

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION
Board of Directors General Business Meeting Minutes
Virtual via GoToMeeting
Wednesday, March 24, 2021

Board Members in attendance via teleconference and/or telephone:

Al Dennis, President	Michele Attaway, Vice President
Drew Naccarato, Secretary	Mike Chern, Director
Margaret Getz, Director	Michael Ginsburg, Director

Board Member Absent

Steve Bremer, Treasurer

Others in attendance via teleconference and/or telephone:

Lorrie Olson, Community/General Manager	Randy Lisenby, L & M Superintendent
Sandy Wheeler, Office Manager/Bookkeeper	Shawn Oliphant, Association Attorney
Kendal Galka, CPA with McClintock Accountancy	5 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 six (6) of seven (7) Board Members present via teleconference and/or telephone.

2. Member Comments:

A Whispering Canyon homeowner inquired about item 5.8, Status of Whispering Canyon's common area turn-over to CRHA and asked about the timeline for turnover. He also asked who is responsible for the walking trails and proposals for walking trails. He apologized if this was not the time for him to speak about this as he is unsure of the course of a meeting as Board meetings are new to him.

GM Olson advised that this will be covered when item 5.8 is reviewed later in today's meeting.

President Dennis explained the differences between the two Member Comments on the agenda, the first Member Comments is to allow homeowners to comment on items that are on the agenda and the second Member Comments is to allow homeowners to comment on anything regarding Caughlin Ranch.

Items 5.6 and 7.3 have been moved up to allow Attorney Oliphant to be excused early.

5.6 Pending Legal Matters & Executive Session Summary:

Attorney Oliphant provided the following summary:

Pending legal action notices as follows:

- Workers' compensation claim made by a former employee. Claimant wants the workers compensation claim to be reopened.
- Complaint received on January 26, 2021, involves CRHA, ENA and Washoe County. This is a dispute over access of a road owned by Washoe County.

The following items were reviewed during the Executive Session Meeting:

- Discussed the possibility of litigation related to the items noted above
- Reviewed and approved the Executive Summary from the last Executive Session Meeting
- Reviewed the Violation Report & fines
- Reviewed the Accounts Receivable Aging Report
- Homeowner Claims
- Discussed personnel matters

7.3 Approve Common Area Planting Policy: Attorney Oliphant advised that this item was a result of a homeowners' request to have additional plantings added to the common area adjacent to their home. This item was tabled to allow for a policy to be drafted and reviewed by Attorney Oliphant. It should be noted that staff has recommended against such a policy.

GM Olson advised that the sub-committee looked at the hierarchy of documents including federal, state, city, county, and of the association. All the documents clearly state that private property is the responsibility of the property owner and common area is the responsibility of the association. Our concern is not to create another document when there are existing documents which already address who is responsible for which areas. CRHA already has several documents which address the common areas and another one should not be necessary.

Motion: Director Chern moved to reject the proposed Common Area Planting Policy; Secretary Naccarato seconded. Discussion ensued.

Director Chern inquired if there was any way to prevent this type of a policy change from coming up in the future.

Attorney Oliphant asked for the Board to clarify their intentions. Does the Board intend to not accept any homeowner's request for plantings in the common areas, even if the homeowner agrees to pay for such plantings?

President Dennis responded that correctly clarifies the Board's intentions.

Attorney Oliphant advised to have the motion amended to include that the policy is rejected, and that the association will not be accepting requests from homeowners for common area plantings.

Revised Motion: Director Chern moved to reject the proposed Common Area Planting Policy and that Caughlin Ranch HOA will not be accepting request from homeowners for common area plantings in the future; Secretary Naccarato seconded. Motion carried unanimously.

3. Review & approve January 27, 2021 Board of Directors General Business Meeting Minutes:

Motion: Director Ginsburg moved to approve the January 27, 2021 Board of Directors General Meeting Minutes as presented; Director Getz seconded. Motion carried unanimously.

