

**SILVER SPRINGS MUTUAL WATER COMPANY
BOARD OF DIRECTORS
MEETING MINUTES
SEPTEMBER 18, 2014**

President Peek called the meeting to order at 4:00 p.m.

Roll Call:

- Present: Claud Butler, Darlene Geurts, Joyce Jenkins, Scott Keller, Avis Moniz, George Peek and Peggy Yon.
- Absent: None.

Members Comments:

- No Comments
- Secretary's Report:
- Secretary Butler made a motion to accept the Board of Directors Meeting Minutes of July 17, 2014 as presented; 2nd to the motion was made by Member Jenkins. There being no corrections or changes, motion carried unanimously.

Treasurer's Report:

- The financials for June and July, 2014 were read by Treasurer Moniz. In June, total current assets were \$623,444.93 and total liabilities and equity were \$5,954,603.27 with liabilities at \$1,101,696.33. Total income for June was \$66,608.09; net income was (\$17,115.29). In July, there were \$640,900.91 in total current assets and total liabilities and equity were \$5,957,457.46. Liabilities were \$1,135,107.21. Income was \$73,009.14 with net income at (\$30,556.69). Total ending balance for certificates of deposit (CD's) was \$284,048.64 as of July 31, 2014. The debt reserve ending balance was \$70,417.21. President Peek called for questions, adding that when construction funds are in play, financial reports tend to get a little hazy from true figures with incoming and outgoing proceeds; therefore, the relative items on the reports were reviewed and discussed. Secretary Butler made a motion to accept the financials for June and July, 2014 as presented and file for audit; 2nd to the motion was made by Treasurer Moniz. Motion carried unanimously.

Manager's Report:

- South West Administrators was installing a new 4200' gas line to the new business in town, Clean Dried Processing, and while doing so, they exposed (without damaging) a dedicated 10" fire line.
- At the Old Deodar Shop/Well House we had to go through and clear out the entire building to prepare for demolition. The attic had been utilized as a records archive.
- At the Arsenic Treatment Plant, aside from our normal routine of cleaning and topping off chemicals, it was necessary to rebuild seals to a chlorine pump, cost \$142.00. This is routine maintenance done twice annually.

Review of Annual Financial Report Statement Policy, Action May be Taken.

- *Purpose of Policy:* To provide our members with a year-end update of our finances to assist them in understanding the expenditures of operating the water company, and to show them how and where the revenue is used. Silver Springs Mutual Water Company will make available to each member one (1) copy of the APPROVED Audited Annual Financial Report. The report will be available on April 1st of each year at SSMWC's business office during normal business hours.
- General Manager McDonald indicated that according to Nevada Revised Statutes one (1) copy of the report should be made available once per year, per member, free of charge. A signed affidavit form #214 would be required and signify that they have received their free copy. Discussion was held pertaining to procedures for distribution and notarization on requests by mail. If requested in person, identification would be required in addition to an affidavit form. General Manager McDonald noted there was no prior policy path to allow him to make available to members the approved and audited annual financial reports. Approval of this action item would bring SSMWC into compliance. President Peek called for further discussion and a motion to approve. Vice President Yon made a motion to approve, adopt and implement the Annual Financial Report Statement Policy; 2nd to the motion was made by Secretary Butler. There being no further discussion, motion carried unanimously.

Review of Annual Financial Report Affidavit Form SSMWC #214, Action May be Taken.

- This Affidavit meets the requirements of NRS 82.186.2

- Vice President Yon made a motion to approve the Annual Financial Report Affidavit form SSMWC #214"; 2nd to the motion was made by Treasurer Moniz. Motion carried unanimously.

Request to Expend Company Funds on USDA Project:

Due to the Intervention action and cost of Silver Springs Community Water Protective Association with the PUC over the new water tank that I reported last meeting, we now need to replace the funds that were spent on Attorney and Engineering fees, to complete the project. As of August 28, 2014, we have \$196,000.00 in contingency funds; we need at least \$220,000.00. I request \$25,000.00 be authorized to complete attachment 2 (Idaho Well upgrades) and attachment 4 (Shop Building upgrades). As stated in my letter to you last meeting, SSCWPA intervention cost our members \$39,500.00 and now they have filed an intervention over the service area expansion, the cost will go up, only this time, it won't be out of the USDA Project but out of our budget, which means out of our members pockets.

- General Manager McDonald indicated that funds would be drawn from capital improvement account reserves. President Peek noted causality as being the group in Silver Springs that keeps intervening, forcing more expense in legal fees and forcing more expense in engineering fees. General Manager McDonald indicated that a letter to the USDA is necessary because the USDA requires a guarantee of project completion; therefore, these funds must be made available. Secretary Butler noted it a winless predicament and made a motion to accept the \$25,000.00 request and that it be drawn from the SSMWC capital improvement reserves; 2nd to the motion was made by Vice President Yon. There being no further discussion, motion carried unanimously. Deep cuts were made to the USDA project because \$39,500.00 was lost in the first PUC intervention filed by the group with \$25,000.00 authorized, a difference of \$14,500.00 in budget cuts. More will be cut by the General Manager, if at all possible. General Manager McDonald provided a status update that as of September 25, 2014; the project is 51% complete. The letter to USDA was signed.

Directors Comments:

- Noted were thanks to Staff for the hard work they are putting in and what they put up with and that it must be very stressful to have to endure it.
- Noted were thanks to Treasurer Moniz for chairing the Rules and Regulations committee and all the hard work that goes along with it in addition to her regular duties as Treasurer.
- Noted was appreciation to Wendy Weaver for effective management of SSMWC water rights and programs.

Closed Personnel Session:

- None held.

Adjournment:

- Member Geurts made a motion to adjourn the meeting; 2nd to the motion was made by Secretary Butler. Motion carried. The meeting was adjourned at 4:30 p.m..
- The next meeting is scheduled for 4:00 p.m. on Thursday, November 20, 2014.

"Silver Springs Mutual Water Company is an Equal Opportunity Provider and Employer."

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <http://www.ascr.usda.gov/complaint.filing.cust.html>, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U. S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, DC 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.