

Mt. Sherman Water Association

P.O. Box 356

Jasper, AR 72641

Board of Director's Meeting

Monday July 13<sup>th</sup> 2015

5:30 P.M.

Dear Directors:

Enclosed please find the Board Minutes for May and June, Director's report and financial information.

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

Thank You,



Karen Edgmon

Financial Officer

Mt. Sherman Water Association

|         |               |                         |
|---------|---------------|-------------------------|
| Scribe: | Odie J. Watts |                         |
| Date:   | May 11, 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, Quentin – 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 April 13, 2015 meeting were reviewed and approved. Motion to approve the minutes was made by Betty Stivers with 2nd by Ron Ferguson with no abstentions. |

| Agenda                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>3. Financial and Water Association Director's Report</p> | <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 18.1%.</li> <li>• Refunded 2 meter deposits.</li> <li>• Purchased toner and Quick Book software for accounting purposes.</li> <li>• As of May 1, 2015 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 - \$51,761.22</li> <li>• Checking - \$ 6,506.47</li> <li>• <b>TOTAL - \$193,588.04</b></li> <li>• Motion to approve the financial and director's reports – Betty Stivers, 2nd by Ron Ferguson with no abstentions.</li> </ul>                                                          |
| <p>4. Water Operator's Report</p>                           | <p>Ivan Reynolds presented the Water Operators Report:</p> <ul style="list-style-type: none"> <li>• Install a meter to the J.R. East rental property.</li> <li>• Replace faulty meter at Coy Brasel's rental property.</li> <li>• Repaired the 4" line going to Quentin Rylee property after a county grader damaged it. The county paid for materials to repair the damage.</li> <li>• Install a new meter for Dustin Lager at the new house he is building.</li> <li>• Installed a new meter for Josh Blakeman at the cabin he purchased from Dustin Lager</li> <li>• Pulled Wendy Spencer meter for past due account. Have not heard from her for payment or service.</li> </ul> <p>Motion to approve the Water Operator's report – by Ron Ferguson and 2<sup>nd</sup> by Quentin</p> |

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| Agenda          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                 | Rylee with no Abstentions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 5. Old Business | <ul style="list-style-type: none"> <li> <p>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. No change in status as of April 13, 2015. As of May 11, 2015 2 additional meters have been replaced. Will continue researching high usage meters for replacement.</p> </li> <li> <p>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. No change in status as of April 13, 2015. As of May 11, 2015 no change</p> </li> </ul> |

| Agenda          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <p>in status.</p> <ul style="list-style-type: none"> <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. No change in status as of April 13, 2015. As of May 11, 2015 no change in status.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                       |
| 6. New Business | <p>Last month (April, 2015) it was learned that the Mt. Sherman Water Association has been named as a defendant in a law suit brought by John and Nancy Butler regarding an easement for the water line supplying water to the Williams property. As of May 11, 2015 the Association has not been served with a notice that a suit is pending. However, the Board determined that we should be prepared to defend ourselves in this suit.</p> <p>In preparation of the law suit the Board recommended and approved the following action items for individual Board members:</p> <ul style="list-style-type: none"> <li>• Karen Edgmon – call Peter Destefano and give him an update on the case as far as we can determine the situation to be.</li> <li>• Barry Shechtman – coordinate with Campbell Insurance agency to determine if the liability policy we have with their agency will cover expenses stemming from this law suit.</li> <li>• Karen Edgmon – contact the Newton County Times office to determine if any legal notice has been published in the paper regarding this law suit.</li> <li>• Odie Watts – deliver copies of the law suit to both Peter Destefano and the Campbell Insurance Agency for their information.</li> </ul> |

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| Agenda           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                  | <ul style="list-style-type: none"> <li>Ivan Reynolds – go to the Sheriff's office to find out if and when a report was filed regarding the instance where Mr. Butler locked the valve which controls the water supply to the Williams property.</li> </ul> <p>Further, the Board approved a \$100.00 token to Peter Destefano to show our appreciation after Barry Shechtman contacted him and discussed the law suit even though Mr. Destefano indicated he would not charge for his consultation on the matter. <b>(ACTION ITEMS)</b></p> |
| 7. Adjournment   | Meeting adjourned at 6:20 P.M.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 8. Next Meetings | NOTE MEETING START TIME: The next regularly scheduled meeting will be on June 1, 2015 at 5:30 at Mt. Sherman Volunteer Fire Department main station. This meeting is called one week earlier than normal so the current status of the pending law suit can be discussed in more detail.                                                                                                                                                                                                                                                     |

