

**SILVER SPRINGS MUTUAL WATER COMPANY
BOARD OF DIRECTORS
MEETING MINUTES
MAY 19, 2016**

President Peek called the Meeting to order at 4:05 p.m. at 1315 Lahontan Drive, Silver Springs, NV.

Roll Call:

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

Member's Comments

- Leslie Cater and Stephen Milstein attended the meeting.

Secretary's Report:

- Secretary Butler presented the Secretary's Report. No member comments were received during the open comment period beginning April 1, 2016 through April 30, 2016 for the Annual Membership meeting minutes. There being no corrections, additions or deletions, Member Yon made a motion to accept the minutes of the March 17, 2016 Annual Membership meeting as presented; 2nd to the motion was made by Member Jenkins. Motion carried unanimously.

Treasurer's Report:

- The financials for December, 2015 and January, February and March, 2016 were read by Secretary Butler. In December, total current assets were \$643,370.99 with current liabilities at \$67,596.35, long term liabilities of \$2,147,164.65 and total liabilities at \$2,214,761.00. Total liabilities and equity were \$7,097,825.79. Total income for December was \$56,064.28; net income was (\$4,577.53). January ended with \$646,854.15 in total current assets with current liabilities at \$75,446.51, long term liabilities of \$2,139,871.65 and total liabilities at \$2,215,318.16. Total liabilities and equity were \$7,076,752.89. Income was \$59,655.84 with net income at (\$13,134.23). President Peek called for questions. In February, total current assets were \$645,744.30 with current liabilities at \$92,396.82, long term liabilities of \$2,137,858.77 and total liabilities at \$2,230,255.59. Total liabilities and equity were \$7,178,915.02. Total income for February was \$59,187.00; net income was (\$31,432.61). March ended with \$640,163.67 in total current assets with current liabilities at \$80,008.36, long term liabilities of \$2,134,665.77 and total liabilities at \$2,214,674.13. Total liabilities and equity were \$7,155,937.55. Income was \$61,944.61 with net income at (\$7,387.01). Discussion was held to professional fees (legal) of approximately \$203,000.00 for 2015; the year would have been positive had these mischievous expenses not been experienced. Member Jenkins made a motion to accept the Treasurer's Report as presented and file for audit; 2nd to the motion was made by Member Yon. There being no further discussion, motion carried unanimously. The combined ending balance on Certificates of Deposit for depreciation of short lived assets together with restricted short lived assets was \$301,995.79. Regular savings accounts covering capital reserves, short lived assets, depreciation funding and reserved debt service was \$231,561.95.

Manager's Report:

- Equal Pay Program: There have been no new enrollments; (1) one enrollment package was handed to a potential participant. Nine (9) owners continue to meet enrollment standards.
- SOFTtelPay Program: 183 payments have been processed since January's reporting period.
- Accomplishments: The Phase 4 meter/register upgrade is still a work in progress. Due to the lengthy lead time for ordering meters/registers, Western Nevada Supply asked if we could give them an overall count for our next order so they may better serve us. The crew has replaced 22 meters since last reporting period. Progress has required more time for Phase 4 due to the fact that it has been necessary to re-pipe the majority of meter pits in this phase as they were originally set to far below grade to service. Valve exercising is also underway and weeding of distribution system appurtenances continues as weather and schedule permits.
- New Service Connections: Three (3) new residential service connections have come into the system; all appropriate fees have been collected for the standard sized meters. Those locations are 2305 Spruce Ave., 3605 Deodar St. and 3615 Deodar St., of which only the Spruce connection was due payment of a capacity fee. Both of the Deodar connections were existing hookups prior to 1994. Spruce is currently using water while both Deodar connects are receiving vacant property billing.

