

MT. SHERMAN WATER ASSOCIATION

P.O. BOX 356

JASPER, AR 72641

BOARD OF DIRECTOR'S MEETING

MONDAY NOVEMBER 10, 2014

5:30 P.M.

Dear Directors:

Enclosed please find the board minutes, transaction report, and director's report for October 2014.

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

Thank You,



Karen Edgmon

Financial Officer

Mt. Sherman Water Association

Scribe:	Odie J. Watts	
Date:	October 20, 2014	Time: 5:30 PM – 6:50 PM

Board Members:

Key	Board Member Attendees: Key: * Attended, # Absent	Phone
*	Edgmon, Karen – CHIEF FINANCIAL OFFICER	861-5641
*	Ferguson, Ron – BOARD MEMBER	446-2910
#	Lee, Koby – BOARD MEMBER	870-688-7541
*	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

Key	Board Meeting Attendees:
	Mark Johnson of ESI attended the meeting to present the engineering study of the 6" water line overlay project currently under consideration by the Board as a project to upgrade service to the Low Gap and Shiloh customers. See "New Business" for details.

Minutes and Business Discussions:

Agenda	
1. Call to Order	Meeting was called to order at 5:30 by Calvin Voshell – President.
2. Meeting Minutes	The Meeting minutes from the September 8, 2014 meeting were reviewed and approved. Motion to approve the minutes was made by Betty Stivers with 2 nd by Ron Ferguson with no abstentions.
3. Financial and Water Association Director's Report	Karen Edgmon presented the financial and director's reports: - No significant expenditures. - The water loss rate was recorded at 18%. - As of October 20, 2014 the following is a breakdown of the total financial assets currently on deposit: - Treasury Bonds - \$32,577.60 - CD's - \$102,742.75 - Money Market - \$12,705.96 - Checking - \$31,359.40 TOTAL - \$179,385.71 - Received a registered letter from John Butler's attorney indicating the water line across the Butler property was installed without first obtaining an easement. The letter requests the MSWA compensate Mr. Butler for the easement. Odie Watts will consult with an attorney then a decision will be made as to the action the MSWA will take to address this issue. (ACTION ITEM) Motion to approve the financial and director's reports – Betty Stivers, 2nd by Ron Ferguson with no Abstentions.
4. Water Operator's Report	Ivan Reynolds presented the Water Operators Report: - Received the chlorinator unit and all parts are on hand to reconnect the chlorine system for disinfection. - Installed 4 observation meters:

Agenda	
	• One on the line to Jr. Proctor. • Two at the Shiloh tank tee. • One on the line to the Lavenue property. • Pulled the Christy Gerdes meter, after she has moved. • Talked to Byron Mann about easements from his neighbors to run water to his new home and they said NO. • Received 12 meters, 12 meter setters, and 6 4X3/4" saddles. • Finished hanging gate for the OMRWA observation meter. Motion to approve the Water Operator's report – by Ben Szabrowicz, 2nd by Betty Stivers with no Abstentions.
5. Old Business	▪ 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. As of January 13, 2014 there are approximately 17 more observation meters to install. Until completed this action item will remain in IN WORK Status. No change in status as of March 10, 2014. As of April 14 plans are to install three more meters in the Low Gap area where leaks are suspected. As of 5/12/14 there are 11 more observation meters to be installed. No meters were installed and no status change recorded for this reporting period. As of 7/14/14 no new meters have been installed, still 8 more to be installed. No change in status as of 8/11/14. See New Business for update. As of October 20, 2014 an additional 4 meters were installed leaving 7 more meters remaining to be installed. ▪ Action Item 61: Item assigned to Ivan Reynolds to work through the older system meters and replace those that do not appear to be recording correctly. As of January 13, 2014 there are approximately 2 more older meters to replace. Until this action item is completed it will remain in IN WORK status. No change in status as of 2/10/14. No change in status as of 3/10/14. As of April 14 there are nine more meters which are planned to be replaced. As of 5/12/14 older meters are being replaced and there may soon be a need to purchase more. No change in status as of 6/9/14. As of 7/14/14 6 more meters need to be installed to close this item. No change in status as of 8/11/14. As of October 20, 2014 Ivan has received 12 new meters and will continue with the project to replace these older meters in the coming weeks. ▪ Action Item 79: Item assigned to Ivan Reynolds to contact Hillard Kilgore to determine if he would consider giving an easement to the MSWA to lay a water line through his proper so the line can be used to tap into a larger supply line which would resolve the problems being encountered by Mr. Patton. This action item is PENDING. No change in status as of 11/11/13. No change in status as of 12/16/13. No change in status as of 1/13/14. No change in status as of 2/10/14. No change in status as of 3/10/14. No change in status as of 4/14/14. No change in status as of 5/12/14. No change in status as of 6/9/14. No change in status as of 7/14/14. No change in status as of 8/1/14. No change in status as of 9/15/14. No change in status as of October 20, 2014. ▪ Action Item 87: Item is assigned to Odie Watts and Ivan Reynolds to write a letter to ESI that will support the need for the project to replace the 3" line with a 6" line to handle the anticipate growth of the MSWA in the area west of the Low Gap community. As of 7/14/14 this item is OPEN. As of 8/11/14 this item is remains OPEN. As of 9/15/14 the item will remain OPEN until a final decision is made to proceed with the overall project. As of October 20, 2014 this item has been placed on HOLD until the decision is made to proceed with the project. ▪ Action Item 90: Item is assigned to Ivan Reynolds to meet with property owners to discuss impact of new 20 ft. easement requirement for the potential overlay project.. As of 9/15/14 the item will remain OPEN pending a final decision to further pursue the project. As of October 20,2014 this item is placed on HOLD until the final decision is made to proceed with the project.

