

**COMPTON WATER ASSOCIATION**  
Monthly Meeting Minutes  
Held at Compton School, Compton Arkansas  
August 10, 2010 7:00 p.m.

**CALLED MEETING TO ORDER:** Allen Armer called the meeting to order and asked John Berry, Secretary/Treasurer to establish that there was a quorum for the meeting; John Berry said they had a quorum however Joy Lonadier was not present. Present were Allen Armer, John Berry and Alexa Davis. John Berry also noted that Tom Gandy, Meter Reader, Bobby Hudson, Water Operator and Veronica Oitker, Bookkeeper were also present at the meeting.

**REPORTS**

**MINUTES:** John Berry read the minutes from the July meeting; one change was noted by Alexa Davis regarding the Notary Public; she would like to add to the minutes the discussion about checking with the local bank for our notary needs, changes were added. Allen asked for any other amendments or changes and asked for a motion to accept, Alexa made motion, John second, motion carries to accept minutes with changes, motion carried.

**ACCOUNTING:** Bookkeeper gave each Board member a packet including a Profit and Loss Statement from January 1 to August 31, 2010; also submitted was the checking account balance of \$1,738.00. John Berry gave a report on the transaction with the fire department where we paid for the labor and the parts to install a fire hydrant and they in turn gave us a check to reimburse us for the bills. The Directors report was also submitted for the minutes showing the gallons purchased and sold, the percentage of water loss, the amount of revenue brought in and the amount which is past due. John reported that past due bills and accounts receivable were being collected and the threat of water shutoff and visiting with the people has been quite convincing in getting the people to pay.

**WATER WORKER REPORT:** Bobby indicated that everything was fine, he reported vehicles and equipment were working fine, they were finding leaks and repairing them as quickly as they could, he reported they would be on Bradshaw Mountain next week looking for leaks which they feel there is definitely one there.

**REVIEW OF BANK STATEMENTS:** Alexa read and submitted a report of her audit of the bookkeeping and bank statements, report is attached to July minutes.

## OLD BUSINESS

Lease agreement was presented to the Board at the last meeting and there were changes needed to be made. Review of these changes: a key was to be provided to Compton Water by Compton Community Building and Community Building was to agree to maintain and supply all utilities to tenant, these items were added. Motion was made by John Berry to accept the lease and second by Alexa Davis, motion carries. Lease Agreement was signed by the Board and Allen was to get signatures from Compton Community Building. Allen noted that the Community Building had already supplied him with a key to the building and he was in possession of it.

**NOTARY REPORT:** Notary report was given by Oitker stating the requirements to become a Notary in the State of Arkansas: a \$20.00 application fee was required for a 10 year term and a 2 ½ hour internet class to be taken and a recommended \$7,500 minimum bond with an average premium would be approx. \$65.00. In addition if Oitker notarized anything for Compton Water it would be a conflict of interest. Discussion was had regarding the necessity of notarizing the pay plans on our past due accounts thereby making them more official leaving little room for a person to deny they had entered into an agreement to pay Compton Water. Allen was going to ask Terry Clark (the local Justice of the Peace) about the feasibility of him notarizing our important documents and pay plans and John Berry was going to check with the bank on their ability to help us with notary. A motion was made by Alexa Davis and second by John Berry to table the issue of a Notary Public, motion carried.

**WHITE TRUCK:** John Reported that the truck hadn't been set out for bid yet because they needed the rack off of it to put on the current truck to carry pipe, etc. John will get a cost from Gaither Iron Works to get the rack changed and report in September meeting.

**MINI STORAGE:** It was necessary to remove Kelly Leach and Clark Shaver from having access to the storage unit as they are no longer associated with the Board. Oitker read special minutes removing them and replacing them with Allen Armer, Veronica Oitker and John Berry. Special Minutes were to be submitted to Harrison Mini Storage to make the changes. Motion was made by Alexa Davis and second by John Berry to accept the minutes and submit them to Harrison Mini Storage, motion carried.

