

COMPTON WATER ASSOCIATION
Board of Directors and Business Meeting
Held at Compton School, Compton Arkansas
April 11, 2017 - 7:00 p.m.

Mitch Jones called meeting of April 11, 2017 Compton Water Association to order. Roger Jones called roll to determine if a Quorum is present. Members present: Mitch Jones, Roger Jones, Karl Lehr, John Henderson and Veronica Clark. Quorum established.

REPORTS:

MINUTES: Katrina Davidson

DIRECTORS REPORT: Katrina Davidson

BOOKKEEPER REPORT: Katrina Davidson

WATER OPERATOR REPORT: Wayne Hartlerode

A motion was made by John Henderson to accept the reports into the minutes. Roger Jones seconded the motion.
All in favor; motion carries.

OLD/UNFINISHED BUSINESS:

Topic: Accounts transferred to Anstaff Bank.

Katrina reported that 3 of the 4 accounts have already been transferred to Anstaff and that the fourth will be transferred over this next month.

NEW BUSINESS:

Topic: Elect and Vote on Board Officers.

The new Board was elected and voted on as follows

President- Roger Jones

Vice President- Mitch Jones

Treasurer- Veronica Clark

Board Member- Karl Lehr

Board Member- John Henderson

Topic: Responses to Attorney General.

Karl corrected what was inaudible in the minutes. A person said they talked to the AG office and said an attorney was not needed to respond to AG office, he mentioned that was correct it is only when you go to court that you would need an attorney.

Veronica: I read every one of these and I first want to say you are right and everything presented is used for or against us in future proceedings or direction with the AG. The only thing I have against this is that it was not written by legal council otherwise I think Karl did a fine job on these.

Roger: But it has been established that he is able to make these responses for us?

Veronica: Did you ascertain that?

Karl: A lay person can make these responses, I am not an attorney.

Veronica: And we understand that, and neither is this Board.

Roger: That is a very crucial point, and I have confidence in you. We do not have the money for an attorney, but at the same time I'm a little nervous, being a volunteer, trying to respond to the Attorney General, all we are doing is the best we can and oversight all this.

Veronica: We have 2 choices. To move forward as a layman. We have to vote on this and that is saying we trust in a future litigation that these documents are sound enough to be presented in a case on our behalf if we have been found wrong doing in business practices. I think what Karl did was great.

Roger: Would you have the confidence to move forward with it?

Veronica: After looking at this, I would have to say with some hesitation yes. Because these same things would have to be given in a court of law.

Roger: I can't imagine we would go to court. Karl what do you think?

Karl: Anybody can bring you to court, I don't think anyone will.

Karl: AG office is just not court, it is just an Administrator. Theoretically they can file suit and at that point you would need an attorney.

Roger: That's what I don't see happening, I think our business practices are relatively sound, no ones perfect.

Karl: I don't see any credible threat from the AG office, in sense of them filing suits.

Veronica: I agree with that and that is why I agree with these is because these same documents would be presented to the AG. And these seemed to be without opinion, and Karl did good at that. He stated facts and explained the complaints with the facts.

Karl: When you go to court there are two questions, question of fact and question of law. So this is just dealing with questions of fact and stating facts as best as I could tell from the record cause I have to personal knowledge.

Roger: Do we need to wait to each review these?

Karl: That is why I asked Katrina to send it out so you could review them before hand, and my specific question was did you review it and do you have any comments, questions, or particularly if you disagree with anything.

Veronica: After I did read them I wanted it done where no one on this Board is speaking from a lawyer place that will get this Board in big trouble.

John: I like the answers from facts and the complaints by case by case basis.

Veronica: It was nothing but emotion and passion and compassion that drove these people to make these complaints that can only be handled by facts. Because people think that something is wrong and they want restitution.

Roger: Are we ready to send them in then?

Karl: The point was to draft something, which I have done, and for you to review it, which I hope you have done, then if you agree and authorize by the President.

Veronica: I would not be afraid to send these because all of this would be required of us. Here is where I would say, if they require further information then this Board needs to be addressed if they do get legal council. There is where you get into a litigation type thing, supplying more information. Any question would need to be brought back before the Board, that relieves Karl of 100% responsibility and puts it back on the Board where it needs to be.

