

MT. SHERMAN WATER ASSOCIATION
P.O. BOX 356
JASPER, AR 72641
(870) 861-5580

Dear Directors:

Enclosed please find the transaction report, director's report and board minutes from ~~September~~^{October} 2006.

I have started proceeding in small claims court to garnish wages of customer Ron Carey, I was advised by Newton County Municipal Court to contact the prosecuting attorney's office in regards to the \$200.00 bounced check, I have started proceeding on that also.

I have transferred \$20,000 from the money market account at First National Bank to a 15 month Certificate of Deposit.

I have paid the regular payment on the soil and water loan account plus three principal payments, copy of amortization will be passed out at the board meeting.

Client L.D. Jetton's second meter was pulled on November 1st for non-payment of service. She has contacted me regarding the interest charged to her each month. She plans to pay balance of bill when she receives her tax refund.

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

10/1/06 Through 10/31/06

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Date	Num	Description	Memo	Category	Clr	Amount
		BALANCE 9/30/06				7,917.64
10/2/06	3619	Jackie Fears	installing meter	Contract Labor		-200.00
10/6/06	DEP			Water Sales		2,333.49
10/6/06	3620	Leher Painting		Maintenance		-2,150.00
10/6/06	3621	Ark Natural Resource Comm	well registration + penalty	Misc		-45.00
10/6/06	3622	Arkansas One Call	monthly fee	Dues and Subscriptions		-11.40
10/10/06	3623	Karen Edgmon	+ mileage	Contract Labor		-741.50
10/10/06	3624	Karen Edgmon		Rent		-60.00
10/10/06	3625	First National Bank/Green F...	money market account	Savings		-4,000.00
10/10/06	3626	Jimmie Beets		Maintenance		-20.00
10/10/06	3627	Newton County Municipal C...	small claims fee/Ron Carey	Misc		-34.00
10/11/06	DEP			Water Sales		1,283.36
10/11/06	3628	Tom Brisco	repair wiring well pump	Maintenance		-233.26
10/13/06	DEP			Water Sales		796.47
10/16/06	EFT	F H A		Loan		-1,020.00
10/19/06	DEP			Water Sales		2,041.20
10/21/06	3629	Walmart	mouse pad, storage tote, tel...	Office		-32.21
10/21/06	3630	Dept. Of Finance & Adm.		Sales Tax		-545.00
10/24/06	DEP			Water Sales		1,332.21
10/24/06	EFT	Tri Co. Telephone		Utilities:Telephone		-33.57
10/24/06	EFT	Tri Co. Telephone		Utilities:Telephone		-31.25
10/24/06	3631	Leher Painting	power washing tank	Maintenance		-2,000.00
10/26/06	EFT	Carroll Electric		Utilities:Gas & Electric		-12.08
10/26/06	EFT	Carroll Electric		Utilities:Gas & Electric		-79.79
10/26/06	EFT	Carroll Electric		Utilities:Gas & Electric		-1,645.48
10/28/06	3632	Jackie Fears	reading meters	Contract Labor		-200.00
10/30/06	DEP			Water Sales		874.82
10/30/06	DEP	Interest		Interest Inc		1.09
10/30/06	3633	Ivan Reynolds		Contract Labor		-1,100.00
10/30/06	3634	Jasper Post Office		Postage and Delivery		-72.00
		TOTAL 10/1/06 - 10/31/06				-5,603.90
		BALANCE 10/31/06				2,313.74
		TOTAL INFLOWS				8,662.64
		TOTAL OUTFLOWS				-14,266.54
		NET TOTAL				-5,603.90

MT. SHERMAN WATER ASSOCIATION
 Director's Report
 For the Month of October 06
 Printed: 10/28/06 21:44

DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,669,800	100.0%
Water Sold to Customers	1,077,480	64.5%
Utility Use (fire, flushing)	0	0.0%
Water Unaccounted For (lost)	592,320	35.5%
Average Use Per Account	3,465	

