

Board of Directors General Business Meeting Minutes - DRAFT
Wednesday, May 22, 2024, at 6:00 p.m.

Meeting held in-person at the Caughlin Ranch HOA conference room & virtually via GoToMeeting

Board Members in attendance in-person or via teleconference and/or telephone:

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| Al Dennis, President | Michael Ginsburg, Vice President | Steve Bremer, Treasurer |
| Drew Naccarato, Secretary | Allen Black, Director | Michele Attaway, Director |

Others in attendance in-person or via teleconference and/or telephone:

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| Lisa Nunley, General Manager | Randy Lisenby, L & M Superintendent |
| Sandy Wheeler, Asst. Manager/CAM | Shawn Oliphant, Legal Counsel |

Guests:

Cole Estill, Victory Sheep
Seth Padovan, P.E., Padovan Consulting
Donna Zanetti, Esq, Eaglesnest HOA legal counsel (virtual)

8 Homeowners In Person; 5 Homeowner Virtual

1. **Call to order and establish quorum:** President Dennis called the meeting to order at 6:01p.m. A quorum was established with six (6) Board Members present either in person, via teleconference and/or telephone.
2. **Member Comments.** President Dennis provided the information and guidelines regarding Member Comments to the Homeowners present. This item permits homeowners to give comments regarding items on the agenda.
 - A homeowner from Eaglesnest HOA inquired about the request to close the path that enters Eaglesnest near the Sharps gate. This item will be addressed later in the meeting.
 - Donna Zanetti, legal counsel for Eaglesnest HOA, let the Board know she is present to answer any questions and would like to see their proposal to close two entrances approved. She stated that Washoe County is open to gating the Greybull path with Caughlin Ranch HOA approval.
 - A homeowner from Eaglesnest HOA spoke in support of closing the path as he believes it is a safety issue and there is a legal case for the request.
 - A homeowner spoke in opposition to closing the path at Eaglesnest. She and others use that entrance. If they close the path, she would request codes to the gates. She supports keeping all pathways in Caughlin Ranch HOA open.
 - A homeowner from Eaglesnest HOA stated the pathway in question is just an entrance into Eaglesnest private streets and not part of any connected pathway.
3. **Minutes:**
 - 3.1 **Review & Approve March 27, 2024 Board of Directors General Business Meeting Minutes**
The March 27, 2024, Board of Directors General Meeting Minutes were provided to the Board for their review and approval.

Motion: Director Black moved to approve the Board of Directors General Meeting minutes from March 27, 2024, as presented. Treasurer Bremer seconded. Motion unanimously carried.
4. **Finances:**
 - 4.1 **Review/Approve 2023 Year-end Financial Audit; by McClintock Accountancy CPA**
Kendall Galka with McClintock Accountancy was unable to attend today to present the 2023 Year-end Financial Audit. A copy of the audit was provided to the Board for their review and consideration.

Motion: Director Black moved to approve the 2023 Year-end Financial Audit as presented by McClintock Accountancy. Treasurer Bremer seconded the motion. Motion unanimously carried.

* At this point in the meeting, items were moved up on the agenda to accommodate the vendor guests in attendance.

6.3 Review/Consider Request from Eaglesnest to Install Locked Gate at Pedestrian Path

Legal Counsel, Donna Zanetti, was in attendance to answer any questions about the legal opinion regarding closing the pedestrian path at Caughlin Pkwy near the north entrance and installing a locked gate. The legal opinion with attachments was provided for the Board's review.

Attorney Oliphant has reviewed the legal opinion and noted that he did not see that it did not violate the 1987 Agreement with Washoe County. He asked Attorney Zanetti if Washoe County is willing to put that in writing as CRHA needs to know if it is a breach of the agreement or not to close the pathway. Attorney Zanetti stated that there is nothing in black and white from the County but it is possible to have a discussion with them about it. She was under the impression that the CRHA Board wanted an analysis and if the association had the authority to make a revision to the plan.