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> |

| 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     | <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> |
| AI91     | 5/11/15     | See New Business for a list of Action Items regarding the Butler vs. Mt. Sherman Water Association law suit                                                                                                       | See New Business above       | 6/8/15      | <b>OPEN</b> |

|         |               |                         |
|---------|---------------|-------------------------|
| Scribe: | Odie J. Watts |                         |
| Date:   | June 1, 2015  | Time: 5:30 PM – 6:15 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, Quentin – 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     |
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|     |                                                 |  |
|-----|-------------------------------------------------|--|
| Key | Board Meeting Attendees:                        |  |
|     | No customers or visitors attended this meeting. |  |

**Minutes and Business Discussions:**

|                  |                                                                                                                                                                                                                                                                                                                                                                              |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Agenda</b>    |                                                                                                                                                                                                                                                                                                                                                                              |
| 1. Call to Order | Meeting was called to order at 5:30 by Calvin Voshell – President. This meeting was called one week ahead of the scheduled meeting in order to discuss new information regarding the upcoming law suit brought by John Butler against the MSWA. It was agreed that this Special Meeting would serve as the regularly scheduled business meeting for the month of June, 2015. |

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| Agenda                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2. Meeting Minutes                                   | The Meeting minutes from the May 11, 2015 meeting were reviewed and approved. Motion to approve the minutes was made by Ron Ferguson with 2nd by Betty Stivers with no abstentions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 3. Financial and Water Association Director's Report | <ul style="list-style-type: none"> <li>Karen Edgmon did not present the Financial Report for the month of May due to the meeting schedule change. During the regularly scheduled meeting on July 13, 2015 Karen will present both the Financial Reports for May, 2015 and June, 2015. Karen invited anyone who might have a question regarding the financial reports to call her at any time.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 4. Water Operator's Report                           | <p>Ivan Reynolds presented the Water Operators Report:</p> <ul style="list-style-type: none"> <li>Due to all the recent heavy rains a slide has developed on highway 74 west at the Harvey Gash driveway exit.</li> <li>Had to purchase a 500 foot roll of pipe to make repairs at the slide area. Since there was no account established with the pipe supplier the contractor (Horst Graalman), who is doing the backhoe work, made the purchase and we will reimburse him for the cost of the pipe.</li> <li>At the slide area the water line belonging to the OMRPWA is also affected. They have surveyed the situation and will begin making their repairs. While the main line from the OMRPWA is off line the MSWA may have to depend on stored water in the tanks until all repairs have been accomplished.</li> <li>Replaced the meter loop at Mable King residence.</li> <li>Pulled the meter from Mike Dillow residence for non-payment.</li> </ul> <p>Motion to approve the Water Operator's report – by Betty Stivers 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</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## Agenda

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. No change in status as of April 13, 2015. As of May 11, 2015 2 additional meters have been replaced. Will continue researching high usage meters for replacement. No change in status as of June 1, 2015.

- 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 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. No change in status as of April 13, 2015. As of May 11, 2015 no change in status. No change in status as of June 1, 2015.
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| <p>6. New Business</p> | <p>The purpose of this meeting was to update everyone on the status of the Law Suit filed by John Butler against the MSWA. Barry Shechtman presented to Board a complete recap of the interactions and conversations with both Brad Van Matre, the Claim Executive at Travelers Insurance, who is handling the MSWA liability insurance, and Mike Moore, attorney for Friday Eldredge &amp; Clark law firm handling this law suit and will be representing the MSWA.</p> <ul style="list-style-type: none"> <li>• In summary, the suit has been served on May 12, 2015 to Mr. Dan McNeely who was a member of the Board several years ago and is still on file as the contact point for the MSWA at the Arkansas Secretary of State Office.</li> <li>• No trial date has been established as of June 1, 2015.</li> <li>• Travelers Insurance will cover our legal expenses, over our \$2,500 deductible, provided the MSWA does NOT have a default judgment handed down by the court.</li> </ul> <p>To prevent any problems in the future regarding who to contact at the MSWA the contact information at the Arkansas Secretary of State's office must be updated. Karen Edgmon is working on updating the information. The Board recommended that Ben Szabrowicz be added as the MSWA contact person and that Mr. McNeely's name be removed from the files. The Board approved the measure in a voice vote.</p> <p>OTHER BUSINESS ISSUES TO BE ADDRESSED:</p> <ul style="list-style-type: none"> <li>• The OMRPWA is being pressured to add fluoride to the water supply. Since there is a unanimous stance against adding fluoride to the water</li> </ul> |