Veronica Clark made a motion that the proposed responses to the Attorney General that were drafted and presented by Karl Lehr be approved by the Board and released to the Attorney General as our response of this date. Amended that the President sign the documents to be sent out. Roger Jones seconded the motion; all in favor; motion carries.

Topic: Updates to Website.

Katrina explained the process of how and when things are uploaded to the website. Anything that needs Board approval or signing will be done so before uploaded to website. Also adding a tab onto the website for the Attorney General complaints and responses so that the public is informed of the outcry and the responses.

Topic: USDA/Homeland Security on cross contamination.

Veronica: First thing I would like to talk about it the vacant meter audit. We were never checking the places that were vacant and unattended including the vaults. Due to man power and time, now we have both, Robert was asked to go out and touch every box, a lot of things were found, theft, tools, bad connections, no locks, snakes, stealing, meters pulled, no safety on them, locked with rusty locks that can be cut. Another topic is dealing with people who were on springs and now they are back on our system and the meter hasn't been properly taken care of to make sure that they can't leach back into our system and contaminate it.

Wayne: We don't like to pull the meters so we put a locking device on it, most of the time it is better to leave the meter in place so you don't open up the system to contamination. Those meters have rubber seals on them that seal them from contamination. With check valve you can not pump water back into the system. From now on we get meter sets with check valve in it. With a new customer I require 3 things, a shut off valve, pressure reducer valve and check valve. Chicken houses are controlled by the Health Dept and are annually inspected by a licensed inspector. If there is more pressure coming from the chicken house alternative source it could come back into our system.

Veronica: So contamination can happen to our system. So all these people on spring or well, unless they are disconnected properly and we need to know where their water is coming from. We have a legal right to know if they disconnect off our system where are they getting their water. Theft of water is a Federal offense.

Wayne: You would almost have to go house to house and do an audit and have them prove their source.

Veronica: Homeland Security is starting to approach us. Wayne has a list of maintenance things. (fence at pump house)

Wayne: Health Dept is requiring 6' fence at both tanks. I got an estimate of \$6,000 for 50x50 square fence, 6' tall with 3 strands of barbwire. That was a cost estimate from a fence builder; if we do this I'm sure we will get 3 bids.

Veronica: We are going to have to look at doing this, contamination is easily done.

Roger: What can we get away with as far as cost?

Wayne: We can get a set of specs. And ask for more time.

Veronica: If the water department says you are at risk then you have to do it.

Karl: Have we been approached by Homeland Security?

Veronica: When he approaches us Wayne and I need to be there.

Karl: I would think that Homeland Security would have recommendations or contractors on who would do this.

Wayne: Robert and I have been putting up fence post and painting valves etc. Working with new GPS, putting all valves and meters in it.

Discussion on Tank Inspection

Wayne: Long term-2 year plan. We mentioned putting money back into those accounts; we can not get grants until money is in there. \$100,000 is about what the last one cost. Painting inside/outside of the Compton tank.

Veronica: We got a grand for \$87000 and got a loan for \$21000.

Wayne: Within 2 years. The Health Department will tell us within the 2 years.

Veronica: One account needs to get to \$64,000 those need to be funded every month. We still have people tapping into our water; some of the water loss is going to theft.

Wayne: Can we make a requirement from the Fire Department, so we know when and where they get water, so I don't suspect a leak.

Veronica: We don't have a good account where the vaults are so any fire department can back up and fill up a tank of water.

Karl: You said a set of maps are \$400, are those vaults not on that map?

Veronica: Some of the locations are incorrect. We committed to give Compton VFD 2,000 gal of water a month.

Discussion on Truck

Veronica: There has been set aside \$500/month for a payment. You have to have a truck to operate.

Roger: You have to spend money on maintenance.

Karl: Are you looking for a half ton?

Veronica: It has to be able to pull a backhoe.

Roger: It is a tall order for what we need at that price.

Blow off valves

Wayne- One new blow off valve is \$525. These new ones have locks on them they are expensive. If we buy a welder we can for \$200, we can weld a device on the existing 12 valves. We think we can take care of the problem if we weld a locking device on these valves. Some do not even have caps on.

