

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION
Board of Directors General Business Meeting Minutes
1070 Caughlin Crossing, Reno, NV
Wednesday, July 24, 2019

Board Members Present:

Al Dennis, President
Michele Attaway, Vice President
Drew Naccarato, Secretary
Vince Ames, Treasurer
Mike Chern, Director
Helen Eastwood, Director

Others Present:

Lorrie Olson, Community/General Manager
Randy Lisenby, L & M Superintendent
Sandy Wheeler, Bookkeeper/Assistant Manager
9 Homeowners

Board Members Absent:

Allen Black, Director

1. Call to Order and Determination of Quorum:

President Dennis called the meeting to order at 6:01 p.m. A quorum was established with six (6) Board Members present.

2. Member Comments: There were none.

3. Minutes:

3.1. Review & approve May 29, 2019 Board of Directors General Business Meeting:

GM Olson advised the minutes were prepared by Bookkeeper Wheeler, reviewed by GM Olson and Secretary Naccarato.

Motion: Treasurer Ames moved to approve the May 29, 2019 Meeting Minutes as presented; Vice President Attaway seconded. Motion carried unanimously.

4. Finances:

4.1. Review & accept Unaudited Financial Reports as of May 31, 2019:

- Treasurer Ames has been provided a copy of all the bank/investment statements and associated reconciliations along with the supporting financial reports. We continue to send them to F&B Member Cody Jackson, CPA also.
- The bank statements are being reconciled and the financial reports reviewed and adjusted as-needed monthly by the GL Accountant and CRHA Bookkeeper 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 Statement of Revenues and Expenses as of May 31, 2019
- The Association's cash position through May 31st: Operating cash = \$1,433,809
Reserve cash and CD's: Mountainshyre = \$251,798; Caughlin Creek = \$615,887; CRHA = \$604,709; Grand Total = \$1,472,394
- Through May 31st on an accrual basis, Total (Operating) Income was \$965,336; over YTD Budget by \$15,696. At this time, all reserve transfers are being deposited on a quarterly basis due to our positive cash flow.

- GL # 3417; Interest Income is higher than anticipated due to the balance being held in the Wealth Management Operating Account (2019 Budget = \$3,068)
- Total (Operating) Expense was \$808,509; under YTD Budget by \$62,196.
- Expense recap: Operating = \$10,253 under budget. Payroll = \$36,437 under budget primarily due to Seasonal Wages. R&M = \$(5,059) over budget primarily due to L&M Phones which were added in 2019 and Water Conservation Projects. Utilities = \$62,196 under budget primarily due to Irrigation.
- Total (Operating) Excess Revenue / Expense = \$156,826; positive variance of \$77,892.
- Total Reserve Income was \$131,731; of which Interest = \$11,465 (2019 Budget = \$19,314)
- Total Reserve Expenses were \$59,823; 2019 Reserve Expense Budget = \$126,061
- 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.

Motion: Vice President Attaway moved to accept the un-audited financial reports dated May 31, 2019 as presented; Director Eastwood seconded. Motion carried unanimously.

Treasurer Ames moved forward with item 5.3., the Finance & Budget Committee report with no objections from any of the Board Members.

5.3. Finance & Budget Committee (F&B); Treasurer Ames advised that the committee will meet on August 6th to review the draft of the 2020 Budget and the 10-year cash flow to determine if there will be funds available to allow for a paydown of the principal on the 1070 building loan.

Treasurer Ames added that L&M Superintendent Lisenby will review the anticipated 2020 Reserve expenses and will recommended changes if need-be. We anticipate there will be items that may not require budget consideration in 2020.

He advised that the F&B has recommended investing \$500,000 of operating funds into a 6-month CD at a favorable rate before the rates are reduced.

5. Reports & Updates:

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

Flood Cleanup continues:

- Work is in progress on various locations in the Alum Creek corridor
- Caughlin Glen (large cleanup) was placed on hold at the beginning of the season and is scheduled to restart in August

Water Conservation Projects for 2019:

- Completed in May

Defensible Space:

- Expand defensible space program – in progress: Goal is to expand beyond 30 feet

Caughlin Ranch Homeowners Association
Board of Directors Meeting
July 24, 2019

Miscellaneous projects:

- Plant trees in various locations – started May 20th
- Summer Flowers have been planted
- Irrigation pumps are all up and running
- Common areas have been fertilized for the 2nd time this year
- Reseeding wildflowers/late summer color
- Pruning shrubs

L&M Superintendent Lisenby advised that there are multiple requirements necessary to complete clean-up of the burnt McCarran Slope areas. NDOT requires a permit for all work as well as traffic controls while work is in-progress. It will be necessary to work with NDOT to determine what work will be permissible in this area. The work will include the removal of trees and grasses and the addition of new plants such as native vegetation, shrubs, small trees, rock ground covering.

