

CAUGHLIN RANCH HOMEOWNERS ASSOCIATION
Approved Board of Directors Meeting Minutes
Wednesday, May 25, 2016

Directors Present:

Tony Termini, President
Michele Attaway, Vice President
Al Dennis, Secretary
Joan Mullen, Director
Janice Browne, Director

Others Present:

Lorrie Olson, Community/General Manager
Randy Lisenby, L & M Superintendent
Sandy Wheeler, ACC/CC&R Compliance
9 Homeowners

Directors Absent:

Patrick Thorne, Treasurer
Mike Haley, Director

1. Call to Order, Roll Call, and Determination of Quorum:

President Termini called the meeting to order at 6:00 p.m. at 1070 Caughlin Crossing, Reno, NV. A quorum was established with five (5) of seven (7) Board Members present.

2. Member Comments:

A Caughlin Creek Sub-association homeowner inquired about the new color schemes and how it will be implemented. She asked what if an owner wanted to change only the trim color, and will the ACC be taking into consideration what color scheme the immediate neighbor has in an attempt to not create duplicates directly next to each other. She elaborated on the fact that the changing of the fence color will create a "candy cane lane" type look and if owners were to be given a time limit for when they must repaint their homes, fencing and mailbox stands.

GM Olson asked the Board if anyone required any additional information based on this homeowner's comments and if so advised that Gregg Stokes of the Caughlin Creek Association Board of Directors is in attendance and could speak to the CRHA Board of Directors.

Vice President Attaway as well as Director Browne requested that Mr. Stokes address the Board.

Mr. Stokes advised that they asked the CRHA Architectural Control Committee (ACC) to make a determination regarding the paint color of the fencing and mailbox stands.

GM Olson advised that the ACC decision was to use the DeerCreek beige fence color for the Caughlin Creek fence and mailbox stands. The ACC understands that there will be a transition time from the existing fence color to the new fence color and that there were going to be varying colors abutting each other until all homes have transitioned to the new color scheme including the fencing and mailbox stands.

Mr. Stokes stated if a homeowner wants to paint their trim only, then they must submit their request to the ACC with their color choice. If it is different from the new color scheme, then a variance from the new color scheme may be granted. All requests are subject to review and approval by the CRHA ACC.

GM Olson advised that the ACC does not allow for the same colors to be side-by-side or directly across the street from each other. The ACC looks at all the adjacent homes to assure duplicates do not occur.

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GM Olson summarized there will be cases where the existing fence color abuts the new fence color; no one will be required to paint anything that does not need to be painted. Owners will be permitted to do minor touch-up painting of the existing color schemes; painting using the new color schemes will be required when the homes need to be re-painted.

Another Caughlin Creek homeowner asked what notification was issued to the Caughlin Creek owners notifying them of the new color scheme changes. Mr. Stokes advised approval of new color schemes was on the May 11, 2016 regular Board Meeting Agenda; the Caughlin Creek Board approved the new color schemes at that meeting.

GM Olson further advised that the CRHA ACC approved the request on May 12, 2016 and tonight the CRHA Board will review the proposed request and if passed, the color changes will be in effect after tonight's meeting. All changes must be submitted to the ACC for review.

A representative of the builder for the Pine Bluff neighborhood shared their vision for the new neighborhood and expressed that they are bringing to the Reno area as well as Caughlin Ranch, a very contemporary design and that is why they are proposing the use of the Gabion retaining wall systems. He clarified that the cages are rusted instead of the bright galvanized metal that you may see along the freeways.

3. Minutes:

3.1. Review & approve March 23, 2016 Board of Directors Meeting Minutes.

Prepared by Provisional Manager Wheeler, reviewed and edited by GM Olson and Secretary Dennis. Posted to CRHA website prior to 30-day deadline to make minutes available.

Motion: Vice President Attaway moved to approve the March 23, 2016 meeting minutes as presented; Director Browne seconded. Motion carried unanimously.

