

**SILVER SPRINGS MUTUAL WATER COMPANY  
BOARD OF DIRECTORS  
MEETING MINUTES  
JULY 21, 2016**

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

Roll Call:

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

Member's Comments

- None were received.

Secretary's Report:

- Secretary Butler presented the Secretary's Report. There being no deletions, additions or comments, Secretary Butler made a motion to accept the minutes of May 19, 2016 as presented; 2<sup>nd</sup> to the motion was made by Treasurer Moniz. Motion carried unanimously.

Treasurer's Report:

- The financials for April and May, 2016 were read by Treasurer Moniz. In April, total current assets were \$657,240.29 with current liabilities at \$80,907.24, long term liabilities of \$2,127,372.77 and total liabilities at \$2,208,280.01. Total liabilities and equity were \$7,155,201.35. Total income for April was \$66,051.01; net income was \$889.89. Other income derived from grants was \$7,269.54, interest at \$301.06, expenses of \$2,362.50 for total net other income at \$5,208.10 and total net income of grants at \$6,097.99. The month of May ended with \$663,113.25 in total current assets with current liabilities at \$81,373.54, long term liabilities of \$2,128,992.90 and total liabilities at \$2,210,366.44. Total liabilities and equity were \$7,142,199.58. Income was \$61,112.17 with net income at (\$2,484.32). Other income derived from grants was \$2,362.50, interest at \$311.65, expenses of \$10,745.51 for total net other income at (\$8,071.36) and total net income of grants at (\$10,555.68). President Peek called for questions; discussion was held. 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 Member Yon. There being no further discussion, motion carried unanimously. Certificates of Deposit combined ending balance for depreciation of short lived assets together with restricted short lived assets was \$302,548.04. Regular savings accounts covering capital reserves, short lived assets, depreciation funding and reserved debt service was \$235,881.53.

Manager's Report:

- Equal Pay Program: There have been no new requests; one enrollment packet was handed to a potential participant. Nine (9) owners continue to meet enrollment standards.
- SOFTtelPay Program: 129 payments have been processed for \$7,994.01 since May's reporting period. \$20,132.71 is the total of 2016 calendar year to date with total standing of \$105,134.58 from 1,500 total payments received.
- Accomplishments: The 4<sup>th</sup> Phase of meter/register upgrades remains a work in progress. Due to the lengthy lead time for ordering meters/registers, Western Nevada Supply requested and was been given our final phase count. A great deal of preventive maintenance/repairs has been performed on the Arsenic Treatment Plant chemical pumps and to our Booster Station pressure regulator control valves. Swamp coolers were installed at two well sites to prevent variable frequency drive trip outs from excessive heat. All backflow assemblies have been tested independently except for Dollar General noticed with final warning at the 90 day threshold of violation. The backflow assemblies at Silver Springs' Schools are tested over summer break and are in compliance. Clean Dried Processing is in compliance however a test remains pending for the Sheriff's Office relocation into the building adjacent the processing site. The U.S. Post Office removed an irrigation device and is no longer scheduled for annual tests. The update to the 401(k) plan administration is complete and an initial group meeting was held with employees. Final work will include a plan sponsor meeting then individual employee servicing on an annual basis.
- New Service Connections: Previously reported were 3605 Deodar Street and 3615 Deodar Street as existing hookups prior to 1994. Further investigation revealed documentation proving otherwise. It was a historical determination of lots that were on the water system prior to February 6, 1978 not paying hook-up fees but any lot hooking up to the

water system after that date must render the hook-up fee to receive water. The affected property owner(s) were contacted and agreed those hook-up fees were payable. They were provided the backup documents and an additional workup containing all owned lots to date, with each one's development potential (water rights, hook up status, pre-1978 lots status, payments, etc.) and receipt of \$6,400.00 is immediately forthcoming. 3912 Amber Street is another location with an estimate issued to the property owner of which was accepted and paid on a ¾" meter installation with hook-up fee at \$4,436.05. Materials have been ordered and as soon as the parts arrive this job will be scheduled. One additional ¾" meter set and hook-up in the amount of \$7,104.37 was provided 3704 Citrus Street; it is extremely likely to occur.

- SRF Forgiveness Loan Update: The test bore at the Deodar Site has been completed. Cascade Drilling had some equipment issues at start up. The drillers were able to punch down to 607' at which bed rock was reached. A total of six (6) different water bearing zones were identified with varying levels of Arsenic. Initial results indicate the only contaminant to mitigate is Arsenic. The priority of the test bore was to locate the quantity and then the quality knowing all along that Deodar was first choice to drill a test hole because it is already piped to go to the treatment plant. Based on the preliminary data, the Hydrologist believes that a well with either a 12" or 14" casing should produce approximately 1,600 – 1,800 gallons per minute and he stated, "That is being very conservative". We had approached SRF to allow a change to task five of our contract and they accepted. This task now includes utilizing a portion of the remaining funds for: 1) the reporting of drilling and aquifer test results 2) development of preliminary well design 3) preparation of a cost estimate for drilling and 4) construction, development, testing and connection of a new production well. This information is a necessary application change to go back to the State Revolving Fund Board seeking approval on the additional funding necessary to develop the well.
- Judicial Review Update: The deadline for the malcontent individual to file an appeal in the District Court of Lyon County passed with no filing having occurred and so our Attorney Mr. Charles Zumpft has closed our file accordingly.
- Water Resource Development Plan: Our Water Resource Plan is complete and I have received a digital copy to review prior to final acceptance.
- Rate Study: The Rate Study (that was approved for action by the Board of Directors in the 2016 Budget) has been prepared by Farr West Engineering. Engineer's recommendations have been read and preparations are being made to present them to the Membership of SSMWC. A "Special Meetings Notice" is being sent out to the Membership and is in process at the printers. The membership meeting dates have been selected according to the parameters of the SSMWC By-Laws and indicated for mail stream delivery July 26, 2016. The dates chosen for the rate presentation will be known upon receipt of the mailer. Based on informal majority consensus of the Board an invitation was extended to our Attorney Mr. Zumpft.

#### Director's Comments:

- Questions of the General Manager that pertained to the well project were made. Noted was that Farr West Engineering has assumed responsibility for Community Development in Lyon County. The Nevada Department of Transportation will be presenting an update on area activities in September at the Silver Stage Schools.

#### Closed Personnel Session:

- None held.

#### Adjournment:

- Member Yon made a motion to adjourn; 2<sup>nd</sup> to the motion was made by Treasurer Moniz. Motion carried unanimously and the meeting was adjourned at 4:45 p.m..

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