Discussion ensued with much back and forth about CRHA's 1987 Agreement with Washoe County to keep the pathways open to the public and Eaglesnest HOA's desire to reach a decision in tonight's meeting about moving forward. Additional discussion took place regarding consulting Dept of Wildlife given the wildlife use of that pathway as a corridor. Discussion ensued regarding who would maintain it if the pathway was closed.

Motion: President Dennis moved that Eaglesnest HOA (ENA) obtain a written agreement from Washoe County releasing Caughlin Ranch HOA from the 1987 requirement to keep the trails open, then CRHA can move forward with consideration of ENA's request. Director Attaway seconded. Motion unanimously carried.

7.1 Review & Possibly Approve Victory Sheep Contract for Wildfire Prevention Services (Defensible Space) – Cole Estill

Cole Estill, owner of Victory Sheep, was in attendance to present his proposal for sheep and goat grazing services again this year. There are areas that were not included last year which are a priority, and areas behind Seasons and Eaglesnest that were addressed last year and need defensible space treatment again this year.

The Board was provided with the proposal and parcel maps outlining the noted areas.

- 60 acres along McCarran @ \$725/acres = \$43,500.00;
- 400 acres behind Seasons/Eaglesnest @ \$100/acre = \$40,000.00
- TOTAL PROPOSAL AMOUNT: **\$83,500.00**. (Budget for 2024 is \$50,000.00.)

Cole shared that last year went really well (except for the occasional hooligans), and he plans to bring twice as many animals this year. He would like to start sometime between June 5-10 and wants to be done long before October.

Discussion ensued regarding the budgeted amount vs the proposal amount and if there was any way to modify the grazing areas to get closer to budget and still meet defensible space needs.

Motion: President Dennis moved to request Victory Sheep provide a modified proposal, keeping the 60 acres along McCarran and reducing the 400 acres to 200 acres, thereby revising the proposal amount to approximately \$65,000.00. Secretary Naccarato seconded. Motion unanimously carried.

Cole stated he would need until Monday, May 27th to consider this request.

* The meeting returned to its ordered agenda.

4.2 Review/Approve Reserve Study Financial Updates (without site visit) by Browning Reserve

GM Nunley reported that Browning Reserve Group has received the information for the Reserve Study Updates for CRHA, Caughlin Creek/DeerCreek, Mountainshyre and Whispering Canyon for fiscal year 2025. The studies are not available for this meeting but are anticipated for early June.

4.3 Review & Accept (un-audited) Financial Reports dated Feb. 29, 2024, & Mar. 31, 2024

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

- 2024 CD Schedule enclosed.
- Treasurer Bremer has been provided with 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 February 29, 2024, and March 31, 2024.
- The bank statements are being reconciled and the financial reports reviewed and adjusted as needed monthly by the GL Accountant and Assistant Manager Wheeler to ensure CRHA is reporting on a true accrual accounting basis.
- The Association's cash position through March 31st:
Operating cash = \$1,209,177.
Reserve cash and Investments/CD's Total: \$1,144,645.
- CRHA = \$498,643; - Whispering Canyon = \$185,459; - Caughlin Creek/DeerCreek = \$201,544
- Mountainshyre = \$258,999
- Through March 31st on an accrual basis, Total (Operating) Income was \$684,349; over YTD Budget by \$6,800. At this time, all reserve transfers are being deposited on a quarterly basis due to the positive cash flow.
- Total (Operating) Expense was \$607,702; over YTD Budget by \$32,777.
- Expense recap: Operating = \$15,643 over budget (due to legal expenses); Payroll = \$2,743 over budget (due to snow removal); R&M = \$17,819 over budget (tree trimming project \$29,000; 2024 budget is \$5,000); Utilities = \$3,429 under budget.
- Total Reserve Income was \$88,183; over budget by \$1,191.
- Total Reserve Expenses were \$219,424; 2024 Reserve Expense Budget = \$549,863.

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 Association's unaudited financial reports dated Feb. 29, 2024, and Mar. 31, 2024, as presented. Director Black seconded. Motion unanimously carried.