4. Finances:

4.1 Accept October 31 and November 30, 2020 (unaudited) Financial Reports:

President Dennis advised that it was determined these reports were not officially accepted when the meeting recording was reviewed.

Motion: Director Ginsburg moved to accept the un-audited Financial Reports dated October 31 and November 30, 2020 as presented; Director Chern seconded. Motion carried unanimously.

4.2 Review & accept 2020 Year-end Financial Audit:

GM Olson introduced Kendall Galka, CPA, and Partner with McClintock Accountancy Corporation.

Kendal Galka, CPA advised that she is the Audit Partner with McClintock Accountancy based out of Tahoe City, CA. This year's audit resulted in an unmodified audit which is a clean opinion and the highest rating that can be received on an audit. The audit is conducted under generally accepted auditing standards designed to provide reasonable assurances that the financial reports are properly presented rather than absolute assurances. The financials are being presented in a manner that provides good financial information.

Kendall advised that she along with another member of her office conducted the 2020 Audit and were able to come on-site. They worked with Bookkeeper Wheeler and GL Accountant Tim Cleary to complete the audit.

Kendall further advised there were standard year-end adjustments and three proposed adjustments, two made by management. This is in comparison to ten adjustments made in the 2019 audit year. These included reclassifications of Certificates of Deposit out of cash into an investment and a true up of the park improvement contribution which ended up being more than anticipated and a true up of the end of year tax provision which occurs each year. There were no disagreements with management in conducting the audit.

Motion: Secretary Naccarato moved to accept the 2020 Year-end Audited Financial Reports dated December 31, 2020 as presented; Director Ginsburg seconded. Motion carried unanimously.

4.3 Review & accept January 31, 2021 (unaudited) Financial Reports

The following report was provided to the Board of Directors which includes bank balances for the operating and reserve accounts:

- Treasurer Bremer has been provided a copy of all the bank/investment statements and associated reconciliations along with the supporting financial reports.
- The Board Members have been provided copies of the GL Balance Sheet by Fund and the Statement of Revenues and Expenses as of January 31, 2021.
- The bank statements are being reconciled and the financial reports reviewed and adjusted as-needed monthly by the GL Accountant and Office Manager/Bookkeeper Wheeler to ensure CRHA is reporting on a true accrual accounting basis.

- The Association's cash position through January 31st: Operating cash = \$1,559,282
Reserve cash and CD's: Mountainshyre = \$280,326; Caughlin Creek = \$599,233; CRHA = \$753,766; Grand Total = \$1,633,325
- CRHA continues to accrue for the Whispering Canyon reserve contributions based on the 2020 Reserve Study completed by Browning Reserve group and subsequently approved by the CRHA Board of Directors. Office Manager/Bookkeeper Wheeler will request new account documents from Charles Schwab and will begin completing the requirements and soliciting Board signatures to establish the Whispering Canyon Reserve Account.
- Through January 31st on an accrual basis, Total (Operating) Income was \$151,607; over YTD Budget by \$5,436. At this time, all reserve transfers are being deposited on a quarterly basis due to our positive cash flow.
- Total (Operating) Expense was \$138,281; over YTD Budget by \$(4,727).
- Expense recap: Operating = \$3,806 under budget; Payroll = \$(2,955) over budget; R&M = \$(7,936) over budget; Utilities = \$2,359 under budget.
- Total (Operating) Excess Revenue / Expense = \$13,326; positive variance of \$709.
- Total Reserve Income was \$67,322; under budget by \$(1,512).
- Total Reserve Expenses were \$15,131; 2021 Reserve Expense Budget = \$284,345.

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: Secretary Naccarato moved to accept the un-audited Financial Reports dated January 31, 2021 as presented; Vice President Attaway seconded. Motion carried unanimously.

5. Reports & Updates:

5.1 Finance & Budget Committee (F&B): GM Olson advised the F&B reviewed and recommended acceptance of the 2020 Year-end Financial Audit. The F&B has subsequently provided edits to the CRHA 2021 Reserve Study Financial Update and is recommending acceptance of the CRHA, Caughlin Creek / DeerCreek and Mountainshyre 2021 Reserve Study Financial Updates.

