

COMPTON WATER ASSOCIATION
Monthly Meeting Minutes
Held at Compton School, Compton Arkansas
July 14, 2015 - 7:00 P. M.

Mitch Jones called meeting of July 14, 2015 to order and asked for a quorum from John Henderson. Present were Mitch Jones, Roger Jones, John Henderson, Wayne Hartlerode, Clint Wilt quorum established.

REPORTS:

MINUTES: Minutes from April 2015 meeting read by Veronica Clark. Motion was made by John Henderson to accept minutes and all reports into minutes, second by Wayne Hartlerode.

DIRECTORS REPORT: Given by written report. Water loss for April 42%, May 9%, June 2%; it takes about 3 months for water loss to balance out, had water leaks, etc. Wayne reported that with a lot of rain, pipes break. John Henderson made motion to accept Directors Reports into minutes, second by Roger Jones, all in favor, motion carries.

WATER OPERATOR REPORT: Written report for Water Operator

BOOKKEEPER REPORT: Submitted P & L and Balance Sheet

Motion was made by Roger Jones to accept reports and minutes, Wayne Hartelrode seconded, motion carries.

When bookkeeper was giving report on Steve Savage and Cynthia Bearden audits for 2013 and 2014, Roger Jones asked what dates the audits were completed; he was interrupted by Mary Decker from the audience with inaudible statements about the audit. Mitch Jones asked Mary Decker to; 'please sit down' so the meeting could continue, Roger Jones said that bookkeeper had the floor to conduct CWA business and the interruptions from Decker were unnecessary and should stop. Decker persisted, Mitch Jones banged gavel to get meeting in order, Decker and Wanda Roudabush stood up with continued outbursts that the audits weren't legal, that the state approved auditors weren't legal to conduct an audit. Roger and Mitch again, stated the CWA audit reports met all necessary guidelines for CWA. Mitch again, called meeting to order, stating this was an organized meeting, would be held in that way and insisted Wanda Roudabush, Mary Decker and Paul Roudabush all sit down until it was their turn to speak, as they had their individual allotted time on the Agenda.

UNFINISHED BUSINESS:

none

NEW BUSINESS:

1. It was necessary to have new signature cards signed as Veronica Clark got married and is now Clark, minutes were signed and new signature cards were signed also.

REQUEST TO BE ON AGENDA

1. Wanda Roudabush: Wanda made two points, the first was regarding the voting process, and that voters were not required to put a signature on the ballot; she stated it wasn't legal, offered some information regarding case law on voting. Her second point was that the Board was to have 9 members, they were to be elected and not appointed; they had sought advice from an attorney to validate this. The ballot had 7 members on it, she didn't understand why all 7 were not Board Members. A secret ballot meant that no member had to put their name on any

ballot, and there 'had better be some fixing, or it was going to court". She stated her lawyer had addressed Mitch Cash on these matters.

