

MT. SHERMAN WATER ASSOCIATION

P.O. BOX 356

JASPER, AR 72641

July 6, 2012

Dear Directors:

Enclosed please find the transaction report, director's report and board minutes for the month of June 2012.

The water system is currently on a conserve order, information is on KHOZ Radio.

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

Thanks,



Karen Edgmon

Mt. Sherman Water Association

## Transaction - Last month

6/1/2012 through 6/30/2012

7/4/2012

Page 1

| Date                        | Account             | Num | Description       | Memo          | Category                     | Tag | Clr | Amount          |
|-----------------------------|---------------------|-----|-------------------|---------------|------------------------------|-----|-----|-----------------|
| <b>BALANCE 5/31/2012</b>    |                     |     |                   |               |                              |     |     | <b>4,196.24</b> |
| 6/1/2012                    | Checking XX8...     |     | Deposit           | DEPOSIT       | Other Inc                    |     | c   | 302.95          |
| 6/1/2012                    | Checking XX8...4454 |     | Check #4454       | CHECK #4454   | Buffalo River Range          |     |     | -250.00         |
| 6/4/2012                    | Checking XX8...4461 |     | Check #4461       | CHECK #4461   | Jesper Post Office           |     | c   | -192.00         |
| 6/5/2012                    | Checking XX8...     |     | Deposit           | DEPOSIT       | Other Inc                    |     | c   | 959.89          |
| 6/5/2012                    | Checking XX8...4464 |     | Check #4464       | CHECK #4464   | Karen Edgman                 |     | c   | -981.50         |
| 6/5/2012                    | Checking XX8...4465 |     | Check #4465       | CHECK #4465   | [Checking XX... Karen Edgman |     |     | -75.00          |
| 6/8/2012                    | Checking XX8...     |     | Deposit           | DEPOSIT       | Other Inc                    |     | c   | 1,006.71        |
| 6/8/2012                    | Checking XX8...     |     | Nps Treas Misc    | AC-NPS TR...  | Other Inc                    |     | c   | 124.42          |
| 6/11/2012                   | Checking XX8...     |     | Ac-internet Ch... | AC-INTERN...  |                              |     | c   | -5.00           |
| 6/11/2012                   | Checking XX8...     |     | Returned Dep...   | RETURNED ...  | Fees & Charges               |     | c   | -4.00           |
| 6/11/2012                   | Checking XX8...     |     | Returned Dep...   | RETURNED ...  |                              |     | c   | -19.04          |
| 6/12/2012                   | Checking XX8...     |     | Deposit           | DEPOSIT       | Other Inc                    |     | c   | 2,000.95        |
| 6/12/2012                   | Checking XX8...4463 |     | Check #4463       | CHECK #4463   | Mr. Sherman Fin              |     | c   | -628.74         |
| 6/15/2012                   | Checking XX8...4462 |     | Check #4462       | CHECK #4462   | DF: A                        |     | c   | -643.00         |
| 6/18/2012                   | Checking XX8...     |     | Deposit           | DEPOSIT       | Other Inc                    |     | c   | 2,045.00        |
| 6/18/2012                   | Checking XX8...4467 |     | Check #4467       | CHECK #4467   | Leslie Daniels               |     | c   | -200.00         |
| 6/18/2012                   | Checking XX8...4468 |     | Check #4468       | CHECK #4468   | Leslie Daniels               |     | c   | -100.00         |
| 6/18/2012                   | Checking XX8...4470 |     | Check #4470       | CHECK #4470   | Ivan Reynolds                |     | c   | -30.00          |
| 6/18/2012                   | Checking XX8...4469 |     | Check #4469       | CHECK #4469   | Ivan Reynolds                |     | c   | -1,100.00       |
| 6/20/2012                   | Checking XX8...     |     | Deposit           | DEPOSIT       | Other Inc                    |     | c   | 1,619.31        |
| 6/25/2012                   | Checking XX8...     |     | Ac-ritter Com...  | AC-RITTER ... |                              |     | c   | -33.84          |
| 6/25/2012                   | Checking XX8...     |     | Ac-ritter Com...  | AC-RITTER ... |                              |     | c   | -35.58          |
| 6/26/2012                   | Checking XX8...     |     | Ac-carroll Ele... | AC-CARROL...  |                              |     | c   | -1,180.82       |
| 6/26/2012                   | Checking XX8...     |     | Ac-carroll Ele... | AC-CARROL...  |                              |     | c   | -84.88          |
| 6/26/2012                   | Checking XX8...     |     | Deposit           | DEPOSIT       | Other Inc                    |     | c   | 2,586.99        |
| 6/26/2012                   | Checking XX8...     |     | Ac-carroll Ele... | AC-CARROL...  |                              |     | c   | -12.35          |
| 6/29/2012                   | Checking XX8...     |     | Deposit           | DEPOSIT       | Other Inc                    |     | c   | 153.13          |
| 6/30/2012                   | Checking XX8...     |     | Interest          | INTEREST P... | Interest Inc                 |     | c   | 0.25            |
| <b>6/1/2012 - 6/30/2012</b> |                     |     |                   |               |                              |     |     | <b>5,223.85</b> |