- SRF Forgiveness Loan Update: Tasks numbered 1, 2 & 3 have been completed; we have received the signed contract on task four (4) Sonic Exploratory Drilling. Notice to Proceed has been authorized to Cascade Drilling; Cascade could be ready on or before May 31st. General Manager Martensen answered questions from the Board.
- Judicial Review Update: The Third Judicial Court of Lyon County has issued an Order Denying Requested Relief in the Petition for Judicial Review. Latest correspondence from Mr. Zumpft is that the individual still has an opportunity to appeal the decision. Once the date of May 31, 2016 has passed and, assuming she has not filed the appropriate appeal, Mr. Zumpft will prepare to close our file accordingly. The Board posed questions to the General Manager.
- Backflow Prevention Program Update: As spelled out in our Cross Connection Control Program that the Board approved at the May 21, 2015 Board of Directors meeting, we have been moving forward with locating existing backflow devices within our water system and performing further investigation where appropriate. Correspondence has been sent out to yet untested devices that were identified in this reporting period. We have asked that these owners assist us in fulfilling Silver Springs Mutual Water Company's responsibility under the Federal Safe Drinking Water Act by having their devices tested and to forward us the results. In the request, included was contact information for 32 different certified backflow testers in our geographic region to further assist our goals. Results are entered into our Backflow Prevention Program database and hard filing system with calendar tracking for the purposes of annual noticing.
- Water Resource Development Plan: Our Water Resource Plan is complete. Before delivery, Farr West Engineering is performing final testing on data population and integration to ensure one programming language flows into another and back properly.
- Rate Study: The Rate Study that was approved by the Board of Directors in the 2016 Budget is underway and almost complete. Farr West Engineering is in the process of working up various scenarios to achieve realistic results and sustainability and at this time a workshop is set for June 7, 2016 for review of findings prior to hearings with the Membership where final recommendations would be presented.
- Conflict of Interest Policy: The policy must be read and signed annually by each Director and Staff Member. The policy was signed as indicated.

Director's Comments:

- President Peek opened the floor for Director's comments or comments from those in attendance.
- Danny Sommers of Farr West Engineering addressed the Board concerning a current project. "Yeah (clears throat) we I had to.... I'm going to be the point of contact now for Farr West and uh as such we're of course working on the well right now with uh with Matt but we had uh I had put together or had our hydrogeologist put together a list of.. of... reasons why or where he wanted to put the exploratory well. And so, I just wanted to see if we could get a sign off on those recommendations uh and then going forward wherever you guys decide to put that well" General Manager Martensen reminded Mr. Sommers we went over this yesterday and it was very clear the decision was already made at the pre-construction meeting where SSMWC wanted to locate that well. In response, Mr. Sommers stated, "so which is fine Matt, that's great, and we'll help however we can, but Kirk felt so strongly about those recommendations on, on the location...". President Peek asked Mr. Sommers are they different from what was decided. Mr. Sommers continued on, "I'm assuming they are, yes, umm, I just got the memo later today eh... just before I came over..." General Manager Martensen indicated he didn't receive anything to which Mr. Sommers replied, "...no, it was actually addressed to me and I will give you a copy of that but um we just wanted to get, to get a sign off on that agenda, or that uh, those recommendations...". General Manager Martensen related that he would have rather spoke to Mr. Sommers personally and didn't appreciate it being brought to this. Mr. Sommers said, "uh yeah, absolutely". President Peek noted that if there was a conflict he thought probably we ought to have a quick look at it but do that at workshop. Mr. Sommers said, "yeah, not a problem I will give you this right after Matt and you can take a look at it". President Peek asked if Mr. Sommers had anything else. Mr. Sommers responded, "no – that's it".

Closed Personnel Session:

- None held.

Adjournment:

- Secretary Butler made a motion to adjourn; 2nd to the motion was made by Member Yon. Motion carried unanimously. The meeting was adjourned at 4:43 p.m. with no other items of consequence.
- The next meeting for the Board of Directors is to be held at 4:00 p.m. on Thursday, July 21, 2016 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.