4. Finances:

4.1. Accept (un-audited) Financial Reports dated March 31 and April 30, 2016.

- 2016 Updated CD Schedule has been provided to the Board.
- The Board Treasurer has been provided a copy of all the bank/investment statements and associated reconciliations along with the supporting financial reports
- The bank statements are being reconciled and the financial reports reviewed and adjusted as-needed on a monthly basis 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 31st and April 30th
- The Association's cash position through April 30th: Operating cash and CD's = \$1,108,860
Reserve cash and CD's: Mountainshyre = \$225,430; Caughlin Creek = \$570,845; CRHA = \$835,012;
Grand Total = \$1,631,287. Capital funds set aside to purchase 1070 Caughlin Crossing = \$181,250
- Through April 30th, on an accrual basis, Total Operating Income was \$672,069; after CRHA Reserve and funds to purchase 1070 Caughlin Crossing were transferred (\$19,838 under budget)
- Total Operating Expenses were \$481,301 (\$80,248 under budget)
- Total Operating Revenue over Expense = \$190,768 (\$60,410 over budget)
- Total Reserve Income was \$55,151. 2016 Budget = \$150,000 for CRHA Reserve transfers.
- Total Reserve Expenses were \$62,573; 2016 Reserve Budget = \$161,944.

The Board is required to review the Association's financial information in accordance with NRS 116.31083. The Association is in compliance with paragraph (b) of subsection 2 of NRS 116.3115, and confirms that reserve funds have not been used for daily maintenance.

Motion: Secretary Dennis moved to accept the un-audited financial reports dated March 31 and April 30, 2016 as presented; Director Mullen seconded. Motion carried unanimously.

4.2. Approve Bad Debt write-off amount due to foreclosures: GM Olson reported there was none at this time.

5. Reports & Updates:

5.1. Landscaping, Irrigation/Conservation & Maintenance.

Randy reported that he completed and passed the testing on April 20th for his C10 Landscape Contracting License and that all the CRHA vehicles now have our license number listed on them.

- Seasonal Crew - Started on March 28th. The regular crew has been working on spring clean-up and the seasonal staff will begin working on cleaning up the common areas after the wet winter. Once that is completed, the crews will be maintaining areas for defensible space.
- Irrigation System up and running - TMWA allows watering 3 times a week; CRHA waters each irrigation zone 2 times a week and currently 3 cycles per day. CRHA waters 6 days a week; Tuesday through Sunday. Watering of the common areas will occur primarily during nighttime and early morning hours. Some larger areas have several zones which can take several hours to cycle through. Watering days and times vary by area and neighborhood.
- Wild Flowers Seeded - Graduates already taking photos.
- Planted Spring Flowers - Sprinklers in the islands where flowers are planted are being watered with "soaker" lines to eliminate over-spray.
- Caughlin Creek Pond Project - Phase 1 - Completed - A large section of a pond liner was cut and repairs have been completed. Phase 2 - Scheduled for next winter.
- Village Green Park Drainage Project - To be completed in July/August.
- Alum Creek Drainage Project - Phase 1 completed - work included removal of debris in front of the pipes to widen the creeks. Phase 2 pending - This will include replacement of rip-rap.
- Fertilization and Aeration - Completed.
- Removing dead trees - Tree pruning and removal of hazardous and/or unhealthy trees is in progress. Replacement trees will be planted in the fall.
- Steamboat Ditch - Cleaned up and water flowing into the common area ponds.
- Last Chance Ditch - Flushed 3 times through River Run.
- Dog Waste Stations - Changing from scoopers to less expensive bags.
- Common Area Sprinkler Head Re-Alignment Project - Should have a plan with locations by July meeting.

A homeowner asked Randy if additional dog stations were going to be installed. He asked for a specific location where another one is needed. The owner agreed to provide her suggested locations to GM Olson.

President Termini shared that every station has a trashcan, but not every trashcan is next to a waste station.

5.2. Architectural Control Committee (ACC).

ACC Liaison Secretary Dennis shared a little about the process in which the ACC completes a request and that they try to take into consideration what impact the projects may have on the Ranch. He shared that all proposed requests must be as detailed as possible to assure that the ACC can make the best determination to assure that the quality of the Ranch is maintained.

Lastly, he shared that there has been a steady increase in the volume of items being submitted each ACC Meeting which is a good thing.

5.3. Finance & Budget Committee (F&B).

GM Olson provided the report in Treasurer Thorne's absence. She advised that the F&B will be meeting prior to the July meeting to review the proposed assessment classes for the two new neighborhoods, the first draft of the 2017 Budget and an update of the 10-Year Cash Flow Analysis. She also advised that she will be working with McClintock Accountancy and Treasurer Thorne to determine if Caughlin Ranch can qualify for a tax classification change to (501 (c) 4 based on the fact that CRHA maintains public lands through our agreement with both Washoe County and the City of Reno Parks Department.

