MT. SHERMAN WATER ASSOCIATION
P.O. BOX 356
JASPER, AR 72641

October 5, 2005

Dear Directors:

Enclosed please find the transaction report, director's report and September board minutes.

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

Checking

10/5/05

Transaction Report

9/1/05 Through 9/30/05

Date	Num	Description	Memo	Category	Clr	Amount
		BALANCE 8/31/05				34,349.60
9/7/05	DEP			Water Sales		2,510.82
9/9/05	DEP			Water Sales		1,169.11
9/12/05	3472	Arkansas One Call	Sept/Dec	Dues and Subscriptions		-45.60
9/12/05	3473	Tony Taylor		Contract Labor		-240.00
9/12/05	3474	Karen Edgmon	+ mileage 28.00 Western ...	Contract Labor		-759.50
9/12/05	3475	Karen Edgmon		Rent		-60.00
9/13/05	DEP			Water Sales		1,791.84
9/15/05	EFT	F H A		Loan		-1,020.00
9/15/05	3476	Dept. Of Finance & Adm.		Sales Tax		-805.00
9/15/05	3477	Newton County Times		Public Notice		-63.25
9/15/05	3478	Capitol Supply		Maintenance		-809.27
9/16/05	DEP			Water Sales		1,480.73
9/21/05	DEP			Water Sales		1,244.27
9/22/05	EFT	Tri Co. Telephone		Utilities:Telephone		-31.83
9/22/05	EFT	Tri Co. Telephone		Utilities:Telephone		-33.42
9/23/05	DEP			Water Sales		1,545.21
9/26/05	DEP			Water Sales		191.49
9/26/05	EFT	Carroll Electric		Utilities:Gas & Electric		-11.89
9/26/05	EFT	Carroll Electric		Utilities:Gas & Electric		-2,294.41
9/26/05	EFT	Carroll Electric		Utilities:Gas & Electric		-88.02
9/26/05	3479	Ozark Mountain Regional Wa...				-100.00
9/28/05	3480	Ivan Reynolds	reimburse	Contract Labor		-1,100.00
9/29/05	3481	Jasper Post Office	postage	Postage and Delivery		-69.00
9/29/05	3482	Walmart	cartridge for copier	Supplies, Bus		-83.45
9/30/05	DEP			Interest Inc		6.14
9/30/05	DEP			Water Sales		620.98
		TOTAL 9/1/05 - 9/30/05				**2,945.95**
		BALANCE 9/30/05				37,295.55

TOTAL INFLOWS	10,560.59
TOTAL OUTFLOWS	-7,614.64
NET TOTAL	**2,945.95**

MT. SHERMAN WATER ASSOCIATION
Director's Report
For the Month of September 05
Printed: 09/29/05 19:17

DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,659,000	100.0%
Water Sold to Customers	1,304,900	78.7%
Utility Use(fire,flushing)	0	0.0%
Water Unaccounted For(lost)	354,100	21.3%
Average Use Per Account	4,335	

SUMMARY BY SERVICE

	Water	Sewer	Fire Dues	Trash	Other	Sales Tax
Charges	8796.98	0.00	0.00	0.00	75.25	605.37
Average	29.23	0.00	0.00	0.00	0.25	1.76
Active	301	0	0	0	301	344
Inactive	44	345	345	345	44	1

ACCOUNTS RECEIVABLE ANALYSIS

	Amount	Accounts
Balance Due BOM (begin/Month)	13,050.41	301
Credit Balances BOM	(111.04)	4
Debit Balances BOM	13,161.45	297
Payments	10,554.45	291
Charges for Services	9,477.60	
Penalty Charges	310.14	34
Adjustments	36.00	3
Total Delinquent EOM (end/month)	1,813.22	21
Delinquent EOM (30-60 days)	594.48	12
Delinquent EOM (60-90 days)	284.47	5
Delinquent EOM (over 90)	934.27	4
Credit Balances EOM	(200.24)	5
Debit Balances EOM	12,519.94	297
Balance Due EOM	12,319.70	302
Disconnections	0	
Disconnected & Uncollected	0.00	
New Customers Added	0	

Mount Sherman Water Association – MEETING MINUTES

Scribe:	Odie J. Watts	
Date:	**September 12, 2005**	**Time:** 5:27PM – 6:10 PM

Board Members:

Key	Board Member Attendees: Key: * Attended, # Absent	Phone
*	Bowen, Jim – BOARD PRESIDENT	446-2171
*	Edgmon, Karen – BOOKKEEPER	861-5641
*	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:	
	Quentin Rylee – Representing his mother.	

Minutes and Business Discussions:

Agenda	Main Points, Conclusions/Discussions, Decisions
1. Call to Order	Meeting called to order by Jim Bowen, President at 5:27 PM
2. Meeting Minutes	The minutes from the August 8, 2005 meeting were approved at written. Motion to approve the minutes – Calvin Voshell. Second by Koby Lee. No Abstentions.
3. Financial and Water Association Director's Report	Karen Edgmon reviewed the financial report for the period August 1 through August 31, 2005. Nothing substantial occurred and the Board held no discussion of the report. Karen told the board she has received a bad check for water meter/deposit. She has written letter to the customer indicating the meter will be pulled on 9/20/05 unless the check is reclaimed and the appropriate funds are paid. From the Water Association Director's Report the substantial water loss rate of 43.5% was noted. Ivan indicated 2 major leaks had been found and repaired and line bleeding may have caused the water loss. Motion to approve the reports – Calvin Voshell. Second by Koby Lee. No Abstentions.
4. Water Operator's Report	Ivan Reynolds presented the Water Operator's report: ▪ Found and repaired leak on 3" line on Barry Shechtman's place. Bled line for 2.5 hours to get rid of air. ▪ Found and fixed leak at the Y in Low Gap. Line shifted and pulled apart. Replaced PVC with ductile iron. Bled line for 2 hours to remove air. ▪ Bled line for .5 hours to get the air out of the line at the Patton Booster pump to prevent cavitations the pump. Re-bled the line next evening after report from Karen they had run out of water at the Patton's. ▪ Received 5 chlorine cylinders and returned 5 empties. ▪ Replaced meter at J.R. Easts due to complaint of high water bill. ▪ Responded to bad taste and odor on Shiloh and bled fire hydrant at Murray Road for a total of 3 hours. ▪ Plug on the end of line at Mary Morgan's blew off and plug was replaced with

