

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION
Board of Directors Meeting Minutes
1070 Caughlin Crossing, Reno, NV
Wednesday, May 23, 2018

Board Members Present:

Al Dennis, President
Michele Attaway, Vice President
Tony Termini, Secretary
Vince Ames, Treasurer
Joan Mullen, Director
Mike Chern, Director
Drew Naccarato, Director

Others Present:

Lorrie Olson, Community/General Manager
Randy Lisenby, L & M Superintendent
Sandy Wheeler, Bookkeeper/CAM
Shawn Oliphant, Association Attorney
14 Homeowners

1. Call to Order and Determination of Quorum:

President Dennis called the meeting to order at 6:00 p.m. A quorum was established with all seven (7) Board Members present.

2. Member Comments: There were none.

3. Minutes:

3.1. 1070 Caughlin Crossing Building Dedication; Special Guests invited: Millie Burke, Mike Heffner, and Gwen Clancy.

GM Olson advised that all loan documents have been signed and the closing is anticipated to be on May 25th

With the authorization of President Dennis, GM Olson had a plaque made to dedicate the purchase of the 1070 building to include the names of the Board Members who at the May 2012 Board of Directors meeting had the initiative to put in place the purchase of the building. The May 2012 seated members and their positions on the board were; Mike Heffner, President, Millie Burke, Vice President, Mike Chern, Treasurer, Michele Attaway, Secretary and Gwen Clancy, Director. All of whom are present at tonight's meeting.

GM Olson purchased plaques for the 5 Board Members and 1 for the 1070 Office and presented each of the 2012 Board Member's with a small plaque to commemorate the purchase of the building; a larger plaque will be mounted on the lobby wall.

Mike Heffner expressed how fortunate we all are that Millie Burke put the "secret in the sauce" (so to say) in negotiating a lease that included a purchase option limiting the building's acquisition price to annual increases of just 2%. This has resulted in CRHA purchasing the building with approximately \$200,000 of built-in equity at close of escrow. He expressed a special thanks to her for all her work in putting that in place.

Gwen Clancy shared that yes, she was on the Board and that she agreed it was a great idea to eventually purchase the building. She also stated that she encourages other owners to join the

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Board of Directors. She said that it made a real difference for her and changed the way she felt about being a part of the Caughlin Ranch HOA and the community. She now references the trees, ponds and trails as our trees, our ponds, our trials, and now our building.

Millie Burke expressed that it was an honor to have served with the people who had the dream and to be in the presence of those who have carried out that dream and made it a reality. She thanked GM Olson for her efforts.

President Dennis shared that he is amazed at the incredible loan terms the Association received from the bank. GM Olson noted how pleased she was about various financial arrangements CRHA received in the process of purchasing the building. The Association's occupancy costs will now be some \$2,000 less per month than before the purchase.

4. Approval of Prior Meeting Minutes:

4.1. Review & approve March 28, 2018 Board of Directors Special Assessment and Application of Surplus Funds to Purchase 1070 Office Building Meeting Minutes:

Minutes prepared by Bookkeeper Wheeler; reviewed and edited by GM Olson and President Dennis.

Motion: Treasurer Ames moved to approve the March 28, 2018 Board of Directors Special Assessment and Application of Surplus Funds to Purchase 1070 Office Building Meeting Minutes as revised; Director Mullen seconded. Motion carried unanimously.

4.2. Review & approve March 28, 2018 Board of Directors General Business Meeting

Minutes: Minutes prepared by Bookkeeper Wheeler; reviewed and edited by GM Olson and President Dennis.

Motion: Treasurer Ames moved to approve the January 24, 2018 meeting minutes as presented; Vice President Attaway seconded. Motion carried unanimously.

Director Naccarato moved to recess the Board Meeting at 6:15 p.m. while a photo of the 2012 Board of Directors was taken with their plaques for the next Rancher issue; President Dennis seconded. Motion carried unanimously. The meeting was reconvened at 6:20 p.m. with all seven (7) board members present.

