

MT. SHERMAN WATER ASSOCIATION

P.O. 356

JASPER, AR 72641

(870) 861-5580

BOARD OF DIRECTOR'S MEETING

MONDAY OCTOBER 12, 2015

Dear Directors:

Enclosed please find the board minutes, transaction report and director's report for September 2015.

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

---

Thank You,

*Karen*

Karen Edgmon

Financial Officer

Mt. Sherman Water Association

|         |                 |                         |
|---------|-----------------|-------------------------|
| Scribe: | Odie J. Watts   |                         |
| Date:   | August 10, 2015 | Time: 5:28 PM – 6:35 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 5:28 by Calvin Voshell – President.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2. Meeting Minutes                                   | The Meeting minutes from the July 13, 2015 meeting was reviewed and approved. Motion to approve the minutes was made by Betty Stivers with 2nd by Quentin Rylee with no abstentions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3. Financial and Water Association Director's Report | <p><del>Karen Edgmon presented the financial report. At the end of June the total</del><br/>financial assets currently on deposit:</p> <ul style="list-style-type: none"> <li>• Treasury Bonds - \$32,577.60</li> <li>• Certificates of Deposit - \$102,742.75</li> <li>• Money Market - \$53,802.69</li> <li>• Checking - \$7,906.51</li> <li>• <b>TOTAL - \$197,029.55</b></li> <li>• Sent in paper work to the Public Assist Program for reimbursement for slide area leak in the amount of \$6,897. No word on whether or not the claim has been approved.</li> <li>• Added another \$2,000 to Money Market account.</li> <li>• The new court date for the Butler vs. MSWA is now set for 9/10/15 in Harrison. This date will likely be moved to a later date due to Judge's schedule.</li> <li>• Deposited \$700.00 received from Jim Culver for the scrap copper wire located at Well #1.</li> </ul> <p>Motion to approve the financial report was made by Ron Ferguson with 2nd by Betty Stivers with no abstentions.</p> |
| 4. Water Operator's                                  | <p>Ivan Reynolds presented the Water Operators Report:</p> <ul style="list-style-type: none"> <li>• Presented the Work Log to the Board for their review.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Agenda           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Report           | <ul style="list-style-type: none"> <li>• Installed 4 new meters and reinstalled the meter at the Dillows after past due amount was collected.</li> <li>• The shipment of the 400 new meters is scheduled for 8/27/15.</li> <li>• Working with Byron Mann on his new meter installation.</li> <li>• It is time to schedule a tank inspection to determine repairs and painting that might be required.</li> <li>• Finished reporting to the County Judge on the claim to be submitted for reimbursement at the slide area caused by excessive rain.</li> </ul> <p>Motion to approve the Water Operator's report – by Betty Stivers and 2<sup>nd</sup> by Ron Feguson.</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. <del>Ivan indicated he would replace meters with over</del> 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. No change in status as of July 13, 2015. No change in status as of August 10, 2015.</li> </ul> |
|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 6. New Business  | No new business was raised except the pending tank inspection requirement and possible court date reschedule mentioned above                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 7. Adjournment   | Meeting adjourned at 6:35 P.M.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 8. Next Meetings | <b>NEXT MEETING START TIME:</b> The next regularly scheduled meeting will be on September 14, 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         |
|--------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------|----------------|
| <b>AI61</b>  | 8/13/12     | Work through the system to replace older meters that may not be recording properly.                                                                                                                               | Ivan Reynolds                | ASAP        | <b>IN WORK</b> |
| <b>AI79</b>  | 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> |
| <b>AI 87</b> | 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 MSWA system. | Odie Watts and Ivan Reynolds | 8/11/14     | <b>ON HOLD</b> |
| <b>AI90</b>  | 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>ON HOLD</b> |
| <b>AI91</b>  | 7/13/15     | Contact County Clerk's office for information regarding the law suit pending against the MSWA brought by Mr. Butler.                                                                                              | Karen Edgmon                 | 8/13/15     | <b>PENDING</b> |
| <b>AI92</b>  | 7/13/15     | Obtain a map of the MSWA system and pass it along to Shane Kilgore who has agreed to be the backup water operator if needed.                                                                                      | Ivan Reynolds                | 8/13/15     | <b>OPEN</b>    |
| <b>AI93</b>  | 7/13/15     | Obtain an approved P.O. and open an account with the RG3 Meter Co. in order to place an order for 400 new meters.                                                                                                 | Ivan Reynolds                | 8/13/15     | <b>CLOSED</b>  |