GM Olson worked with President Termini, Treasurer Thorne and Superintendent Lisenby to reallocate the funds budgeted for two (2) 2016 seasonal workers. The local market drove the minimum starting wage to \$12.00+/hr.; workers were jumping for .50¢, and they were being solicited daily by local landscape companies. CRHA properly vets their seasonal employees by conducting pre-employment background checks at a cost of \$80 each; money very well spent. We expect our crews will remain loyal for the season. During the time that the seasonal workers are on-site, when we distribute the paychecks every-other Friday, we give each of the L&M crew an ice cream dessert. It is a great little incentive that they truly enjoy.

5.4. Community Events.

Shredding truck in Caughlin Ranch parking lot: June 11th
Garage Sales; individual lots: June 18th & 19th
Aces Game Night: June 24th
Concerts in the Village Green Park: Every Sunday in July (all 51)
Doggy Meet & Greet; meet behind the Caughlin Club: August 7th
Cross Peak Hike; meet behind the Caughlin Club: August 20th
Annual BBQ at the Caughlin Club: September 11th
Garage Sales; individual lots: October 1st & 2nd
Holiday Share Your Wine at Garden Shop Nursery: November 10th

5.5. General Manager: Community news, 2016 Strategic Planning Goals; Status of ACS&G's and Policies & Procedures.

2016 Updated Board Meeting Matrix, and Policies, Agreements, Contracts & Filings list attached. City Councilwoman Jenny Brekhuis was scheduled to read a Proclamation from the City of Reno regarding the CAI Award. Since the City Council is hearing the appeal to the Ridge Hollow neighborhood on May 25th, Jenny was asked to read the Proclamation at the July 27th meeting if she is available.

Wildlife Biologist and Bear Specialist Carl Lackey of NDOW asked if CRHA would post signs provided by NDOW touting we are a Bear Logic Community. GM Olson enthusiastically agreed to post the signs throughout.

GM Olson advised she has blocked out May 31st through June 3rd to work on finalizing the ACS&G's Handbook Draft for ACC review at their meeting on June 9th. Once completed, she will work on the Policies & Procedures Draft for Board review at their meeting on July 27th.

6. New Business:

6.1. Review & approve Amendment to 1070 Caughlin Crossing Lease.

GM Olson contacted the Realtor who negotiated the initial lease; he advised that CRHA should exercise its first option to renew prior to June 2016. The attached letter serves as such notice to the building owner Mr. Hart. GM Olson previously advised Mr. Hart that it is CRHA's intention to purchase the building during the first option period. The Realtor recommended that CRHA seriously consider the purchase option sooner rather than later since the original purchase price of \$550,000 is tied to the CPI.

Motion: Director Mullen moved to approve the Amendment to 1070 Caughlin Crossing Lease as presented; Director Browne seconded. Motion carried unanimously.

6.2. Review & approve Summer Patrol Service.

GM Olson advised she met with representatives of ESI Security Services; she was instrumental in bringing them into Wingfield Springs while she was their Community Manager. She is recommending an 18-week summer patrol program consisting of three or four days per week for 6 hours per day. The days and hours can be revised to best meet our needs. The W.C. Sheriff's office reported they received 25 shooting calls from CRHA residents from April 2015 to 2016. There were 12 reported from midnight to 2:00 am and 11 from 2:00 to 4:00 am. The majority occurred Friday through Monday; 5 were reported on Mondays. GM Olson originally proposed service Thursday through Sunday, but these statistics require further consideration. The total cost for 18-weeks of service will be \$12,191.76; there is no wiggle room in the 2016 Budget. If the program is successful, she plans to budget for the expense in 2017 since the overall assessments will increase due to the new neighborhoods. The cost also includes ESI providing a uniformed officer 1 day per week for 4 hours (their minimum) to walk the trails, approach non-leashed dog handlers, remind them they are required to keep their dog on a leash, and to hand them a flier provided by CRHA stating the WC ordinance and CRHA rules. The days will vary and we will not advertise when the officer will be on-site. ESI also provides a "House Watch" service for residents at no additional charge. A letter of recommendation from Wingfield Springs Board Member and former President Marilyn Brainard was received by GM Olson. It is GM Olson's opinion that CRHA did not need to solicit sealed bids in this case since the total cost will not exceed 1% of the 2016 budgeted expenses.