SUMMARY BY SERVICE

	Water	Sewer	Fire Dues	Trash	Other	Sales Tax
Charges	7893.14	0.00	0.00	0.00	77.75	542.72
Average	25.38	0.00	0.00	0.00	0.25	1.50
Active	311	0	0	0	311	363
Inactive	54	365	365	365	54	2

ACCOUNTS RECEIVABLE ANALYSIS

	Amount	Accounts
Balance Due BOM (begin/Month)	13,030.04	313
Credit Balances BOM	(813.93)	13
Debit Balances BOM	13,843.97	300
Payments	8,661.55	282
Charges for Services	8,513.61	
Penalty Charges	545.92	46
Adjustments	(385.00)	7
Total Delinquent EOM (end/month)	2,749.61	30
Delinquent EOM (30-60 days)	828.81	15
Delinquent EOM (60-90 days)	682.18	9
Delinquent EOM (over 90)	1,238.62	6
Credit Balances EOM	(668.07)	12
Debit Balances EOM	13,711.09	304
Balance Due EOM	13,043.02	316
Disconnections	1 Betty Kinnis	
Disconnected & Uncollected	0.00	
New Customers Added	2 Colucci Kuffen	

Scribe:	Odie J. Watts	
Date:	October 9, 2006	Time: 5:34PM – 6:11 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 – VICE PRESIDENT	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 visitors or customers attended the meeting.

Minutes and Business Discussions:

Agenda	Main Points, Conclusions/Discussions, Decisions
1. Call to Order	Meeting called to order by Jim Bowen, President at 5:34 PM.
2. Meeting Minutes	The minutes from the September 11, 2006 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 September 1 through 31, 2006. Discussion was held on the following highlights of that report: • Made payment for Audit which was \$1,400.00 • Paid for tank movement which was needed while the Shiloh tank was being repaired. • Paid liability insurance which covers the Board of Directors. • Requested Board make decision on how much to pay toward loan with the Arkansas Natural Resource Commission. Board decided to pay \$10,000 toward loan balance. Motion was made by Ben Szabrowicz and seconded by Koby Lee. Motion passed with no abstentions. (Action Item: Karen Edgmon) • Petition will be filed to garnish wages of Ron Carey for failure to pay. (Action Item: Karen Edgmon) • With regard to outstanding unpaid balance belonging to the Jetton residence the board decided to write a letter advising them that water loss due to a leak will NOT be sold at cost as requested; and, that the letter will further state that if balance owed on the meter at their barn is not paid by November 1 the meter will be pulled. (Action Item: Karen Edgmon) Motion to approve the reports –Betty Stivers. Second by Calvin Voshell. No Abstentions.
4. Water Operator's Report	Ivan Reynolds presented the Water Operator's Report: • Spare tank was acquired to use while the Shiloh tank was being repaired. • Repairs to the Shiloh tank were made and the tank was put back into service. • A bid was received to have the tank pressure washed. The bid was \$2,000 which the board voted to approved. Motion to approve made by Betty Stivers and seconded by Koby Lee. Board voted on the motion with no abstentions. Ivan