## Mt. Sherman Water Association

10/6/2015 5:44 AM

Register: Bank of the Ozarks Checking

From 09/01/2015 through 09/30/2015

Sorted by: Date, Type, Number/Ref

| Date       | Number | Payee                   | Account                 | Memo            | Payment  | C | Deposit  | Balance  |
|------------|--------|-------------------------|-------------------------|-----------------|----------|---|----------|----------|
| 09/03/2015 |        |                         | Sales                   | Deposit         |          |   | 1,245.81 | 9,844.17 |
| 09/03/2015 | 5089   | Ozark Mtn. Regional...  | Ask My Accountant       |                 | 5,338.83 |   |          | 4,505.34 |
| 09/09/2015 |        |                         | Sales                   | Deposit         |          |   | 1,977.44 | 6,482.78 |
| 09/10/2015 |        |                         | Sales                   | Deposit         |          |   | 500.00   | 6,982.78 |
| 09/10/2015 | 5090   | Dept. of Finance & A... | Ask My Accountant       |                 | 909.00   |   |          | 6,073.78 |
| 09/10/2015 | 5091   | Buffalo River Ranch     | Payroll Expenses        |                 | 125.00   |   |          | 5,948.78 |
| 09/10/2015 | 5092   | Harbor Environmental    | Repairs and Maintenance |                 | 121.61   |   |          | 5,827.17 |
| 09/10/2015 | 5093   | Karen Edgmon            | Payroll Expenses        |                 | 981.50   |   |          | 4,845.67 |
| 09/10/2015 | 5094   | Karen Edgmon            | Rent Expense            |                 | 75.00    |   |          | 4,770.67 |
| 09/14/2015 |        |                         | Sales                   | Deposit         |          |   | 168.60   | 4,939.27 |
| 09/14/2015 |        |                         | Sales                   | Deposit         |          |   | 228.00   | 5,167.27 |
| 09/14/2015 |        |                         | Sales                   | Deposit         |          |   | 2,716.74 | 7,884.01 |
| 09/14/2015 | 5095   | Odie Watts              | Office Supplies         |                 | 50.00    |   |          | 7,834.01 |
| 09/15/2015 | 5096   | Friday Eldredge & Cl... | Professional Fees       |                 | 2,500.00 |   |          | 5,334.01 |
| 09/15/2015 | 5097   | Karen Edgmon            | Office Supplies         | toner/paper     | 157.66   |   |          | 5,176.35 |
| 09/16/2015 | 5098   | Leslie Daniels          | Payroll Expenses        |                 | 200.00   |   |          | 4,976.35 |
| 09/16/2015 | 5099   | Leslie Daniels          | Repairs and Maintenance |                 | 175.00   |   |          | 4,801.35 |
| 09/17/2015 | 5100   | Ivan Reynolds           | Ask My Accountant       | Jesse Jefferson | 30.00    |   |          | 4,771.35 |
| 09/17/2015 | 5101   | Ivan Reynolds           | Payroll Expenses        |                 | 1,100.00 |   |          | 3,671.35 |
| 09/17/2015 | 5102   | Ivan Reynolds           | Repairs and Maintenance |                 | 75.00    |   |          | 3,596.35 |
| 09/17/2015 | 5103   | AnStaff Bank            | Depreciation Expense    |                 | 2,000.00 |   |          | 1,596.35 |
| 09/23/2015 |        |                         | Sales                   | Deposit         |          |   | 1,533.24 | 3,129.59 |
| 09/23/2015 |        |                         | Sales                   | Deposit         |          |   | 500.00   | 3,629.59 |
| 09/23/2015 |        |                         | Sales                   | Deposit         |          |   | 1,460.64 | 5,090.23 |
| 09/23/2015 | DBT    | Ritter Communications   | Utilities               |                 | 35.26    |   |          | 5,054.97 |
| 09/23/2015 | DBT    | Ritter Communications   | Utilities               |                 | 42.18    |   |          | 5,012.79 |
| 09/23/2015 | 5104   | Jimmie Beets            | Payroll Expenses        |                 | 20.00    |   |          | 4,992.79 |
| 09/24/2015 |        |                         | Sales                   | Deposit         |          |   | 3,660.30 | 8,653.09 |
| 09/25/2015 | DBT    | Carroll Electric        | Utilities               |                 | 14.18    |   |          | 8,638.91 |
| 09/25/2015 | DBT    | Carroll Electric        | Utilities               |                 | 38.58    |   |          | 8,600.33 |
| 09/25/2015 | DBT    | Carroll Electric        | Utilities               |                 | 101.57   |   |          | 8,498.76 |
| 09/25/2015 | 5105   | Jasper Post Office      | Office Supplies         |                 | 210.00   |   |          | 8,288.76 |
| 09/28/2015 |        |                         | Sales                   | Deposit         |          |   | 544.51   | 8,833.27 |
| 09/28/2015 | 5106   | Buffalo River Ranch     | Payroll Expenses        |                 | 125.00   |   |          | 8,708.27 |
| 09/28/2015 | 5107   | Ozark Mtn. Regional...  | Ask My Accountant       |                 | 5,453.63 |   |          | 3,254.64 |
| 09/30/2015 |        |                         | Sales                   | Deposit         |          |   | 259.32   | 3,513.96 |
| 09/30/2015 |        |                         | Interest Expense        | Deposit         |          |   | 0.35     | 3,514.31 |