Motion: Director Browne moved to approve the cost for Summer Patrol Service to start at 3 days of service and, if the budget allows, up to 4 days of service; Director Mullen seconded. Motion carried unanimously.

6.3. Review & approve CRHA Sub-Association Priority of Liens Notification

GM Olson advised that Attorney Oliphant prepared an Agreement to Provide Notice of Default and Sale to the CR Sub-Associations which places them on notice that CRHA's assessment lien has priority over any Sub-Association's lien. It was agreed that CRHA does not want an agreement where CRHA accepts an assignment of the Sub-Association's lien and proceeds to foreclose on both the assigned Sub-Association's lien and CRHA's lien.

Motion: Secretary Dennis moved to approve the CRHA Sub-Association Priority of Liens Notification as presented; Director Mullen seconded. Motion carried unanimously.

6.4. Review & approve Gabion rock walls for Pine Bluff Neighborhood.

The Developer for the Pine Bluff neighborhood proposed to install a Gabion rock wall system on each side of the Pine Bluff entries (2) on common area.

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The rock-filled baskets will be stacked 2-high at the entries. The same wall system is proposed to be used in the backyards of units 202, 203 & 204 which is all private property. A majority of the ACC approved the Gabion wall system on May 12th.

GM Olson explained that since this is not a retaining wall system that currently exists in CRHA and is not referenced in any of the existing documents, the request is a variance and is subject to final approval by the Board of Directors.

Vice President Attaway asked if the Gabion rock walls are approved for this project does that create a standard or precedence that may be used throughout CRHA. GM Olson responded that it does not create a standard and that any future request for use of the Gabion rock walls is subject to ACC and Board approval.

Vice President Attaway asked what was the height of the walls. The Builder representative advised that the height is 5 feet.

Motion: Director Mullen moved to approve the variance request for use of the Gabion rock walls for installation in four private yards within the Pine Bluff Neighborhood subject to approval of the colors of the rock that will be used; Secretary Dennis seconded. Motion carried unanimously.

Motion: Secretary Dennis moved to approve the variance request for use of the Gabion rock walls for installation at the two entrances of the Pine Bluff Neighborhood subject to approval of the colors of the rock that will be used; Director Browne seconded. Motion carried unanimously.

6.5. Review & approve alternate synthetic roof material.

GM Olson advised that an owner requested to re-roof with a polymer shake roof (like/look) material. There are no shake examples to view locally. The Board was provided addresses where the slate product is currently installed and photos that depict the slate design which is approved at Montreux. A majority of the ACC approved the slate design on May 12th.

GM Olson advised that if this product is approved at tonight's meeting, it will be added to the list of approved roofing products for use in CRHA. Any owner who proposes to use this product is subject to the ACC submission process and must receive prior written approval before it can be installed.

Motion: Director Browne moved to approve alternate synthetic roof material as presented; Director Mullen seconded. Vice President Attaway opposed. Motion carried with a majority vote.

6.6. Review & approve new color schemes for Caughlin Creek Sub-association.

GM Olson advised that on May 11th, the Caughlin Creek (CCRK) Board of Directors approved a new color scheme for CCRK. They adopted the DeerCreek color schemes. The CCRK Board asked for direction from the ACC on the color choice for the CCRK fences and mailboxes. A majority of the ACC approved the new color scheme and the same DeerCreek beige fence color for the CCRK fences and mailboxes.

Director Browne stated that as a previous CCRK Board Member and an owner in the CCRK Sub-association, the noticing by the CCRK Board could have been a little more thorough and perhaps allowed more time for the owners to review and discuss the proposed changes. Perhaps it needs to be returned to the CCRK Board for further review.

Vice President Attaway concurred with Director Browne's comments.

Motion: Vice President Attaway moved to approve the new color schemes for Caughlin Creek Sub-association as presented; Secretary Dennis seconded. Vice President Attaway and Director Browne opposed. Motion carried with a majority vote.

