

COMPTON WATER ASSOCIATION
Monthly Meeting Minutes
Held at Compton School, Compton Arkansas
July 13, 2010 7:00 p.m.

Allen Armer called meeting to order at 7:00 and asked for roll call from John Berry Secretary/Treasurer:

Present: Allen Armer, Alexa Davis, John Berry,

Absent: Darryl Villines, Chris Shaver, Clark Shaver

John Berry submitted resignation letters from Darryl Villines, Chris Shaver and Clark Shaver. Resignation letters were submitted by John Berry and received by Allen Armer on behalf of the Board.

Allen asked John Berry to establish a quorum in order that CWA may continue with business, quorum was established.

A motion was made to postpone the reading of minutes by Alexa Davis and second by John berry, motion carries.

Water Operator Report:

John Berry reported for Bobby Hudson that all known leaks are fixed and there was a reduction in percentage of water loss from 54.7% down to 27.4%. Allen asked John what SW Boone normally had for a water loss he stated it is usually in the 25% range, we are on target.

SW BOONE MEETING:

John reported on meeting with SW Boone and indicated they were pleased with the progress we are making. They were congratulatory to this Board and it was also reported that FHA and Arkansas Natural Resources were pleased with our progress. John reported that the past due balance was approx. \$78,000.00.

EMERGENCY STATUS:

Water Operator Bobby Hudson and Meter Reader Tom Gandy were put in on temporary status in June. John Berry gave a good evaluation on both workers; they were committed to this being a 'job' in lieu of a 'hobby'. Motion was made by Alexa Davis and second by John Berry to hire Gandy and Hudson as permanent, motion carries.

NEW BUSINESS:

Past Due Bills: Question was presented regarding water leaks and the repayment of the repairs from the customer to us. Huge leaks can put a hardship on a customer and there is no policy on repayment of these leak repairs. If they have a leak and they have a large bill these should be considered under the repayment plan.

Our payment schedule was clarified: Bills are printed and mailed by the 1st of the month, on the 15th they are delinquent and a 10% late fee is applied, a notice Delinquent/Shut Off Notice is sent out by the 30th; unless they pay immediately there will be an unannounced water disconnect. Alexa made motion that this clarification of bills and payments be enforced and that large leak repair bills be able to come under a repayment plan, second by John Berry, motion carried.

Compton Community Association Building: Discussion was had regarding the use of the building for Compton Water monthly meetings and though we aren't paying rent we do negate their water bill. Compton Water was approached by Plumlee Community Building to also have their water negated. A rental agreement was submitted for approval to establish a landlord/tenant relationship with Compton Community Building, lease agreement was adopted with following changes: a key to building is supplied, all utilities are supplied and operating and monthly rental fee for that is \$37.92. Alexa noted she would like to see the new document prior to voting, matter was tabled to Unfinished Business for August meeting.

Discussion was had regarding supplying Plumlee with free water and no one was in favor of it; Allen asked for a motion on Plumlee's request, none was made, this issue is dead; Plumlee Community Building is still responsible for their own water bill.

White Truck: Discussion was had on disposal of white truck; it was suggested that sealed bids be taken and a starting/minimum bid of \$400.00 was established, notification to the paper to be submitted and bidding is closed 30 days after publication. Motion was so made by Alexa second by John Berry, motion carried.

Lights in Well House: It was previously voted that we have the electric company place a security light at the well house and it was discovered that it would cost approx. \$1,000.00. In lieu of this John Berry thought a pole would become available and we could place the pole there ourselves and then purchase a security light and have it installed by an electrician for much less. A motion was made by John Berry and second Alexa Davis that we forgo using Carroll Electric to put a security light up and do it ourselves.

Taxes for 2008 and 2009: The previous Board and Lora Jane Wenzel did not file taxes for the noted years and a penalty has been assessed by the IRS. John reported that as a non profit organization that we persist in getting the taxes completed by Leila Hutton who is the previous preparer. He noted we would have penalties and some taxes to pay and what ever her fee is and he also noted he didn't know what they would be. But to keep our non profit status, we are required to file.

Credit Card: Discussion was had regarding obtaining a credit card and it was noted that personal information had to be given out to the credit card company and it was also stated that we can accomplish the same thing in doing day to day business with a debit card. A motion made by John Berry that Compton Water does not need a credit card second by Alexa Davis, motion carried.

Internal Audit of Checking Account: Discussion was had to establish an internal audit process on our checking account. It was decided that we would audit quarterly, beginning with Alexa Davis and Allen Armer in next rotation.

Notary Public: Allen noted that we are in need of a Notary Public and asked if Veronica Oitker would consider becoming one and all fees would be absorbed by Compton Water. Veronica said she would check into it and report at the next meeting. Motion was made by John Berry to table the matter to Unfinished Business in August second by Alexa, motion carried. *Alexa suggested we check w/ our bank re free notary there. A.D.D.*

Increase in Pay for Water Operator and Bookkeeper:

As a matter of business it was voted to increase the Water Operator's monthly pay by \$100.00 and his responsibilities extended to mowing and other light maintenance, motion made by John Berry and second by Alexa Davis, motion carried.