|                          |                 |
|--------------------------|-----------------|
| <b>BALANCE 6/30/2012</b> | <b>9,420.09</b> |
|--------------------------|-----------------|

|                      |                  |
|----------------------|------------------|
| <b>TOTAL INFLOWS</b> | <b>10,799.60</b> |
|----------------------|------------------|

|                       |                  |
|-----------------------|------------------|
| <b>TOTAL OUTFLOWS</b> | <b>-5,575.75</b> |
|-----------------------|------------------|

- 322.11 Out Standing  
9097.98



800-227-5128

Printed Thursday, July 5, 2012 @ 21:15

#### DISTRIBUTION EFFICIENCY SUMMARY

|                              | Gallons   | Percent |
|------------------------------|-----------|---------|
| Water Supplied to System     | 2,374,100 | 100.0%  |
| Water Sold to Customers      | 1,774,640 | 74.8%   |
| Utility Use (fire, flushing) | 0         | 0.0%    |
| Water Lost                   | 599,460   | 25.2%   |
| Average Use Per Account      | 5,762     |         |
| Accounts Using Water         | 308       |         |

#### SUMMARY BY SERVICE

|         | Water     | Sewer | Trash | Other1 | Other2 | Other3 | Sales Tax |
|---------|-----------|-------|-------|--------|--------|--------|-----------|
| Charges | 11,057.30 | 0.00  | 0.00  | 96.60  | 652.50 | 0.00   | 812.12    |
| Amount  | 323       | 0     | 0     | 322    | 261    | 0      | 319       |
| Average | 34.23     | 0.00  | 0.00  | 0.30   | 2.50   | 0.00   | 2.55      |

#### ACCOUNTS RECEIVABLE ANALYSIS

|                                |            |     |
|--------------------------------|------------|-----|
| Balance Due on June 2012 Bills | 12,342.74  | 327 |
| Credit Balances                | -1,287.47  | 23  |
| Debit Balances                 | 13,630.21  | 304 |
| Payments                       | -10,447.07 | 283 |
| Adjustments                    | 25.19      | 7   |
| Balance after Payments and Adj | 1,920.86   | 42  |
| Current                        | -929.43    | 26  |
| 30 to 60 Days Old              | 302.38     | 5   |
| 60 to 90 Days Old              | 131.91     | 4   |
| Over 90 Days Old               | 2,416.00   | 7   |
| Penalty Charges                | 180.86     | 42  |
| Charges for Services           | 12,618.52  | 323 |
| Balance Due                    | 14,720.24  |     |

|                |                      |                                |
|----------------|----------------------|--------------------------------|
| <b>Scribe:</b> | Odie Watts           |                                |
| <b>Date:</b>   | <b>June 11, 2012</b> | <b>Time: 5:30 PM – 6:00 PM</b> |