5. Financial Matters:

5.1. Review & accept Unaudited Financial Reports as of February 28 and March 31, 2018:

- Treasurer Ames and F&B Member Mr. Cody Jackson, CPA have been provided a copy of all the bank/investment statements and associated reconciliations along with the supporting financial reports
- Treasurer Ames and Mr. Jackson, CPA reviewed the February 28 and March 31, 2018 financial reports
- The bank statements are being reconciled and the financial reports reviewed and adjusted as-needed monthly by the GL Accountant to ensure CRHA is reporting on a true accrual accounting basis
- The Board has been provided copies of the GL Balance Sheet by Fund and the Actual vs. Budget Comparison through March 31, 2018

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- The Association's cash position through March 31st: Operating cash = \$1,265,829
Reserve cash and CD's: Mountainshyre = \$224,967; Caughlin Creek = \$553,334; CRHA = \$605,878; Grand Total = \$1,384,178. Capital funds set aside to purchase 1070 Caughlin Crossing = \$300,000
- Through March 31st on an accrual basis, Total Operating Income was \$566,653 after Reserve funds were transferred; over budget \$4,387. At this time, we are only accruing for the 1070 Caughlin Crossing Reserve Transfers until CRHA completes the purchase of the building.
- Total (Operating) Expense was \$385,459; under budget \$5,547:
Operating Expense = over budget \$(6,142); Payroll = under budget \$1,876;
Repairs and Maintenance = under budget \$7,016; Utilities = under budget \$2,797
- Total (Operating) Excess Revenue / Expense = \$181,194
- Total Reserve Income was \$58,962; of which Interest = \$718. All Reserve transfers, except for the 1070 Building, are occurring quarterly.
- Total Reserve Expenses were \$49,829; 2018 Reserve Budget = \$228,981
- The Board is required to review the Association's financial information in accordance with NRS 116.31083. The Association is following paragraph (b) of subsection 2 of NRS 116.3115 and confirms that reserve funds have not been used for daily maintenance.

Treasurer Ames thanked F&B members Mike Heffner, Cody Jackson, Larry Morris, Joyce Thompson, and Allen Black for their dedication and continued work on the committee.

Motion: Director Chern moved to accept the un-audited financial reports dated February 28 and March 31, 2018 as presented; Vice President Attaway seconded. Motion carried unanimously.

5.2. Approve Bad Debt write-off amount due to foreclosures: President Dennis advised that there were none at this time.

6. Reports & Updates:

6.1. Finance & Budget Committee (F&B):

GM Olson advised that she provided the Board members with Mike Heffner's report and that all the CDs have been purchased as per the recommendations that were provided.

Mike Heffner advised that the association has a great deal of reserve funds. GM Olson brought to the committee's attention that several CDs were expiring and that the funds that will not be needed for expenditures in the near future and should therefore be invested. Based on current rates, funds have been reinvested into 1 and 2-year CDs and we are anticipating higher interest rates to be paid on those funds.

GM Olson advised that there may be further investment of reserve cash funds after the asphalt projects have been completed.

6.2. Architectural Control Committee (ACC):

Director Naccarato advised that the ACC regularly meets twice a month. At the most recent meeting, last week there were 41 items to review. The majority of items that are being reviewed

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are for landscaping and house painting as well as submissions for the new subdivisions and new home construction projects on vacant lots.

6.3. Landscaping, Irrigation/Conservation & Maintenance; L&M Superintendent Lisenby provided the following updates:

Equipment maintenance and tune-ups:

- Backhoe – fuel and hydraulic leaks and a few minor repairs have been completed
- Cushman – fuel problem issues have been identified and repaired.

Flood Clean-up completed in February:

- Finished repair work on Scattergun common area.
- Work in progress on various locations in Alum Creek.
- Caughlin Glen – large clean-up to be completed in this area.

Water Conservation Projects:

- June-July – will be moving grass away from pathways to prevent erosion of walking trails. This will include up to 10 feet in various locations in Alum Creek corridor.

New equipment acquisition: Working great and saving time and manpower.

- 18” Billy Goat Aerator
- SG13 Stump grinder

Village Green Park:

- Painted gazebo
- New shrubs installed
- Light pole repairs are in progress
- Working with Sierra Winds who will be conducting safety inspections on the playground equipment in both parks.