Because of increased responsibilities on the Bookkeeper a motion was made by Alexa Davis to increase Bookkeepers pay by \$100.00 per month and to reimburse her for 2 trips at \$25.00 each for the SW Boone meetings, second by John Berry, motion carried.

Water Shut Off: Alexa made a motion that a member in good standing can have a free water shut off one time per year, second by John Berry, motion carried. Clarification on member in good standing is that they have no delinquent bill.

Board Members: Joy Lonadier presented herself as a prospective Board Member, she is also Secretary for the Fire Department; she was asked if there would be a conflict of interest if she served on both Boards, she thought there would not be. Joy committed to complete confidentiality for both Boards; in addition, she would excuse herself in regards to her husband's mechanics business if Compton Water needed to use him to work on our truck. Board Members voted all in favor for Joy as a new Board Member.

Miscellaneous Business:

Garland Matlock with Fire Department requested a specific key to obtain access to some locked faucets, John Berry will supply key.

Joy Lonadier suggested a specific 'recycling day' fund raiser to raise funds for the Compton Water to reduce its debts. Discussion was had on the matter and it was decided we weren't able to accommodate the fundraiser at this time, but much appreciation is noted. It was also recommended that should we ever consider such an endeavor, we would seek legal advice on how to allocate the funds received.

Discussion was had regarding the criminal investigation of the prior board and its progress; Allen reported it was still very important and as updates were available they would be reported but it was an ongoing matter. He also added that it was a direct responsibility of this Board to pursue the criminal investigation.

Allen Armer called for adjournment if there was no further business or comments from the gallery, John Berry made motion to adjourn, Alexa Davis second motion carried.

Meeting was adjourned.

Respectfully submitted:



Allen Armer, President

8/10/10

Date



John Berry, Secretary/Treasurer

8-10-2010

Date

Compton Water Association, Inc.
Balance Sheet
As of July 27, 2010

| | Jul 27, 10 |
|---------------------------------------|------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Bank of the Ozarks | 518.42 |
| CFB 8350 Checking | 6,644.75 |
| CFB 72187 Meter Dep Checking | 4,851.45 |
| CFB 72161 Loan Res. Checking | 2,000.00 |
| Total Checking/Savings | 14,014.62 |
| Total Current Assets | 14,014.62 |
| TOTAL ASSETS | 14,014.62 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| USDA Rural Development Loan | 9,420.00 |
| Total Accounts Payable | 9,420.00 |
| Other Current Liabilities | |
| Road Bond | -1,000.00 |
| Southwest Boone Water Assoc | -10,200.00 |
| Total Other Current Liabilities | -11,200.00 |
| Total Current Liabilities | -1,780.00 |
| Long Term Liabilities | |
| ARKANSAS NATURAL RESOURCES | |
| Arkansas Natural Resources 1 | 74,825.00 |
| Total ARKANSAS NATURAL RESOURCES | 74,825.00 |
| Total Long Term Liabilities | 74,825.00 |
| Total Liabilities | 73,045.00 |
| Equity | |
| Opening Balance Equity | -75,009.64 |
| Unrestricted Net Assets | -11,648.72 |
| Net Income | 27,627.98 |
| Total Equity | -59,030.38 |
| TOTAL LIABILITIES & EQUITY | 14,014.62 |

Compton Water Association, Inc.
Profit & Loss
 January 1 through July 27, 2010

| | Jan 1 - Jul 27, 10 |
|---------------------------------------|---------------------------|
| Ordinary Income/Expense | |
| Income | |
| FEES CHARGED | |
| Miscellaneous Revenue | 1,361.00 |
| Reconnect Fees | 325.00 |
| Total FEES CHARGED | 1,686.00 |
| Interest Accounts | |
| Interest-Savings | 0.83 |
| Total Interest Accounts | 0.83 |
| Water Revenue | 126,851.18 |
| Total Income | 128,538.01 |
| Gross Profit | 128,538.01 |
| Expense | |
| CONTRACT LABOR | |
| Bill Mcelhaney | 240.00 |
| Bill Olsen | 6,750.00 |
| Bob Bartlett | 375.00 |
| Bobby Hudson | 3,250.00 |
| Brad Olsen | 710.00 |
| C. J. Barron | 552.00 |
| Darin Jackson | 400.00 |
| Joyce Sattler | 2,400.00 |
| Luke Atkinson | 144.00 |
| Tim Fletcher | 157.50 |
| Tom Gandy | 900.00 |
| Veronica Clark | 3,700.00 |
| Total CONTRACT LABOR | 19,578.50 |
| Contract Services | |
| Arkansas Dept of Health | 594.00 |
| Arkansas One Call | 79.80 |
| Arkansas Rural Water Assn. | 450.00 |
| Legal Fees | 749.10 |
| Total Contract Services | 1,872.90 |
| EQUIPMENT | |
| Computer | 1,560.85 |
| Leak Repairs | 3,725.30 |
| Mower | 195.66 |
| Total EQUIPMENT | 5,481.81 |
| Facilities and Equipment | |
| Storage Unit | 230.00 |
| Truck Expense | 2,341.71 |
| Total Facilities and Equipment | 2,571.71 |
| Operations | |
| Books, Subscriptions, Reference | 28.00 |
| Postage, Mailing Service | 1,196.75 |
| Printing and Copying | 91.04 |
| Supplies | 305.78 |
| Telephone, Telecommunications | 1,122.15 |
| Utilities, Electric, Gas | 1,878.03 |
| Water Works Computer Program | 2,293.87 |
| Operations - Other | 191.62 |
| Total Operations | 7,107.24 |
| Other Types of Expenses | |
| Bank Service Fees | 286.40 |
| Dues | 30.00 |
| Insurance - Liability, D and O | 711.00 |
| | 711.00 |