**BANK ACCOUNT:** It is necessary to provide separate minutes to Community First Bank to remove Clark Shaver and add Alexa Davis and John Berry as signatures on the account. Motion was made by Alexa Davis to remove Clark Shaver and second by John Berry to proceed with special minutes, motion carried.


## NEW BUSINESS

**COMPTON FIRE DEPARTMENT:** John investigated what might be customary with other water associations supplying a certain amount of water each month to their fire departments and discovered it was a common practice. Therefore a motion was made by John Berry and second by Alexa Davis to give Compton Fire Department 2000 gallons per month of unmetered water through the fire hydrant and to have them log and account for it to the CWA as frequently as they use the water, motion carried.


BOARD MEMBER JOY LONADIER: Regarding the conflict of interest and Joy Lonadier being a Board Member and the owner of a mechanics garage which does maintenance and repair work on CWA truck. Allen Armer emailed Dennis Sternberg of Arkansas Rural Water asking if this was a conflict of interest and what their recommendation was to address the matter. He stated it would be a hardship for us to take the truck some 20 miles away for maintenance; our relationship with the mechanics shop was in existence long before Mrs. Lonadier became a Board Member in August 2010 and are we taking proper precautions by continuing to have her as a Board Member and yet have her abstain from any decisions, discussion or votes regarding maintenance on the vehicles. Mr. Sternberg deferred to Bill Rowland, of USDA; Mr. Rowland said he didn't think there would be an obvious conflict however there would be a perceived conflict due to the previous Boards activity and he would not make a summary decision but to put the issue to our Board; whatever this Boards decision was Mr. Rowland would advise us to then take it to our attorney for advice and then he would send it up his chain of command and they would most likely recommend that CWA remove Joy Lonadier from the Board. Allen asked for discussion, Alexa Davis expressed reservation about signing checks to Mrs. Lonadier for work done on the truck and indicated she wouldn't do that in the future. Motion was made to table the matter by John Berry until he could meet with Joy Lonadier to discuss the matter as a courtesy and see how she stands on the matter, second by Alexa Davis, motion carried.

2008 and 2009 TAXES: John reported he had made endless trips to Harrison to converse with Leila Hutton on doing those 2 years taxes, he reiterated that she is the only one who has our records and can go forward with completing those 2 years.

Allen asked for any reports or unfinished business, none indicated. Motion was made by John Berry to adjourn second by Alexa Davis, motion carried.

  
\_\_\_\_\_  
Allen Armer, President

9/14/10  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
John Berry, Secretary/Treasurer

9/14/10  
\_\_\_\_\_  
Date

5:17 PM  
08/10/10  
Accrual Basis

Compton Water Association, Inc.  
**Balance Sheet**  
As of August 10, 2010

Veronica

	<u>Aug 10, 10</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Bank of the Ozarks	518.42
Community First Bank	1,924.00
Community First Savings	4,850.62
Compton Water Loan Reserve	2,000.00
<b>Total Checking/Savings</b>	<u>9,293.04</u>
<b>Total Current Assets</b>	<u>9,293.04</u>
<b>TOTAL ASSETS</b>	<u><b>9,293.04</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Bank of the Ozarks Truck Loan	-2,341.71
USDA Rural Development Loan	-15,072.00
<b>Total Accounts Payable</b>	<u>-17,413.71</u>
Other Current Liabilities	
Road Bond	1,240.00
<b>Total Other Current Liabilities</b>	<u>1,240.00</u>
<b>Total Current Liabilities</b>	<u>-16,173.71</u>
<b>Total Liabilities</b>	-16,173.71
Equity	
Opening Balance Equity	10,774.64
Net Income	14,692.11
<b>Total Equity</b>	<u>25,466.75</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>9,293.04</b></u>

Compton Water Association, Inc.  
**Profit & Loss**  
 January 1 through August 10, 2010