800-227-5128

Printed Monday, September 28, 2015 @ 19:27

#### DISTRIBUTION EFFICIENCY SUMMARY

|                              | Gallons   | Percent |
|------------------------------|-----------|---------|
| Water Supplied to System     | 1,788,074 | 100.0%  |
| Water Sold to Customers      | 1,363,710 | 76.3%   |
| Utility Use (fire, flushing) | 0         | 0.0%    |
| Water Lost                   | 424,364   | 23.7%   |
| Average Use Per Account      | 4,442     |         |
| Accounts Using Water         | 307       |         |

#### SUMMARY BY SERVICE

|         | Water     | Sewer | Trash | Other1 | Other2 | Other3 | Sales Tax |
|---------|-----------|-------|-------|--------|--------|--------|-----------|
| Charges | 11,528.40 | 0.00  | 0.00  | 99.30  | 657.50 | 0.00   | 900.50    |
| Count   | 336       | 0     | 0     | 331    | 263    | 0      | 331       |
| Average | 34.31     | 0.00  | 0.00  | 0.30   | 2.50   | 0.00   | 2.72      |

#### ACCOUNTS RECEIVABLE ANALYSIS

|                                     |            |     |
|-------------------------------------|------------|-----|
| Balance Due on September 2015 Bills | 13,255.13  | 337 |
| Credit Balances                     | -1,579.81  | 30  |
| Debit Balances                      | 14,834.94  | 307 |
| Payments                            | -13,794.60 | 300 |
| Adjustments                         | -73.39     | 10  |
| Balance after Payments and Adj      | -612.86    | 40  |
| Current                             | -920.53    | 30  |
| 30 to 60 Days Old                   | 139.08     | 5   |
| 60 to 90 Days Old                   | 66.38      | 2   |
| Over 90 Days Old                    | 102.21     | 3   |
| Penalty Charges                     | 173.24     | 40  |
| Charges for Services                | 13,185.70  | 336 |
| Balance Due                         | 12,746.08  |     |

|         |                  |                         |
|---------|------------------|-------------------------|
| Scribe: | Odie J. Watts    |                         |
| Date:   | October 12, 2015 | Time: 5:30 PM – 6:25 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 – VICE PRESIDENT                   | 870-688-8018 |
| *   | Shechtman, Barry – BOARD MEMBER                   | 446-6630     |
| *   | Stivers, Betty – BOARD MEMBER                     | 446-5744     |
| *   | Szabrowicz, Ben – BOARD MEMBER                    | 446-6007     |
| *   | Voshell, Calvin – PRESIDENT                       | 446-2270     |
| *   | Watts, Odie – SECRETARY / TREASURER               | 446-2838     |

| Board Meeting Attendees: |                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | Lee Kidder attended the meeting with a request for the Board to work with her regarding a large water bill she received resulting from a leak on her side of the meter. The Board agreed the \$418 water bill can be paid in monthly payments of \$50 (in addition to her normal water usage bill) and that the water will be sold to her at cost and no interest and penalties will be added to her bill. |

