

**SILVER SPRINGS MUTUAL WATER COMPANY
BOARD OF DIRECTORS
MEETING MINUTES
JANUARY 15, 2015**

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 and George Peek.
- Absent: Peggy Yon was excused.

Members Comments:

- Attending were Edward and Wanda Ellis, Ray Collie, Frankie Molarius, Doug Frenton, Jean Javier, Tim Watts, Carmen Casillas and Sammy Flynn. Questions were posed about the paint color choice on the new water tank, billing for unoccupied properties and how requests for meter installations are handled.

Secretary's Report:

- Secretary Butler asked for questions. There being none, President Peek called for a motion to accept the Board of Directors Meeting Minutes of November 20, 2014 as presented; Secretary Butler so moved; 2nd by Treasurer Moniz. There being no discussion, motion carried.

Treasurer's Report:

- The financials for October and November, 2014 were read by Treasurer Moniz. In October, total current assets were \$683,979.82 with liabilities at \$1,971,412.52. Total liabilities and equity were \$5,958,280.43. Total income for October was \$67,459.45; net income was (\$99,247.15). Grant expenses, as discussed last meeting, continue to throw off net income figures. In November, there was \$698,918.52 in total current assets with liabilities at \$2,201,663.32. Total liabilities and equity were \$5,958,617.34. Income was \$58,819.11 with net income at (\$229,913.89). Treasurer Moniz reported that depreciation stands fully funded for the year. A matured Certificate of Deposit (CD) held at Washington Federal was closed at \$183,855.95 with \$100,000.00 currently pending reinvestment elsewhere at a better rate. \$70,727.85 is invested at Financial Horizons Credit Union and \$100,846.42 is with Greater Nevada Credit Union. Discussion was held pertaining to extraordinary expenses, yet full funding of depreciation. SSMWC will "take a hit" this coming year due to those extraordinary costs of engineer and attorney fees. Roughly a half-year of reserves now remain for repairs and maintenance, which is not bad for a non-profit with no other source of income other than members payments for usage of the product. Discussion was underway about two new hook-ups when the Presiding Officer was pressed to interrupt, "do we have additional conversations that need to go to the hall?" Ms. Molarius replied, "she wanted to know about the agenda... why you were electing officers before you actually had the elections, and I was explaining to her that... it's in the by-laws". In response, President Peek directed discussions could be taken out to the hall and if there were issues to please address the Chair as it is somewhat disconcerting to have additional conversations going on and without picking on anybody, it is disconcerting. Mr. Collie introduced himself as new, asked for clarification on half-year reserves; brief discussion followed then resumed on the topic of hook-ups. Secretary Butler made a motion to accept the October and November, 2014 financials as presented and file for audit; 2nd to the motion was made by Member Geurts. There being no further discussion, motion carried.

Manager's Report:

There have been no changes to enrollment numbers for those participating in the equal payment program. Asked if it were worth the time to continue the program, General Manager McDonald indicated some are finding it helpful; levelized bills over the year provide for summer gardening when resulting consumption would be higher, yet payments get spread equally over the course of a year. Discussion followed to include an update on the new tank being placed into service. Bac-T and VOC (volatile organic compound) test results are pending. Once verification is obtained, the new tank will go online. It was noted the new tank was constructed based upon engineer's recommendation that there wasn't sufficient system storage capacity to provide adequate fire flow and now there is two million of cross-connected storage in the front of the valley and one million of storage in the back end. It is essentially a gravity system with three wells in service that pump into it to allow for the tanks to be kept full at peak demand. A construction warranty item was covered at the new Deodar Well. The new VFD (variable feed drive) system has been recalibrated. Noted was that the service area expansion was approved by the PUC (Public Utilities

Commission). Regarding energy conservation, the solar arrays have provided a total combined savings of \$12,628.31 through the end of 2014. Discussion followed. Congratulations were extended to field technicians for an exemplary sanitary survey that was conducted by the State Division of Water Resources.

Appointment of Officers for 2015, Action may be taken:

- In the By-Laws, Article VI, section 2 states, the officers of the corporation shall be appointed annually by the Board of Directors at the first regular meeting of such Board of Directors. If appointment of officers shall not be held at such meeting, such appointments shall be held as soon thereafter as conveniently may be. There are four elected officers, a President, a Vice-President, a Treasurer and a Secretary. Discussion followed. Member Jenkins made a motion to retain current officers in their present positions for another year and to close nominations; 2nd to the motion was made by Member Geurts. President Peek called for discussion. Motion carried.

Nomination of Directors, NO Action to be taken:

- In the By-Laws, Article V, section 2 states, The Nomination for Board of Directors will be accepted from members of SSMWC between October 1st and December 31st of the year preceding the election. The names of nominees will be posted online at silverspringsmwc.com. On December 31st, nominations closed and Darlene Geurts, Claud Butler, Edward Ellis, Doug Frenton and Larry Boyce have been nominated for the two director seats. Member Geurts noted that the term of elected service is for three years for the two seats to be filled. Each nominee is to be afforded two minutes to speak before balloting on the occasion of the Annual Membership Meeting scheduled for March 19, 2015.

Directors Comments:

- Noted was sadness in that professional fees continue to climb in defense of trivia. This minutia is totally unnecessary and very addressable on a personal level. If problems are seen in the way the company is operated then a personal discussion with management to resolve any perceived irregularities has always been an available option. Professional fees are approximately \$84,000.00 now and nearly \$80.00 per member and it is a very sad thing that people have to do that. It seems that the challenge will continue; the manner in which it is being done is objectionable.

Closed Personnel Session:

- A brief period of closed personnel was held.

Adjournment:

- Secretary Butler made a motion to adjourn the meeting; 2nd to the motion was made by Treasurer Moniz. Motion carried. The next Board of Directors meeting is scheduled for 4:00 p.m. on Thursday, March 19, 2015.

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

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by fax (202) 690-7442 or email at program.intake@usda.gov.