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	valve. Replaced the service line connection for the Morgan meter with a stainless sleeve. ▪ Continue to look for leaks. ▪ Vulnerability assessment report is in work. We are on the ARWA to-do list. ▪ Demuth line is installed. Still need to complete the final paper work. ▪ No work completed yet on Murray Road line extension project or Kyles Landing project. Motion to approve Operator's Report – Calvin Voshell. Second by Koby Lee. No Abstentions.
5. Old Business	▪ Action Item 12: IN PROGRESS. Waiting on Roger Faulk's schedule to begin the work. ▪ 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. ▪ Action Item 17: IN PROGRESS. The Demuth extension project is complete. Just waiting on final paper work to be completed. ▪ 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. Still waiting to meet with Tim Ray concerning the easement. ▪ Action Item 34: PENDING. Called the ARWA and we are on their list for them to do a vulnerability assessment. ▪ Action Item 35: PENDING. Will meet with all the potentially added water customers to begin the process of determining engineer and costs of adding new customers. ▪ Action Item 36: CLOSED. Letters have been sent to Wishon and Jetton requesting increases in their payments for outstanding balances. ▪ Action Item 37: PENDING. Still need input from board members about the engineering report to provide Water Alliance water to the MSWA area. ▪ Action Item 38: PENDING. Waiting on response from the Map vendor after they received the GPS file from which they will create a tope map of the MSWA meter locations.
6. New Business	▪ Quentin Rylee came to the meeting representing his mother and 3 other potential new customers who want water service extended down the Murray Road from Shiloh. After discussing the project the board agreed that Ivan Reynolds, along with Quentin Rylee, will schedule a meeting with the potential customers to determine how the line extension will be engineered, what easement arrangements will have to be made, and the potential costs involved. **(ACTION ITEM).** The board indicated that once the line extension is in the new customers will pay for the line on a pro-rata basis and the line will be turned over to the MSWA. There will no cost outlays from the MSWA to connect these new customers. ▪ Jim Bowen announced the name change of the Arkansas Soil & Water Agency to the Arkansas Natural Resources Commission. ▪ Jim Bowen announced that the lawyer who was slated to represent the Water Alliance has been let go because no up front money could be agreed to by the Alliance. ▪ Jim went on to say that Tommy Martin of Jasper has been approached to represent the Alliance provided the Alliance and Mr. Martin will agree to the terms laid out be Mr. Martin in his letter to the Alliance. ▪ Jim also showed the board several letters of support for the Alliance he has received over the past month.
7. Adjournment	Meeting adjourned at 6:10 PM.
8. Next Meeting	**NOTE MEETING START TIME:** The next meeting is scheduled for **October 10, 2005 at 5:30 PM** 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	**PENDING**
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 complete. Pending completion of final paper work.	Ivan Reynolds	5/9/05	**OPEN**
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. Waiting to meet with Tim Ray 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 34	8/8/05	On the ARWA to-do list. Waiting on them to arrange a date for their offer to do a vulnerability assessment of our water facilities.	Ivan Reynolds	9/12/05	**PENDING**
AI 35	8/8/05	Do a cost benefit analysis of adding water lines to Murray Road customers. See New Business and AI 38,	Ivan Reynolds Odie Watts	9/12/05	**CANCEL**
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	**CLOSED**
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**
AI 38	8/8/05	Contact a map vendor and determine the cost of providing the MSWA with a map of all the meter locations based on GPS readings to be provided by Ivan Reynolds.	Odie Watts	9/12/05	**PENDING**
AI 38	9/12/05	Ivan Reynolds will work with Quentin Rylee to organize a meeting of the 4 potential customers at the end of Murray Road to discuss engineering, easements, and costs. See New Business.	Ivan Reynolds	10/10/05	**OPEN**

Mt Sherman Board Meeting
Oct 10th 2005
Water Operators Report

Part of the water loss is reflected in the two water leaks from The first of September, by Mary Morgan and at the Y at Low Gap.

I received several calls about running approximately three Fourths of a mile of line to pick up three meters starting from In front of our water tank on Mt Sherman for Vixen James, his cousin and a neighbor. I referenced our requirements and they Have hired Shaddox Engineering to work up the plans which Will be submitted to the Health Dept for approval and then Brought before the board for Mt Shermans approval. This will Just be a cost they will absorb.

I received application for water from Jim Klassen up by Hugh Grant on Shiloh and am looking forward to installing his meter.

I collected the bounced check money from Rocole.

I figured the Pro Rata cost for the Demuth Job. It Totals $8957.00. It is divided between four people, at $2239.25.00 each.

Richard or Bev DeMuth
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Don W. Gonzales
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By Ivan Reynolds, Water Operator