

MT. SHERMAN WATER ASSOCIATION  
BOARD OF DIRECTOR'S MEETING  
SEPTEMBER 12<sup>TH</sup> 2005  
5:30 P.M.

Dear Directors:

Enclosed please find the transaction report, director's report and board minutes for August 2005.

If you have any questions before the meeting please feel free to give me a call.

Thank You,

*Karen*

Karen Edgmon  
Billing Clerk  
Mt. Sherman Water Association

## Transaction Report

8/1/05 Through 8/31/05

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| Date                   | Num  | Description             | Memo                   | Category                   | Clr | Amount    |
|------------------------|------|-------------------------|------------------------|----------------------------|-----|-----------|
| BALANCE 7/31/05        |      |                         |                        |                            |     | 26,845.97 |
| 8/1/05                 | DEP  |                         |                        | Water Sales                |     | 425.81    |
| 8/4/05                 | DEP  |                         |                        | Water Sales                |     | 1,330.54  |
| 8/8/05                 | DEP  |                         |                        | Water Sales                |     | 2,068.14  |
| 8/9/05                 | 3465 | Arkansas One Call       | August                 | Dues and Subscriptions     |     | -11.40    |
| 8/9/05                 | 3466 | Karen Edgmon            | mileage 27.38 W. Grove | Contract Labor             |     | -758.88   |
| 8/9/05                 | 3467 | Karen Edgmon            |                        | Rent                       |     | -60.00    |
| 8/10/05                | DEP  |                         |                        | Water Sales                |     | 2,255.85  |
| 8/15/05                | DEP  |                         |                        | Water Sales                |     | 1,632.65  |
| 8/17/05                | 3468 | Dept. Of Finance & Adm. |                        | Sales Tax                  |     | -556.00   |
| 8/19/05                | DEP  |                         |                        | Water Sales                |     | 4.00      |
| 8/19/05                | DEP  |                         |                        | Water Sales                |     | 2,323.98  |
| 8/19/05                | 3469 | Jasper Post Office      | postage                | Postage and Delivery       |     | -108.30   |
| 8/22/05                | EFT  | Tri Co. Telephone       |                        | Utilities:Telephone        |     | -33.42    |
| 8/22/05                | EFT  | Tri Co. Telephone       |                        | Utilities:Telephone        |     | -30.85    |
| 8/22/05                | EFT  | F H A                   |                        | Loan                       |     | -1,020.00 |
| 8/23/05                | DEP  |                         |                        | Water Sales                |     | 2,013.19  |
| 8/23/05                | EFT  | American Checks         | checks                 | Office                     |     | -60.72    |
| 8/26/05                | DEP  |                         |                        | Water Sales                |     | 468.30    |
| 8/26/05                | EFT  | Carroll Electric        |                        | Utilities:Gas & Electric   |     | -11.88    |
| 8/26/05                | EFT  | Carroll Electric        |                        | Utilities:Gas & Electric   |     | -1,822.05 |
| 8/26/05                | EFT  | Carroll Electric        |                        | Utilities:Gas & Electric   |     | -93.95    |
| 8/29/05                | 3470 | Ivan Reynolds           | reimburse              | Contract Labor             |     | -1,100.00 |
| 8/29/05                | 3471 | Family Dollar Store     | snacks, coffee         | Regional Water Association |     | -9.81     |
| 8/30/05                | DEP  |                         |                        | Water Sales                |     | 652.83    |
| 8/30/05                | DEP  |                         |                        | Interest Inc               |     | 5.60      |
| TOTAL 8/1/05 - 8/31/05 |      |                         |                        |                            |     | 7,503.63  |
| BALANCE 8/31/05        |      |                         |                        |                            |     | 34,349.60 |
| TOTAL INFLOWS          |      |                         |                        |                            |     | 13,180.89 |
| TOTAL OUTFLOWS         |      |                         |                        |                            |     | -5,677.26 |
| NET TOTAL              |      |                         |                        |                            |     | 7,503.63  |

# Mount Sherman Water Association - MEETING MINUTES

|                |                |                               |
|----------------|----------------|-------------------------------|
| <b>Scribe:</b> | Odie J. Watts  |                               |
| <b>Date:</b>   | August 8, 2005 | <b>Time:</b> 5:30PM - 6:30 PM |