F&B Co-chair Mr. Mike Heffner provided an updated Cash Flow report. Mr. Heffner estimates assessment increases will be needed in future years. The SRW repair costs recap was provided to the Board and F&B. The Reserve Fund had a net gain of \$162,370 due to the SRW repair costs being considerably lower than originally estimated.

5.2 Landscaping, Maintenance:

Superintendent Lisenby provided the following updates:

Miscellaneous Projects / Weekly Maintenance:

- Truck fleet annual maintenance inspection. Trucks are checked out bumper-to-bumper and repairs are made now to lessen any downtime during the spring/summer.
- Maintenance equipment annual inspection. A thorough inspection of all the maintenance equipment and any repairs are made now to lessen the downtime during the spring/summer.

- Leaf removal is ongoing (weather permitting)
- Tree trimming is ongoing (weather permitting)
- Hand watering newly planted trees biweekly during dry periods
- Spring flowers have been ordered
- Wildflower seed has been ordered and delivered
- New signage installed/ No Motorized Vehicles, Keep Out of Ponds
- Dredged one of the ponds to help control mosquitoes
- Seasonal crew started 04/05/21
- Parks inspected and cleaned daily

Fire Mitigation continues, this work consists of removing dead/burnt plant material, repairing irrigation, reseeding with our native seed mix and new plant material being replaced in the spring. We will be contacting Jobs Peak, who we have worked with before to assist with keeping the Cheat Grass at bay. Work was conducted in the:

- Areas along McCarran Blvd.
- On the Fire access road behind Mountainshyre
- In the Eastridge Neighborhood behind the water tank and the common area behind Big Bend

Vice President Attaway asked about wildlife in the area. Superintendent Lisenby mentioned he is seeing lots of deer and a ton of ducks. He commented that people need to slow down, a lot of ducks have been hit by vehicles this year.

Whispering Canyon homeowner asked about the wildflowers behind his home in the subdivision still under builder control.

GM Olson commented that at this time, CRHA does not maintain the common areas in his neighborhood as of yet.

Superintendent Lisenby advised that once the common areas are turned over to CRHA, the area will be maintained in the same manner as the rest of CRHA.

5.3 Architectural Control Committee (ACC):

Secretary Naccarato advised the committee meets twice a month. There were 48 projects reviewed since the last meeting; 46 were approved and 2 were declined. He suspects that more requests are coming now that the spring season is upon us.

5.4 Community Events:

Vice President Attaway stated that we are cautiously optimistic that we will be able to have some events in 2021. The Ice Cream Social on the last day of school for the kids will not be held.

Garage Sales in June are expected to be held at individual homes same as last year. She is hopeful of the possibility of having the shredding day and the bird walk.

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Regarding Operation Backpack, she asked Office Manager/Bookkeeper Wheeler if there was an update. Office Manager/Bookkeeper Wheeler stated none at this time but if the program is virtual again, we will once again post the program to our website and use email blasts to encourage donations be made directly to the organizers.

Vice President Attaway discussed the Concerts in the Park and the current group limitations. She has booked musical groups for 7/4, 7/11, 7/18 & 7/25. These event dates are all pending approval before we can move forward. The City will be allowing events with a maximum capacity of 250 in May and 500 in July. She recommends at this time to keep this schedule and that the musical groups will understand if the concerts are cancelled due to Covid. She stated our challenge will be how to contain any attendance limits, we may need ESI Patrol to control the crowd.

