

**SILVER SPRINGS MUTUAL WATER COMPANY
BOARD OF DIRECTORS
ANNUAL MEETING MINUTES
MARCH 21, 2013**

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

Roll Call:

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

Old Business:

- Contained in the Membership Annual Meeting Minutes.

Officers Report:

- The Officers Report was deferred to unfold as discussion and comment throughout the meeting with an emphasis on communicating accurate information in contrast to significant distortions of fact circulating in the community.

Public Comments:

- The Board of Directors and General Manager Roy McDonald introduced themselves to the large audience gathered at the Silver Stage High School Commons Building. Many comments and questions were received by the Board. Deliberate disruptive conduct was experienced; Lyon County Sheriff's Office personnel were present to maintain order and remove persons who did not exhibit self-control. Chuck Zumpft of the law firm of Brooke Shaw & Zumpft was also onsite to act as legal counsel. Comments are contained in the Membership Annual Meeting Minutes.

Secretary Report:

- Secretary Butler called for corrections or revisions to the meeting minutes of February 21, 2013 and for the special meeting minutes of March 19, 2013. There being none, Secretary Butler called for a motion to accept the meeting minutes of February 21, 2013 and the special meeting minutes of March 19, 2013. Member Keller made a motion to accept the minutes of February 21, 2013 and special meeting minutes of March 19, 2013 as presented; 2nd to the motion was made by Member Geurts. Motion carried unanimously.

Treasurer Report:

- President Peek introduced Beth Kohn-Cole, Certified Public Accountant of the auditing firm of Kohn-Colodny, LLP who presented the annual audit of financials for 2011 & 2012. The audit opinion was clean. The total liabilities and total assets of the water company are approximately 5.8 million dollars. Included in that number are the reserves to maintain the water system which are a requirement of the United States Department of Agriculture (USDA) and therefore a legal restriction of the grants and loans that the water company receives. The restricted cash amount is approximately \$329,000.00. Liability is approximately \$891,000.00 and equity is about 4.9 million dollars. Total revenue for 2012 was \$764,805.00 with total expenses of \$786,747.00. Expenses exceeded revenue by approximately \$22,000.00. As part of the audit, a footnote to generally accepted accounting principles is included. Audits are conducted according to government auditing standards also required by the USDA. President Peek called for questions. Following a brief period, Treasurer Moniz made a motion to accept the 2012 audit as presented; 2nd to the motion was made by Vice President Yon. Motion carried unanimously.

Manager Report:

- None.

Closed Personnel Session:

- None.

New Business:

- Contained in the Membership Annual Meeting Minutes.

Adjournment:

- Member Keller made a motion to adjourn the meeting; 2nd to the motion was made by Secretary Butler. Motion carried. The next meeting is to be held at 4:00 p.m. on Thursday, May 16, 2013 at the SSMWC Office.