

COMPTON WATER ASSOCIATION
Board of Directors and Business Meeting
Held at Compton School, Compton Arkansas
December 13, 2016 - 7:00 p.m.

Mitch Jones called meeting of December 13, 2016 Compton Water Association to order. John Henderson called roll to determine if a Quorum is present. Members present: Mitch Jones, Roger Jones, John Henderson, Karl Lehr and Veronica Clark. Quorum established.

REPORTS:

MINUTES: Veronica Clark
DIRECTORS REPORT: Veronica Clark
BOOKKEEPER REPORT: Veronica Clark
WATER OPERATOR REPORT: Wayne Hartlerode
METER READER REPORT: Justin Robinson

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

OLD/UNFINISHED BUSINESS:

Topic: No old/unfinished business

NEW BUSINESS:

Topic: 3 Complaints to the Attorney General

Mitch informs everyone that CWA will have to have representation to submit these to the AG. We are not qualified to do that ourselves, we need to make a decision to get that done. These things take years to get anything back on. Whenever someone sends something to the EPA or AG we have to have outside representation.

Veronica: There have been 3 complaints filed against Compton Water. Which will be uploaded onto the website. One by Mr. Cline, one by Sharon Woods and one by Ms. Youngblood. And they are basically all questioning CWA business practices. Everybody is free to ask, it is your right. However CWA cannot answer for ourselves, legal council has to be hired to answer every one of these. In times past there are 2 others pending out there, from 18-24 months, and they haven't been answered yet, but we had to get legal council to write our position to the AG. So what the motion is before the Board is to spend the money, somewhere between \$300-500 a piece to answer these, if we are found to be something that we need to do it could actually go to trial. So if it goes that far we need legal council at that point also. One of the things we have to do is make a motion to spend the money.

Danny Woods: Who is the Attorney General for?

Veronica: The public.

Danny Woods: What is the system here?

Veronica: The public.

Danny Woods: Why do we have to spend anything proving anything to the AG? AG only thing they are going to do is investigate is if there is a problem if there ain't there ain't. You don't have to hire a lawyer to fight a Prosecuting Attorney. The AG is for everybody.

Veronica: You have to respond with the Board's position, with documents and backup what the decisions are that you have made from a public standpoint.

Danny Woods: One other question, I served on this Board 22 years, every year we had an audit, that was mandated by the state. Since the water system is paid for you may not need an audit, but do you have an audit every year?

Veronica: In just a minute we will answer a lot of these questions but yes we have an audit every year. We are fixing to do a FAQ, and go through these.

Roger Jones made a motion that CWA set aside the funds to hire an attorney to respond to the AG complaints.
Veronica Clark seconded this motion.

All in favor; motion carries.

Topic: FAQ's

Refer to the FAQ sheet attached. Each question is presented and answered by a CWA Board member.

Topic: Counting and Ratifying of Ballots

Mitch Jones: 52 Yes 31 no
John Henderson: 52 Yes 34 No
Roger Jones: 53 Yes 33 No
Veronica Clark: 53 Yes 34 No
Karl Lehr: 54 Yes 32 No


Some questions from audience concerning the ballots.

Francis Ogle stated that this Board is voted in and explained some of the practices that were in place at the beginning of CWA. Danny Woods and Francis Ogle spoke about the instating of the water lines in the late 70s.

REQUEST TO BE ON AGENDA

1. Rita Fuchs requested to be on the agenda. Discussed signatures for checks and debit cards.
2. Yolanda Mallory requested to be on the agenda. Had a complaint about her meter. Informed her we would check out her meter.

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



Mitch Jones, President

December 13, 2016



Roger Jones, Treasurer

December 13, 2016

DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,599,620	100.0%
Water Sold to Customers	1,144,000	71.5%
Utility Use (fire, flushing)	17,000	1.1%
Water Lost	438,620	27.4%
Average Use Per Account	3,714	
Accounts Using Water	308	

SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	25,934.35	0.00	0.00	102.00	55.00	0.00	2,077.66
Count	340	0	0	340	55	0	339
Average	76.28	0.00	0.00	0.30	1.00	0.00	6.13

ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on November 2016 Bills		33,894.91	355
Credit Balances	-363.83		2
Debit Balances	34,258.74		353
Payments		-29,793.36	342
Adjustments		-255.54	5
Balance after Payments and Adj		3,846.01	41
Current	1,762.39		21
30 to 60 Days Old	512.69		8
60 to 90 Days Old	237.56		4
Over 90 Days Old	1,333.37		8
Penalty Charges		449.08	51
Charges for Services		28,169.01	340
Balance Due		32,464.10	



DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,512,670	100.0%
Water Sold to Customers	1,117,000	73.8%
Utility Use (fire, flushing)	20,000	1.3%
Water Lost	375,670	24.8%
Average Use Per Account	3,569	
Accounts Using Water	313	

SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	25,588.60	0.00	0.00	101.70	55.00	0.00	2,049.00
Count	339	0	0	339	55	0	338
Average	75.48	0.00	0.00	0.30	1.00	0.00	6.06

ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on December 2016 Bills	32,848.16	352
Credit Balances	-475.36	4
Debit Balances	33,323.52	348
Payments	-27,783.43	321
Adjustments	-512.84	5
Balance after Payments and Adj	4,551.89	42
Current	1,705.80	17
30 to 60 Days Old	930.76	7
60 to 90 Days Old	359.61	7
Over 90 Days Old	1,555.72	11
Penalty Charges	401.93	47
Charges for Services	27,794.30	339
Balance Due	32,748.12	

Compton Water Association, Inc.
Profit & Loss
 January 1 through December 13, 2016

	Jan 1 - Dec 13, 16
Ordinary Income/Expense	
Income	
FEES CHARGED	
Water Meter Sets	7,400.00
Reconnect Fees	1,235.00
Total FEES CHARGED	8,635.00
Water Revenue	
Misc Fees	597.87
Penalty	4,751.61
Safe Water	972.86
Sales Tax	19,346.47
Water Sales	245,654.25
Water Sales ¹	300.00
Water Revenue - Other	250.00
Total Water Revenue	271,873.06
Total Income	280,508.06
Gross Profit	280,508.06
Expense	
Reconciliation Discrepancies	0.14
Business Expenses	
Bank Charges	46.98
Banking NSF	59.62
Total Business Expenses	106.60
CONTRACT LABOR	
Katrina Davidson	14,000.00
Bobby Hudson Backhoe	1,725.00
Justin Robinson Meter Reader	4,500.00
Wayne Hartlerode Water Operator	12,000.00
Wayne Hartlerode Backhoe	3,100.00
Bobby Hudson	10,000.00
Veronica Clark	5,800.00
CONTRACT LABOR - Other	5,140.84
Total CONTRACT LABOR	56,265.84
Contract Services	
Accounting Fees	400.00
Arkansas Dept of Health	931.50
Arkansas One Call	148.20
Legal Fees	660.00
Outside Contract Services	1,650.00
Contract Services - Other	650.00
Total Contract Services	4,439.70
EQUIPMENT	
Equipment Purchase	674.94
Misc. Equip for Repairs	13,725.73
Leak Repairs	4,355.12
Other Repairs	293.08
Total EQUIPMENT	19,048.87
Facilities and Equipment	
Building Rent	417.12
Storage Unit	300.00
Truck Expense	2,217.44
Total Facilities and Equipment	2,934.56
Interest Expense	11,236.26
Operations	
Books, Subscriptions, Reference	924.00
Postage, Mailing Service	2,286.77
Printing and Copying	336.00

Compton Water Association, Inc.
Balance Sheet
As of December 13, 2016

	Dec 13, 16
ASSETS	
Current Assets	
Checking/Savings	
CFB 72245 Depreciation Checking	2,940.97
CFB 8350 Checking	-4,448.02
CFB 72187 Meter Dep Checking	14,551.05
CFB 72161 Loan Res. Checking	1,334.87
Water Revenue; Water Sales	-3,291.92
Total Checking/Savings	11,086.95
Accounts Receivable	
Accounts Receivable	658.20
Total Accounts Receivable	658.20
Total Current Assets	11,745.15
TOTAL ASSETS	11,745.15
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Water Meter Acct Deposit	14,450.00
Total Other Current Liabilities	14,450.00
Total Current Liabilities	14,450.00
Long Term Liabilities	
ARKANSAS NATURAL RESOURCES	
Arkansas Natural Resources 1	51,231.00
Arkansas Natural Resources 2	18,986.00
Total ARKANSAS NATURAL RESOURCES	70,217.00
USDA Rural Development 01	36,600.25
USDA Rural Development 04	1,269.53
USDA Rural Development Loan 05	17,508.15
USDA Rural Development Debt 09	106,090.46
Total Long Term Liabilities	231,685.39
Total Liabilities	246,135.39
Equity	
Opening Balance Equity	-401,833.02
Unrestricted Net Assets	197,166.29
Net Income	-29,723.51
Total Equity	-234,390.24
TOTAL LIABILITIES & EQUITY	11,745.15

Compton Water Association, Inc.