2. Paul Roudabush: Accused the Board of writing in the number of votes they needed to win at the December meeting; Roger Jones stated that would be a crime, to which Paul Roudabush said, 'yes, it would'. Roger Jones insisted that as a volunteer board, it was no pleasure to fix ballots to get him elected, for the pleasure of having members come up and scream at the Board. Roger said the accusation was preposterous, and an insult to the boards integrity for such accusations to be spoken. Mitch Jones asked for the meeting to come to order. Mary Decker spoke out of turn from the audience, stating that Roger Jones hadn't attended some meetings, to which Roger Jones replied, 'I am sorry, they were cutting out part of my lungs in major surgery, and was unable to attend for that reason", to which Mary Decker replied, 'it was too bad, if you can't attend meetings then you shouldn't be on the Board'. Roger Jones stated he was trying to perform a public service by sitting on the Board, which didn't include being insulted personally, stating that if a crime had been committed then go to the sheriff, to which Wanda Roudabush shouted from the audience, 'they have gone there', Roger stated to have him come on, Paul Roudabush stated that the 'sheriff would be coming after Roger soon'. Roger affirmed that this Board has done nothing wrong here, this Board has integrity and it's offensive to suggest they had committed crimes just to serve in a volunteer way. Paul Roudabush said he wasn't finished offending Roger yet, to which Roger stated, 'he wasn't offended, he thought it preposterous.' Roudabush stated that Senator Lafferty arranged for a grant to finish the lines and the Board never applied for it, Roger Jones said the Board had all of this information regarding the grant, but it found it had no credibility when they tried to research it. Roger told Roudabush that if he felt so strongly that an injustice was done here, to go to proper authorities, to which Roudabush replied, he was going to. Roudabush stated that Veronica said that Gail Inman Campbell had informed the Board that a lien could be put on a property for past due bills, and Roudabush continued to say that you can't put a lien on homesteaded property, you had to put a lien on the person; Roudabush read from 2010 minutes that you couldn't put a lien on homesteaded property that most property in Newton County was homesteaded property, you could only put a lien on a person for past due bills. Roudabush went on to his next point regarding Cynthia Bearden being a state auditor, that suggested that Compton Water be used as a model for ARNR; Roudabush stated Bearden is not an auditor but a controller for the State of Arkansas and does audits for the purposes of getting loans and grants from the State and is required by the CWA. We are required to get an audit every year, Roger Jones stated that we do get the required audits or the State would not continue to give us loans, he further stated that CWA is compliant in this area. At this, Paul Roudabush looked at Mitch Jones and said, "sir, would you tell that horses ass to shut his mouth, would you shut him up?" Mitch Jones replied, 'go ahead Paul, finish you still have 2 minutes." Paul Roudabush said to Mitch Jones, 'if this horse's ass would shut up, I would be able to finish with what I have to say." Roudabush went on to his next topic, stating that Veronica couldn't figure the cost of water leaks because the water system was too small, it should be a easier for a smaller association to get these costs, and Roger Jones should be able to tell how much it cost to repair each leak. Roudabush stated that if CWA couldn't figure the cost of leaks, then how could he believe the financial reports submitted. Roudabush accused Roger Jones of saying at one meeting, 'that the law is not important, what ever I say is reasonable,' Roger Jones denied he had ever said any such thing and clarified that his statements included, 'that what ever the Judge says to do we will comply with it', Roudabush

- accused him of being a 'bull shitter', to which Mitch Jones corrected Roudabush on his language and said to move on. Roudabush said that this town was full of criminals, drugs and people that create heinous crimes, and he was proud that the Board thought he was enough of a risk to have his own security at the meetings. Mitch Jones told him his time was up.
3. Mary Decker: Decker stated that they wanted an independent audit or a state audit before any more decisions are made. She pointed to Roger Jones and said that he hadn't attended meetings for over a year and he shouldn't be sitting on the Board, to which Roger Jones said, 'that's not true.' She told Roger to be quiet and addressed the Board and asked, 'why is he still there?' Decker stated that we never have meetings; they never know when the meetings are. They are asking a state audit on everything, checking accounts, savings accounts, debit cards. She said ballots were illegal, can't have a signature on a ballot.
 4. Edward Sims: Mr. Sims said he couldn't hear at the meetings, the Board suggested a front row seat that they were talking as loud as they could. He asked for copies of minutes from the meetings.
 5. Scott Hedlin: Scott had a lightening strike and had a water leak. His bill was high and he asked if the Board would work with him. Mitch Jones asked what precedent on water leaks with high bills was, Roger Jones said that in other situations they work with the people to help them get paid. He wanted to pay it over 3 month's period; the Board said that would work. Wanda Roudabush approached Mitch Jones to give him some cash to pay for an FOIA request while Mr. Hedlin was speaking; Mitch asked to her take it off the table, that she didn't have the floor. Wayne Hartlerode said there was a device available that is installed after the meter, if the water runs continuously for 20 minutes, it automatically shuts the water off and calls a phone number to alert and they were reasonable in price. If emergency literature was put out there, he suggested that this information be included. The Board thanked Scott for his suggestions and recommended he would run for Board Member when next election is on.
 6. Gregg: Board President for the Compton Fire Department, Assistant Chief, Fireman and First Responder. He would like to ask if there was any way the Fire Department could be notified if there are any outages on the lines that affect a hydrant on Water Department lines, he could ask for mutual aid from other departments on tanker support. Roger asked Veronica if Bobby could do this; she suggested that Bobby get in touch with Gregg to work out the details on the notices. Wayne asked Gregg if he had access to ponds for water sources, Gregg said they did have several floating pumps that can fill tankers at various locations on the system. On another topic, the last two month bill was for 39,830 gallons, Gregg stated he had not had major fires, the facility was secure and no one can get to the faucets or outlets; there is a toilet, kitchen sink, shower, faucet inside the station and there was no way it could have leaked. He reported the last few months had only minimum usage. Roger stated that it was something that was unexplainable, he asked Veronica, Veronica stated that there are some unexplained high water usage on different water members and that there remains no answer to these; Wayne said meters do spin backwards instead of forwards when they do malfunction. Veronica stated that in May, she had asked the meter reader to go back and read the fire department meter, he forgot to do it and it was missed. The high usage was noticed on the second month of this mysterious water loss. Gregg said this was a hardship on the fire department budget and wanted CWA to help with this high usage bill. Justin, meter reader, was asked to speak to the matter; he said it was his oversight that he didn't read it. The board stated it would suspend late fees until there is resolution of the matter. It was determined to