Agenda	Main Points, Conclusions/Discussions, Decisions
	Reynolds will contact the contractor. (Action Item: Ivan Reynolds) - The starter for the pump at well #1 developed a problem in the thermal overload portion and was replaced with the starter from well #2. Contacted the MBHWA who gave us their old starter panel at no cost. - Bled the hydrant at Low Gap to purge air for 90 minutes. - Number 1 booster pump motor developed a high pitch squeal and should be repaired. Will find a source to repair the motor and also will obtain cost figures for a new replacement motor. (Action Item: Ivan Reynolds) Motion to approve the report – Koby Lee. Second by Ben Szabrowicz. No Abstentions.
5. Old Business	- Action Item 38: OPEN. The topo map was received. Will contact the vendor and ask for some changes to the map layout and size. Vendor has been contacted but will not return calls or e-mails. Requested vendor inquiry to provide a new map with GPS locations listed. - Action Item 40: PENDING. Water Operator will determine parts needed to kept on hand for electrical problem repairs. Still in work. - Action Item 41: OPEN. Water Operator was asked to perform an inventory of all physical assets and to enter the inventory to the inventory control system. Odie Watts will work with Water Operator to get the inventory control system ready. As of 10/9/06 the inventory is complete and the software to enter the information was made available.
6. New Business	Jim Bowen read the latest article from the HDT regarding the approval of funds to conduct the environmental impact study for the Water Alliance.
7. Adjournment	Meeting adjourned at 6:11 PM.
8. Next Meeting	NOTE MEETING START TIME: The next meeting is scheduled for NOVEMBER 13, 2006 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 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 were provided by Ivan Reynolds. The original map was received and paid for. Would like to know if the vendor could resize the map and make the locations more visible.	Odie Watts	9/12/05	OPEN
AI 40	2/13/06	Water Operator will determine which parts need to be kept on hand to correct electrical problems at the pumping station.	Ivan Reynolds	3/13/06	PENDING
AI 41	9/11/06	Water Operator was asked to perform an inventory of all physical assets and to enter the inventory to the inventory control system. Odie Watts will work with Water Operator to get the inventory control system ready.	Ivan Reynolds and Odie Watts	10/9/06	OPEN
AI 42	10/9/06	Make a \$10,000 payment against the loan balance with the Arkansas Natural Resource Commission.	Karen Edgmon	11/13/06	OPEN
AI 43	10/9/06	File a petition to garnish wages for failure to pay. See above.	Karen Edgmon	11/13/06	OPEN

Item No.	Opened Date	Description	Assigned To	Target Date	Status
AI 44	10/9/06	Write letter to Jettons indicating Board's decision not to sell water at cost and the requirement that they pay the amount owed on their barn meter by November 1, 2006 or the meter will be pulled.	Karen Edgmon	11/13/06	OPEN
AI 45	10/9/06	Contact the contractor to proceed with pressure washing the Shiloh tank.	Ivan Reynolds	11/13/06	OPEN
AI 46	10/9/06	Pull #1 booster pump motor and have repaired and obtain cost of a replacement motor.	Ivan Reynolds	11/13/06	OPEN

Mt Sherman Water Assn Board Mtg
Nov 13, 2006
Water Operators Report

I fixed a leak on Shiloh between Melvin house property and the Oitker place.

I fixed a leak on the Number two booster pump line to Pattons.

I'm still working on replacement Relays and contactors for Shiloh Booster Pump Station.

The pressure washing of the Shiloh tank is complete and the Tank looks good.

I pulled the meter for the Jetton Property at the barn.

If we dedicate all of the Shiloh, Low Gap and Steel Creek Lines all the way to the tank at well number one we can avoid Laying all but the line from Murray Road toward Earl Proctors To tie into Nail Swain Water Assn; the mixing to lower Radium will be solved. We would need a pressure reducing station Between the Shiloh tank and Nail Swain Water. We would also Need to run a short line and pressure reducer bypass at the Shiloh Booster pump. Additionally we would tie into the 3 inch line By Well number one, running that line to the new tank at well # 1 For dedicated mixing, less than 400 feet, mixing would take place And gravity feed water east toward Jasper. The tie in to Nail is About 5 miles and I think a minimum 4 inch line will be required by the Health Dept.

The amount of water required for our today usage would be 24,000 per day at \$6/ thousand. Our savings to dedicate to this Will be about 45% less Electric bill which is app \$700/mo plus Approximate estimation of \$130/mo on Chlorine. If we are Selling water for four dollars and fifty cents per thousand the difference of \$1.50/thousand will be \$15,000 per 10 million Gallons compared to \$9,960.00 in savings of elect and cl2. Also Eng. Construction costs for a yearly payment to lender.

By Ivan Reynolds Water Operator