

MT. SHERMAN WATER ASSOCIATION

P.O. BOX 356

JASPER, AR 72641

(870) 861-5580

BOARD OF DIRECTOR'S MEETING

MONDAY APRIL 13, 2015

5:30 P.M.

Dear Directors:

Enclosed please find the director's report and board minutes for March 2015. Financial records were not available at time of mailing and will be presented at the meeting.

Thank You,



Karen Edgmon

Financial Officer

Mt. Sherman Water Association



**DISTRIBUTION EFFICIENCY SUMMARY**

|                              | Gallons   | Percent |
|------------------------------|-----------|---------|
| Water Supplied to System     | 1,232,661 | 100.0%  |
| Water Sold to Customers      | 995,060   | 80.7%   |
| Utility Use (fire, flushing) | 0         | 0.0%    |
| Water Lost                   | 237,601   | 19.3%   |
| Average Use Per Account      | 3,479     |         |
| Accounts Using Water         | 286       |         |

**SUMMARY BY SERVICE**

|         | Water    | Sewer | Trash | Other1 | Other2 | Other3 | Sales Tax |
|---------|----------|-------|-------|--------|--------|--------|-----------|
| Charges | 9,400.84 | 0.00  | 0.00  | 98.40  | 650.00 | 0.00   | 714.93    |
| Count   | 331      | 0     | 0     | 328    | 260    | 0      | 326       |
| Average | 28.40    | 0.00  | 0.00  | 0.30   | 2.50   | 0.00   | 2.19      |

**ACCOUNTS RECEIVABLE ANALYSIS**

|                                 |            |     |
|---------------------------------|------------|-----|
| Balance Due on March 2015 Bills | 11,153.90  | 333 |
| Credit Balances                 | -1,453.20  | 21  |
| Debit Balances                  | 12,607.10  | 312 |
| Payments                        | -12,111.46 | 302 |
| Adjustments                     | -145.91    | 16  |
| Balance after Payments and Adj  | -1,103.47  | 35  |
| Current                         | -1,599.93  | 25  |
| 30 to 60 Days Old               | 172.30     | 2   |
| 60 to 90 Days Old               | 154.42     | 2   |
| Over 90 Days Old                | 169.74     | 6   |
| Penalty Charges                 | 171.08     | 55  |
| Charges for Services            | 10,864.17  | 331 |
| Balance Due                     | 9,931.78   |     |

|         |               |                          |
|---------|---------------|--------------------------|
| Scribe: | Odie J. Watts |                          |
| Date:   | March 9, 2015 | Time: 5:30 PM -- 6:20 PM |

Board Members:

| Key | Board Member Attendees: Key: * Attended, # Absent | Phone        |
|-----|---------------------------------------------------|--------------|
| *   | Edgmon, Karen – CHIEF FINANCIAL OFFICER           | 861-5641     |
| *   | Ferguson, Ron – BOARD MEMBER                      | 446-2910     |
| *   | Reynolds, Ivan – WATER OPERATOR                   | 446-5352     |
| #   | Rylee, Quinton – BOARD MEMBER                     | 870-688-8018 |
| *   | 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:                        |  |
|-----|-------------------------------------------------|--|
|     | No customers or visitors attended this meeting. |  |

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 February 12, 2014 meeting were reviewed and approved. Motion to approve the minutes was made by Betty Stivers with 2nd by Ben Szabrowicz with no abstentions.                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 3. Financial and Water Association Director's Report | <p>Karen Edgmon presented the financial and director's reports:</p> <ul style="list-style-type: none"> <li>• The water loss rate was recorded at 19.6%.</li> <li>• As of March 1, 2014 the following is an estimated breakdown of the total financial assets currently on deposit:</li> <li>• Treasury Bonds - \$32,577.60</li> <li>• CD's - \$102,742.75</li> <li>• Money Market - \$47,741.17</li> <li>• Checking - \$ 5,905.23</li> <li>• <b>TOTAL - \$188,966.75</b></li> <li>• Motion to approve the financial and director's reports – Betty Stivers, 2nd by Ben Szabrowicz with no abstentions.</li> </ul> |
| 4. Water Operator's Report                           | <p>Ivan Reynolds presented the Water Operators Report:</p> <ul style="list-style-type: none"> <li>• Checked half dozen meters with high usage and the readings were correct.</li> <li>• Checked the Fowler meter and the leak they had was found and fixed in their bathroom. No action was required.</li> <li>• The King water leak was in front of the meter and no action was required by the MSA.</li> </ul>                                                                                                                                                                                                  |