4.4 Review & approve Bad Debt write-offs

None for this meeting

5. Reports & Updates:

5.1 Finance & Budget Committee (F&B); Treasurer Bremer

Treasurer Bremer provided the Finance & Budget Committee report. The F&B Committee met on April 23rd to review the draft 2023 Annual Audit and to discuss cash flow scenarios as developed by Mike Heffner, Committee Chair. Mike Heffner's report from that meeting was provided to the Board in their board packet for review, as well as the aforementioned cash flow scenarios.

Director Black, a member of the F&B Committee provided comments regarding anticipated expenses for 2025 and the potential for an assessment increase.

GM Nunley has received four inquiries regarding serving on the F&B Committee; this was in response to the recent article in the Caughlin Rancher. Applications have been provided and any completed applications will be presented to the Board for consideration at the July meeting.

5.2 Landscaping & Maintenance Dept.; L&M Superintendent Lisenby

Miscellaneous Projects / Weekly Maintenance

Superintendent Lisenby provided an overview of recent Landscape and Maintenance activities.

- Seasonal Landscape Maintenance crews began on April 1, 2024. All uniforms and personal safety equipment have been purchased and supplied to the crews. This is the first time in many years that we have a full seasonal crew.
- Spring clean-up completed.
- Maintenance crew on normal summer schedule.
(Mowing, weeding, irrigation and defensible space along with small projects).
- Steamboat ditch started 5/2/24.
- First fertilization of turf is complete.
- Trees ordered to replace fruit trees that were cut down in the winter (because of bear activity).
- Fence repair in a few areas.
- Village Green Park playground equipment repair underway.
- Spring flowers planted.
- Summer flowers ordered.
- Caughlin Glen/Alum Creek bridge project completed.
- Graffiti removal throughout the ranch is ongoing.
- All three (3) Parks are inspected and cleaned on a daily basis.
- Wildlife report: Observations include 6 deer at parkway and Sharps gate, numerous birds and hawks, mountain lion, turtles, and the white duck.

5.3 Architectural Control Committee (ACC); Secretary Naccarato

Fifty-nine (59) applications were reviewed from 03/01/2024 through 04/30/2024. Of those, fifty-three (53) were approved with the standard conditions, five (5) were denied, and one (1) was withdrawn. The ACC meets twice per month on the 2nd and 4th Thursdays, except for November and December when they meet once per month. (A copy of the detailed list of submittals was provided to the Board in their Executive Session packet.)

5.4 Community Events; Director Attaway

Asst. Manager Wheeler provided an overview of upcoming events.

The Events/Caughlin Rancher Committee met on May 3rd to review potential topics and articles for the July/August edition of The Caughlin Rancher. Also discussed were upcoming events and related planning. Specifically, the Cross Peak Hike May 25th, the June Shredding Event, the July concerts, and the CRHA Annual Residents' BBQ. CRHA will not be partnering with Operation Backpack this year as Volunteers of America received a large donation; enough to cover their needs for 2024.

The Wine Tasting event held at Napa Sonoma went well. About 80 RSVP's; 60 attended. The service and food were all good. Suggest moving to later in the month (next April 2025) for better weather/attendance. The 2024 CRHA Community Events Schedule was provided to the Board.

**5.5 Branding / Signage Ad Hoc Committee; Director Attaway
- Review and Possibly Approve Proposal for Front Entry Signage**

GM Nunley provided an update on logos and signs status.

The new logo is gradually being incorporated into CRHA. Office stationery, the For Rent/For Sale signage, banners, Landscape/Maintenance uniforms, CRHA vehicles have been updated, and HOA office building signage is in the process of being installed. The Board was provided with a chart outlining a full update.

The Board approved the Caughlin Creek and Seasons signage proposal at the last meeting. Julie's Signs had some difficulty procuring the materials, but the signs are now in process and anticipated to be completed in 6-8 weeks. In the interim, they will remove the existing (damaged) signs and replace them with a "Coming Soon" banner.

The Board did not approve the YESCo proposal for the front entry signage at the last meeting and directed staff to send the project out to bid. That is in process, and there may be sealed bids at the next meeting.

5.6 Strategic Plan Update & Set Next Meeting Date; Drew Naccarato

The Board last met on Thursday, April 25th to conduct an overview of the status of the 2020-2024 Strategic Plan.