GM Olson asked L&M Superintendent Lisenby if he thought the work on the McCarran corridor could be completed in one year or will it take multiple years. It will be necessary to include funds in the 2020 Budget to allow for some work to be completed.

Treasurer Ames asked if it is possible to work with Jobs Peak for weed control. Randy advised they have been used in the past to treat the common areas above the Eaglesnest HOA. He has a proposal for review later in the meeting under New Business.

Vice President Attaway asked if the irrigation systems can be turned on during a fire to assist in extinguishing it. L&M Superintendent Lisenby advised that there is only drip irrigation on the slopes along McCarran Blvd., there are no sprinklers on the hill.

GM Olson advised that she had spoken to Trey Palmer of City of Reno regarding the recent fire and he advised that it was suspicious and is under investigation. There were no witnesses, and no one has come forward yet. There have been 4 fires in the last two days with two arrests. They will contact us if there are any further details regarding this recent fire in CRHA.

5.2. Architectural Control Committee (ACC); Secretary Naccarato advised that the ACC reviewed 85 items between 5/11 & 7/16/19. These requests are varied and include new landscaping in the neighborhoods that are being built as wells as several other exterior changes to existing properties.

GM Olson advised there is a process if an owner embarks on a project prior to receiving prior written ACC approval. The owner will be required to submit the project plan to the ACC for review and approval consideration. The owner will then be sent a notice to appear at a Compliance Hearing. She reminded everyone it is possible when a project that has been started or completed without approval may be denied and if so, will result in the owner having to return the affected area to its original condition.

Caughlin Ranch Homeowners Association
Board of Directors Meeting
July 24, 2019

Secretary Naccarato encouraged owners to submit their proposed changes for approval and if they see a neighbor embarking on an unapproved project, to encourage them to submit a plan for approval.

President Dennis also encouraged owners to contact the office for assistance with submitting their projects as well as visiting the CRHA website, www.caughlinhoa.com where all the information is posted. The website has been updated this year and is very easy to navigate.

5.4. Community Events:

Vice President Attaway advised that the Concerts in The Park are going great and we are having record crowds. After numerous requests for more concerts, there will be an encore performance by Erika Paul Jazz Quartet on Sunday, August 4th from 6:00 pm to 8:00 pm.

Vice President Attaway announced that CRHA is participating in a Backpack drive partnered with Volunteers of America. The program is designed to have participants purchase a backpack and fill it with necessary school supplies. CRHA's goal is to collect 50 filled backpacks. So far, we have 31 collected and need only 19 more to meet our goal. A flyer for Operation Backpack has been posted to the CRHA website on the home page under the "Need to Know" section with a link to the shopping lists for school supplies.

List of the upcoming events are as follows:

- Concerts in the Village Green Park: June 30th, every Sunday in July & August 4th
- Operation Backpack: Deadline to drop off of backpacks is July 29th
- Cross Peak Hike (meet behind the Caughlin Club): September 14th
- 9th Annual BBQ at the Village Green Park: September 8th; new time is 1:00 pm to 4:00 pm
- Fall Bird Walk/Watch (meet at Caughlin Ranch office): September 28th
- Garage Sales; individual lots: October 4th, 5th & 6th (Fridays now included!)
- Trick or Treating and Pup Costume Parade at Caughlin Ranch Office: October 31st
- Angel Tree for Children and Seniors Citizens: November 1st thru 30th
- 35th Annual Members Meeting & 2020 Budget Ratification Meeting: November 20th

Vice President Attaway thanked staff for their assistance.

5.5. Pending Legal Matters & Executive Session Summary; President Dennis provided a summary of the Executive Meeting as follows:

- Reviewed the prior Executive Session Minutes
- Reviewed potential legal matters
- Reviewed the Accounts Receivable Report
- Reviewed the Violation Report

5.6. Strategic Planning Sessions; President Dennis provided a summary of the SP Sessions. He advised that there have been numerous meetings, 8 to be exact. These have included Board members as well as F&B and ACC Committee members.