In addition to the above the following have been completed:

- Wild flowers re-seeded
- Spring flowers planted
- Normal mowing schedule has started (and will continue weather permitting)
- Steamboat Ditch irrigation pumps have been hooked up and are operational

Director Mullen asked who maintains the area located at McCarran and Mayberry. Superintendent Lisenby advised that is maintained by the county.

Vice President Attaway asked if there were any wildlife updates within CRHA.

Superintendent Lisenby shared that there are baby geese and ducks everywhere, coyotes each morning, coy fish has been temporarily moved to different pond while flood clean-up is being continued on the pond it previously had been in.

President Dennis reminded everyone that all dogs should be on leashes when walking them in the common areas, he has received a couple of emails regarding dogs chasing geese and ducks.

6.4. Community Events:

Vice President Attaway discussed the 2018 Events schedule:

The following are the 2018 Event dates:

- Spring Bird Walk/Watching meet at Caughlin Ranch office: June 9th
- Shredding Day; truck will be at Caughlin Ranch office parking lot: June 9th
- Garage Sales; individual lots: June 16th & 17th
- Concerts in the Village Green Park: Every Sunday in July; additional dates TBD
- 8th Annual BBQ at the Village Green Park (new venue): September 9th
- Cross Peak Hike (meet behind the Caughlin Club): September 15th
- Fall Bird Walk/Watch (meet at Caughlin Ranch office): September 29th
- Garage Sales; individual lots: October 6th & 7th
- Angel Tree for Children and Seniors Citizens: November 1st thru 30th
- Holiday Share Your Wine at Moana Nursery: November 8th
- 34th Annual Members Meeting & 2019 Budget Ratification Meeting: November 14th

Vice President Attaway advised that there will be an ice cream social on Friday afternoon 6/15/18 at the Caughlin Ranch HOA office as GM Olson thought a great way to continue the celebration of the building purchase would be to have ice cream with owners as they stop by to pickup the garage sale lists.

Vice President Attaway extended a thank you to GM Olson and her staff for all their hard work to pull off these events, and stated that without them the events would not be so successful.

6.5. Pending Litigation, Executive Session Summary, Community News and Updates:

Attorney Oliphant advised that CRHA is required to provide a periodic update regarding all possible/pending litigation. He advised there are three on-going matters.

- One involves a home that the lender has been authorized to foreclose upon but has not yet done so. We are awaiting completion of that process.
- Another case involves a homeowner who claims he was damaged because an adjoining neighbor's pool structure was built outside the building envelope. Part of that complaint has been dismissed and additional motions will be brought by the Attorney representing CRHA in this matter.
- A third case involves a seasonal worker who claims he was not hired in 2017 because of his age. This matter went to mediation but was not resolved. It is now under investigation to determine if there is cause for a charge of discrimination.
- Investigation of claims alleging the creation of a "hostile work environment" (US Code Title VII).
- Addressed a fence repair dispute.
- Addressed the Eastridge II common areas to be deeded over to CRHA.

Attorney Oliphant provided a summary of the Executive Meeting as follows:

- Reviewed and approved the Executive Meeting Minutes from March 28, 2018
- Reviewed the Violation Report as of March 31, 2018
- Reviewed correspondence from sub-association
- Reviewed the Accounts Receivable report through March 31, 2018
- The Executive Board of Directors meeting was not completed will be continued to a future date to address some of these items

6.6. Community News and information; GM Olson provided the following summary:

- We currently have 3 property damage claims in process for vehicular accidents (2 drunk drivers crashed at the same location at different times) which damaged CRHA common area components. Insurance carriers awaiting invoices for materials and staff labor. Reference attached response from City Councilwoman Jenny Brekhus regarding the accidents on lower Caughlin Parkway. She was advised that due to lack of funds there would not be any additional patrols in the area.
- GM Olson was invited to and participated in a May 2nd Pod Cast hosted by NDOW regarding bears and trash. GM Olson has been dubbed the "HOA Bear Specialist". She was also asked to participate in future Pod Casts. The first can be heard at: <https://soundcloud.com/user-934973730>.