| Agenda |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | <p>the Board needs a representative on the issue to work with</p> <p>No trial date</p> <p>Last month (April, 2015) it was learned that the Mt. Sherman Water Association has been named as a defendant in a law suit brought by John and Nancy Butler regarding an easement for the water line supplying water to the Williams property. As of May 11, 2015 the Association has not been served with a notice that a suit is pending. However, the Board determined that we should be prepared to defend ourselves in this suit.</p> <p>In preparation of the law suit the following the Board recommended and approved the following action items for individual Board members:</p> <ul style="list-style-type: none"> <li>• Karen Edgmon – call Peter Destefano and give him an update on the case as far as we can determine the situation to be.</li> <li>• Barry Shechtman – coordinate with Campbell Insurance agency to determine if the liability policy we have with their agency will cover expenses stemming from this law suit.</li> <li>• Karen Edgmon – contact the Newton County Times office to determine if any legal notice has been published in the paper regarding this law suit.</li> <li>• Odie Watts – deliver copies of the law suit to both Peter Destefano and the Campbell Insurance Agency for their information.</li> <li>• Ivan Reynolds – go to the Sheriff's office to find out if and when a report was filed regarding the instance where Mr. Butler locked the valve which controls the water supply to the Williams property.</li> </ul> <p>Further, the Board approved a \$100.00 token to Peter Destefano to show our appreciation after Barry Shechtman contacted him and discussed the law suit even though Mr. Destefano indicated he would not charge for his consultation on the</p> |

|                         |                                                                                                                                                                                                                                                                                         |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Agenda</b>           |                                                                                                                                                                                                                                                                                         |
|                         | matter. <b>(ACTION ITEMS)</b>                                                                                                                                                                                                                                                           |
| <b>7. Adjournment</b>   | Meeting adjourned at 6:20 P.M.                                                                                                                                                                                                                                                          |
| <b>8. Next Meetings</b> | NOTE MEETING START TIME: The next regularly scheduled meeting will be on June 1, 2015 at 5:30 at Mt. Sherman Volunteer Fire Department main station. This meeting is called one week earlier than normal so the current status of the pending law suit can be discussed in more detail. |

Action Items for Discussion and Update at Next Meeting:

| Item No. | Opened Date | Description                                                                                                                                                                                                       | Assigned To                  | Target Date | Status         |
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| 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>    |

| Item No. | Opened Date | Description                                                                                                                                                                                                       | Assigned To            | Target Date | Status      |
|----------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------|-------------|
| 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> |
| AI91     | 5/11/15     | See New Business for a list of Action Items regarding the Butler vs. Mt. Sherman Water Association law suit                                                                                                       | See New Business above | 6/8/15      | <b>OPEN</b> |



### DISTRIBUTION EFFICIENCY SUMMARY

|                              | Gallons   | Percent |
|------------------------------|-----------|---------|
| Water Supplied to System     | 1,503,488 | 100.0%  |
| Water Sold to Customers      | 1,223,570 | 81.4%   |
| Utility Use (fire, flushing) | 0         | 0.0%    |
| Water Lost                   | 279,918   | 18.6%   |
| Average Use Per Account      | 4,052     |         |
| Accounts Using Water         | 302       |         |

### SUMMARY BY SERVICE

|         | Water     | Sewer | Trash | Other1 | Other2 | Other3 | Sales Tax |
|---------|-----------|-------|-------|--------|--------|--------|-----------|
| Charges | 10,601.24 | 0.00  | 0.00  | 97.80  | 645.00 | 0.00   | 818.31    |
| Count   | 329       | 0     | 0     | 326    | 258    | 0      | 324       |
| Average | 32.22     | 0.00  | 0.00  | 0.30   | 2.50   | 0.00   | 2.53      |

### ACCOUNTS RECEIVABLE ANALYSIS

|                                |            |     |
|--------------------------------|------------|-----|
| Balance Due on June 2015 Bills | 10,471.72  | 336 |
| Credit Balances                | -1,619.36  | 23  |
| Debit Balances                 | 12,091.08  | 313 |
| Payments                       | -10,888.66 | 288 |
| Adjustments                    | -95.87     | 4   |
| Balance after Payments and Adj | -512.81    | 45  |
| Current                        | -1,073.58  | 28  |
| 30 to 60 Days Old              | 354.94     | 9   |
| 60 to 90 Days Old              | 43.30      | 5   |
| Over 90 Days Old               | 162.53     | 3   |
| Penalty Charges                | 160.51     | 41  |
| Charges for Services           | 12,162.35  | 329 |
| Balance Due                    | 11,810.05  |     |