| Agenda          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <ul style="list-style-type: none"> <li>• There was a large leak at the old Edgmon place and they found it. No action was required by the MSHA.</li> <li>• Had ups and downs with the amount of water pumped. We are now below 40,000 gallons per day.</li> </ul> <p>Motion to approve the Water Operator's report – by Ron Ferguson and 2<sup>nd</sup> by Ben Szabrowicz with no Abstentions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 5. Old Business | <ul style="list-style-type: none"> <li>• 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. As of November 10, 2014, 2 additional meters were installed/replaced and the project will continue based on usage history. Ivan indicated he would replace meters with over 1,000,000 recorded gallons on the counter. As of December 15, 2014 no additional meters were replaced under this on-going program. As of January 12, 2015 no change in status due to freezing weather. As of February 9, 2015 this action item is ongoing. Researching the highest usage meters to be replaced once the weather improves. This item is IN WORK as of March 9, 2015.</li> <li>• Action Item 79: Item assigned to Ivan Reynolds to contact Hillard Kilgore to determine if he would consider giving an easement to the MSHA 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. No change in status as of November 10, 2014. As of December 15, 2014 Ivan Reynolds has discussed this item with Hillard Kilgore but not permission has been granted as yet to granting the easement. No change in status as of January 12, 2015. As of February 9, 2015 met with Hillard and he is willing to talk about the route the line would take across his property but has yet to commit to granting an easement. Still PENDING</li> </ul> |

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agenda           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                  | <p>a decision from Hillard Kilgore as of March 9, 2015.</p> <ul style="list-style-type: none"> <li>• 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. Item is still on HOLD as of 11/10/14. As of December 15, 2014 this item continues to be ON HOLD. As of January 12, 2015 there has been no change in status. As of February 9, 2015 there has been no change in status. The item remains on HOLD. As of March 9, 2015 this item continues by be ON HOLD.</li> <li>• 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. Item is still on HOLD as of November 10, 2014. As of December 15th, 2014 this item continues to remain ON HOLD. As of January 12, 2015 there has been no change in status. As of February 9, 2015 there has been no change in status. This item remains on HOLD status. As of March 9, 2015 this item continues to be ON HOLD.</li> <li>• Action Item 96: Item is assigned to Odie Watts to return the Stainless Steel water meter for credit. The meter failed to fit our application and the supplier has agreed to accept the return and to refund the purchase price. As of March 9, 2015 the meter has been returned and the vendor, by email, has acknowledged the return and will refund the purchase price. As of March 9, 2015 this item is CLOSED.</li> </ul> |
| 6. New Business  | <ul style="list-style-type: none"> <li>• Quinton Rylee was invited to join the MSWA Board which he accepted. He has been added as a new Board member as of 02/09/15.</li> <li>• Odie Watts volunteered to return the stainless steel meter for a refund since it would not fit our configuration (<b>ACTION ITEM</b>).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 7. Adjournment   | Meeting adjourned at 6:20 P.M.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 8. Next Meetings | NOTE MEETING START TIME: The next regularly scheduled meeting will be on April 13, 2015 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         |
|----------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------|----------------|
| AI61     | 8/13/12     | Work through the system to replace older meters that may not be recording properly.                                                                                                                               | Ivan Reynolds                | ASAP        | <b>IN WORK</b> |
| 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    | <b>PENDING</b> |
| 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     | <b>HOLD</b>    |
| 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 over lay project to replace the existing 3" line with a 6" line in the Low Gap area. | Ivan Reynolds                | 9/8/14      | <b>HOLD</b>    |
| AI96     | 02/09/15    | Return the stainless steel meter since it will not fit our configuration.                                                                                                                                         | Odie Watts                   | 03/09/15    | <b>CLOSED</b>  |

Mount Sherman Water Association Board Meeting

April 13, 2015, Water Operators Report

By Ivan Reynolds

Pulled Buddy East Rental. Bled lines due to air complaints

I put in meter for Coy Brasel rental trailer so they

Can repair the winter time leaks and make ready for  
a new renter.

Byron Mann wants to make preparations for a new

Meter for the house he built on Shiloh. Also Dustin Lager

Is preparing to build a new home and wants to have a

Meter.