Veronica- So that would solve some of this immediate theft.

Roger- when you look at this you are going to see the numbers do not add up, we are going to find some money from somewhere.

Wayne- As long as we are checking these and making our presence known it will get better. When we get some revenue built up we could look at getting a welder. We might even find a loaner.

Gregg Warlick- You can come over and use mine.

Wayne- We actually have to take it out to the valve.

?-I think you could rent one of those down at Central Rental for \$35-40 a day.

Roger- How many could you do a day?

Wayne- Probably all of them

Robert- I don't know about doing them all. They are a ways back in there, at the end of a branch, we got lots of branches. Until I get done with the audit and see where they all are, it's going to take a portable welder its going to be even hard to get our truck in to some. We need something on the truck to provide 110 power, a generator.

Gregg- with Central Rental you could pick it up on a Friday evening and bring it back Monday morning, that gives you a couple days,

Veronica- We need to stop the theft, people that are stealing from those locations far out way the cost that it is going to take to fix those, it has to stop some place.

Wayne- If we found someone stealing water, what

Veronica- Take a picture, get the information and we would turn it over to the proper authorities, starting with local police.

John- If someone is passing the meter that is also a perfect contamination point.

Veronica- You guys need decide 1. the truck 2. getting him access to secure the lids on those valves.

Roger-That sounds like the easier fix, to rent a welder, and the protection it provides for the money spent.

Karl- We don't even know the full problem.

Robert- Every 2" pipe that I have seen has no cap on it.

Wayne- He is putting caps on as he finds them. Still haven't found them all.

Veronica- We need to vote a let him do what needs to be done.

Roger Jones made a motion to spend the money to fix and cap the blow off valves, rent a portable welding machine and if a generator is needed. John Henderson seconded the motion, all in favor, motion carries.

Wayne requested to the Compton VFD to please let us know if there is water being used for a fire so that we are aware and are not concerned about a leak.

REQUEST TO BE ON AGENDA

1. NONE

Motion was made by Mitch Jones to adjourn, second by John Henderson; all in favor, motion carries.



Roger Jones, President

April 11, 2017

, Treasurer

April 11, 2017



Compton Water Association, Inc.

DIRECTOR'S REPORT

February 2017 Billing cycle

800-227-5128

Printed Wednesday, March 1, 2017 @ 11:11

DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,518,590	100.0%
Water Sold to Customers	1,060,000	69.8%
Utility Use (fire, flushing)	5,000	0.3%
Water Lost	453,590	29.9%
Average Use Per Account	3,510	
Accounts Using Water	302	

SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	25,038.10	0.00	0.00	102.00	53.00	0.00	2,006.38
Count	340	0	0	340	53	0	339
Average	73.64	0.00	0.00	0.30	1.00	0.00	5.92

ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on February 2017 Bills	35,915.98	349
Credit Balances	-509.71	5
Debit Balances	36,425.69	344
Payments	-29,569.29	321
Adjustments	-252.34	2
Balance after Payments and Adj	6,094.35	44
Current	2,953.78	11
30 to 60 Days Old	1,234.32	16
60 to 90 Days Old	500.39	8
Over 90 Days Old	1,405.86	9
Penalty Charges	466.62	46
Charges for Services	27,199.48	340
Balance Due	33,760.45	

DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,554,220	100.0%
Water Sold to Customers	896,000	57.6%
Utility Use (fire, flushing)	8,000	0.5%
Water Lost	650,220	41.8%
Average Use Per Account	2,938	
Accounts Using Water	305	

SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	23,089.45	0.00	0.00	102.30	52.00	0.00	1,848.32
Count	341	0	0	341	52	0	340
Average	67.71	0.00	0.00	0.30	1.00	0.00	5.44

ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on March 2017 Bills		33,760.45	351
Credit Balances		-383.59	4
Debit Balances	34,144.04		347
Payments		-27,576.40	327
Adjustments		25.25	2
Balance after Payments and Adj		6,209.30	45
Current	2,765.68		18
30 to 60 Days Old	1,221.32		11
60 to 90 Days Old	557.84		6
Over 90 Days Old	1,664.46		10
Penalty Charges		466.50	49
Charges for Services		25,092.07	341
Balance Due		31,767.87	

