

SILVER SPRINGS MUTUAL WATER COMPANY

BOARD OF DIRECTORS

MEETING MINUTES

NOVEMBER 16, 2017

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

Roll Call:

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

Member's Comments:

- Sam Flynn, Randall Green, Greg Peek and Stephanie Wozniak attended the meeting. Comments were received by Randall Green inquiring about construction projects on Highway 50 between Stagecoach and Silver Springs and also inquiring about current water company projects and its' service area.

Secretary's Report:

- Secretary Butler presented the Secretary's Report. Treasurer Moniz made a motion to accept the meeting minutes of September 21, 2017 as presented; 2nd to the motion was made by Secretary Butler. There being no discussion, motion carried.

Treasurer's Report:

- The financials for August & September, 2017 were read by Treasurer Moniz. In August, there were \$1,061,906.12 in total current assets with current liabilities at \$114,387.07, long term liabilities of \$2,085,611.10 and total liabilities at \$2,199,998.17. Total liabilities and equity were \$7,465,605.43. Income was \$92,348.34 with net ordinary income at \$12,560.82. Interest income was \$309.67 and net income was \$12,870.49. President Peek called for questions on the recap of the highlights of the August financials. The month of September ended with \$1,091,239.11 in total current assets with current liabilities at \$117,674.88, long term liabilities of \$2,082,746.46 and total liabilities at \$2,200,421.34. Total liabilities and equity were \$7,486,837.83. Income was \$100,882.68 with net ordinary income at \$15,115.34. Interest income was \$362.89 and net income was \$15,478.22. President Peek called for questions pertaining to the highlights of the September financials. The profit and loss for August, 2017 showed total income at \$92,348.34 and total expenses at \$79,787.52. Net ordinary income was \$12,560.82, total other income was \$5,559.67 and other grant expenses were \$581.00 leaving a net income figure of \$17,539.49. President Peek called for questions. Noted was that we are operating at a plus in light of the construction project underway and that rate increases *do not appear to be needed* in the foreseeable future. Brief discussion was held pertaining to restricted funds, to include the legal reserve fund. Secretary Butler made a motion to accept the financials for August and September, 2017 and file for audit; 2nd to the motion was made by Member Yon. There being no further discussion, motion carried.

Manager's Report:

- Equal Pay Program: There have been no new requests and nine (9) owners continue to meet standards.
- SOFTtelPay Program: 159 payments for \$13,386.55 have been processed since September.
- Cross Connection Control Program: Backflow Prevention Monitoring and Site Inspections continue as annual re-inspections become due and/or individuals apply for business licenses or building permits within SSMWC's service area.
- New Service Connections: No new connections have been made since last report.
- SRF Forgiveness Loan Deodar Well Replacement Project Summary: Stonehouse Drilling was the sole contractor to submit a bid and the bid was higher than what we had allocated for the project. The State Board for Financing Water Projects was presented with this bid information and we were successful in receiving \$91,000.00 additional principal forgiveness funding. Submittals have been reviewed, accepted and ordered. The construction schedule is dependent upon lead times for some materials on this job. A schedule should be in place within the week.
- Water Right Audit and Consumptive Use Analysis: SSMWC's staff has provided Farr West Engineering with all requested information. 18 hours of office staff time (in-kind) has accumulated for this project. Deliverables are anticipated shortly.
- Community Development Block Grant: Lyon County considered CDBG Eligibility Applications earlier than the date I was given by an individual who had failed to inform anyone that Silver Springs Mutual Water Company was applying prior to his/her departure. An apology was received from the Lyon County Manager for this oversight failure; SSMWC will submit in the 2018 grant cycle. The 2017 grant application was for the interior coating of North Tank #1.

Presentation by Ed James, Carson Water Subconservancy District:

- The presentation was a summary of what happened in water year 2017 together with concerns and issues on the Carson River watershed from a very broad perspective. An objective of CWSD is to connect a regional pipeline to SSMWC infrastructure and resources without adverse effects. CWSD estimates there is not sufficient water for much if any proposed development based upon USGS perennial yield data. Mr. James stated the Carson River is fully allocated regardless of wet or dry water years and there is no “free water” in the Carson River that can be stored. He also touched on tying induction wells to SSMWC from the Carson River system that would include surface water. Domestic well users are the highest consumers of water in Basin 102. Mr. James estimates imported water is the solution to the imbalance of available wet water versus paper water. January 30, 2018 will be a CWSD water summit in Carson City with experts on planning process.

Review and Approval of Proposed Budget for 2018:

- General Manager Martensen presented the 2018 proposed budget. Member Yon made a motion to approve the 2018 Budget as presented; 2nd to the motion was made by Treasurer Moniz. Motion carried.

Request Approval to sell Excess Equipment and to Replace Short Lived Assets:

- Over the past year we have had to replace some of our older computers that will not operate the software some of our new programs require. The 2001 Silverado Utility Truck has been depreciated since 2015 and is at the end of its service life; we are starting to experience high maintenance costs. We are now able to use State Purchasing and a replacement vehicle has been specked out. Upon Board approval, we will order through Nevada State Purchasing. Funds received from sale of excess equipment will be used to purchase needed tools and equipment. Secretary Butler made a motion to approve the sale of excess equipment and to replace short lived assets as presented; 2nd to the motion was made by Treasurer Moniz. Motion carried.

Director’s Comment:

- None.

Closed Personnel Session:

- President Peek called for a period of closed personnel; after a brief period the Board returned to an open session.

Adjournment:

- Adjourned at 5:23 p.m.

“Silver Springs Mutual Water Company is an Equal Opportunity Provider and Employer.”

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