Caughlin Ranch Homeowners Association
Board of Directors Meeting
July 24, 2019

President Dennis shared that these meetings are open to all homeowners. The next meetings will be held at 3:00 pm on August 7th and August 21st here at the office. He encourages all homeowners to come and share their ideas too.

He advised the mission and vision statements have been re-developed and now we are focusing on the goals and objectives. This will continue to evolve and be updated as time passes. This also includes adding funds to the budget to assure that goals and objectives can be met.

Treasure Ames added that Secretary Naccarato has done an admiral job keeping the Board of Directors on track during this process.

5.7. Community Information & News:

GM Olson provided the following updates:

- On July 15th, GM Olson and L&M Superintendent Lisenby along with representatives from Alpine and Philadelphia Ins. embarked on a Risk Evaluation. There were two areas that they recommended signs be added as well as two minor repairs that are being completed.
- The City of Reno recently installed a crosswalk, at the request of an owner in the Village Green area, from the corner of the WFB to the Village Green Park. This hopefully will allow safe access for the school kids to cross over to the park where many of the parents' park. I want to thank homeowner Tom Martin for his suggestion and patience.
- GM Olson continues to work with Eaglesnest President Mallory on the gate systems for Caughlin Creek (CCRK) and Mountainshyre (MS). The internet cost analysis is still pending.
- The CRHA primary computing server was replaced with minimal downtime and frustration. The final migration will be completed this weekend.
- ESI Security patrols commenced on Friday, June 28th. They are on-site from 10:00 pm through 4:00 am Friday through Monday nights. GM Olson intends to increase the patrol budget each year. We have received positive feedback from the owners in the vicinity of the Village Green Park in particular. ESI empties the parking lots at 10:00 pm and re-opens them around 4:00 am. They also provide a House Watch service on the nights they are on-site. Residents can call ESI Dispatch at (775) 626-3000 regarding disturbances and/or incidents while they are on-site.
- In 2018, GM Olson participated in a NV Division of Wildlife (NDOW) podcast on Bear Awareness that recently won 1st Place nationally. She was very proud to share in the excitement with the NDOW staff when she visited the NDOW office in Reno to take a photo with staff and the plaque.

6. New Business:

6.1. Approve cost to repair exit gate at Mountainshyre:

GM Olson solicited three bids to have the damaged gate panel removed, repaired/welded and re-installed. We were concerned about allowing welding on-site due to the fire hazard. Two bids were received, one did not respond. The gate has been removed and is scheduled to be re-installed next week. Request approval of \$1,280 for repairs.

Motion: Secretary Naccarato moved to approve the cost of \$1,280.00 to repair the exit gate at Mountainshyre as presented; Director Chern seconded. Motion carried unanimously.

6.2. Approve cost for professional weed control spraying:

GM Olson discussed receipt of a quote from Jobs Peak Weed Control whom we have used on a limited basis in the past. L&M Superintendent Lisenby has requested to expand the scope of work to include steep slopes with cheat grass concerns. There is \$5,000 unspent in the 2019 Budget for Weed & Fire Mitigation. The amount of the quote that was received was in the amount of \$21,125 to treat 65 acres at a cost of \$325 per acre.

GM Olson and L&M Superintendent Lisenby discussed splitting the project between this year and next as he would like to expand the amount of area to be treated. As a result, it was suggested that \$15,000 be added to the 2020 Operating Budget for weed control. At this time, we would like to request \$11,000.00 in order to treat as much area as possible in 2019. Should there be an increase in the per acre cost due to the reduction in acres this year; the areas to be treated will be re-evaluated.

Vice President Attaway asked if the company has actually had success with weeds in this area, are the chemicals hazardous and do they pose a hazard to the creeks.

L&M Superintendent Lisenby advised that CRHA has used Jobs Peak Weed Control in the past in the area above Eaglesnest HOA. This company has had success in the area and the chemicals that are used do require the company to be licensed for chemical application. The areas to be treated at this time are not located by the creeks and the objective is to get a handle on the cheat grass which contains a lot of fuel for fires.

Secretary Naccarato asked when the work will be completed, are we still in the season to be most effective, how it would be applied, and do we need to notify homeowners. L&M Superintendent Lisenby responded that application would be this fall or early spring of 2020. Application is via spraying using a sprayer mounted to a truck, hand sprayers, and use of an all-terrain vehicle such as a quad to get to hard to reach areas.

Motion: Treasurer Ames moved to approve the cost for professional weed control spraying with a not to exceed amount of \$11,000.00; Director Eastwood seconded. Motion carried unanimously.