## Board Members:

| Key | Board Member Attendees: Key * Attended, # Absent | Phone    |
|-----|--------------------------------------------------|----------|
| *   | Bowen, Jim - BOARD PRESIDENT                     | 443-2171 |
| *   | Edgmon, Karen - BOOKKEEPER                       | 861-5841 |
| #   | Lee, Koby - BOARD MEMBER                         | 861-5158 |
| *   | Reynolds, Ivan - WATER OPERATOR                  | 446-5352 |
| *   | Stivers, Betty - BOARD MEMBER                    | 446-5744 |
| *   | Szabrowicz, Ben - BOARD MEMBER                   | 446-6007 |
| #   | Voshell, Calvin - BOARD MEMBER                   | 446-2270 |
| *   | Watts, Odie - SECRETARY                          | 861-5848 |

## Customers and Guests:

| Key | Board Meeting Attendees:                  |
|-----|-------------------------------------------|
|     | No customers or guest were in attendance. |

## Minutes and Business Discussions:

| Agenda                                               | Main Points, Conclusions/Discussions, Decisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Call to Order                                     | Meeting called to order by Jim Bowen, President at 5:38 PM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2. Meeting Minutes                                   | The minutes from the July 11, 2005 meeting were approved at written. Motion to approve the minutes - Betty Stivers. Second by Ben Szabrowicz. No Abstentions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3. Financial and Water Association Director's Report | <p>Karen Edgmon reviewed the financial report for the period July 1 through July 31, 2005. Nothing substantial occurred and the Board held no discussion of the report.</p> <p>From the Water Association Director's Report the substantial water loss rate from 33.2% in June to 12.0% in July was noted. Ivan indicated a rising water usage rate because of the dry weather.</p> <p>Karen received letter from the USDA offering assistance with a vulnerability assessment and emergency response plan for the MSWA. The Board agreed to utilize this free service from the USDA. Ivan Reynolds will contact them and set up a date and time for the assessment (<b>ACTION ITEM</b>).</p> <p>Motion to approve the reports - Ben Szabrowicz. Second by Betty Stivers. No Abstentions.</p> |
| 4. Water Operator's Report                           | <p>Ivan Reynolds presented the Water Operator's report:</p> <ul style="list-style-type: none"> <li>▪ Bad taste report from John Reynolds. It cleared up and showed a chlorine residual.</li> <li>▪ Had Chad Watkins place a shut off valve in front of his meter to stop flow then he is away or making repairs.</li> <li>▪ Bridget Descombes complained that she did not use 8,000 gallons of water. She was told we would change her meter and Karen could adjust her bill. She said to hold off on meter replacement until she called back.</li> <li>▪ Betty Stivers reported bad taste and odor problem. Check house and lines and the problem should go away quickly.</li> </ul>                                                                                                         |

# Mount Sherman Water Association – MEETING MINUTES

| Agenda          | Main Points, Conclusions/Discussions, Decisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <ul style="list-style-type: none"> <li>▪ Gerald Daniels and Karen Edgmon reported taste and odor at their homes. Karen was asked to put the system on a conserve order to get the tanks full so C12 could be pumped into the Shiloh tank and push the water level above the usage that pulled the taste problem into the system. The conserve request is working.</li> <li>▪ The Demuth project has been started and should be finished in a couple of weeks.</li> <li>▪ Helped Mrs. Edmondson find her leak, they used 71,000 gallons in a month and a half.</li> <li>▪ Talked to Steven Thresher about placing a fire hydrant by the Christian Missionary Church and he is all for it. Installation should be this fall.</li> <li>▪ Visited with Ed Flory about future meter and he will call back.</li> </ul> <p>Motion to approve Operator's Report – Betty Stivers. Second by Ben Szabrowicz. No Abstentions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 5. Old Business | <ul style="list-style-type: none"> <li>▪ Action Item 12: IN PROGRESS. Based on Lytle James' indication that he will not object to fencing the MSWA property Ben Szabrowicz has contacted Roger Faught and tree removal should begin in late August or early September by Roger Faught.</li> <li>▪ Action Item 13: ON HOLD. The fencing project will start as soon as Action Item 12 is completed and bids are let and approved for the fencing project.</li> <li>▪ Action Item 17: IN PROGRESS. The Demuth extension project is underway and should be completed within a couple of weeks.</li> <li>▪ Action Item 30: OPEN. The line on Kyles Landing road was cut by a bulldozer. It was only about 3" deep. Repaired the line. Noted that Tim Ray needs to be approached for an easement so the line can be moved. Ivan will pursue the easement, develop bids, costs estimates, etc. No discussion was held on the status of this action item during the July 11 meeting.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 6. New Business | <ul style="list-style-type: none"> <li>▪ From last months meeting a discussion was held about extending service to the people who live out Murray Road from Shiloh (Nina Rylee, Lydia Rylee, Pete Edgmon, and Dessie Taylor). The board requested Ivan Reynolds to determine the cost of the project and Odie Watts will do a cost-benefit analysis and present it to the board for approval (<b>ACTION ITEM</b>).</li> <li>▪ Jim Bowan received a letter from KLR who offered Water Operator services. The Board agreed to hold the KLR offer in reserve as a back up to Ivan during period when he may not be available.</li> <li>▪ Jim Bowen reported that the Water Alliance Engineering Company has prepared a map of the MSWA System and they want \$4,000 for the map. The Board unanimously agreed to return the map and reject the offer. Odie Watts has contacted other map companies and they are offering maps in the \$35 - \$50 range.</li> <li>▪ Board agreed that Denton Wishon and L.D. Jetton be sent letters requesting they increase their delinquent payment amounts (<b>ACTION ITEM</b>).</li> <li>▪ Ivan reported that a meter has been installed at the Low Gap Shiloh Fire Station. Board agreed to not charge the Fire Department for the water through that meter.</li> <li>▪ Jim Bowen reported the next meeting of the Water Alliance will be on 8/29/05. He asked the Board to individually review the latest engineering proposal which is to provide water to the MSWA on an interim basis until the Water Alliance project is fully implemented. The proposal is to have MSWA fund a \$270,000 project to provide water from Jasper. Jim asked to Board to individually review and comment on the proposal and get back to him prior to the 8/29/05 meeting. The Board's reaction to the proposal was very negative because of the cost and the debt that would have to be incurred by the MSWA (<b>ACTION ITEM</b>).</li> </ul> |
| 7. Adjournment  | Meeting adjourned at 6:25 PM.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## Mount Sherman Water Association – MEETING MINUTES