## Mt. Sherman Water Association

7/8/2015 8:46 PM

Register: Bank of the Ozarks Checking

From 05/01/2015 through 05/31/2015

Sorted by: Date, Type, Number/Ref

| Date       | Number | Payee                   | Account                 | Memo    | Payment C | Deposit  | Balance  |
|------------|--------|-------------------------|-------------------------|---------|-----------|----------|----------|
| 05/04/2015 | 5027   | Jasper Post Office      | Office Supplies         |         | 204.00    |          | 6,248.59 |
| 05/04/2015 | 5028   | Ozark Mtn. Regional...  | Ask My Accountant       |         | 5,102.96  |          | 1,145.63 |
| 05/05/2015 |        |                         | Sales                   | Deposit |           | 1,476.51 | 2,622.14 |
| 05/05/2015 |        |                         | Sales                   | Deposit |           | 1,358.15 | 3,980.29 |
| 05/05/2015 | 5029   | Buffalo River Ranch     | Professional Fees       |         | 125.00    |          | 3,855.29 |
| 05/11/2015 | 5030   | Odie Watts              | Office Supplies         |         | 55.00     |          | 3,800.29 |
| 05/11/2015 | 5031   | Peter DeStefano         | Professional Fees       |         | 100.00    |          | 3,700.29 |
| 05/12/2015 |        |                         | Sales                   | Deposit |           | 1,739.32 | 5,439.61 |
| 05/12/2015 | 5032   | Mt. Sherman VFD         | Ask My Accountant       |         | 1,213.55  |          | 4,226.06 |
| 05/12/2015 | 5033   | Karen Edgmon            | Ask My Accountant       |         | 100.00    |          | 4,126.06 |
| 05/13/2015 | 5034   | Dept. of Finance & A... | Ask My Accountant       |         | 731.00    |          | 3,395.06 |
| 05/13/2015 | 5035   | AnStaff Bank            | Depreciation Expense    |         | 2,000.00  |          | 1,395.06 |
| 05/13/2015 | 5036   | Karen Edgmon            | Payroll Expenses        |         | 981.50    |          | 413.56   |
| 05/13/2015 | 5037   | Karen Edgmon            | Rent Expense            |         | 75.00     |          | 338.56   |
| 05/14/2015 |        |                         | Sales                   | Deposit |           | 866.34   | 1,204.90 |
| 05/15/2015 | 5038   | Leslie Daniels          | Payroll Expenses        |         | 200.00    |          | 1,004.90 |
| 05/15/2015 | 5039   | Leslie Daniels          | Repairs and Maintenance |         | 175.00    |          | 829.90   |
| 05/17/2015 | 5040   | Jimmie Beets            | Payroll Expenses        |         | 20.00     |          | 809.90   |
| 05/20/2015 |        | Bank/Ozarks             | Interest Expense        | Deposit |           | 0.25     | 810.15   |
| 05/20/2015 |        |                         | Sales                   | Deposit |           | 1,400.82 | 2,210.97 |
| 05/20/2015 | 5041   | Ivan Reynolds           | Payroll Expenses        |         | 1,100.00  |          | 1,110.97 |
| 05/20/2015 | 5042   | Ivan Reynolds           | Repairs and Maintenance |         | 75.00     |          | 1,035.97 |
| 05/21/2015 |        |                         | Sales                   | Deposit |           | 1,464.94 | 2,500.91 |
| 05/26/2015 |        | Carroll Electric        | Utilities               |         | 27.99     |          | 2,472.92 |
| 05/26/2015 |        | Ritter Communications   | Utilities               |         | 35.10     |          | 2,437.82 |
| 05/26/2015 |        | Ritter Communications   | Utilities               |         | 42.19     |          | 2,395.63 |
| 05/26/2015 |        | Carroll Electric        | Utilities               |         | 58.32     |          | 2,337.31 |
| 05/26/2015 |        | Carroll Electric        | Utilities               |         | 75.00     |          | 2,262.31 |
| 05/27/2015 |        |                         | Sales                   | Deposit |           | 1,188.92 | 3,451.23 |
| 05/29/2015 |        |                         | Sales                   | Deposit |           | 1,536.48 | 4,987.71 |
| 05/29/2015 |        |                         | Sales                   | Deposit |           | 30.00    | 5,017.71 |
| 05/29/2015 |        |                         | Sales                   | Deposit |           | 120.00   | 5,137.71 |
| 05/29/2015 |        |                         | Interest Expense        | Deposit |           | 0.22     | 5,137.93 |
| 05/29/2015 | 5043   | Mt. Sherman VFD         | Ask My Accountant       |         | 30.00     |          | 5,107.93 |