### 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 guest attended the May, 2012 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 5:30 P.M.                                                                                                                                        |
| 2. Meeting Minutes                 | Meeting minutes from the May 14th meeting were reviewed and approved. Motion to approve the minutes – Koby Lee, 2 <sup>nd</sup> by Ron Ferguson. No Abstentions.                                                    |
| 3. Financial and Water Association | Transaction reports for May 1 through May 31, 2012 were reviewed and approved. <ul style="list-style-type: none"> <li>A customer reported that 10K gallons of water was used to fill a swimming pool and</li> </ul> |

| Agenda                     | Main Points, Conclusions/Discussions, Decisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director's Report          | <p>the customer paid for the water separately from their regular water bill.</p> <ul style="list-style-type: none"> <li>• The loan at the 1<sup>st</sup> National Bank was paid in full. CD's were cashed in and the proceeds were paid toward the loan. The MSHA is now totally debt free.</li> <li>• The are approximately \$21K held in Government Bonds that date back to 1992. The Board discussed what should be done with those bonds. Karen Edgmon will look into converting them to I-Bonds or into a CD.</li> <li>• The only big expense this month was the purchase of the meter based Ivan Reynolds purchased to begin the installation of leak detection monitor meters.</li> </ul> <p>Motion to approve the financial and director's reports – Betty Stivers, 2<sup>nd</sup> by Koby Lee. No Abstentions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 4. Water Operator's Report | <p>Ivan Reynolds was not present at the meeting and no water operator's report was presented:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 5. Old Business            | <ul style="list-style-type: none"> <li>▪ Action Item 57: Opened and revised on 3/12/10 for Ivan Reynolds to purchase and install approximately 50, one inch meters to tighten up leak detection within the system. This action item was first opened on 7/9/10 but has been revised and remains open. See new business. Ivan will continue working on purchasing and installing the observation meters. He plans to install at least 50 more meters in the system to help isolate leaks. 14 meters have been installed to date. The action item was updated as of 3/9/12. The Board approved Ivan to purchase 25 observation setters and related materials and begin installing them ASAP. An additional 25 meters will be purchased and installed at a later date. Material for 25 meters has arrived as of May 14, 2012. Estimate 4 meters per month will be installed. Monthly progress reports will be made to the Board. Ivan Reynolds was absent from the June, 2012 meeting so no status report was given.</li> <li>▪ Action Item 76: Report to the Board an account of all CD's owned by the MSHA. Report the amount and maturity dates of all CD's. CD's were cashed in and the loan at the 1<sup>st</sup> National Bank was paid off leaving the Water Association debt free. This item was CLOSED.</li> </ul> |
| 6. New Business            | <p>The Board discussed and approved removing past President Jim Bowen and adding current President Calvin Voshell from the bank records at the Bank of the Ozarks. Karen will arrange with the bank for a signature card to be signed by Calvin and become a part of the bank records for all accounts maintained at the Bank of the Ozarks. The motion was made to proceed by Koby Lee and 2<sup>nd</sup> was made by Ron Ferguson. There were no abstentions to the motion.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| <b>Agenda</b>   | <b>Main Points, Conclusions/Discussions, Decisions</b>                                                                                               |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. Adjournment  | Meeting adjourned at 6:00 P.M.                                                                                                                       |
| 8. Next Meeting | <b>NOTE MEETING START TIME:</b> The next meeting is scheduled for July 9, 2012 at 5:30 PM at the Mt. Sherman Volunteer Fire Department main station. |

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

| <b>Item No.</b> | <b>Opened Date</b> | <b>Description</b>                                                                                                           | <b>Assigned To</b> | <b>Target Date</b> | <b>Status</b>  |
|-----------------|--------------------|------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|----------------|
| AI57            | 7/19/10            | Install 25, one inch meters to tighten up leak detection within the system. Make progress reports to Board on monthly basis. | Ivan Reynolds      | ASAP               | <b>IN WORK</b> |
| AI76            | 5/14/12            | Present to the Board a full list of all CD's owned by the MSWA. Report CD amounts and maturity dates.                        | Karen Edgmon       | 6/11/12            | <b>CLOSED</b>  |