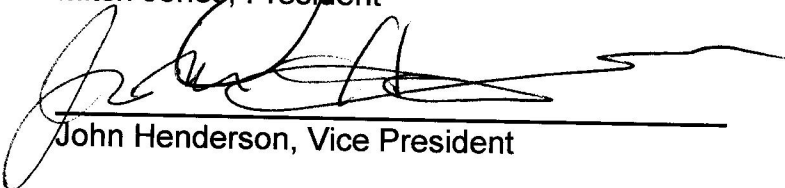
change out the meter, check with other water companies to see how they handle these matters, and suspend the late fees until resolution is found.

Motion made by Roger Jones to adjourn meeting, John Henderson second, all in favor, motion carries.



Mitch Jones, President

July 14, 2015



John Henderson, Vice President

July 14, 2015

Compton Water Association, Inc.

Profit & Loss

January through June 2015

Accrual Basis

	Jan - Jun 15
Ordinary Income/Expense	
Income	
FEES CHARGED	
Request Information	16.40
Reconnect Fees	150.00
Total FEES CHARGED	166.40
Interest Accounts	
Interest-Savings	2.27
Total Interest Accounts	2.27
Water Revenue	
Misc Fees	304.04
Penalty	2,600.63
Safe Water	658.49
Sales Tax	8,872.78
Water Sales	118,011.84
Total Water Revenue	130,447.78
Total Income	130,616.45
Gross Profit	130,616.45
Expense	
Reconciliation Discrepancies	-409.87
CONTRACT LABOR	
Bobby Hudson Backhoe	475.00
RaD Development LLC	300.00
Justin Robinson Meter Reader	2,700.00
Bobby Hudson	12,000.00
Veronica Clark	7,800.00
Total CONTRACT LABOR	23,275.00
Contract Services	
Arkansas Dept of Health	891.00
Arkansas One Call	136.80
Outside Contract Services	1,650.00
Total Contract Services	2,677.80
EQUIPMENT	
Leak Repairs	1,633.81
Total EQUIPMENT	1,633.81
Facilities and Equipment	
Building Rent	227.52
Storage Unit	300.00
Total Facilities and Equipment	527.52
Interest Expense	0.00
Operations	
Books, Subscriptions, Reference	450.00
Postage, Mailing Service	468.00
Supplies	1,997.88
Telephone, Telecommunications	784.59
Utilities, Electric, Gas	2,484.16
Water Works Computer Program	900.50
Total Operations	7,085.13
Other Types of Expenses	
Insurance Hartford Workmans Com	1,111.00
Dues	30.00
Total Other Types of Expenses	1,141.00
S W BOONE Water	65,412.00
SALES TAX	
Arkansas State Tax	7,602.97

Compton Water Association, Inc.
Profit & Loss
January through June 2015

Accrual Basis

	<u>Jan - Jun 15</u>
Boone County	7.53
Carroll County	33.29
Madison County	428.26
Newton County	<u>1,321.07</u>
Total SALES TAX	9,393.12
VEHICLE	
Fuel	741.71
Insurance	1,566.00
Maintenance	<u>108.90</u>
Total VEHICLE	2,416.61
VOID CHECKS	0.00
Total Expense	<u>113,152.12</u>
Net Ordinary Income	17,464.33
Net Income	<u><u>17,464.33</u></u>