Profit & Loss

January 1 through December 13, 2016

	<u>Jan 1 - Dec 13, 16</u>
Supplies	1,818.63
Telephone, Telecommunications	2,082.85
Utilities, Electric, Gas	3,366.79
Water Works Computer Program	876.00
Total Operations	<u>11,691.04</u>
Other Types of Expenses	
Insurance Hartford Workmans Com	2,014.00
Insurance - Liability, D and O	264.25
Other Types of Expenses - Other	160.00
Total Other Types of Expenses	<u>2,438.25</u>
S W BOONE Water	178,007.41
SALES TAX	
Arkansas State Tax	15,295.32
Boone County	11.95
Carroll County	66.18
Madison County	867.06
Newton County	2,660.51
Total SALES TAX	<u>18,901.02</u>
VEHICLE	
Fuel	1,818.94
Insurance	1,566.00
Maintenance	1,776.94
Total VEHICLE	<u>5,161.88</u>
Total Expense	<u>310,231.57</u>
Net Ordinary Income	<u>-29,723.51</u>
Net Income	<u><u>-29,723.51</u></u>

FREQUENTLY ASKED QUESTIONS

1. Why doesn't Compton Water have audits done? ANSWER: It does have annual audits done by an independent auditor, which is a private firm who is trained in the Arkansas requirements of audits for rural utility systems. You can find results on our website at www.comptonwater.com for the prior 5 years.
2. How much does our Bookkeeper make? ANSWER: the recent rate increase and budget have the pay for the Bookkeeper at \$1,800.00 per month. Broken down: at 30 hours per week that is \$15.00 per hour. This doesn't include insurance or taxes withheld from the check.
3. How much does our Water Operator make: ANSWER: In the recent rate increase and budget there is \$40,000.00 salary for the Licensed Water Operator and the Trainee for Water Operator. This is a job share situation; the Licensed Water Operator portion is \$2,000.00 per month and the Trainee is \$15.00 per hour for 20 hours per week. As the Trainee becomes licensed over the next 12 months, and all is going well with job performance, then the pay will be considered to increase at that time. This averages approx. \$16.00 per hour on a 50-hour week; it doesn't include income tax withholding, insurance nor retirement. Part of this job description includes being on call 24 hours per day, 7 days per week. Industry standard in other systems offers retirement, and insurance for Licensed Water Operators; this is cost prohibitive for Compton Water.
4. How much does our Meter Reader make: ANSWER: \$450.00 per month, taking approx. 24 man hours to complete the readings, that is \$18.75 per hour.
5. Why doesn't Compton Water have an office location? ANSWER: We were planning an office approx. 3 years ago; at the time many legal fees hit us and the money spent on legal fees took from the budget of a building. Because of the continued legal bills, Attorney General complaints, etc., we have had no funds to put towards a building and it is not built into the budget.
6. Why does Compton Water need another vehicle? ANSWER: The two very old trucks we have are running out of time, and value; the maintenance on both of them is very high. The number of miles traveled on this system is very high and over roads that aren't well maintained so a truck was approved with a monthly payment of \$500.00.
7. Why did my water bill increase so much? ANSWER: The average water bill, if increased slowly over the past few years, would be almost what it is today. The costs to maintain the system have not gone down, the maintenance on the system has increased, old water lines, water tanks that need to be repainted, valves that need replacement, parts and labor has increased, the list is endless.
8. Will my water bill ever go down? ANSWER: That is doubtful, but there will be an annual Rate Survey done on our system, if that is ever possible, that will be revealed at that time.

9. I thought all of our loans were paid off: ANSWER: Not so, the enormous late fees, and other charges as well as a very large amount due to South West Boone Harrison was reduced, that was approx. \$297,000.00. The loans that remain are as follows:

USDA Loan 01 (monthly)	Payment \$903.78	Balance \$ 37,404.00
USDA Loan 04 (monthly)	Payment \$ 30.04	Balance \$ 1,299.57
USDA Loan 05 (monthly)	Payment \$ 96.66	Balance \$ 17,604.80
USDA Loan 09 (monthly)	Payment \$303.87	Balance \$106,394.33

Arkansas Natural Resources (annual)	Payment \$2,870.00	Bal \$51,231.00
Arkansas Natural Resources (annual)	Payment \$2,648.00	Bal \$18,986.00

PLEASE*** go to www.comptonwater.com and you will be able to see all of these loans, the expenses, etc. that have been uploaded for you to become accurately aware of the standing of Compton Water.