| Agenda          | Main Points, Conclusions/Discussions, Decisions                                                                                                                   |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8. Next Meeting | <b>NOTE MEETING START TIME:</b> The next meeting is scheduled for <b>September 12, 2005 at 5:30 PM</b> at the Mt. Sherman Volunteer Fire Department main station. |

### Action Items for Discussion and Update at Next Meeting:

| Item No. | Opened Date | Description                                                                                                                                                                                                                                                         | Assigned To                 | Target Date | Status  |
|----------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------|---------|
| AI 12    | 11/8/04     | Coordinate with Roger Faulk on tree removal. Should get started in late August or early September.                                                                                                                                                                  | Ben Szabrowicz              | 12/13/04    | IN WORK |
| AI 13    | 11/8/04     | Get 2 – 3 estimates for completing the fencing of property after tree removal. Pending completion of AI 12.                                                                                                                                                         | Ben Szabrowicz              | 12/13/04    | ON HOLD |
| AI 17    | 3/14/05     | Dick DeMuth is underway and should be completed in a couple of weeks (around 8/22/05)                                                                                                                                                                               | Ivan Reynolds               | 5/9/05      | IN WORK |
| AI 27    | 5/9/05      | Obtain copies of the Demuth Project report from the project engineer and the Arkansas Department of Health. Present the reports to the Board for approval.                                                                                                          | Jim Bowen                   | 6/13/05     | CLOSED  |
| AI 30    | 6/13/05     | The line on Kyles Landing road was cut by a bulldozer. It was only about 3" deep. Repaired the line. Noted that Tim Ray needs to be approached for an easement so the line can be moved. Ivan will pursue the easement, develop bids, costs estimates, etc.         | Ivan Reynolds               | 7/11/05     | OPEN    |
| AI 31    | 7/11/05     | Send a copy of the July 11, 2005 Meeting Minutes to Mr. Lytle James.                                                                                                                                                                                                | Karen Edgmon                | 8/8/05      | CLOSED  |
| AI 32    | 7/11/05     | Determine next step in the property boundary dispute settlement with Lytle James.                                                                                                                                                                                   | Board Members               | 8/8/05      | CLOSED  |
| AI 33    | 7/11/05     | Turn over checks and documents submitted to the Board by Dick Demuth.                                                                                                                                                                                               | Odie Watts                  | 8/8/05      | CLOSED  |
| AI 34    | 8/8/05      | Call USDA and arrange a date for their offer to do a vulnerability assessment of our water facilities.                                                                                                                                                              | Ivan Reynolds               | 9/12/05     | OPEN    |
| AI 35    | 8/8/05      | Do a cost benefit analysis of adding water lines to Murray Road customers                                                                                                                                                                                           | Ivan Reynolds<br>Odie Watts | 9/12/05     | OPEN    |
| AI 36    | 8/8/05      | Write letters to Wishon and Jetton requesting they increase their payment amounts for outstanding balances.                                                                                                                                                         | Karen Edgmon                | 9/12/05     | OPEN    |
| AI 37    | 8/8/05      | Jim Bowen requested the Board Members review and provide feedback on the latest engineering proposal to improve water quality while the Water Alliance project is being completed. Board has agreed that the proposal is unacceptable because of the cost involved. | Board Members               | 8/29/05     | OPEN    |

