June 2022 BOT meeting) 19 applicants for the General Manager position, 3 had a phone interview, 1 moving on to a ZOOM formal interview. 3 property management companies have shown interest. The BOT understands that finding the right person for the position will take some time, therefore, Phil Ronning has stepped down from Treasurer and BOT member and will take on the interim General Manager position for 90-days, with possible 90-day extension if the position hasn't been filled. Phil will be holding a meet & greet with members during the first 90 days.

(notes from July 2022 BOT meeting) We've had one candidate have a formal interview and is moving on to a final on-site interview that will take place in the 2nd week of August. He will be meeting with the BOT and Riv Managers. The position is still open, and has a handful of additional applicants, however, the trends are that they don't meet basic qualifications and/or they are living outside of the PNW. An update will come next month.

(notes from August 2022 BOT meeting) We did have a finalist interview with a candidate on Aug 10 – he met with the BOT, toured the Riv and got to meet staff. Ultimately, while he had some great qualities the Trustees didn't feel like he was the right mutual fit. There have been additional applicants since the last BOT meeting, one had a phone screening with a candidate who has an HOA certification, however, had no experience with amenities or managing teams of people, so did not move forward. Additionally, Phil Ronning has applied for the permanent position and will be interviewed per the process.

Should expenses such as the \$10,000 for the Riger Health Pods go through a member vote?

The BOT has the ability to authorize a capital expenditure in a situation that is considered an emergency or extremely urgent. In the case of the Riger Health Pod System, the BOT voted to act quickly in an attempt to protect our asset Lake Josephine from an issue that appears to only be getting worse and could cost a lot more to fix in the future.

Will the BOT be reviewing all assets through an ROI evaluation? For example, what is the status of the Yurt purchase for the campground?

A "Return on Investment" evaluation will not be the sole tool used to make decisions for this BOT. In the case of the Yurt, the project is on hold and being evaluated further by the BOT. We will update members on any new information as it becomes available.

Will the BOT track the amount of time the GM spends on the potential Cole Point water project? And does he or anyone in his family own a lot in Cole Point?

At this point, the BOT has determined not to track the hours spent by the GM on the Cole Point project as it is not extensive. And in regard to the GM owning a lot in Cole Point, Phil has confirmed that neither he nor his family members own any land in Cole Point.

Does the board realize that our founding documents are superseded by Federal, State and County law?

The board understands that our documents do not supersede the above-mentioned entities. Furthermore, this was brought up during the Membership meeting by a member and answered by the attorney. In addition, this has been confirmed by two additional attorneys. And at the TH meeting in January it will be addressed by the Lawyer again.

Is the GM working on the Policies and Procedures book?

Yes, this is being worked on by the GM and we have seen its progress. The board does not feel this should be rushed and is happy with the progress at this time. It is our expectation to see this completed before the next membership meeting if not sooner.

Our campgrounds are being occupied by builders and unavailable to other members and their guests.

As most members are aware, the campground is enjoyed by many members and their guests. The office staff and GM take care steps to ensure no guest or member stays beyond their time. The misconception that it is full of builders is not supported by actual data. Out of the two builders that are utilizing the campgrounds, one was brought on as a host and the other is still within his allotted time.

In addition, one member's guest was expelled from the campground last year. Future reports will show how many guests we service each month at the campground.

Temporary structures and tents all over the Riviera what is being done about it?

The board will address this further in the future. However, Page 21 Section 7.07 is a gray area when it comes to tarps that cover firewood or vehicles. And car covers like pop up covers are not covered in this section. If there are situations where someone is living under the tarp or under a car port then that would be a clear violation. As most members know, opinions do not dictate the direction of compliance, only the guidelines in our documents provide direction.

Cole Point wording was questionable.

The final document was reviewed and edited by every member of the Board. No matter how the wording was handled it is always hard to ensure that the reader will see it in the way it was intended. This does highlight that more thought should be put into future documents to members to remove any misconceptions and doubts.