After the vote Vice President Attaway asked to have the meeting minutes reflect that her opposition was due to the notification process by the Caughlin Creek Board of Directors; she did not object to the color scheme itself.

6.7. Review & approve Landscape Services Agreement for Eaglesnest Homeowners Association.

GM Olson advised that on April 20th, L&M Superintendent Lisenby successfully completed the requirements and testing for the C10 – Landscape Contracting License; our bid limit is \$50,000 per project. It was the intent of GM Olson and Super. Lisenby to provide quality and consistent landscape services to CRHA Sub-Associations once the license was secured. CRHA currently maintains common area behind the Eaglesnest gates; reference attached colored map. CRHA properly vets their seasonal employees by conducting pre-employment background checks. Eaglesnest requested a sealed bid as soon as Superintendent Lisenby received the license. The Agreement was reviewed and edited by Attorney Oliphant. Superintendent Lisenby provided the total man-hours for each project. Since the L&M Dept. is short-staffed in 2016, we intend to hire one more seasonal worker if the Agreement is approved and the bid is accepted.

Motion: Director Browne moved to approve the Landscape Services Agreement for Eaglesnest Homeowners Association as presented; Director Mullen seconded. Motion carried unanimously.

6.8. Review & approve additional insurance required to offer Landscape Services to CRHA Sub-Associations.

GM Olson advised that additional insurance coverage is also necessary to cover landscape maintenance services offered to sub-associations. The additional cost is \$1,424.00 per year. If Eaglesnest accepts the bid, the income from June to Dec. will be \$8,400, less the insurance will leave \$6,976. This will allow for one additional seasonal worker for 13 weeks. Superintendent Lisenby is confident he can service Eaglesnest at their level of expectation with 16 seasonal workers in 2016.

Motion: Director Browne moved to approve the additional insurance required to offer Landscape Services to CRHA Sub-associations as presented; Director Mullen seconded. Motion carried unanimously.

6.9. Review & approve CRHA City of Reno Park Hours and Rules & Regulations.

GM Olson advised that CRHA will be able to close-off parking lot access once the hours are established and properly posted. The very old and outdated sign will be replaced. GM Olson proposes to adopt the City of Reno's hours and rules. However, she has 2 concerns: 1) City of Reno requires a permit for groups of 25 or more; CRHA has the limit set at 50. A permit is not required; a larger deposit is required along with a certificate of insurance for the event naming CRHA as an additional insured. 2) Since staff is not on-site before 7:00 am, GM Olson has yet to figure out how she will get the parking lots opened back up by 5:00 and 6:00 am. However, they could be opened by 7:00 am. An e-mail was sent to Andy Bass to determine if 7:00 am would be acceptable to allow vehicular access into the parking lots; it is.

Motion: Director Mullen moved to approve CRHA City of Reno Park Hours and Rules & Regulations as presented; Vice President Attaway seconded. Motion carried unanimously.

Vice President Attaway advised that last year when she arrived to get the food vendor set-up during the Concert in the Parks, the gazebo area was occupied. GM Olson confirmed that no permits are issued for use of the park on Sundays during the month of July.

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Assistant Manager Wheeler suggested that CRHA issue a park permit for use for each Sunday in July to Vice President Attaway for her to show to anyone who may be occupying the gazebo area when she arrives to set- up for the Concerts in the Park.

7. Member Comments:

A homeowner asked where the additional trees will be planted. Superintendent Lisenby advised that trees will be planted throughout CRHA and whenever a tree is removed, if the area can sustain a replacement then one will be planted in same spot.

GM Olson advised that both new developments will each include extensive landscaping which includes a considerable amount of trees.

A homeowner asked for further clarification on tree placement and if Randy is the one who makes the determination on where a tree is to be planted. Randy confirmed he is the one who makes those decisions.

8. Announce Future 2016 Meeting Dates & Adjourn:

Board Agenda Workshop; 4:00 p.m., Monday, July 25th

Board of Directors Executive Session; 4:45 p.m. and General Business Meeting; 6:00 p.m.,
Wednesday, July 27th 2017

Budget Workshop; 4:00 p.m., Monday, August 22nd

**Motion: Secretary Dennis moved to adjourn the meeting at 7:23 p.m.; Director Mullen seconded.
Motion carried unanimously.**



Al Dennis, Secretary Board of Directors
Caughlin Ranch Homeowners Association