	<u>Jan 1 - Aug 10, 10</u>
Ordinary Income/Expense	
Income	
Reconnect Fees	325.00
Water Sold	135,787.92
Total Income	<u>136,112.92</u>
Gross Profit	136,112.92
Expense	
CONTRACT LABOR	
Abe Phillips	1,000.00
Bill Mcelhaney	240.00
Bill Olsen	6,750.00
Bob Bartlett	375.00
Bobby Hudson	3,250.00
Brad Olsen	-2,266.21
C. J. Barron	552.00
Darin Jackson	400.00
Joyce Sattler	2,400.00
Luke Atkinson	144.00
Tim Fletcher	989.23
Tom Gandy	900.00
Veronica Oitker	3,725.00
Total CONTRACT LABOR	<u>18,459.02</u>
Contract Services	
Arkansas Dept of Health	594.00
Arkansas One Call	91.20
Arkansas Rural Water Assn.	450.00
Legal Fees	749.10
Total Contract Services	<u>1,884.30</u>
EQUIPMENT	
Computer	1,560.85
Leak Repairs	4,193.41
Mower	195.66
Total EQUIPMENT	<u>5,949.92</u>
Facilities and Equipment	
Rent	320.00
Total Facilities and Equipment	<u>320.00</u>
Operations	
Books, Subscriptions, Reference	28.00
Postage, Mailing Service	1,240.75
Printing and Copying	91.04
Supplies	366.36
Telephone, Telecommunications	1,122.15
Utilities, Electric, Gas	2,378.93
Water Works Computer Program	2,396.00
Operations - Other	191.62
Total Operations	<u>7,814.85</u>
Other Types of Expenses	
Bank Service Fees	286.40
Dues	30.00
Insurance - Liability, D and O	711.00
Total Other Types of Expenses	<u>1,027.40</u>
Road Bond Deposit	1,000.00
S W BOONE Water	73,949.68
SALES TAX	7,586.02

Compton Water Association, Inc.  
**Profit & Loss**  
January 1 through August 10, 2010

	<u>Jan 1 - Aug 10, 10</u>
VEHICLE	
Fuel	
Insurance	1,922.30
Maintenance	932.76
Total VEHICLE	<u>1,495.40</u>
VOID CHECKS	
Total Expense	4,350.46
	<u>-876.84</u>
Net Ordinary Income	121,464.81
Other Income/Expense	
Other Expense	
Ask My Accountant	
Total Other Expense	-44.00
Net Other Income	<u>-44.00</u>
Net Income	<u><u>14,692.11</u></u>

**DISTRIBUTION EFFICIENCY SUMMARY**

	Gallons	Percent
Water Supplied to System	1,857,170	100.0%
Water Sold to Customers	1,770,419	95.3%
Utility Use (fire, flushing)	50,000	2.7%
Water Lost	36,751	2.0%
Average Use Per Account	5,620	
Accounts Using Water	315	

**SUMMARY BY SERVICE**

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	25,845.24	0.00	0.00	100.50	0.00	0.00	1,950.38
Count	335	0	0	335	0	0	335
Average	77.15	0.00	0.00	0.30	0.00	0.00	5.82

**ACCOUNTS RECEIVABLE ANALYSIS**

Balance Due on August 2010 Bills	30,221.61	337
Credit Balances	-403.83	9
Debit Balances	30,625.44	328
Payments	-23,156.52	301
Adjustments	-67.33	8
Balance after Payments and Adj	6,997.76	55
Current	3,159.15	24
30 to 60 Days Old	1,345.29	11
60 to 90 Days Old	824.84	8
Over 90 Days Old	1,668.48	12
Penalty Charges	605.26	84
Charges for Services	27,896.12	335
Balance Due	35,499.14	

# COMPTON WATER ASSOCIATION

P. O. Box 825  
Compton, AR 72624  
870-420-3930  
www.comptonwater@gmail.com

August 30, 2010

Dear Compton Water Association Members:

The Compton Water Association Board of Directors election and annual meeting will be held this year On October 12, 2010 at 7:00 p.m. at Compton School in Compton Arkansas.