**Minutes and Business Discussions:**

|               |  |
|---------------|--|
| <b>Agenda</b> |  |
|---------------|--|

| 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 14, 2015 meeting was reviewed and approved. Motion to approve the minutes was made by Betty Stivers with 2nd by Quentin Rylee with no abstentions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 3. Financial and Water Association Director's Report | <p>Karen Edgmon presented the financial report. At the end of September, 2015 the total financial assets currently on deposit:</p> <ul style="list-style-type: none"> <li>• Treasury Bonds - \$32,577.60</li> <li>• Certificates of Deposit - \$102,742.75</li> <li>• Money Market - \$39,829.62</li> <li>• Checking - \$3,514.31</li> <li>• TOTAL - \$178,664.28</li> </ul> <ul style="list-style-type: none"> <li>• Received a check from The State of Arkansas Department of Emergency Management in the amount of \$4,460.59. The check was payment for labor and materials expended to repair a major leak caused by a land slide on Hwy 74 West after heavy rains that resulted in Newton County being declared a disaster-area. After the slide-area is stabilized and more work is needed to protect the line from freezing more money may be forthcoming.</li> <li>• Paid \$16,000 for the 400 new meters which are now stored at Well #1.</li> <li>• Have made no deposit to the Money Market account this month but will do so now that the money from the DEM was received.</li> <li>• The Notification System payment of \$402 that was slated to be paid this year will be deferred until January, 2016 to take advantage of an entire year's subscription.</li> </ul> <p>Motion to approve the financial report was made by Betty Stivers with 2nd by Ron Ferguson with no abstentions.</p> |
| 4. Water Operator's Report                           | Ivan Reynolds presented the Water Operators Report:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |



| Agenda          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <ul style="list-style-type: none"> <li>Presented the Work Log to the Board for their review.</li> <li>The tank at Well#1 was inspected and will have to be blasted and painted. ESI will have to be contracted to manage the project and apply for any grants that may be available.</li> <li>The flow and pressure equipment from ESI has been disconnected and will be picked up by them on 10/16/15. The collected data will be analyzed for potential problems with flow and/or pressure within the system.</li> </ul> <p>Motion to approve the Water Operator's report – by Ben Szabrowicz and 2<sup>nd</sup> by Ron Ferguson 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. 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. No change in status as of July 13, 2015. No change in status as of August 10, 2015. As of September 14, 2015, with the shipment of the new meters, the goal is to replace at least 4 meters per month until all the older meters are replaced. As of October 14, 2015 an</li> </ul> |
|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Agenda           |                                                                                                                                                                        |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  | additional six older meters have been replaced. This action item will be deleted from the minutes and status changes will be updated as the older meters are replaced. |
| 6. New Business  | No new business was raised for discussion by the Board.                                                                                                                |
| 7. Adjournment   | Meeting adjourned at 6:35 P.M.                                                                                                                                         |
| 8. Next Meetings | <b>NEXT MEETING START TIME:</b> The next regularly scheduled meeting will be on November 9, 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. See notations above                                                                                                           | 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 |
| 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 MSWA system. | Odie Watts and Ivan Reynolds | 8/11/14     | ON HOLD |

| <b>Item No.</b> | <b>Opened Date</b> | <b>Description</b>                                                                                                                                                                                                | <b>Assigned To</b> | <b>Target Date</b> | <b>Status</b>  |
|-----------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|----------------|
| <b>AI90</b>     | 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>ON HOLD</b> |
| <b>AI91</b>     | 7/13/15            | Contact County Clerk's office for information regarding the law suit pending against the MSWA brought by Mr. Butler.                                                                                              | Karen Edgmon       | 8/13/15            | <b>PENDING</b> |
| <b>AI92</b>     | 7/13/15            | Obtain a map of the MSWA system and pass it along to Shane Kilgore who has agreed to be the backup water operator if needed.                                                                                      | Ivan Reynolds      | 8/13/15            | <b>CLOSED</b>  |
| <b>AI93</b>     | 9/14/15            | Pay TECHRODIUM the first annual fee of \$402.50 for implementing the IRIS notification system.                                                                                                                    | Karen Edgmon       | 10/12/15           | <b>PENDING</b> |
| <b>AI94</b>     | 9/14/15            | Pay the Friday Law Firm \$2,500.00 which is the deductible expense for their representation in the Butler vs the MSWA law suit. Remaining legal expenses will be paid by Travelers Insurance Co.                  | Karen Edgmon       | 10/12/15           | <b>CLOSED</b>  |