Compton Water Association, Inc.
Balance Sheet
As of June 30, 2015

Accrual Basis

	Jun 30, 15
ASSETS	
Current Assets	
Checking/Savings	
Firetower Rehab Tank Project	50.00
CFB 72245 Depreciation Checking	6,940.97
CFB 8350 Checking	30,687.93
CFB 72187 Meter Dep Checking	11,191.05
CFB 72161 Loan Res. Checking	13,344.87
Total Checking/Savings	62,214.82
Accounts Receivable	
Accounts Receivable	22.15
Total Accounts Receivable	22.15
Total Current Assets	62,236.97
TOTAL ASSETS	62,236.97
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Water Meter Acct Deposit	12,290.00
Total Other Current Liabilities	12,290.00
Total Current Liabilities	12,290.00
Long Term Liabilities	
ARKANSAS NATURAL RESOURCES	
Arkansas Natural Resources 1	59,008.00
Arkansas Natural Resources 2	15,422.00
Total ARKANSAS NATURAL RESOURCES	74,430.00
USDA Rural Development 01	34,987.93
USDA Rural Development 04	528.42
USDA Rural Development Loan 05	14,363.39
USDA Rural Development Debt 09	88,073.35
Total Long Term Liabilities	212,383.09
Total Liabilities	224,673.09
Equity	
Opening Balance Equity	-401,833.02
Unrestricted Net Assets	221,932.57
Net Income	17,464.33
Total Equity	-162,436.12
TOTAL LIABILITIES & EQUITY	62,236.97

DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,975,790	100.0%
Water Sold to Customers	1,140,000	57.7%
Utility Use (fire, flushing)	4,000	0.2%
Water Lost	831,790	42.1%
Average Use Per Account	3,701	
Accounts Using Water	308	

SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	19,829.50	0.00	0.00	102.30	50.00	0.00	1,488.26
Count	341	0	0	341	50	0	340
Average	58.15	0.00	0.00	0.30	1.00	0.00	4.38

ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on April 2015 Bills		28,114.09	346
Credit Balances	-242.43		6
Debit Balances	28,356.52		340
Payments		-23,978.91	315
Adjustments		-55.57	4
Balance after Payments and Adj		4,079.61	38
Current	1,908.43		18
30 to 60 Days Old	978.35		4
60 to 90 Days Old	338.71		9
Over 90 Days Old	854.12		7
Penalty Charges		398.16	56
Charges for Services		21,470.06	341
Balance Due		25,947.83	



DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,384,730	100.0%
Water Sold to Customers	1,254,000	90.6%
Utility Use (fire, flushing)	2,000	0.1%
Water Lost	128,730	9.3%
Average Use Per Account	3,994	
Accounts Using Water	314	

SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	20,830.00	0.00	0.00	102.00	50.00	0.00	1,566.54
Count	340	0	0	340	50	0	339
Average	61.26	0.00	0.00	0.30	1.00	0.00	4.62

ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on May 2015 Bills	25,947.83	347
Credit Balances	-329.97	7
Debit Balances	26,277.80	340
Payments	-20,926.26	310
Adjustments	-37.92	1
Balance after Payments and Adj	4,983.65	43
Current	2,067.98	20
30 to 60 Days Old	1,485.77	8
60 to 90 Days Old	595.45	6
Over 90 Days Old	834.45	9
Penalty Charges	552.97	76
Charges for Services	22,548.54	340
Balance Due	28,134.30	



DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,969,940	100.0%
Water Sold to Customers	1,926,000	97.8%
Utility Use (fire, flushing)	1,000	0.1%
Water Lost	42,940	2.2%
Average Use Per Account	6,095	
Accounts Using Water	316	

SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	20,972.50	0.00	0.00	102.00	52.00	0.00	1,577.23
Count	340	0	0	340	52	0	339
Average	61.68	0.00	0.00	0.30	1.00	0.00	4.65

ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on June 2015 Bills	28,134.30	347
Credit Balances	-377.53	7
Debit Balances	28,511.83	340
Payments	-21,488.38	314
Adjustments	-207.02	8
Balance after Payments and Adj	6,438.90	49
Current	2,724.89	22
30 to 60 Days Old	1,473.20	7
60 to 90 Days Old	957.43	8
Over 90 Days Old	1,283.38	12
Penalty Charges	430.37	59
Charges for Services	22,703.73	340
Balance Due	29,679.48	