Compton Water Association, Inc.
Profit & Loss
 January 1 through July 27, 2010

| | <u>Jan 1 - Jul 27, 10</u> |
|-------------------------------|---------------------------|
| Total Other Types of Expenses | 1,027.40 |
| S W BOONE Water | 51,512.77 |
| SALES TAX | |
| Arkansas State Tax | 5,873.89 |
| Boone County | 3.33 |
| Carroll County | 29.06 |
| Madison County | 410.57 |
| Newton County | 1,167.39 |
| SALES TAX - Other | 101.78 |
| Total SALES TAX | <u>7,586.02</u> |
| VEHICLE | |
| Fuel | 1,790.28 |
| Insurance | 886.00 |
| Maintenance | 1,495.40 |
| Total VEHICLE | <u>4,171.68</u> |
| VOID CHECKS | 0.00 |
| Total Expense | <u>100,910.03</u> |
| Net Ordinary Income | 27,627.98 |
| Other Income/Expense | |
| Other Expense | |
| Ask My Accountant | 0.00 |
| Total Other Expense | <u>0.00</u> |
| Net Other Income | <u>0.00</u> |
| Net Income | <u><u>27,627.98</u></u> |

DISTRIBUTION EFFICIENCY SUMMARY

| | Gallons | Percent |
|------------------------------|-----------|---------|
| Water Supplied to System | 1,905,710 | 100.0% |
| Water Sold to Customers | 1,393,120 | 73.1% |
| Utility Use (fire, flushing) | 11,500 | 0.6% |
| Water Lost | 501,090 | 26.3% |
| Average Use Per Account | 4,465 | |
| Accounts Using Water | 312 | |

SUMMARY BY SERVICE

| | Water | Sewer | Trash | Other1 | Other2 | Other3 | Sales Tax |
|---------|-----------|-------|-------|--------|--------|--------|-----------|
| Charges | 22,244.34 | 0.00 | 0.00 | 99.90 | 0.00 | 0.00 | 1,675.60 |
| Count | 333 | 0 | 0 | 333 | 0 | 0 | 333 |
| Average | 66.80 | 0.00 | 0.00 | 0.30 | 0.00 | 0.00 | 5.03 |

ACCOUNTS RECEIVABLE ANALYSIS

| | | | |
|--------------------------------|-----------|------------|-----|
| Balance Due on July 2010 Bills | | 33,565.06 | 340 |
| Credit Balances | -501.20 | | 9 |
| Debit Balances | 34,066.26 | | 331 |
| Payments | | -25,039.71 | 314 |
| Adjustments | | -2,941.54 | 15 |
| Balance after Payments and Adj | | 5,583.81 | 52 |
| Current | 1,827.95 | | 28 |
| 30 to 60 Days Old | 1,301.49 | | 6 |
| 60 to 90 Days Old | 722.60 | | 7 |
| Over 90 Days Old | 1,731.77 | | 11 |
| Penalty Charges | | 582.48 | 85 |
| Charges for Services | | 24,019.84 | 333 |
| Balance Due | | 30,186.13 | |

REVIEW OF COMPTON WATER ASSOCIATION BANK STATEMENTS

PERIOD OF REVIEW: 5/13/2010 – 6/30/2010

As a Board member of the Compton Water Association, I reviewed two bank statements provided to me by the bookkeeper, Veronica Oitker.

I am not an accountant but as a lay person carefully reviewed each deposit and outgoing check. All seemed correct and in order as best I could ascertain. Both bank statements had been reconciled by Ms. Oitker. Voided and outstanding checks were accounted for. All seemed in order. I found no expenses that did not seem pertinent to the functioning of the Compton Water Association's needs.

I found no discrepancies as could be obtained by an untrained eye.

Respectfully submitted by:

X Alexa Dale Davis 7/25/2010

Alexa Dale Davis

Compton Water Association Board Member