

MT. SHERMAN WATER ASSOCIATION

P.O. BOX 356

JASPER, AR 72641

BOARD OF DIRECTOR'S MEETING

MONDAY, MARCH 12TH 5:30 P.M.

Dear Directors:

Enclosed please find the director's report and board minutes for February 2012.

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

Thank You,



Karen Edgmon

Financial Office

Mt. Sherman Water Association



800-227-5128

Printed Wednesday, February 29, 2012 @ 19:16

DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,269,700	100.0%
Water Sold to Customers	965,830	76.1%
Utility Use (fire, flushing)	0	0.0%
Water Lost	303,870	23.9%
Average Use Per Account	3,462	
Accounts Using Water	279	

SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	7,658.36	0.00	0.00	95.70	647.50	0.00	567.18
Amount	319	0	0	319	259	0	315
Usage	24.01	0.00	0.00	0.30	2.50	0.00	1.80

ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on February 2012 Bills	13,135.38	323
Credit Balances	-1,134.56	17
Debit Balances	14,269.94	306
Payments	-9,937.58	289
Adjustments	-447.88	12
Balance after Payments and Adj	2,749.92	38
Current	-624.97	21
30 to 60 Days Old	411.61	3
60 to 90 Days Old	382.30	2
Over 90 Days Old	2,580.98	12
Penalty Charges	253.52	43
Charges for Services	8,968.74	319
Balance Due	11,972.18	

Scribe:	Odie Watts	
Date:	February 23, 2011	Time: 5:28 PM – 6:33 PM

Board Members:

Key	Board Member Attendees: Key: * Attended, # Absent	Phone
#	Bushnell, Wesley – BOARD MEMBER	446-2370
*	Edgmon, Karen – CHIEF FINANCIAL OFFICER	861-5641
#	Ferguson, Ron – BOARD MEMBER	446-2910
#	Lee, Koby – BOARD MEMBER	861-5158
*	Reynolds, Ivan – WATER OPERATOR	446-5352
*	Shechtman, Barry – BOARD MEMBER	446-6630
*	Stivers, Betty – VICE PRESIDENT	446-5744
*	Szabrowicz, Ben – BOARD MEMBER	446-6007
*	Voshell, Calvin – PRESIDENT	446-2270
*	Watts, Odie – SECRETARY / TREASURER	446-2838

Customers and Guests:

Key	Board Meeting Attendees:
	No customers or guests attended this meeting.

Minutes and Business Discussions:

Agenda	Main Points, Conclusions/Discussions, Decisions
1. Call to Order	Meeting was called to order by Calvin Voshell, Board President, at 5:28P.M.
2. Meeting Minutes	Meeting minutes from the November 14th meeting were reviewed and approved. Motion to approve the minutes – Betty Stivers, 2 nd by Ben Szabrowicz. No Abstentions.
3. Financial and Water Association Director's Report	Transaction reports for January 1 through January 31, 2011 were reviewed and approved. - The loan from the 1st National Bank has been finalized. The loan is to pay off the balance of the USDA loan using our CDs as collateral. The loan interest rate at the 1st National Bank is 2.85% which will save a substantial amount of money. - Payments to the 1st National Bank will depend on monies available to repay the loan. There is no pre-payment penalty so we should be able to repay the loan in a short period of time. - Nothing else of significance to report. Motion to approve the financial and director's reports – Betty Stivers, 2nd by Ben Szabrowicz. No Abstentions.
4. Water Operator's Report	Ivan Reynolds presented the water operator's report: - Checked on Terry Smith's meter for leak. Found no leak but changed out his meter at his request. - Checked Ferguson meter for leak but found none. - Pulled the meter at Jackie Fears for failure to pay and at Board's request. - The 11 month warranty by ESI for the Shiloh project is up on March 13, 2012. So far there are no problems with the line. - Received chlorine cylinders and returned the empties. This order should last until we no longer have to treat the water once the new system comes on line. - Talking to Lisa McGrath on Walker Mt. Road about running a line to her and maybe