Agenda	
	- Action Item 91: Item is assigned to Odie Watts and Ivan Reynolds to work on a procedure to keep the Board up to date on inventory levels and value. As of 8/11/14 the item will remain OPEN. An updated inventory sheet has been completed and presented to the Board. As of October 20, 2014 this item is CLOSED. - Action Item 92: Item is assigned to Karen Edgmon to report to the Board on a monthly basis the total, by category of all financial assets currently on deposit. As of October 20, 2014 this item is CLOSED. - Action Item 93: Item is assigned to Odie Watts to contact ESI and invite them to the October 20, 2014 meeting to provide details on the overlay project. As of October 20, 2014 this item is CLOSED.
6. New Business	Mark Johnson of ESI attended the meeting to discuss the Overlay Project being considered by the Board. The project will involve overlaying the existing 3" line servicing the Steel Creek and Shiloh areas with a 6" line. The new line will handle any additional growth in the area. The project consists of overlaying 5,050 feet of 3" line with a 6" line. The 6" line is shown to be much more cost effective than a less expensive 4" line. At present the pressure in the 3" line is 27psi which meets the minimum pressures of 20 psi established by the Arkansas Health Department but the line can not support much growth without falling below the minimum standards. The majority of growth to the water system has been in the area currently supplied by the 3" line. The total cost of the project is estimated to be \$134,843 with a 10% contingency cost built in. The project, when approved, will take 45 days to get the contracts, bids, and easements in place, then another 45 days to let the bids, then approximately 75 days of actual construction. The Board has considered the project as a long term goal but has made the decision to postpone the project until either there is grant money available or the Board has been satisfied that enough money has been set aside to pay for the project. The Board has agreed to set aside \$15,000 to a special construction money market account and add \$5,000 monthly to that account until such time as there is money enough to pay for the project. Odie Watts made a motion to create and set aside \$5,000 per month in the special project account and Ron Ferguson seconded. The vote to support the motion was unanimous. ESI has agreed to work with the Board on grant money should any become available. For the present the project is on HOLD and will be addressed from time to time to determine when and if the project will be initiated.
7. Adjournment	Meeting adjourned at 6:50 P.M.
8. Next Meetings	NOTE MEETING START TIME: The next regularly scheduled meeting will be on November 10, 2014 at 5:30 at 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	Install 7, one inch observation meters to tighten up leak detection within the system. Install at least 2 meters per month and make progress reports to Board on monthly basis.	Ivan Reynolds	ASAP	IN WORK
AI61	8/13/12	Work through the system to replace older meters that may not be recording properly.	Ivan Reynolds	ASAP	IN WORK
AI79	10/14/13	Talk to Hillard Kilgore to determine the possibility of pursuing an easement to the Patton water problems can be resolved.	Ivan Reynolds	10/14/13	PENDING

Item No.	Opened Date	Description	Assigned To	Target Date	Status
AI 87	7/14/14	Write a letter to the ESI grant person justifying a request for grant and/or matching fund request to fund the project to replace the 3" line with a 6" line to enhance and support expansion of the MSHA system.	Odie Watts and Ivan Reynolds	8/11/14	HOLD
AI90	8/11/14	Meet with each property owner and review the impact of a new 20 ft. easement requirement for the installation of a potential overlay project to replace the existing 3" line with a 6" line in the Low Gap area.	Ivan Reynolds	9/8/14	HOLD
AI91	8/11/14	Work together to develop an Inventory Control system that includes a verification process in which inventory receipts are verified before bills are paid and the Board gets a monthly update on current inventory levels and values.	Ivan Reynolds, Odie Watts, and Karen Edgmon	9/8/14	CLOSED
AI92	9/15/14	Develop and full report of financial assets on hand and present it to the Board on a monthly basis.	Karen Edgmon	10/20/14	CLOSED
AI93	9/15/14	Contact ESI and invite them to the Board meeting on 10/20/14 to present to the Board a full overview of the Shiloh overlay project so the Board can make an informed decision as to whether or not to proceed with the project.	Odie Watts	10/20/14	CLOSED

INTEREST STATE AND PS CHECKING
48454

BANK OF THE OZARKS

11/6/2014 8:51:33 AM

Printed by: Jessica Eddings

Reporting Institution: 0

Demand Deposit 48454 - MT SHERMAN WATER ASSOCIATION

	Relationship	Date of Birth	Phone Number	Tax Identification
☒ MT SHERMAN WATER ASSOCIATION	☒ Owner		*****	EIN **_*****
☒ GENERAL ACCOUNT	☒ See Additional Relationship		*****	