Musical groups & dates are as follows:

07/04 Collin Ross with the American Song book
07/11 Sage Rush Rebels
07/18 Reno Jazz Orchestra (trio)
07/25 Beatles Review

The following 2021 events are subject to change:

- Garage Sales; individual lots: June 4th, 5th, & 6th
- Spring Bird Walk/Watch; meet at Caughlin Ranch office 8:00 am: June 12th
- Operation Backpack J
- Concerts in the Village Green Park: All four (4) Sundays in the month of July
- Cross Peak Hike; meet at the Caughlin Club at 8:30 am: Sept. 18th
- 10th Annual Homeowner Appreciation BBQ at the Village Green Park: Sept. 19th
- Fall Bird Walk/Watch; meet at Caughlin Ranch office parking lot 9:00 am: Sept. 25th
- Garage Sales; individual lots: October 1st, 2nd, & 3rd

5.5 2021 Strategic Plan:

President Dennis advised that no updates have been made and nothing to discuss at this time. GM Olson asked if a meeting should be scheduled, it was agreed to have a meeting.

5.7 Community Information

GM Olson provided the following report:

- Nightly ESI Patrols in a marked vehicle will begin on April 8th and will continue through November 1st from 9:00 pm to 5:00 am 5-nights per week. They will continue to lock and unlock the Village Green parking lot chains the other two (2) nights. ESI will provide two (2) officers in marked vehicles on July 4th and Halloween nights.
- 1 fulltime or 2 part-time administrative positions remain unfilled.
- Provided 02/16/21 Update from City Councilwoman Jenny Brekhus.
- Correspondence to ESI and Weekday and Weekend Job Postings which ESI is working to fill along with ESI's rates.

- Correspondence from Steamboat Canal & Irrigation Company regarding proposed improvement/piping project. GM Olson participated in their Annual Meeting via Zoom at 6:00 pm on March 23rd. They were very disappointed that they lost the grant and the confusion over the ditch verses the trail.
- Provided Governor's updated Covid-19 Restrictions and Directive 037. For the safety of staff, the Caughlin Ranch office door remains locked. Staff is assisting everyone who visits and calls the office.
- A homeowner contacted the US Forest Service regarding the condition of the Cross Peak Trail known as a "User made trail". They do not maintain it and "look the other way" due to the religious symbols.
- Caughlin Ranch received reimbursement from the City of Reno for the Village Green Park playground improvements in the amount of \$108,290. GM Olson will plan to meet with the new Park Manager Matt Brezina along with L&M Superintendent Lisenby as soon as the temperatures improve.
- After copious communications to the Mayor and City Council from GM Olson, the City of Reno has finally amended their Franchise Agreement to require "all Carts and Sticker Items" be placed curbside for pick-up by 7:00 am. This is a huge benefit to Caughlin Ranch residents which unfortunately took years to accomplish.

5.8 Status of Whispering Canyon's (WC) common area turn-over to CRHA:

GM Olson advised that CRHA staff continues to work with Tim Lewis Homes (TLH). At this time, nothing has been done to address any of the punch list items provided by the CRHA professionals. President Dennis, GM Olson, L&M Superintendent Lisenby, Office Manager/Bookkeeper Wheeler and Assistant Manager Teepe met with Eric Anderson on March 15th. He was recently retained by TLH to complete the turn-over which he expects will take several months. He is hopeful we can transition the roads and gates at the May CRHA Board Meeting. Currently, TLH remains responsible for the roads, gates, and the electronic gate system along with the common areas.

GM Olson explained briefly how a neighborhood is developed by a builder who works with the City/County to determine what the neighborhood will include and CRHA does review and have input of aspects within neighborhoods, however the City/County requirements must be met. CRHA accepts completed neighborhoods the association does not build signs, trails, roads, or electronic gates.

A WC homeowner inquired about the asphalt trail behind her home, she was told by a TLH salesperson that this was an access road and was not used very much by anyone, he referred her to CRHA website and the trail map. She made note that the CRHA Trail map depicts a trail on the south side of the WC neighborhood leading from the WC neighborhood up to the trail along McCarran. This homeowner along with her next-door neighbor have concerns because people are using this trail to access the unfinished hiking trails that lead up to another neighborhood in CRHA. In this area people let their dogs off leash to run loose and people using mountain bikes at high speed. She wanted to know if there are going to be any additional trails installed.