6.3. Approve Phase II Rockery Wall Evaluation:

GM Olson advised that Phase I of the Rockery Wall Evaluation has been completed. Engineer Seth Padovan is in the process of having a CAD map showing all the rockery walls and Washoe County walking trails within CRHA completed. The Proposal for Phase II of the Rockery Wall Evaluation is enclosed for the Board's consideration. Engineer Seth Padovan provided the scope and purpose of the proposal which is for a lump sum of \$4,420.

Motion: Treasurer Ames moved to approve the Phase II Rockery Wall Evaluation as presented; Secretary Naccarato seconded. Motion carried unanimously.

Caughlin Ranch Homeowners Association
Board of Directors Meeting
July 24, 2019

6.4. Approve cost of CMU retaining wall investigation:

GM Olson advised that Engineer Seth Padovan recommended Shields Engineering provide an investigation of the large CMU wall along Caughlin Parkway. He advised this firm is more qualified to evaluate this engineered block wall system at a cost of \$2,500. We recently had blocks displaced at the top and a couple fell off the wall due to vegetation growth.

GM Olson recommends we continue to code these extraordinary and necessary unbudgeted expenses to GL #4302 Outside Consulting. GM Olson is hopeful the Operating Expense dept. will be able to absorb the extraordinary expenses by year-end reflecting only a minimal budget overage, if any. If not, our excess income year-to-date is sufficient to cover the anticipated additional expenses. These evaluations and inspection expenses would have been budgeted in 2020.

Secretary Naccarato asked where this wall is located. GM Olson responded it is located along Caughlin Parkway across from the Creek Ridge entrance east of the Seasons neighborhood.

Motion: Secretary Naccarato moved to approve the cost of CMU retaining wall investigation as presented; Treasurer Ames seconded. Motion carried unanimously.

6.5 Approve revisions to Employee Handbook:

GM Olson advised that revisions to pages 15 and 33 were recommended by Attorney Drinkwater's office after the close of the 2019 NV Legislative Session.

Motion: Vice President Attaway moved to approve the recommended revisions to the Employee Handbook as presented; Director Eastwood seconded. Motion carried unanimously.

7. Member Comments:

Realtor Kathy Hammel spoke for an owner who she assisted in the purchase of their CRHA home regarding a tree that is located in the common area behind the home that is obstructing their view. The concern is this tree is a sapling that planted itself and was not planted by CRHA. Her client is willing to pay the cost to have it removed. Unfortunately, it is not only obstructing the original view they saw from the deck when they first purchased the home, but the tree is not an attractive tree.

An owner from the Mountainshyre neighborhood asked if a pedestrian gate could be added to restrict foot access into the Mountainshyre neighborhood. GM Olson responded that any cost to add a component such as a pedestrian gate, will require a vote of the neighborhood owners and all neighbors within Mountainshyre must share the cost equally of the materials and installation.

Homeowner made the following statement regarding the maintenance staff; "Thank you for taking such excellent care of us and Randy thank you for the extra trash cans".

8. Announce Future Meeting Dates & Adjourn: (all meetings are held at the address shown above); *The next Strategic Planning sessions are tentatively scheduled for 3:00 p.m. on Wednesday, August 7th and August 21st.*

Caughlin Ranch Homeowners Association
Board of Directors Meeting
July 24, 2019

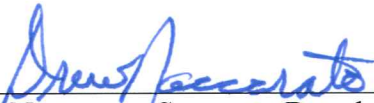
Monday, Aug 26th 2020 Budget Review Workshop 4:00 p.m.
Monday, Sept 23rd Board Agenda Workshop 4:00 p.m. (final 2020 Budget review)
Wed., Sept 25th Executive Session 4:30 p.m. Board General Business Meeting 6:00 p.m.,
approve 2020 Budget; member ratification required at Annual Meeting

Note: NV HOA Lobbyist Garrett Gordon, Partner with Lewis, Roca, Rothgerber, Christie, LLP will provide a 2019 Legislative Update beginning at 5:15 p.m. on September 25th.

Note: The September and November Executive Sessions will all begin at 4:30 p.m.

Motion: Secretary Naccarato moved to adjourn the meeting at 6:49 p.m.; Vice President Attaway seconded. Motion carried unanimously.

Subsequently approved at a duly noticed Board of Directors Meeting on September 25, 2019.



Drew Naccarato, Secretary Board of Directors
Caughlin Ranch Homeowners Association