7. New Business:

7.1. Open sealed bids and approve contractor and costs for Phase III (final) of Asphalt Rehab Project: GM Olson advised that Engineer Seth Padovan provided the seal bids for Phase III of the Asphalt Rehab Project. She further advised that there are only 2 bids due to there being only 2 companies locally who handle this type of work. She opened the bids and read the following: SNC bid total is \$97,720.97; Intermountain bid total is \$101,496.64.

Engineer Padovan advised that this will be the final phase for the resurfacing of the asphalt trails, the work started over 2 years ago. In that amount of time work was completed patching and sealing cracks and included a change in material used (seal coat to slurry seal).

GM Olson advised that there were fewer complaints about the surface of the paths after the second phase was completed. And it helped once the F&B Committee members reviewed the work with the engineer.

Director Naccarato asked what can be done to reduce people walking or riding bikes on the asphalt prior to the asphalt curing completely.

Engineer Padovan advised that more cones and signs would need to be put up and he will speak with SNC regarding the cones, signage, and access controls.

Vice President Attaway suggested that ESI Patrol Service be utilized during the project.

Mike Heffner suggested that the signage include a deadline as to when the slurry seal can be accessed, such as "this path will be wet until 6:00 p.m. on Wednesday".

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GM Olson asked if the additional cost to cover the damages made by the county snow plow that are included in the proposals, affected area is along Caughlin Pkwy. from Sourdough to Pine Bluff subdivision.

Engineer Padovan advised that those costs are not included. He further explained that some patching along Caughlin Pkwy was completed but not all affected areas were patched. Also, the contractors that he spoke to advised that we could patch the damaged areas, but the result will be a color variation in the asphalt areas and result in a patchwork affect. The recommendation was to slurry seal all the affected paths at an estimated cost of \$24,655. He was not certain if the county would agree to cover the costs or not.

GM Olson advised that the communications she received was that the county made the repairs and they are done.

Treasurer Ames asked if this was an aesthetic or structural issue. Engineer Padovan advised it is more aesthetic. He does recommend that these areas be sealed, and any missed areas be patched and sealed.

Attorney Oliphant asked if the Board of Directors would like him to review the 1984 Trail Systems Agreement to determine if the county holds any responsibility for repairs.

Motion: Treasurer Ames moved to approve SNC's proposal in the amount of \$97,720.97 as presented; Director Naccarato seconded. Motion carried unanimously.

7.2. Announce results of ballot vote to install camera monitoring systems at Caughlin Creek Gates I and II and Mountainshyre Gates; approve final costs:

GM Olson advised that both ballot questions have resulted in approval to install the camera systems. The quote that was received from RFI for the systems are \$3,905.00 be gate entrance for a total installation cost of \$11,715.00.

We have the ability to set the parameters for the recording as well as the storage. The storage as proposed is 14-days. The cameras are typically set to record on motion 24-hours a day. We can configure to only record during certain hours if needed as well as 24/7 recording. We are comfortable with the 14-days but have not discussed if recording during open, closed or both yet.

Motion: Director Mullen moved to approve RFI's quote in the amount of \$11,715.00 as presented; Vice President Attaway seconded. Motion carried unanimously.

7.3. Appoint Alternate and/or new volunteer Member to ACC: GM Olson advised that a long-time member resigned since he has sold his home and is relocating. His last meeting will be on May 31st. She did have another homeowner who agreed to submit an application to join the Committee, but she did not receive her application prior to her leaving town on a trip. The homeowner promised to have it submitted upon her return in time for the next Board meeting.
This item was tabled to a future meeting.

7.4. Approve Common Area Use Agreement: President Dennis advised that there is still more research to complete prior to being able to make a decision and asked for a motion to table this item to a future meeting.

Director Chern asked if it is possible to find out what the liability issue is for CRHA based on the common area park and trail system and suggested that be determined prior to putting this matter to rest once and for all.

President Dennis advised that an Ad Hoc committee be established to complete additional research and return a recommendation to the Board of Directors.

Motion: Treasurer Ames moved to table the Common Area Use Agreement to a future meeting; Director Mullen seconded. Discussion ensued. Motion and second were withdrawn.

Amended Motion: Treasurer Ames moved to table the Common Area Use Agreement and appoint a committee to include President Dennis, Mike Heffner, Director Chern, and Dave Waldron, assisted by Attorney Oliphant to complete further research and return with a recommendation to the Board of Directors; Director Chern seconded. Motion carried unanimously. This item was tabled to a future meeting.