GM Olson responded that CRHA staff will verify what trails if any were to be included in the Whispering Canyon neighborhood and advise the homeowner back. She also advised that CRHA only maintains asphalt trails not dirt or foot trails.

Another WC homeowner asked if he and his neighbors would need to go to the developer or what is the process to get this asphalt trail moved or removed to alleviate the negative effects of people using it. There was further discussion regarding the CRHA trail map, GM Olson advised she would look into this and get in contact with these homeowners.

6. Old Business:

6.1 Ratify repairs to 1070 Caughlin Crossing; replace warped double doors, repair concrete steps, and install handrail: GM Olson advised that it was necessary to replace one set of the double doors in the conference room for \$2,633 and \$2,795 to replace the concrete steps and install a handrail.

Motion: Secretary Naccarato moved to ratify the replacement of the double doors and concrete steps and install handrail as presented; Vice President Attaway seconded. Motion carried unanimously.

7. New Business:

7.1 Approve 2021 Reserve Study Financial Updates for CRHA, Caughlin Creek and Mountainshyre: GM Olson advised that all have been reviewed and recommended for approval by the F&B who provided further edits to the CRHA Financial Update to smooth out expenses and lower future reserve contributions.

Motion: Vice President Attaway moved to approve 2021 Reserve Study Financial Updates for CRHA, Caughlin Creek and Mountainshyre as presented; Director Getz seconded. Motion carried unanimously.

7.2 Approve \$1.00 per door annual donation to Community Associations Institute's (CAI) Legislative Action Committee (LAC): GM Olson shared it is even more critical in legislative years. CRHA budgeted \$2,265 in 2021 for the expense.

Motion: Vice President Attaway moved to approve the \$1.00 per door annual donation to Community Associations Institute's (CAI) Legislative Action Committee (LAC) as presented; Secretary Naccarato seconded. Motion carried unanimously.

7.4 Appoint new member to Architectural Control Committee (ACC): GM Olson advised that at this time we do not have a builder to join the ACC and asked that this be tabled to the next meeting in May.

This was tabled to the May 26, 2021 Board of Directors Meeting.

8. Member Comments:

A Caughlin Creek homeowner requested that a dog station be added to the ditch trail and that the newly replaced light poles be wrapped in wood like the others in the Caughlin Creek neighborhood. Also, in regard to the cost of close to \$7,000 which was spent in the common areas due to the Pine Haven fire, she suggested that CRHA file a claim with NV Energy.

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GM Olson referred the NV Energy claim request suggestion to Director Ginsburg who is employed with NV Energy. He stated CRHA could file a claim, but he was unsure what the outcome would be.

A Whispering Canyon homeowner made comments on three items, first item regarding the trails and common areas in his neighborhood and possible review once transition is completed. Second, he advised that Waste Management (WM) told him that they no longer supply bear resistant containers in our area. GM Olson assured the homeowner that these types of containers are available, and she would get in contact with WM to find out why they are telling people otherwise as she has worked with WM and the City and County on the franchise agreement, and it does include distribution and servicing of bear resistant containers. Third thing he advised that he is a Human Resource professional and volunteered to assist CRHA should a need arise.

9. Announce Future Meeting Dates & Adjourn:

Board Agenda Workshop at 4:00 p.m., Monday, May 24, 2021; Board of Directors Executive Session will immediately follow. Board of Directors Executive Session at 5:00 p.m. and General Business Meeting at 6:00 p.m. on Wednesday, May 26th, 2021; these meetings will be conducted virtually. We apologize in advance for any inconvenience.

Motion: Secretary Naccarato moved to adjourn the meeting at 7:14 p.m.; Director Chern seconded. Motion carried unanimously.

Subsequently approved at a duly noticed Board of Directors Meeting on May 26, 2021.



Drew Naccarato, Secretary Board of Directors
Caughlin Ranch Homeowners Association