

MT. SHERMAN WATER ASSOCIATION
BOARD OF DIRECTOR'S MEETING
FEBRUARY 11, 2002

DEAR DIRECTORS:

ENCLOSED PLEASE FIND THE TRANSACTION REPORT FOR THE
BILLING MONTH OF JANUARY 2002.

BELOW IS A LIST OF OUR ACCOUNT BALANCES:

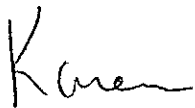
METER DEPOSIT	4065.00
DEPRECIATION	18581.71
SOIL & WATER	6126.23

WE PUMPED 1736500 GALLONS AND SOLD 853273 FOR A LOSS OF
883227.

WE DISCONNECTED TWO CUSTOMERS THIS MONTH. THEY
HAVE MOVED AND LEFT THE SYSTEM.

IF YOU HAVE ANY QUESTIONS BEFORE THE MEETING PLEASE
FEEL FREE TO GIVE ME A CALL.

THANK YOU,



KAREN EDGMON
BILLING CLERK
MT. SHERMAN WATER ASSOCIATION

Transaction Report
1/1'2 Through 1/31'2

Page 1

2/6'2
Checking

Date	Num	Description	Memo	Category	Clr	Amount
		BALANCE 12/31'1				2,263.84
1/4'2				WATER SALES		681.79
1/7'2	2987	MT. SHERMAN FL...		MEMBERSHIP		-25.00
1/8'2				WATER SALES		1,252.62
1/11'2				TRANSFER MET...		75.00
1/11'2				Installation		260.00
1/11'2				WATER SALES		1,485.84
1/17'2				WATER SALES		1,356.75
1/17'2		FHA		LOAN PAYMENT		-1,020.00
1/17'2	2988	TRI CO TELEPHO...		UTILITIES:Teleph...		-72.36
1/17'2	2989	CARROLL ELEC...		UTILITIES:electric		-909.08
1/17'2	2990	DEPT FIN AND A...		SALES TAX		-366.00
1/23'2				WATER SALES		1,407.60
1/25'2				WATER SALES		594.30
1/27'2	2991	AR RURAL WAT...		MEMBERSHIP		-200.00
1/27'2	2992	IVAN REYNOLDS		CONTRACT LAB...		-1,100.00
1/27'2	2993	Karen Edgmon		CONTRACT LAB...		-665.00
1/28'2	2994	JASPER POST OFF	box rent	OFFICE EXPENS...		-32.00
1/31'2				WATER SALES		405.19
1/31'2				interest		1.89
1/31'2	2995	JASPER POST OFF		OFFICE EXPENS...		-139.00
1/31'2	2996	DEPRECIATION ...		[Depreciation]		-1,500.00
1/31'2	2997	Soil & Water		[Soil & Water]		-1,000.00
		TOTAL 1/1'2 - 1/31'2				492.54
		BALANCE 1/31'2				2,756.38
		TOTAL INFLOWS				7,520.98
		TOTAL OUTFLOWS				-7,028.44
		NET TOTAL				492.54

MT. SHERMAN WATER ASSN.

Jan.14,2002

Meeting was called to order by Ron Garrett.

Those present were;Karen Edgmon-Treasurer,Jonny Cooper,
Ivan Reynolds-Water Operator,Ron Garrett,-President,Ben
Szabrowicz,Calvin Voshell and Randell Edgmon...

The Minutes were read and approved.

The Treasurers Report was discussed and approved..

The water Operators Report was discussed.

There will be a Meeting on Radium Treatment and Waste Disposal.

The meeting is to be in Harrison Ar.,sometime in February

This needs to be under construction or in operation,by 2004.

Ivan ihoping to start as soon as possible.And hopefully get
Grant Moneys,If any are available.

IvanExplained in diagram how the System would possibly be working
When the Regeration System is completed.

Ron is thinking it would be prudent to retain an Engineering
firm to plan this and include both well no.1 and Well No.2..

A preliminary Report is needed.Also an Alternate Water Source????

Ivan will contact Engineering Firms,To get Estimates of the cost
and Treatment of Water. This should be a two year plan to get
H.T.T.P. Filtering System and Disaster Preparedness Operational..

Ben Szabrowicz moved to adjourn,Calvin 2nd.and meeting Adj..
-ourned.....C.V.sec.....

**Mt Sherman Water Board Meeting
January 14th, 2002
Operators Report**

Tried unsuccessfully to contact John Reynolds and will continue to call until I finally Talk to him.

The telemetering system for the Shiloh tank sprung a pin hole leak causing the booster pump to continue to run longer and run the tank over. I replaced the broken line and it Works ok at this time.

Talked to Lance Jones at the Arkansas Dept. of Health to come and visit with us Concerning our radium situation. He came this morning at 11 A M and spent about Ninety minutes with Ron and myself, sharing what info he had concerning different Treatment options.

Lime softening plant with contact basin, 150,000 gallons (ex)

R. O. unit with high pressure membrane micron filter has about 30% waste.

Ion Exchange, Calcium, to absorb the radium until saturation is point is met and then Regenerate the brine tanks. Must have spare brine tanks to keep system online while Regeneration takes place.

We talked about the need to understand the safety issues concerning radium concentration and removal and handling

We discussed the Administrative Order we will receive shortly in the mail and the Penalties involved for non-compliance, beginning at \$500.00 and Doubling at each Quarterly review of our system.

We will be required to have treatment in place by Jan 2004 or be under construction with the treatment to begin in a timely manner.

The Arkansas Dept. of Health has no prior experience concerning radium removal and is Still gathering information to bolster their understanding of this matter.

The ADH is planning to gather the affected system personnel at a meeting approximately the third week of February along with the funding agency people to discuss how to proceed and what our options concerning compliance and funding will be. We will need a preliminary Engineers report concerning the cost for our systems to meet EPA requirements and the type of treatment method we are choosing.

The attached drawing gives a possible scenario of the treatment steps to achieve Radium removal.

By Ivan Reynolds.