7.5. Approve 2018 ESI Patrol Services: GM Olson advised that the 2018 Budget = \$35,000. Spent \$5,950 YTD to close and open the Village Green Park parking lots. Recommend recommencing nightly patrols from 10:00 pm thru 4:00 am Friday through Sunday nights and for 4 hours randomly one day per week to walk the trails in different areas to address dogs off leash. The hourly rate is the same as 2017. And as indicated earlier in the meeting they may be utilized for the slurry seal project.

Motion: Director Naccarato moved to approve 2018 ESI Patrol Services as presented; Vice President Attaway seconded. Motion carried unanimously.

7.6. Approve Legal Memorandum regarding Assessment Category Explanation: GM Olson advised that in an effort to put the matter regarding the assessment amount that is paid by the Caughlin Creek and Deer Creek neighborhood to rest once and for all, Mike Heffner suggested a Legal Memo which could be handed out each time the subject is brought up. Attorney Oliphant prepared the Legal Memo.

Motion: Treasurer Ames moved to approve the Legal Memorandum regarding Assessment Category Explanation as presented; Vice President Attaway seconded. Motion carried unanimously.

7.7. Approve Corporate Resolutions for Association Loan: Attorney Oliphant advised this was an additional document which is required to complete the 1070 Building purchase.

Motion: Director Naccarato moved to approve the Corporate Resolutions for Association Loan allowing President Dennis to sign said document as presented; Treasurer Ames seconded. Motion carried unanimously.

7.8. Approve alternate fence material for Caughlin Cottages: GM Olson advised that a vinyl picket fencing product was approved as an alternate material for the Caughlin Cottages

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neighborhood by the ACC on May 17th. Vista Pointe also has an approved vinyl picket fence product.

Director Naccarato complimented Mr. Waldron for his presentation of the alternative vinyl fencing product to the ACC. It was a very professional presentation.

Treasurer Ames advised that he met with Mr. Waldron to review a sample area of where the alternative vinyl fencing product was installed by adhering it to an existing picket fence. He was amazed at the likeness of this material and how well it blended in with the existing fencing.

Vice President Attaway asked how homeowners within the Caughlin Cottages neighborhood would be noticed regarding the alternative vinyl picket fencing material being available for use upon ACC submission and if approved. She requested that this be thoroughly communicated to all Caughlin Cottages owners in writing and if possible including the material specifications to them. She also suggested an email blast to those owners.

GM Olson advised that if this item is approved tonight there will be an article in the up coming Rancher issue. The alternative product specifications will also be included in the ACS&G Handbook at the time that it is updated.

President Dennis commented on how prior approved alternative items were not communicated in the manner that is being required by this motion.

Vice President Attaway reiterated that in the past when changes have been implemented there was not sufficient communications.

Motion: Director Naccarato moved to approve the alternate vinyl picket fence material for the Caughlin Cottages neighborhood as presented and that written communication of this item be required; Director Chern seconded. Discussion ensued. Motion carried unanimously.

8. Member Comments:

Homeowner Charlene Oakes suggested enhancing the sense of community by starting some clubs, such as those listed below. She also stated she will volunteer her free time assisting to get clubs started. The meetings could possibly be held here at the Caughlin Ranch HOA office.

- Garden club
- Computer club
- Photography club
- Charity sewing club
- Cooling classes

President Dennis suggested that she get in contact with the editor of the Rancher for a possible article in the magazine.

GM Olson advised that she would be in contact with Ms. Oakes to advise what the article should include.

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9. Announce Future Meeting Dates & Adjourn:

Board Agenda Workshop 4:00 p.m. Monday, July 23, 2018; Board of Directors Executive Session 5:00 p.m. and General Business Meeting 6:00 p.m. Wednesday, July 25, 2018

Motion: Vice President Attaway moved to adjourn the meeting at 7:41 p.m.; Director Mullen seconded. Motion carried unanimously.

Subsequently approved at a duly noticed Board of Directors Meeting on July 25, 2018.



Tony Termini, Secretary Board of Directors
Caughlin Ranch Homeowners Association