

**SILVER SPRINGS MUTUAL WATER COMPANY  
BOARD OF DIRECTORS  
MEETING MINUTES  
JANUARY 16, 2014**

President Peek called the meeting to order at approximately 4:00 p.m.

Roll Call:

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

Members Comments:

- 2 attended: Frankie Molarius, Hariette Marshall. There were no comments.

Secretary's Report:

- There being no corrections or changes, Vice President Yon made a motion to accept the meeting minutes of November 21, 2013 as presented; 2<sup>nd</sup> to the motion was made by Treasurer Moniz. Motion carried unanimously.

Treasurer's Report:

- The financials for October and November, 2013 were read by Treasurer Moniz. In October, total current assets were \$737,482.40 and total liabilities and equity were \$5,735,406.59 with liabilities at \$968,530.26. Total income for October was \$81,990.42; net income was (\$9,443.79). In November, there were \$600,390.47 in total current assets and total liabilities and equity were \$5,690,034.63. Liabilities were \$960,720.95. Income was \$67,754.23 with net income at (\$37,562.65). Total ending balance for certificates of deposit (CD's) equaled \$297,768.69 as of November 30, 2013; the debt reserve account was \$41,764.47. President Peek called for questions or comments. Discussion followed pertaining to expended funds that show on balance sheets. These expenses are later replaced with grant dollars and do not appear on the balance sheets. This directly affects the bottom line net income figure. Better rates of return for CD's were recently identified by Treasurer Moniz (.995% or 1.00% annual percentage yield) and in collaboration with the General Manager and staff, CD funds will be moved from Bank of America to Financial Horizons Credit Union. Secretary Butler made a motion to accept the financials for October and November, 2013 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:

- There were no enrollment number changes in the Equal Payment Program. Cumulatively, SoftTelPay has generated \$20,433.03 in payments with fees paid to the servicer by participants at \$1,097.26 since inception. The solar project is doing well; a defective inverter was replaced under warranty. The United States Department of Agriculture (USDA) loan is now closed and funds expended for startup costs are expected any day now with major project account funding underway. The 1997 loan at 5.25% interest has been paid off and the new loan stands at 2.50% interest. President Peek noted it a great boon to the customers here. 90% drawings from Farr West Engineering have been received for the infrastructure improvements. Once complete, drawings will be submitted to the Nevada Department of Environmental Protection (NDEP) for review. Project bids would commence following approval by NDEP. There will be a new one (1) million gallon water tank placed adjacent to the existing water tank located north of downtown. Upon internal plan review, major reductions (approximately \$97,000.00) in unnecessary piping requirements were made to the project drawings. This savings will be redirected to other important system improvements. President Peek asked if there were any questions of the General Manager. A question was posed regarding nominee biographies listed on the company website. General Manager McDonald related that there are five (5) nominees with two (2) biographies received to date. Each nominee was asked to submit their bio. The nominees are, in order received, Avis "Puff" Moniz, Joyce Jenkins, Chuck Noble, Doug Frenton and Valerie Messaros. Other discussion included freezing temperatures and its effect on calls for service.

Presentation of Comprehensive Regional Water System Report:

- Edwin James, P.E. and General Manager of the Carson Water Subconservancy District (CWSD) gave an overview of activities in the Carson River watershed. Purveyors' water conservation plans were taken into

consideration to produce the comprehensive regional report. Mr. James noted his office produces a quarterly newsletter that talks about current events in the watershed, adding that the recent comprehensive management plan is of the entire watershed, as opposed to specific purveyors that lie within it. The role of the CWSD is to provide a broad perspective of water resources that may or may not impact the water systems of each purveyor. The CWSD educates and informs the public of water issues. The CWSD is not a corps group, an environmental group or a municipality but does understand the importance of all three of these groups to meet water use demand. If a strong agricultural community is not present there will be an impact on the environment which in turn impacts municipalities and the water supply. CWSD works to ensure each does not impact the other. The report focuses on future demand, drought conditions and flood dangers. It also provides analysis of recreational use, such as Lake Lahontan, and potential for disruption to agricultural use. The regional report does not supersede master plans of individual purveyors but does provide for a broader perspective of potential regional impacts. What occurs in the upper watershed directly affects those that are down river, along with climate change and variations of river run patterns.