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	some of her neighbors. The line will be at their expense. They will need to obtain easements before the line route can be drawn. Motion to approve the Water Operator's report – Ben Szabrowicz, 2nd by Betty Stivers. No Abstentions.
5. Old Business	▪ Action Item 57: Opened on 7/19/10 for Ivan Reynolds to purchase and install 14 one inch meters to tighten up leak detection within the system. Item in work as of August 9 meeting. No change in status as of September 20, 2010. No change in status as of 10/11/10. Work is progressing as of 11/8/10. No change in status as of 12/13/10. No change in status as of 3/14/11. No change in status as of 4/11/11. No change in status as of 5/9/11, work is on-going. No change in status as of 7/11/11. No change in status as of 8/8/11. No change in status as of 9/12/11. As of 10/10/11 observation meters are being installed. See Operator's Report above. No change in status as of 11/14/11. No change in status as of 12/12/11. No change in status as of 1/9/12. No change in status as of 2/23/12 but new emphasis was placed on getting these meters installed as soon as possible to help monitor and reduce the water loss rate. See New Business below. ▪ Action Item 63: Opened on 11/8/10 for Ivan Reynolds to take another look at the possibility of obtaining a surplus generator and propane tank for emergency power at the Shiloh well pump. The current cost of the proposed generator and propane tank appears to be excessive and may not be in line with long term plans or needs. This item is in work. See comments about generator in water operator's report above. As of 2/14/11 waiting on county to see if they can locate a surplus generator. No update to report as of 3/14/11. No change in status as of 4/11/11. No change in status as of 5/9/11. No change in status as of 6/13/11. No change in status as of 7/11/11. No change in status as of 8/8/11. No change in status as of 9/12/11. No change in status as of 10/10/11. No change in status as of 11/14/11. No change in status as of 12/12/11. No change in status as of 1/9/12. This action item was closed on 2/23/12 because the new water system is coming in late fall of 2012 and this equipment will not be needed. ▪ Action Item 64: Opened on 8/8/11 for Ivan Reynolds to develop a written estimate to replace approx. 300 ft of water line to the Jackie Fears residence. If accepted, arrange to replace the line at the earliest possible opportunity. Estimate was made at \$500 to open trench, replace line and test. Jackie Fears will be responsible for covering the trench. Estimate was \$500 which was given over to Karen Edgmon. As of 11/14/11 Jackie Fears has accepted the proposal and work will be scheduled by Ivan Reynolds. As of 12/12/11 job to replace line is pending schedule. This item was placed in suspended status as of 1/9/12 because the decision was made to pull the meter at Jackie Fears residence for non-payment. This action item was closed as of 2/23/12 because the meter has been pulled. ▪ Action Item 68: Opened on 11/14/11 for Odie Watts and Karen Edgmon to develop a system to include fire dues as a part of the monthly billing for water usage. All background work has been completed. Billing system details are still being worked on. The Board approved proceeding with getting fire dues included as part of the water billing system. As of 1/9/12 the billing system is in place. This action item is closed as of 2/23/12. The system is in place. ▪ Action Item 69: Opened on 1/9/12 for Ivan Reynolds to pull the meter at the Jackie Fears residence for non-payment. Decision was made to not re-install the meter until the account is paid in full. Further, the project to help him replace his water line has been suspended and will not proceed until his account is paid in full. The meter has been pulled and this action item is closed as of 2/23/12. ▪ Action Item 70: Opened on 1/9/12 for Karen Edgmon to pursue a loan at the 1st National Bank. CD's will be used as collateral and the proceeds from the loan will be used to pay off the loans at the USDA. The current interest rate at the 1st National Bank will be approximately 2.85%. This action will result in a substantial savings since the current interest rate with USDA is 5%. Interest savings will be

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	paid against the loan principle which will shorten the loan pay-off period. The loan has been obtained and is in effect. This action item is closed as of 2/23/12.
6. New Business	- Odie Watts presented the case for raising our water rates once the MSWA has to start buying our water from the Ozark Mountain Regional Water Association rather than pumping it. As of 2/23/12 no firm rate increase has been proposed nor agreed upon. - Barry Shechtman made a presentation on the need to manage and control both the water loss and the delinquent accounts that are currently on the books. - The following action items were generated as a result of the discussion conducted by the Board - Karen Edgmon will put together a budget statement outlining both fixed and variable costs that can be expected for the coming year. These figures are required in order to set any new water rates once the association starts buying its water in late fall, 2012. - Karen Edgmon will bring to the Board a list of all outstanding and delinquent accounts so the Board can make decisions as to what actions are need to manage those accounts. - Ivan Reynolds will work with the Arkansas Rural Water Association to have the MSWA evaluated so the Board can understand what is needed to get the water loss rate under control.
7. Adjournment	Meeting adjourned at 6:33 P.M.
8. Next Meeting	NOTE MEETING START TIME: The next meeting is scheduled for March 12, 2012 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
AI57	7/19/10	Purchase and install 14 one inch meters to tighten up leak detection within the system	Ivan Reynolds	8/9/10	IN WORK
AI71	2/23/12	Develop a realistic budget reflecting both fixed and variable costs in order to determine our new water rates once we start buying our water in late fall 2012.	Karen Edgmon	3/12/12	OPEN
AI72	2/23/12	Provide the Board with a full list of delinquent accounts and their status so the Board can determine what action is required to settle those accounts.	Karen Edgmon	3/12/12	OPEN
AI73	2/23/12	Contact and work with the Arkansas Rural Water Association to schedule and complete an analysis of the distribution system to determine what actions are required to manage and control the current water losses.	Ivan Reynolds	3/12/12	OPEN