

**SILVER SPRINGS MUTUAL WATER COMPANY  
BOARD OF DIRECTORS  
MEETING MINUTES  
MAY 21, 2015**

President Peek called the meeting to order at 4:00 p.m., 1315 Lahontan Drive, Silver Springs, NV.

Roll Call:

- Present: Joyce Jenkins, Scott Keller, Avis Moniz and George Peek.
- Absent: Claud Butler, Peggy Yon.

Member's Comments

- Marjorie Hopkins spoke to the annexation fee and inquired about status on rising legal fees.

Appointment of Vacant Director Seat:

- Due to the passing of long time Director Darlene Geurts April 11, 2015, it was necessary for the Board of Directors to appoint a Director according to SSMWC By-Laws Article V, Section 8 to fill the vacancy created. In tribute, noted was the long and faithful tenure of Darlene Geurts, a great member and an asset to the water company and its Board, with a worthy term of service to SSMWC and elsewhere in the community. She will be sorely missed. Following discussion, Scott Keller nominated Charles Noble for the vacancy; 2<sup>nd</sup> to the motion was made by Avis Moniz. There being no other nominations, motion carried unanimously. Charles Noble was welcomed to the Board of Directors. Member Noble has been long interested in the affairs of the water company, offering constructive and intelligent comment throughout years of regular attendance at meetings.

Secretary's Report:

- President Peek presented the Secretary's Report; Treasurer Moniz made note to content accuracy. Comments from members were open from April 1, 2015 through April 30, 2015 and no comments were received. There being no corrections or additions, Member Keller made a motion to accept the March, 19, 2015 Annual Directors and Membership meeting minutes as presented; 2<sup>nd</sup> to the motion was made by Member Jenkins. Motion carried unanimously.

Treasurer's Report:

- The financials for December, 2014 and January, February and March, 2015 were highlighted by Treasurer Moniz. In December, total current assets were \$805,701.46 with liabilities at \$2,388,991.98. Total liabilities and equity were \$7,440,749.90. Total income for December was \$62,732.59; net income was \$1,296,031.83. Income and expenses derived from grants continue to skew net income figures. Grant expenses for December, 2014 were (\$1,202,439.35). In January, there was \$665,418.85 in total current assets with liabilities at \$2,341,741.09. Total liabilities and equity were \$7,283,735.65. Income was \$55,336.92 with net income at (\$109,763.36). January grant expenses were \$79,179.83. February ended with total current assets of \$642,610.35 and liabilities of \$2,343,440.85. Total liabilities and equity were \$7,244,195.51. Total income for February was \$54,055.34; net income was (\$41,239.90) and grant expenses were zero during February. In March, there was \$615,441.26 in total current assets with liabilities at \$2,406,614.02. Total liabilities and equity were \$7,201,765.87. Income was \$55,266.59 with net income at (\$96,537.23). Grant expenses were \$32,253.58 in March. March, 2015 combined ending balance for CD's/savings was \$322,129.35. President Peek called for questions or comments. At one time, CD's/savings were in the \$400,000.00 range. Discussion pertaining to extraordinary expenses and options to recover damages were held; CD maturity of approximately \$183,000.00 in December, 2014 was an offset for professional fees. Discussion was held concerning infrastructure project completion and resulting operational improvements. An oversight by NvEnergy at the Deodar premise was noted. There being no further questions or comments, Member Keller made a motion to accept the Treasurer's Report and file for audit; 2<sup>nd</sup> to the motion was made by Treasurer Moniz. Motion carried unanimously.

Manager's Report:

- The Equal Pay program has seen no changes and 8 owners remain enrolled.
- The SofTelPay program has realized 780 cumulative payments since inception for \$58,015.14 paid to SSMWC. Convenience fees totaling \$3,105.26 have been retained by the service provider.
- No new water right transfers have occurred. All transfers have been paid according to their terms, save one. The owner who refused payment of their portion of an annual permit fee caused SSMWC to pay that owner's portion to maintain the total permitted duty in good standing. Discussion was held. At the end of the five year permit fee cycle, deeding the units back to the owner was noted; they are the owner's to lose.
- Phase II of our meter/register upgrade is moving along; 83 registers and 32 meters have been changed out. 60 registers have been purchased to begin Phase III.
- The training room has made it possible to host T1 and T2 training and Small System Compliance classes. This is a great benefit to Operators around the area as a centralized location in which to attend training.
- Our new employee did not complete the probationary period; the job is advertised on silverspringsmwc.com and nvrwa.org.