MT. SHERMAN WATER ASSOCIATION  
 Director's Report  
 For the Month of August 05  
 Printed: 08/29/05 22:42

DISTRIBUTION EFFICIENCY SUMMARY

|                             | Gallons   | Percent |
|-----------------------------|-----------|---------|
| Water Supplied to System    | 2,541,300 | 100.0%  |
| Water Sold to Customers     | 1,436,772 | 56.5%   |
| Utility Use(fire,flushing)  | 0         | 0.0%    |
| Water Unaccounted For(lost) | 1,104,528 | 43.5%   |
| Average Use Per Account     | 4,758     | 3313    |

SUMMARY BY SERVICE

|          | Water   | Sewer | Fire<br>Dues | Trash | Other | Sales<br>Tax |
|----------|---------|-------|--------------|-------|-------|--------------|
| Charges  | 9383.18 | 0.00  | 0.00         | 0.00  | 75.50 | 650.58       |
| Average  | 31.07   | 0.00  | 0.00         | 0.00  | 0.25  | 1.89         |
| Active   | 302     | 0     | 0            | 0     | 302   | 344          |
| Inactive | 43      | 345   | 345          | 345   | 43    | 1            |

ACCOUNTS RECEIVABLE ANALYSIS

|                                  | Amount    | Accounts |
|----------------------------------|-----------|----------|
| Balance Due BOM (begin/Month)    | 15,557.68 | 301      |
| Credit Balances BOM              | (165.31)  | 6        |
| Debit Balances BOM               | 15,722.99 | 295      |
| Payments                         | 12,740.48 | 285      |
| Charges for Services             | 10,109.26 |          |
| Penalty Charges                  | 341.96    | 41       |
| Adjustments                      | (218.01)  | 6        |
| Total Delinquent EOM (end/month) | 1,437.47  | 15       |
| Delinquent EOM (30-60 days)      | 313.20    | 7        |
| Delinquent EOM (60-90 days)      | 216.56    | 4        |
| Delinquent EOM (over 90)         | 907.71    | 4        |
| Credit Balances EOM              | (111.04)  | 4        |
| Debit Balances EOM               | 13,161.45 | 297      |
| Balance Due EOM                  | 13,050.41 | 301      |
| Disconnections                   | 0         |          |
| Disconnected & Uncollected       | 0.00      |          |
| New Customers Added              | 2         |          |

Mt Sherman Water Assn Board Meeting  
Sept 12, 2005  
Water Operators Report

I found and fixed a leak on the 3 inch line on Barry Schechtmans place. I bled the water line for two and a half hours To evacuate the air from the system.

I fixed a leak down in Low Gap at the Y. The line shifted on the ground and pulled apart. I replaced the PVC TEE and the PVC 3 by 2 reducer with a ductile Iron TEE and a Ductile Iron 3 by 2 reducer, and a 2 inch Galvanized pipe about 12 inches long On the center of the TEE. I bled that line for two hours to get the Air out of the lines. I bled the air out of the line at the Patton Booster pump for 30 minutes to prevent cavitating the pump and Again on Friday Evening after a report from Karen they ran out Of water at Pattons. The pump is ok.

I received five Chlorine Cylinders and returned five empty's.

I replaced the meter at J. R. Easts due to his complaint of high Water Bill.

I responded to Bad taste and odor on Shiloh and bled the Fire Hydrant at Murray Road for a total of three hours.

The plug on the end of the line at Mary Morgans blew off and I replaced the plug with a two inch valve and blow off pipe. I Backed the blow off pipe with a concrete pad and poured two bags Of Quickrete to give it a cohesive stability. Unlike all of our Yesterdays we now know exactly where the line at May Morgans Comes to an end. I also replaced the service line connection for the Morgan meter with a clamping coupler and a stainless steel Sleeve to prevent the line from slipping out.

I'm still looking for possible leaks.  
Vulnerability assessment report in the works, I'm on the ARWA to do list. Demuth line installed and final paperwork is in the works.

Still to do the Murray Road Line Extension analysis. Haven't Cornered Tim Ray away from work yet.

By Ivan Reynolds, Water Operator