- A meeting date will be scheduled for the second half of 2024 to create a new plan for 2025-2029, possibly in mid-September. An email will be sent to the Board with possible dates.
- Another meeting date will be scheduled in the first quarter of 2025 to complete the 2020-2024 plan. That date will be set as it gets closer.

Secretary Naccarato noted that the Strategic Plan will be updated annually, adding one year to make it a rolling plan.

5.7 Executive Session Summary and Pending Legal Action against the Association; Atty Oliphant

The following items were reviewed during the last Executive Session Meeting held on May 22, 2024:

- Approval of the 03.22.2024 Executive meeting minutes.
- Pending legal action notices as follows:
 - Discussion of the status of a homeowner complaint/dispute involving CRHA and Washoe County regarding potential easement deed associated with recent spur road abandonment.
 - Discussion of license to use common area by homeowner(s).
 - Review of Settlement Agreement and other Negotiations re 2023 Caughlin Creek Roadway Rehab Project
- Review the Violation Report & fines.
- Review the most recent Architectural Control Committee Report.
- Review 1 in-person and 2 written homeowner appeals; review disputes and alleged violations.
- Review the Accounts Receivable Aging Report.
- Review of bad debt write-offs (if any)
- Discussion of Personnel items.

- Board Approval of Settlement Agreement re 2023 Caughlin Creek Roadway Rehab Project

Provided for the Board's consideration is the Settlement Agreement, Deductive Change Order and Release between Caughlin Ranch HOA and Apex Grading & Paving. Attorney Oliphant recapped the

process taken to finalize and reach a settlement of the disputes. Per the Agreement, the Settlement Amount due to Apex is \$42,323.86. This reflects a deductive amount to the contract of -\$49,500.00.

Motion: Secretary Naccarato moved to approve the Settlement Agreement between Caughlin Ranch HOA and Apex Grading & Paving in the amount of \$42,323.86. VP Ginsburg seconded. Motion unanimously carried.

5.8 Community Information & Possible Future Agenda Item(s); GM Nunley

In addition to the items on this agenda, below are some other highlighted items and projects being addressed by management and staff since the last meeting (the list is not all-inclusive):

- New Homeowner Orientation is held (currently virtual only) on the 2nd Thursday of each month.
- CAI Classes attended since the last meeting:
 - 1) 2-hr. CAI Zoom Class: Property Descriptions: Surveys & Legal Consequences of Surveys Gone Wrong (Kim);
 - 2) 3-hr. CAI Class: Reserve Study Financial Considerations (Lisa/Al Dennis/Steve Bremer)
 - 3) CAI National Conference. Breakout sessions: Community Associations Legislative Update; Effective Communication in a Hurricane of Options; Effectively and Legally Integrating Artificial Intelligence for Excellence; Ethics Challenges in Today's World. (Lisa)
- GM Nunley is a member of CAI's Education Committee as well as CAI's Legislative Action Committee for Nevada and attends the monthly meetings for each committee.
- Erlach Computer Consulting continues with their on-going Cyber Security Training Program. Regular emails have been sent out with training videos. The Board was asked to let staff know if they have questions.
- The Alum Creek bridge crossing project is complete.
- CCRK/DRCK roadway rehab project, while "completed," still has open items to address such as concrete repairs, slurry seal, and a few other punchlist items.
- The HOA office lighting upgrade project, approved by the Board at the last meeting, has been completed.
- The final survey results from Whispering Canyon residents regarding whether they wanted the vehicle gates closed 24/7 or open during the day was 23 to 13 in favor of keeping the gates closed 24/7. Once the slurry seal project is completed (scheduled for 5.17), the gates will be closed 24/7. Residents have been provided with gate instructions so they know how to access the community when gates are closed.
- Staff has been gearing up for spring and summer events. Caren has designed flyers, signs are being ordered as needed, and staff will be attending/supporting events. Sandy has been the point person for the organization.
- A risk assessment was conducted by a third-party vendor on behalf of Philadelphia Ins. on April 17. Follow up results stated, "There were no formal recommendations that resulted from this visit."
- Possible Upcoming (non-routine) Agenda Items:
 - CRHA Office Bldg: Possible Window Replacements; Possible wireless mic system for large conference room
 - Policies: Electronic Voting for Annual Elections; Events, Advertising and Caughlin Rancher Content Policy; Employee Handbook review/revisions

6. Old Business:

6.1 Review & Possibly Approve Easement and other Documents to Permit Construction of Sierra Front Trail Construction on Caughlin Ranch HOA Property and/or Progress Report

No current updates at this time.