- Farr West Engineering has completed the Master Plan/Preliminary Engineering Report (PER). This finalizes Phase II of the CDBG Grant that was received in 2013. Phase I of that grant was in 2012 with mapping/GPS for the system. The CDBG Grant that we were awarded in the fall of 2014 is for a Water Resource Development Plan. An extension of time has been requested to accommodate completion of a United States Geological Survey which is expected to provide additional information to incorporate into the WRDP.
- Nevada Department of Environmental Protection Bureau of Safe Drinking Water (NDEP/BSDW) conducted a Sanitary Survey in December of 2014. There were no major deficiencies; there were three recommendations. Two of the recommendations have been completed. The remaining item is to re-establish drainage away from the base of our West Tank that through erosion has degraded over time. Lyon County will assist with use of a motor grader.
- A Technical, Managerial and Financial (TMF) Capacity Survey was completed by Nevada Rural Water Association (NvRWA) for eligibility with the State Revolving Fund to ensure that we meet the criteria to receive grant funds. It is necessary to score a minimum of 65% in all categories. *SSMWC scored 95% for Technical, 100% for Managerial and 96% for Financial for an overall score of 97%.* Members of the Board commended staff for the excellent scores.
- Regulation 1.40.130 was implemented. On April 1 a letter was mailed out to affected members. Discussion was held regarding specific content in the notice, feedback received and requests for meter removal.
- On April 21, 2015 the Internal Revenue Service (IRS) conducted an audit for the year of 2013. Causality was attributed to a "whistle-blower". Results are pending and discussion was held.
- On April 22, 2015 a workshop was held concerning the Conflict of Interest Policy, the Service Area Expansion Policy & Agreement, Annexation Fee, Cross Connection Control Program and future placement of sleeves under Hwy. 50. The Service Area Expansion Policy and Agreement was sent to legal for review. Discussion was held. A potential commercial service inquired about connection to the system and what it would take to be served water.
- New Generations Feed (Old Vaquero's) is expanding and requires an up-size of their current meter from a ¾" to a 2" service along with a 4" fire line.

#### Conflict of Interest Policy:

- The draft policy was presented for consideration. Noted was that it runs pretty standard. Most conflict of interest policies don't have conflicting interests in vote and discussions. Treasurer Moniz made a motion to accept the Conflict of Interest Policy; 2<sup>nd</sup> to the motion was made by Member Noble. Motion carried unanimously.

#### State Revolving Fund Grant:

- February, 2013 the Board authorized staff to apply for an SRF grant fund to develop our water resources and well field. In March NvRWA conducted the TMF survey on behalf of the SRF. The Phase I application is now complete and signatures are required on the application and letter of intent. Discussion was held. Member Noble made a motion to apply for Phase I SRF grant funding; 2<sup>nd</sup> to the motion was made by Treasurer Moniz. Motion carried unanimously.

#### Cross Connection Control Program:

- The program was presented for consideration and is a requirement of the Federal Safe Drinking Water Act. Discussion was held. Initial focus will be on high risk water service connections and new construction. A backflow device demonstration model was recommended. Member Keller made a motion to implement the Cross Connection Control Program; 2<sup>nd</sup> to the motion was made by Member Jenkins. Motion carried unanimously.

#### Review of Fee Schedule:

- Modification to the fee schedule is to consider an annexation fee per acre or per partial acre for new parcels annexed into the service area. Discussion was held for instituting a maximum total fee to avoid potential prohibition of development progress in Silver Springs. If the fee were to be set at \$500.00, then a developer with 100 acres would conceivably pay \$50,000.00 in fees. Discussion to how much of a fee would be for administrative hard costs. Discussion to how many large parcels of undeveloped land not located within the service area, was held. There was no action taken. Consensus by the Board was to go to workshop to discuss the basis for this revenue stream and fee maximum. Member Keller asked Staff to provide hard numbers on administrative costs.

#### Directors Comment:

- Workshop topics were discussed along with recovery avenues for professional fees.

#### Closed Personnel Session:

- None held.

#### Adjournment:

- Member Noble made a motion to adjourn the meeting; 2<sup>nd</sup> to the motion to adjourn was made by Member Keller. Motion carried unanimously. The meeting was adjourned at 5:00 p.m.. The next meeting of the Board of Directors is to be held at 4:00 p.m. on Thursday, July 16, 2015 at the SSMWC Office.

"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](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](mailto:program.intake@usda.gov).