## Mt. Sherman Water Association

7/8/2015 8:47 PM

Register: Bank of the Ozarks Checking

From 06/01/2015 through 06/30/2015

Sorted by: Date, Type, Number/Ref

| Date       | Number | Payee                   | Account                 | Memo    | Payment  | C | Deposit  | Balance  |
|------------|--------|-------------------------|-------------------------|---------|----------|---|----------|----------|
| 06/01/2015 | 5044   | Buffalo River Ranch     | Payroll Expenses        |         | 125.00   |   |          | 4,982.93 |
| 06/01/2015 | 5045   | Ozark Mtn. Regional...  | Ask My Accountant       |         | 5,102.96 |   |          | -120.03  |
| 06/02/2015 |        |                         | Sales                   | Deposit |          |   | 936.71   | 816.68   |
| 06/02/2015 | 5046   | Void                    | Ask My Accountant       |         |          |   |          | 816.68   |
| 06/02/2015 | 5047   | Odie Watts              | Office Supplies         |         | 50.00    |   |          | 766.68   |
| 06/05/2015 |        |                         | Sales                   | Deposit |          |   | 1,401.10 | 2,167.78 |
| 06/05/2015 | 5048   | Red Rock Construction   | Payroll Expenses        |         | 780.00   |   |          | 1,387.78 |
| 06/05/2015 | 5049   | Karen Edgmon            | Payroll Expenses        |         | 981.50   |   |          | 406.28   |
| 06/05/2015 | 5050   | Karen Edgmon            | Rent Expense            |         | 75.00    |   |          | 331.28   |
| 06/09/2015 |        |                         | Sales                   | Deposit |          |   | 1,579.38 | 1,910.66 |
| 06/09/2015 | 5051   | Dept. of Finance & A... | Ask My Accountant       |         | 701.00   |   |          | 1,209.66 |
| 06/09/2015 | 5052   | Buffalo River Ranch     | Payroll Expenses        |         | 125.00   |   |          | 1,084.66 |
| 06/12/2015 |        |                         | Sales                   | Deposit |          |   | 500.00   | 1,584.66 |
| 06/15/2015 |        |                         | Sales                   | Deposit |          |   | 2,175.48 | 3,760.14 |
| 06/15/2015 | 5053   | Leslie Daniels          | Payroll Expenses        |         | 200.00   |   |          | 3,560.14 |
| 06/15/2015 | 5054   | Leslie Daniels          | Repairs and Maintenance |         | 175.00   |   |          | 3,385.14 |
| 06/18/2015 |        |                         | Sales                   | Deposit |          |   | 500.00   | 3,885.14 |
| 06/18/2015 |        |                         | Sales                   | Deposit |          |   | 1,328.75 | 5,213.89 |
| 06/22/2015 | 5055   | Ivan Reynolds           | Payroll Expenses        |         | 1,100.00 |   |          | 4,113.89 |
| 06/22/2015 | 5056   | Ivan Reynolds           | Repairs and Maintenance |         | 75.00    |   |          | 4,038.89 |
| 06/22/2015 | 5057   | Mt. Sherman VFD         | Ask My Accountant       |         | 552.06   |   |          | 3,486.83 |
| 06/22/2015 | 5058   | Karen Edgmon            | Office Supplies         |         | 50.00    |   |          | 3,436.83 |
| 06/23/2015 |        | Ritter Communications   | Utilities               |         | 35.10    |   |          | 3,401.73 |
| 06/23/2015 |        | Ritter Communications   | Utilities               |         | 40.87    |   |          | 3,360.86 |
| 06/24/2015 |        |                         | Sales                   | Deposit |          |   | 2,886.80 | 6,247.66 |
| 06/25/2015 |        |                         | Sales                   | Deposit |          |   | 497.40   | 6,745.06 |
| 06/25/2015 | 5059   | Red Rock Construction   | Payroll Expenses        |         | 2,704.00 |   |          | 4,041.06 |
| 06/26/2015 |        | Carroll Electric        | Utilities               |         | 23.73    |   |          | 4,017.33 |
| 06/26/2015 |        | Carroll Electric        | Utilities               |         | 45.86    |   |          | 3,971.47 |
| 06/26/2015 |        | Carroll Electric        | Utilities               |         | 88.34    |   |          | 3,883.13 |
| 06/30/2015 |        |                         | Interest Expense        | Deposit |          |   | 0.24     | 3,883.37 |
| 06/30/2015 |        |                         | Sales                   | Deposit |          |   | 83.04    | 3,966.41 |