## Mt. Sherman Water Association

11/6/2015 7:30 PM

Register: Bank of the Ozarks Checking

From 10/01/2015 through 10/31/2015

Sorted by: Date, Type, Number/Ref

| Date       | Number | Payee                   | Account                 | Memo    | Payment C | Deposit  | Balance   |
|------------|--------|-------------------------|-------------------------|---------|-----------|----------|-----------|
| 10/06/2015 |        |                         | Sales                   | Deposit |           | 2,041.36 | 5,555.67  |
| 10/06/2015 |        |                         | Sales                   | Deposit |           | 4,460.59 | 10,016.26 |
| 10/12/2015 |        |                         | Sales                   | Deposit |           | 2,009.42 | 12,025.68 |
| 10/12/2015 | 5108   | Void                    | Ask My Accountant       |         |           |          | 12,025.68 |
| 10/12/2015 | 5109   | AnStaff Bank            | Depreciation Expense    |         | 5,000.00  |          | 7,025.68  |
| 10/14/2015 | 5110   | Dept. of Finance & A... | Ask My Accountant       |         | 887.00    |          | 6,138.68  |
| 10/14/2015 | 5111   | Leslie Daniels          | Payroll Expenses        |         | 200.00    |          | 5,938.68  |
| 10/14/2015 | 5112   | Leslie Daniels          | Payroll Expenses        |         | 175.00    |          | 5,763.68  |
| 10/14/2015 | 5113   | Karen Edgmon            | Payroll Expenses        |         | 981.50    |          | 4,782.18  |
| 10/14/2015 | 5114   | Karen Edgmon            | Rent Expense            |         | 75.00     |          | 4,707.18  |
| 10/19/2015 |        |                         | Sales                   | Deposit |           | 140.34   | 4,847.52  |
| 10/19/2015 |        |                         | Sales                   | Deposit |           | 1,346.78 | 6,194.30  |
| 10/19/2015 | 5115   | Sam's Club              | Office Supplies         |         | 89.50     |          | 6,104.80  |
| 10/19/2015 | 5116   | Nelson Phillips         | Professional Fees       |         | 450.00    |          | 5,654.80  |
| 10/21/2015 |        |                         | Sales                   | Deposit |           | 3,325.48 | 8,980.28  |
| 10/22/2015 | 5117   | Ivan Reynolds           | Payroll Expenses        |         | 1,100.00  |          | 7,880.28  |
| 10/22/2015 | 5118   | Ivan Reynolds           | Repairs and Maintenance |         | 75.00     |          | 7,805.28  |
| 10/23/2015 | DBT    | Ritter Communications   | Utilities               |         | 35.26     |          | 7,770.02  |
| 10/23/2015 | DBT    | Ritter Communications   | Utilities               |         | 42.71     |          | 7,727.31  |
| 10/26/2015 |        |                         | Sales                   | Deposit |           | 2,557.23 | 10,284.54 |
| 10/27/2015 | DBT    | Carroll Electric        | Utilities               |         | 14.19     |          | 10,270.35 |
| 10/27/2015 | DBT    | Carroll Electric        | Utilities               |         | 38.97     |          | 10,231.38 |
| 10/27/2015 | DBT    | Carroll Electric        | Utilities               |         | 101.23    |          | 10,130.15 |
| 10/29/2015 |        |                         | Sales                   | Deposit |           | 1,231.28 | 11,361.43 |
| 10/29/2015 | DBT    | Bank/Ozarks             | Bank Service Charges    |         | 22.46     |          | 11,338.97 |
| 10/29/2015 | 5119   | Waterworks              | Office Supplies         |         | 370.40    |          | 10,968.57 |
| 10/30/2015 |        |                         | Interest Expense        | Deposit |           | 0.37     | 10,968.94 |
| 10/30/2015 | 5120   | Jimmie Beets            | Payroll Expenses        |         | 20.00     |          | 10,948.94 |
| 10/30/2015 | 5121   | Ozark Mtn. Regional...  | Ask My Accountant       |         | 5,102.96  |          | 5,845.98  |