☒ P O BOX 356
JASPER AR 72641

Additional Relationships

Tax Name: MT SHERMAN WATER
ASSOCIATION
See Mailing Information

Mailing Label

MT SHERMAN WATER ASSOCIATION
GENERAL ACCOUNT
P O BOX 356
JASPER AR 72641

Previous Cycle

Description	Debits	Credits	Date	Balance
Balance Forward:			Sep 30, 2014	\$31,359.40
Check #4919	\$981.50		Oct 01, 2014	\$30,377.90
Check #4920	\$75.00		Oct 01, 2014	\$30,302.90
Check #4912	\$20.00		Oct 01, 2014	\$30,282.90
Check #4915	\$4,051.93		Oct 02, 2014	\$26,230.97
Check #4908	\$125.00		Oct 03, 2014	\$26,105.97
Check #4913	\$204.00		Oct 03, 2014	\$25,901.97
Deposit		\$1,205.86	Oct 08, 2014	\$27,107.83
Deposit		\$1,580.19	Oct 10, 2014	\$28,688.02
Deposit		\$2,026.42	Oct 13, 2014	\$30,714.44
Check #4917	\$175.00		Oct 16, 2014	\$30,539.44
Check #4918	\$175.00		Oct 20, 2014	\$30,364.44
Check #4897	\$160.00		Oct 20, 2014	\$30,204.44
Check #4914	\$45.18		Oct 21, 2014	\$30,159.26
Check #4922	\$50.00		Oct 21, 2014	\$30,109.26
Deposit		\$1,694.91	Oct 22, 2014	\$31,804.17
Check #4923	\$1,100.00		Oct 22, 2014	\$30,704.17
RITTER COMM RITTER PMT XXXXX359-0	\$45.02		Oct 23, 2014	\$30,659.15
Check #4921	\$3,077.07		Oct 23, 2014	\$27,582.08
Deposit		\$2,391.98	Oct 24, 2014	\$29,974.06
CARROLL ELEC-CEC CASH TRANS	\$14.02		Oct 24, 2014	\$29,960.04

INTEREST STATE AND PS CHECKING
48454

BANK OF THE OZARKS

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Reporting Institution: 0

Description	Debits	Credits	Date	Balance
0191442				
CARROLL ELEC-CEC CASH TRANS	\$39.18		Oct 24, 2014	\$32,795.29
0034494				
CARROLL ELEC-CEC CASH TRANS	\$81.94		Oct 24, 2014	\$32,713.35
0034495				
Check #4928	\$100.00		Oct 24, 2014	\$32,613.35
Check #4926	\$15,000.00		Oct 24, 2014	\$17,613.35
Check #4925	\$75.00		Oct 28, 2014	\$17,538.35
Deposit		\$908.92	Oct 31, 2014	\$18,447.27
Interest		\$1.13	Oct 31, 2014	\$18,448.40
Balance This Statement:			Oct 31, 2014	\$18,448.40

Check #	Payee	Amount	Expense
4919	Karen Edgmon	\$981.50	Contract Labor
4920	Karen Edgmon	75.00	rent
4912	Jimmie Beets	20.00	contract labor
4915	Ozark Mtn Regional	4051.93	water service
4908	Buffalo River Ranch	125.00	mowing
4913	Jasper Post Office	204.00	post card stamps
4917	Leslie Daniels	200.00	contract labor
4918	Leslie Daniels	175.00	maintenance
4897	Nelson Phillips	160.00	contract labor (Horseshoe Can)
4914	Matt Giddeons	45.18	refund meter deposit
4922	Odie Watts	50.00	reimburse
4923	Ivan Reynolds	1100.00	contract labor
4921	River Valley Win	3077.07	maintenance
4928	Karen Edgmon	100.00	August/Sept Fire Dues
4926	First Natl.	15000.00	transfer to super checking
4925	Alan VonGrempp	75.00	refund meter deposit



DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,332,627	100.0%
Water Sold to Customers	1,093,530	82.1%
Utility Use (fire, flushing)	0	0.0%
Water Lost	239,097	17.9%
Average Use Per Account	3,609	
Accounts Using Water	303	

SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	9,867.64	0.00	0.00	99.00	652.50	0.00	771.24
Count	331	0	0	330	261	0	326
Average	29.81	0.00	0.00	0.30	2.50	0.00	2.37

ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on October 2014 Bills	13,104.47	331
Credit Balances	-1,335.54	23
Debit Balances	14,440.01	308
Payments	-13,554.80	301
Adjustments	-25.93	5
Balance after Payments and Adj	-476.26	30
Current	-1,030.60	18
30 to 60 Days Old	414.42	8
60 to 90 Days Old	58.26	3
Over 90 Days Old	81.66	1
Penalty Charges	230.23	42
Charges for Services	11,390.38	331
Balance Due	11,144.35	