There is several Board positions open for election this year. The Ballot enclosed shows the nominees that were presented. Please vote or add any write-in's that are willing to serve on the Board.

Sincerely,

Compton Water Association  
Board of Directors  
Allen Armer, President  
John Berry, Secretary/Treasurer  
Alexa Davis, Board Member



# COMPTON WATER ASSOCIATION

P. O. Box 825

Compton, AR 72624

870-420-3930

www.comptonwater@gmail.com

August 14, 2010

Dear Compton Water Association Members:

The Compton Water Association Annual Meeting will be held at 7:00 p.m. on October 12, 2010 at Compton Community Building in Compton. This letter is to invite you to the meeting and to nominate Members to the Board of Directors. Please review the Nominating Form enclosed herein and if you would desire to nominate anyone, please complete the form and return it and their name will be placed on the ballot, if you are nominating someone other than yourself please notify them and ask them if they would like to be nominated. A nominee should be a member in good standing and their water bill should be current. We encourage the nomination of others and of course please feel free to nominate yourself. Please have your nominations returned by September 25<sup>th</sup> as we will need to prepare the Ballot and send it out prior to the meeting.

Ballots listing the nominees will be mailed to each member approximately October 1, 2010; also on the ballot you will notice the nominee names as well as space for write a write in. You may either return it to CWA by mail or bring it to the Annual Meeting at which time we will open and count them as well as allow the members there to vote.

We sincerely appreciate you and hope that you or someone you know will be willing to serve on the Board; we seek and need dedicated qualified people.


Sincerely,

Compton Water Association  
Board of Directors  
Allen Armer, President  
John Berry, Secretary/Treasurer  
Alexa Davis, Board Member

**COMPTON WATER ASSOCIATION, INC.**  
Special Minutes Regarding ~~Bank Accounts~~ *Storage Unit*  
Held at Compton School, Compton Arkansas  
10 August 8, 2010 7:00 p.m.  
10

*10 AR*  
On August 8, 2010 a motion was made and seconded that we proceed with removing Clark Shaver and Kelly Leach from access to Harrison Mini Storage, Harrison, Arkansas. In place will be Allen Armer, President, John Berry, Secretary/Treasurer and Veronica Oitker/Bookkeeper.

Respectfully submitted by:

  
Allen Armer, Chairman of the Board  
And President

8/10/10  
Date

  
John Berry, Secretary/Treasurer

8/10-10  
Date

Corporate Seal

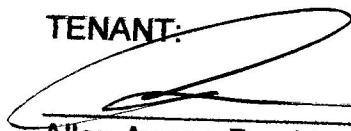
# COMPTON WATER ASSOCIATION

P. O. Box 825  
Compton, AR 72624  
870-420-3930  
www.comptonwater@gmail.com

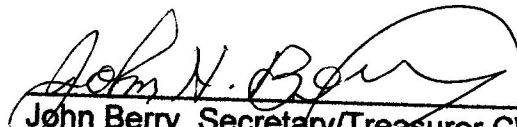
August 8, 2010

This agreement entered into on this date is hereby known as a "Rental Agreement" between Compton Water Association, Inc. (Tenant) and Compton Community Association (Landlord). This agreement is on a month to month basis and can be canceled by either party with 30 days written notice. Rent is due and payable on the second Tuesday of each month. Monthly rent amount is \$37.92 beginning September 2010. Landlord is responsible for all maintenance, utilities and taxes. Landlord further agrees to supply Tenant with a key, and agrees that utilities are supplied and operating. *for monthly water meetings only.*

TENANT:

  
Allen Armer, President CWA

8/10/10  
Date

  
John Berry, Secretary/Treasurer CWA

8/10/10  
Date

LANDLORD:

  
Compton Community Association

9/14/10  
Date

\_\_\_\_\_  
Compton Community Association

\_\_\_\_\_  
Date