|         |                    |                         |
|---------|--------------------|-------------------------|
| Scribe: | Odie J. Watts      |                         |
| Date:   | September 14, 2015 | Time: 5:30 PM – 6:25 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 – VICE PRESIDENT                   | 870-688-8018 |
| *   | Shechtman, Barry – BOARD MEMBER                   | 446-6630     |
| *   | Stivers, Betty – BOARD MEMBER                     | 446-5744     |
| *   | Szabrowicz, Ben – BOARD MEMBER                    | 446-6007     |
| *   | Voshell, Calvin – PRESIDENT                       | 446-2270     |
| *   | Watts, Odie – SECRETARY / TREASURER               | 446-2838     |

|  |                                                 |  |
|--|-------------------------------------------------|--|
|  | <b>Board Meeting Attendees:</b>                 |  |
|  | 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.                                                                                      |
| 2. Meeting Minutes | The Meeting minutes from the August 10, 2015 meeting was reviewed and approved. Motion to approve the minutes was made by Betty Stivers with 2nd by Ben |

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Agenda</b>                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                      | Szabrowicz with no abstentions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3. Financial and Water Association Director's Report | <p>Karen Edgmon presented the financial report. At the end of June the total financial assets currently on deposit:</p> <ul style="list-style-type: none"> <li>• Treasury Bonds - \$32,577.60</li> <li>• Certificates of Deposit - \$102,742.75</li> <li>• Money Market - \$55,818.11</li> <li>• Checking - \$9,351.73</li> <li>• <b>TOTAL - \$200,490.19</b></li> <li>• Received a quote from TECHRADIUM on cost to implement a notification system to advise customers of system wide boil order, outages, etc. The notifications system is designated as IRIS and will notify customers via voice, text, e-mail when, for example, a boil order is in effect. The system was demonstrated and works well. The annual cost is \$402.50. The Board approved spending the money to implement the IRIS system. Karen Edgmon will put together a complete phone list of customers of the MSWA and send them a check prior to the next meeting in September, 2015 <b>(ACTION ITEM)</b>.</li> <li>• Added another \$2,000 to Money Market account.</li> <li>• The court date for the Butler vs. MSWA has been postponed indefinitely because the judge has recued himself and a new judge will have to be appointed. No new court date has been set as of September 14, 2015.</li> </ul> <p>Motion to approve the financial report was made by Betty Stivers with 2nd by Barry Shechtman with no abstentions.</p> |
| 4. Water Operator's Report                           | <p>Ivan Reynolds presented the Water Operators Report:</p> <ul style="list-style-type: none"> <li>• Presented the Work Log to the Board for their review.</li> <li>• Received the 400 new meters on August 31<sup>st</sup>. The meters are now stored at Well #1.</li> <li>• The Well #1 tank inspection is now on the list and will be conducted prior to</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Agenda          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <p>the next meeting. Results of the inspection will be presented to the Board after the inspection is complete.</p> <ul style="list-style-type: none"> <li>Completed the Dept. of Health inspection on September 1<sup>st</sup>. No major issues were noted during the inspection.</li> <li>Continue to monitor flow and pressure with the equipment from ESI to determine if the system is functioning properly after water outage at the Shechtman residence.</li> </ul> <p>Motion to approve the Water Operator's report – by Betty Stivers and 2<sup>nd</sup> by Ben Szabrowicz.</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. 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. No change in status as of July 13, 2015. No change in status as of August 10, 2015. As of September 14, 2015 with the shipment of the new meters the goal is to replace at least 4 meters per</li> </ul> |