A regional conservation plan was part of the required work by CWSD from the grant obtained to provide analysis. There are less than 10,000 acre feet of storage in the upper watershed of the Carson River. By comparison, the Truckee River watershed has significant water storage capability from Lake Tahoe, which is near the equivalent of a two year runoff of the Carson River watershed. Its largest storage is Lake Lahontan, located 2/3 of the way down the watershed. Each watershed is tied at the "ankle". There are eleven major purveyors in the Carson River watershed. Agricultural uses and the environment have experienced two years of drought conditions. All ground, surface and flood waters are fully allocated on the Carson. All groundwater basin appropriations exceed perennial yield but are not being overproduced. There is more water allocated than the perennial yield which the State of Nevada says can be drawn year after year. The majority of these allocations are supplemental water rights which basically, are used by agriculture in dry years. Water use is therefore a balancing act and is better than it looks. It is interesting to note that, in the last five years, the amount of reclaimed water generated in the watershed has dropped significantly. Reclaimed water will continue to be a valuable resource. Factors affecting reclaimed water quantity were discussed. The largest threat to the water supply is water quality. It's not that the quality has changed but the standards for it have changed, such as arsenic. Mr. James discussed pipeline construction of a regional system from Minden/Gardnerville to Indian Hills, Carson and Moundhouse, Dayton and Stagecoach, with the most recent activity being a pipeline upsize in Stagecoach. It is envisioned by the CWSD to connect from Stagecoach into Silver Springs. Historical trends and current trends were examined along with weather projections pertaining to the east and west forks of the Carson River. The Bureau of Reclamation has a program in place called the basin studies; the CWSD is looking toward participation in this program. Future creation of a water storage area in the upper watershed is desirable with the largest currently being Mud Lake. Mr. James answered questions from the Board.

#### CDBG Application Request:

- Approval is requested for the submission of an application to the Community Development Block Grant Program. This application is for phase three of the Geographical Information System (GIS) mapping project. Phases one and two were completed over the last two years in conjunction with Lyon County. The project would develop a Water Resource Plan for SSMWC. It allows us to manage our service area, water rights and plan for the replacement of our wells that are over sixty years old. The grant is for \$77,000.00 with a cash contribution of \$5,000.00 followed by \$7,000.00 of in-kind work. The Lyon County Commissioners have prioritized this project as #1 to move forward to the State level for consideration. Chief Field Technician Martensen answered questions from the Board pertaining to the application and current operational capacities. Discussion was held. Vice President Yon made a motion to submit the CDBG application at the State level; 2<sup>nd</sup> to the motion was made by Secretary Butler. Motion carried unanimously.

#### Request Permission to sell excess equipment:

- Any money received from sale of equipment would be put back into the short lived assets account for future use, as needed. This equipment consists of old vehicles and scrap. Secretary Butler made a motion to approve the sale of excess equipment; 2<sup>nd</sup> to the motion was made by Vice President Yon. Motion carried unanimously.

#### Appointment of Officers for 2014:

- 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.
- Nominations included George Peek for President, Peggy Yon for Vice President, Avis Moniz for Treasurer and Claud Butler for Secretary. Member Geurts made a motion to close nominations and retain current officers by acclamation; 2<sup>nd</sup> to the motion was made by Vice President Yon. Motion carried unanimously.

Nomination of Directors:

- 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 at 4:30 p.m. nominations closed and Avis (Puff) Moniz, Joyce Jenkins, Charles Noble, Doug Frenton and Valerie Messaros have been nominated for the two director seats.

Directors Comments:

- Treasurer Moniz thanked General Manager McDonald and staff for all the work they put in and all they've faced President Peek thought it a good comment and thanked management for cost savings realized.

Closed Personnel Session:

- None held.

Adjournment:

- Secretary Butler made a motion to adjourn the meeting; 2<sup>nd</sup> to the motion was made by Vice President Yon. Motion carried. The meeting was adjourned at 4:23 p.m. The next meeting is scheduled for 4:00 p.m. Thursday, March 20, 2014 at 2485 Ft. Churchill Street, Silver Springs, NV.