6.2 Update Status of Bridge/Creek Crossing on Alum Creek

GM Nunley reported that the bridge is complete as of 04.30.2024. Photos were provided for the Board's review.

6.3 Review/Consider Request from Eaglesnest to Install Locked Gate at Pedestrian Path

This item was addressed earlier in the meeting.

6.4 Discuss & Consider Revision to Rules & Regulations: Flags/Signs/Yard Art, etc

The Board was provided with the redline version of the Rules & Regulations as provided by Attorney Oliphant. Changes focus the flags/signs/yard art portion of the rules. At the last meeting it was decided to wait and combine these revisions with any further rules changes as well as revisions to the ACS&G's. Those changes/revisions have not been completed yet, and GM Nunley recommends postponing this item to the next meeting.

Motion: Secretary Naccarato moved to postpone this item to the next regularly scheduled General Board Meeting. VP Ginsburg seconded. Motion unanimously carried.

6.5 Review & Approve Revision to ACS&G's (to update various items) This item is in process.

Motion: Secretary Naccarato moved to postpone this item to the next regularly scheduled General Board Meeting. Treasurer Bremer seconded. Motion unanimously carried.

6.6 Update on Status of Management Agreement from Caughlin Crossing Commercial Center (CCCC) and Possibility of Disengaging from CCCC

Attorney Oliphant reported that CCCC is moving forward with the Management Agreement (they have majority approval). Research on this item is still in process.

Motion: Secretary Naccarato moved to postpone this item to the next regularly scheduled General Board Meeting. Treasurer Bremer seconded. Motion unanimously carried.

6.7 Review Response from Vista Pointe HOA regarding Common Area Landscaping

GM Nunley provided an update. A letter was sent to Vista Pointe HOA (VPHOA) via their manager on February 22, 2024 (copy provided). It was learned on May 6, 2024, that the VPHOA Board did not receive the letter from their manager until the first week of May 2024. An informal email from the manager and the board president was received on May 6th asking what CRHA would charge for the services. GM Nunley responded that CRHA would be happy to respond with a proposal once VPHOA sent an RFP with a scope of work. As of today, an RFP/Scope of Work has not been received.

Motion: Secretary Naccarato moved to continue this item to the next meeting to solicit a response for an RFP. Director Black seconded.

Discussion ensued regarding the motion.

Secretary Naccarato withdrew his motion. This item will be removed from the Agenda.

7. New Business:

7.1 Review & Possibly Approve Victory Sheep Contract for Wildfire Prevention Services (Defensible Space) – Cole Estill

This item was addressed earlier in the meeting.

7.2 Ratify Earthquake Insurance Policy Renewal from Alpine Insurance

The Board was provided with the Earthquake Insurance Policy renewal documentation from Alpine Insurance received on 04.08.2024. The annual premium is \$4,251.59 and was due on 04.26.2024 for the policy period 05.01.2024 to 05.01.2025. This policy has been renewed and is presented for ratification.

Motion: Secretary Naccarato moved to ratify the earthquake insurance policy renewal for the period 05.01.2024 to 05.01.2025 in the amount of \$4,251.59. Treasurer Bremer seconded. Motion unanimously carried.

7.3 Review & Possibly Approve Alum Creek HOA New Neighborhood Paint Color Schemes

At the March 28, 2024, ACC meeting, the Committee reviewed and approved new paint color schemes for Alum Creek HOA. The book with the approved color schemes was circulated to the Board for their review and consideration.

Motion: Director Black moved to approve the new paint color schemes for Alum Creek HOA as approved by the ACC on March 28, 2024. Secretary Naccarato seconded. Motion unanimously carried.