Why was the Cole Point letter was sent out by the water department on Riviera letterhead?

This was sent out by the Riviera office in Riviera envelopes that had a message in a water drop added for emphasis. A letter to our members was necessary for transparency reasons. It would have been highly inappropriate for anyone else to have sent a letter and for us to share memberships mailing information and contact details with this party.

Cole Point Join Conference Committee: this should be a member only committee.

Membership committees are designed to assist the board of trustees. If we feel the need to request assistance we will do so. This particular situation will be handled by two managers and one RCC Board liaison. It is the General Managers duty to handle this review. Membership has also elected a board to make sure all information is gathered and provided to membership prior to any vote on this matter.

Will Cole Point if Annexed have parks?

If membership votes in favor of annexation then a future board may look into the possibility of expanding amenities to the newly annexed area.

Will Cole Point wells be capped?

Yes. The capping of all wells, both those belonging to the Association as well as all individual wells will be a requirement of any annexation agreement. If membership votes in favor of annexation, one of the requirements would be that new residents follow all established rules of the Riviera.

Does the Riviera have any half lots?

This issue of a previous board purchasing property in the past that had a vacated lot line between three lots is being looked into. As long as all the lot lines were vacated this purchase does not go against any existing rules. In addition, there are several owners with split lots, and all will be confirmed that proper procedures have been followed.

(Riviera Community Club Bylaws and Covenants, page 22)

SECTION 7.12. Division of Lots. No Lot shall be divided except that, with the permission of the Trustees and with proper governmental approval, the boundary between Lots may be adjusted or vacated. Provided, however, that no boundary adjustment may leave any Lot in such a state as to prohibit construction of a dwelling in conformance with the requirements of this Declaration.

What happened to the STR committee?

As most of the membership is aware this issue has been discussed several times. The committee provided many great suggestions, not all could be executed. Because STR are not an amenity the board cannot create new rules without membership approval. The county has also chimed in and said their enforcement is very limited on this topic. STR guidelines are still on the table for this board, and we are watching county laws for changes that would allow us to re-examine and possibly address this topic.

The majority of membership that responded to the last member survey are in support of STRs in the Riviera. It is the goal of the board to ask membership in a future survey if they feel their needs to be adjusted to the bylaws to give guidelines to STR within the Riviera.

Hierarchy of Jurisdiction: State-County-Covenants

There are several legal issues that are in view where this topic has become more prevalent. Members want to follow county and state rules that in some cases conflict with our founding documents. This is why the question was raised with multiple lawyers. We are doing our best to convey accurate information to members and ensure if any variances are accepted that members are aware of why.

Temporary Structures

As stated before the below section on page 21 covers temporary structures. We cannot legally interpret this in a way that is not written. If people were living in tents or under tarps it would be addressed. However, that is not the case. We see an increase in tarps over wood piles and recreational vehicles during winter months. And we have seen an increase in carp ports as well. Neither are in violation of existing documents.

A previous board had said no to temporary carports, but this was outside their scope of authority as it is not backed by any country or HOA statute. In a future survey sent to all membership we will address the issue to see how the majority of membership feel.

(Riviera Community Club Bylaws and Covenants, page 21)

SECTION 7.07. Temporary Residence. No motor home, vehicle, trailer, tent, shack, garage, barn, structure of a temporary character, or any other outbuilding shall be used on any Lot at any time as a residence. A temporary structure may be used for the storage of materials during construction with the prior written consent of the Board of Trustees or the ACC.

ACC Permitted building projects that appear to be expired

The Riviera appreciates all feedback and concerns on the many projects that are around our neighborhood. Sadly, there are some misconceptions that these projects are out of code. Although we cannot share private member information with other members. If a specific question comes up and an employee states that it's within compliance, then that should be the extent of it. For example, several people have pointed out one particular lot is not in compliance near the Riviera office. It has many trees down. Actually, that permit is good for several more months.