

**SILVER SPRINGS MUTUAL WATER COMPANY  
BOARD OF DIRECTORS  
MEETING MINUTES  
JULY 16, 2015**

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

Roll Call:

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

Member's Comments:

- Carmen Casillas and Seven & Anita Clark attended the meeting. Mr. Clark spoke to water rates as tied to population growth and liabilities.

Secretary's Report:

- Secretary Butler presented the Secretary's Report. There being no corrections, Vice President Yon made a motion to accept the May 21, 2015 meeting minutes as presented; 2<sup>nd</sup> to the motion was made by Secretary Butler. Motion carried unanimously.

Treasurer's Report:

- The financials for April and May, 2015 were read by Treasurer Moniz. In April, total current assets were \$581,532.01 with liabilities at \$2,242,204.82. Total liabilities and equity were \$7,152,504.16. Total income for April was \$64,344.08; unadjusted net income was \$24,507.96. Grant income for April, 2015 was \$32,253.58. May ended with \$608,795.27 in total current assets with liabilities at \$2,249,392.82. Total liabilities and equity were \$7,164,482.57. Income was \$81,236.25 with net income at \$4,790.41. There was discussion on the items presented; it was requested by the Board that current liabilities and long term liabilities be added to the financial recap. Discussion to hook-ups was held in reference to an up-sized meter on a customer remodel. The combined ending balance on Certificates of Deposit and regular savings was \$322,605.55. Discussion was held to debt service reserve, long term debt and pure figures on net income. There being no further questions, comments or discussion, Secretary Butler made a motion to accept the Treasurer's Report as presented and file for audit; 2<sup>nd</sup> to the motion was made by Vice President Yon. Motion carried unanimously.

Manager's Report:

- In July, SSMWC attended a meeting of the Bureau of Safe Drinking Water State Revolving Fund (BSDW/SRF) to proceed with the loan forgiveness application to perform a well study. SSMWC was successful in gaining SRF approval for an amount not to exceed \$500,000.00. Funding terms are being developed. Discussion was held.
- In addition to normal routines, the field crew has repaired four (4) leaks and four (4) broken meter stop valves and continue to make progress on the 3<sup>rd</sup> Phase of the meter/register upgrade. 54 of 60 registers have been swapped out. In Phase 3, there remain six (6) registers and eleven (11) complete meters to be purchased along with the entire Phase 4 inventory. Purchasing inventory in bulk provides a discount.
- The Silver Springs Airport is realigning its southern boundary fence line. A meeting with Airport and County officials was held to discuss the realignment of the southern border near Powell Ranch. Six-hundred and eighty (680) feet of water line is to be situated inside the fencing; information to secure a Utility Easement has been obtained.
- Josh Swanson of Mueller and Pak Hughes of Western Nevada Supply recently utilized our training room to conduct fire hydrant training. An onsite demonstration and repair was provided. The Nevada Rural Water Association (NvRWA) held Distribution 1 & 2 Operator Certification Review for area Operators prepping for exams.
- A Board workshop was held and topics of discussion were; revision to the service area expansion policy, an annexation fee, a water rights usage fee and review of the Silver Springs General Improvement District sewer billing service.

- The Internal Revenue Service (IRS) issued SSMWC a letter of no finding regarding the recent 2013 tax year audit.
- The hearing on the Frances (Frankie) Molarius complaint was held at the Public Utilities Commission (PUC) on 6/23/15. Next is the final portion, the legal brief phase which consists of four (4) legal issues that SSMWC will address and answer, *as will* the Complainant and the Intervener. These briefs are due July 28<sup>th</sup>. Then, each party responds to each other's brief by August 14<sup>th</sup> and following those, the Hearing Officer issues his opinion wherein he adopts a recommendation that is submitted to the full Commission. At that point, the PUC will agendize the matter for a decision, possibly September. Attorney fees to Members now exceed \$111,000.00 for just this matter. Noted was complainant's position that an increase in water rates is acceptable should SSMWC come under full PUC jurisdiction, however, discussed was that an increase to Members *is inevitable* as a result of the proceedings brought by Complainant and Intervener.

#### Review of Fee Schedule:

- The fee schedule did not list an annexation "application fee" of \$300.00 as found under older historical expansions of the service area; it is non-refundable and is now added onto the schedule of fees. Also, the fee per acre or per partial acre is recommended at \$500.00 for property owners who request parcels to be annexed into the service area, as recommended from workshop. Together with each of these, consideration was given to instituting a "water rights usage fee" per acre-foot for properties being annexed, whose owners do not possess water rights to sufficiently serve dry parcel(s). This optional usage fee is recommended for evaluation by the Board of Directors, on a case-by-case basis at a hearing to be determined, following submission of a completed application for annexation *due to*: market fluctuation, non-competition with free market enterprise and variances to fair market values. An acre-foot is measured as 1.12 acre feet annually (afa). Discussion was held to include observed influx of realty signage. Vice-President Yon made a motion to accept the fee schedule as presented and amended; 2<sup>nd</sup> to the motion was made by Secretary Butler. There being no further discussion, question or comment, motion carried unanimously.

#### Directors Comment:

- Comment concerning the recent PUC hearing was heard. Queries presented by Mr. Clark were addressed in complexity and detail by President Peek, Secretary Butler, General Manager Martensen and past General Manager McDonald.

#### Closed Personnel Session:

- A closed personnel was held; following a brief period, President Peek recalled the Board from session.

#### Adjournment:

- Vice President Yon made a motion to adjourn the meeting; 2<sup>nd</sup> to the motion was made by Treasurer Moniz. 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, September 17, 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>, 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).