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Agenda</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                  | month until all the older meters are replaced. containing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 6. New Business  | Barry Shechtman has been in contact with Travelers Insurance and the Friday Law Firm regarding the legal expenses the MSWA has incurred in the Butler vs. the MSWA law suit. As of September 14, 2015 the Friday Law Firm has recorded \$5,311.62 in legal fees. The firm will bill the MSWA for that amount of which the MSWA is responsible for on \$2,500.00. After the \$2,500.00 is paid the Friday Law Firm will bill Travelers Insurance for the remaining balance and any further fees associated with the law suit. Karen Edgmon will make the \$2,500 payment as soon as possible <b>(ACTION ITEM)</b> . |
| 7. Adjournment   | Meeting adjourned at 6:35 P.M.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 8. Next Meetings | <b>NEXT MEETING START TIME:</b> The next regularly scheduled meeting will be on October 12, 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        | 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         |
|--------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------|----------------|
| <b>AI 87</b> | 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 MSWA system. | Odie Watts and Ivan Reynolds | 8/11/14     | <b>ON HOLD</b> |
| <b>AI90</b>  | 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>ON HOLD</b> |
| <b>AI91</b>  | 7/13/15     | Contact County Clerk's office for information regarding the law suit pending against the MSWA brought by Mr. Butler.                                                                                              | Karen Edgmon                 | 8/13/15     | <b>OPEN</b>    |
| <b>AI92</b>  | 7/13/15     | Obtain a map of the MSWA system and pass it along to Shane Kilgore who has agreed to be the backup water operator if needed.                                                                                      | Ivan Reynolds                | 8/13/15     | <b>OPEN</b>    |
| <b>AI93</b>  | 9/14/15     | Pay TECHRODIUM the first annual fee of \$402.50 for implementing the IRIS notification system.                                                                                                                    | Karen Edgmon                 | 10/12/15    | <b>OPRN</b>    |
| <b>AI94</b>  | 9/14/15     | Pay the Friday Law Firm \$2,500.00 which is the deductible expense for their representation in the Butler vs the MSWA law suit. Remaining legal expenses will be paid by Travelers Insurance Co.                  | Karen Edgmon                 | 10/12/15    | <b>OPEN</b>    |

10-12

MS Bd MtG

Pg

1

| Date | Customer            | Activity Performed                                                                | Time Started | Time Ended | Parts Used                  |
|------|---------------------|-----------------------------------------------------------------------------------|--------------|------------|-----------------------------|
| 9/16 | Mt Sturman          | Moved Flow Mtr to Austin Kilgore Place                                            | 5:30P        | 7:30P      |                             |
| 9-17 | Tim Oliver          | meter install                                                                     | 3PM          | 4:30P      | <del>3/4 PRV</del><br>meter |
| 9-24 | Mt Sturman          | Moved Flow Mtr from Austin to BTR station<br><del>2:30 PM</del>                   | 2 PM         | 3:30 PM    |                             |
| 9-25 | Mt Sturman          | 4" Booster pump LINE BLEW a hole in pipe sitting on rock RPRD 1-4" SS WRAP Sleeve | 9:30A        | 5 PM       | 1- 4" SS Sleeve             |
| 9-26 | Mt Sturman          | PRV plug Replaced                                                                 | 10A          | 12:30P     | Brass Plug from used PRV    |
| 9-28 | Mt Sturman          | Replaced 2" PRV @ Steel Creek                                                     | 10AM         | 4-PM       | 1-2" PRV                    |
| 9-30 | ✓ FOR Leake Kidders | Leak on customer side                                                             | 5:30P        | 7:1PM      | —                           |
| 10-1 | Mt Sturman          | inspection of both water storage TANKS                                            | 10A          | 2PM        |                             |

10-12 MS Bd Mtg R92

| Date  | Customer                           | Activity Performed                                 | Time Started        | Time Ended | Parts Used                        |
|-------|------------------------------------|----------------------------------------------------|---------------------|------------|-----------------------------------|
| 10-2  | J REAST                            | Changed Meter                                      | 11 Am               | 12:30P     | 1 3/4 Res Meter                   |
| 10-4  | M <del>S</del> Sherman             | Moved Flow Meter to Barry Sehechtman's             | 12:30P              | 3Pm        |                                   |
| 10-5  | ANN VAN LAAR                       | Changed Meter<br>Looked for Leak                   | 4:15P               | 6 Pm       | 1 3/4 Res Meter                   |
| 10-11 | <del>Retrieved</del><br>Mt Sherman | Retrieved Flow meter FROM Barry's END of Flow Test | 11AM                | 11:30      |                                   |
| 11    |                                    | Excavated valve @ W#1                              | 11:45               | 3:30P      | 1-concrete Ring<br>1-mushroom Lid |
| 10-12 | RANAY KEEF                         | Changed meter                                      | 1P- <del>125P</del> | 1:25P      | 1-3/4 Res MTR                     |
| 10-12 | DAVID PENNINGTON                   | meter Hookup                                       | 11:45A              | 12:45P     | 1-3/4 Res MTR                     |
| 10-12 | Bill COLEMAN                       | Changed Meter                                      | 1:40PM              | 2:05PM     | 1-3/4 Res MTR                     |
| 10-12 | Debby Sellers                      | Changed Meter                                      | 2:15P               | 2:40P      | 1-3/4 Res MTR                     |

Brick House