7.4 Review & Possibly Approve Scope of Work/RFP for Caughlin Cottages Exterior Fence Painting

Per policy, Caughlin Ranch HOA is responsible for painting the exterior of the Caughlin Cottages fences along Caughlin Pkwy and Caughlin Crossing approximately every five years.

The Board was provided with the Scope of Work that was developed by Danny Rosta at Dunn Edwards (Danny was previously the rep with Kelly Moore before they closed). An RFP with the Scope of Work will be provided to 3-5 painting contractors, and the work will be scheduled in late September/early October.

Compliance efforts are in process to notify those owners who need to repair their fences prior to the start of this project.

Motion: Secretary Naccarato moved to approve the Scope of Work for Caughlin Cottages Exterior Fence Painting as presented. VP Ginsburg seconded. Motion unanimously carried.

7.5 Review & Possibly Approve Sierra Gate & Control Preventative Maintenance Agreement Aug-Dec for Whispering Canyon Gates

The Board was provided with a proposal for consideration from Sierra Gate & Control for Preventative Maintenance services for Aug-Dec 2024 for Whispering Canyon. This partial year agreement will allow the vendor to establish a Jan-Dec agreement and provide service at the same time as the other gates. The quarterly cost is \$300.00 (same as current).

Motion: Director Black moved to approve the Preventative Maintenance Agreement as presented by Sierra Gate & Control for Whispering Canyon for the period Aug-Dec 2024 with a quarterly cost of \$300.00. Secretary Naccarato seconded.

Discussion ensued regarding quarterly costs and services.

Motion unanimously carried.

7.6 Review & Possibly Approve Sierra Gate & Control Preventative Maint Agreement May-Dec for Caughlin Creek Gates 1&2 and Mountainshyre Gates

The Board was provided with a proposal for consideration from Sierra Gate & Control for Preventative Maintenance services for May-Dec 2024 for Caughlin Creek 1&2 and Mountainshyre. This partial year

agreement will allow the vendor to establish a Jan-Dec agreement and provide service at the same time as the other gates. The quarterly cost is \$900.00 (same as current) for all aforementioned gates.

Motion: Director Black moved to approve the Preventative Maintenance Agreement as presented by Sierra Gate & Control for Caughlin Creek 1&2 and Mountainshyre for the period May-Dec 2024 with a quarterly cost of \$900.00. Treasurer Bremer seconded. Motion unanimously carried.

7.7 Review/Possibly Approve Proposal from All Pro Security to Install Three Cameras at Village Green Park

Over the past few years, Village Green Park (VGP) has been the target of vandalism (graffiti, destruction of property -light fixtures, benches, restrooms, etc). The current camera array is inoperable and needs to be replaced. This proposal includes camera replacement as well as an additional camera array to be placed on the restroom facility to encompass additional park areas. The total number of cameras is six.

The Board was provided with a proposal from All Pro Security (the Association's surveillance camera vendor) for the foregoing in the amount of \$5,320.41. This is a reserve expense. (This item is scheduled for replacement in 2024 at a cost of \$18,260.00.)

Motion: Secretary Naccarato moved to approve the proposal from All Pro Security for the installation of six (6) cameras at Village Green Park in the amount of \$5,320.41. Director Black seconded. Motion unanimously carried.

8. Member Comments: This time is devoted to Association Members who have comments and/or concerns regarding any association matters.

There were no member comments.

9. Announce Future Meeting Dates & Adjourn *:

- Board Agenda Workshop on Monday, July 22, 2024 at 4:00 p.m.; Executive Session Workshop will immediately follow.
- Board of Directors Executive Session on Wednesday, July 24, 2024 at 5:00 p.m. and General Business Meeting at 6:00 p.m.
- Finance & Budget Committee, Budget Review Workshop, Tuesday, August 22, 2024 at 2pm.

Motion: Director Black moved to recess the meeting at 7:35p.m.; Treasurer Bremer seconded. Motion unanimously carried.

Drew Naccarato, Secretary Board of Directors
Caughlin Ranch Homeowners Association