Compton Water Association, Inc.
Profit & Loss
 January 1 through April 10, 2017

	Jan 1 - Apr 10, 17
Ordinary Income/Expense	
Income	
FEES CHARGED	
Miscellaneous Revenue	575.00
Water Meter Sets	3,200.00
Reconnect Fees	525.00
Total FEES CHARGED	4,300.00
Water Revenue	
Misc Fees	
Penalty	160.49
Safe Water	1,400.26
Sales Tax	338.49
Water Sales	6,707.06
Total Water Revenue	84,061.97
Total Income	92,668.27
Total Income	96,968.27
Gross Profit	96,968.27
Expense	
Business Expenses	
Bank Charges	38.98
Total Business Expenses	38.98
CONTRACT LABOR	
Katrina Davidson	5,400.00
Justin Robinson Meter Reader	900.00
Wayne Harberode Water Operator	6,000.00
Wayne Harberode Backhoe	50.00
CONTRACT LABOR - Other	4,777.50
Total CONTRACT LABOR	17,127.50
Contract Services	
Arkansas One Car	22.80
Outside Contract Services	1,500.00
Total Contract Services	1,522.80
EQUIPMENT	
Equipment Purchase	569.37
Misc. Equip for Repairs	1,403.87
Leak Repairs	-270.00
Other Repairs	744.68
Total EQUIPMENT	2,447.92
Facilities and Equipment	
Building Rent	153.18
Truck Expense	347.71
Total Facilities and Equipment	500.89
Interest Expense	3,069.13
Operations	
Advertising	
Postage, Mailing Service	629.48
Supplies	865.61
Telephone, Telecommunications	546.91
Utilities, Electric, Gas	626.47
Water Works Computer Program	333.03
Total Operations	3,150.50
Other Types of Expenses	3,312.00
Insurance Hartford Workmans Com	1,095.00
Total Other Types of Expenses	1,095.00
S W BOONE Water	43,893.02
SALES TAX	43,893.02

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Accrual Basis

Compton Water Association, Inc.
Profit & Loss
January 1 through April 10, 2017

	Jan 1 - Apr 10, 17
Arkansas State Tax	
Boone County	4,828.32
Carroll County	4.44
Madison County	22.57
Newton County	261.59
	<u>843.09</u>
Total SALES TAX	5,960.01
VEHICLE	
Fuel	749.39
Maintenance	54.50
Total VEHICLE	<u>803.89</u>
Total Expense	79,771.14
Net Ordinary Income	17,197.13
Net Income	<u>17,197.13</u>

Compton Water Association, Inc.
Balance Sheet
 As of April 11, 2017

	Apr 11, 17
ASSETS	
Current Assets	
Checking/Savings	
Equity Bank	
CFB 72245 Depreciation Checking	-19,251.89
CFB 8350 Checking	2,940.97
CFB 72187 Meter Dep Checking	-6,692.22
CFB 72161 Loan Res. Checking	15,806.05
Water Revenue; Water Sales	1,344.87
Total Checking/Savings	-542.20
Accounts Receivable	-6,394.42
Accounts Receivable	
Total Accounts Receivable	8.20
Total Current Assets	8.20
	-6,386.22
TOTAL ASSETS	-6,386.22
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Water Meter Acct Deposit	15,606.05
Total Other Current Liabilities	15,606.05
Total Current Liabilities	15,606.05
Long Term Liabilities	
ARKANSAS NATURAL RESOURCES	
Arkansas Natural Resources 1	50,390.00
Arkansas Natural Resources 2	16,813.00
Total ARKANSAS NATURAL RESOURCES	67,203.00
USDA Rural Development 01	32,667.54
USDA Rural Development 04	1,124.10
USDA Rural Development Loan 05	16,825.17
USDA Rural Development Debt 09	103,699.61
Total Long Term Liabilities	221,519.42
Total Liabilities	237,125.47
Equity	
Opening Balance Equity	-421,084.91
Unrestricted Net Assets	160,376.09
Net Income	17,197.13
Total Equity	-243,511.69
TOTAL LIABILITIES & EQUITY	-6,386.22