

**COMPTON WATER ASSOCIATION**  
**Monthly Meeting Minutes**  
**Held at Compton School, Compton Arkansas**  
**May 11, 2010 7:00 p.m.**

Meeting called to order by Allen Armer, Secretary verified quorum: Allen Armer, John Berry, Alexa Davis, and Darryl Villines. Bill Olsen, Water Operator; Veronica Oitker, Bookkeeper

**MINUTES OF PREVIOUS MEETING:** Minutes of April 12, 2010 meeting were read by John Berry. Approved with corrections as follows:

- Alexa Davis was added to the checking account as a third person on signature card.
- Motion was made to reverse the actions and decisions of the previous Board which were illegal and not made according to the by laws dated May 24, 1979.

Motion was made to accept the minutes with the above corrections made by Alexa second by Darryl Villines; motion carried.

**SECRETARY REPORT:** John Berry reported a person using a shutoff meter which was not locked. John also reported that there are perpetual leaks which he is still checking out. There is a person who wished to remain anonymous who wants to donate a sign for the Water Company and the Fire Department which can be used to post notices such as 'fire ban' or 'boil order'; the sign can be shared and placed where ever it is most effective and visible. John reported the pump in the well house, which is now installed and working but isn't automatically switching and an electrician is still needed to complete the wiring.

**UNIFNISHED BUSINESS:**

**Rate Increase:** Allen reported on the meeting had with the Board and Arkansas Rural Water. They rate survey given by Arkansas Rural Water was submitted; Allen noted that the proposed rate increase is essential to saving this water association. In the study the 2 recommendations offered: First one is a minimum bill rate increase to \$35.00 and \$9.50 for 1000 gallons of water. Second was a minimum bill of \$25.00 and \$9.50 per 1000 gallons of water and a 2 year surcharge of \$10.00. Both have the same effect of reducing the debt. John produced a letter from FHA establishing that we request a rate increase and their approval of such increase. John submitted a letter from South West Boone stating that our balance due is \$84,300 and they would only require that be amount be paid as long as CWA made the minimum water usage and pay an additional amount to reduce the past due amount. Discussion was had on the water rate increase. A motion was made by Alexa Davis to accept the first rate increase proposal (\$35.00 minimum bill and \$9.50 per 1000 gallons usage) second by Darryl Villines, motion carried.

**Discussion:** Darryl proposed that this rate increase was acceptable as long as there was a cap on it for a 3 year period. At the end of the 3 years a rate increase should be reevaluated to check the condition of CWA, with only an annual 3% cost of living rate increase. A vote was called for by Alexa Davis on the proposed rate increase (\$35.00 minimum and \$9.50 per thousand), vote was 2 in favor 1 against, rate increase was voted in.

**Pay Plan:** A pay plan was introduced for delinquent accounts which will establish a payment plan for their water usage so as not to discontinue service. The issue was introduced regarding liens on item #6 adding the word 'immediately' added to the end of sentence). #3 - add the statement, 'in accordance with Arkansas law". Motion made was made by Darryl to accept pay plan as submitted, second by Alexa, motion carries.

**NEW BUSINESS:** Bob Bartlett submitted a proposal to the Board for \$175.00 for a 3 hour minimum and \$65.00 for each hour thereafter to repair water leaks. He wanted to get the other local backhoe contractors on a rotation basis, but was unable to collectively get together with them. Darryl suggested that CWA use Bob Bartlett for leak repairs for the next month and write letters to the other backhoe operators requesting they submit a bid if they want to be included in a rotation. Darryl also noted that those backhoe operators that don't have access to a dump truck or a way to haul their equipment shouldn't be a part of the rotation or being able to bid on the jobs. Allen Armer submitted a request from another backhoe user requesting an opportunity for CWA's business. Letters need to be written to the backhoe operators who are on our water system to ask if they want to submit a bid and be on a rotation basis: (Terry Clark, Billy Clark, Mcelhaney)

Bob Bartlett requested the Board relocate his water line as it runs under his pond, he would be willing to do the labor and digging if CWA would supply approx. 100' of water line. Discussion was had on the ability to put in smaller line, blow off and relocating the meter. Motion was made by John Berry and second by Alexa to table the decision until the until next meeting so the water operator and the Board could look at the situation and then make the proper decision as to what needs to be done; motion carried. It will be on unfinished business for the next meeting; Bob Bartlett was invited back for the decision.

**REGISTERED AGENT:** Allen submitted a letter from Gail Inman stating he was being made the Registered Agent with the Secretary of State's Office for Compton Water Association, Inc.

**MOTIONS SUGGESTED BY ATTORNEY:**

- Write a letter to any law enforcement agent Gail Inman feels should receive it stating that CWA is in agreement with and will cooperate with a full and extensive investigation regarding the actions and decision of the past Board. The cost to send the letters is approx. \$150.00 per hour and Alexa and John suggested that Gail be asked how much it should cost to complete the letter campaign. Allen said he would be in her office the next day and would inquire of the cost. Motion was made by John to open this for discussion and Darryl seconded. A motion was made by Darryl second by Alexa to spend \$500.00 for this letter writing campaign, motion carried.
- Darryl made 1<sup>st</sup> motion with the investigation second by Alexa, motion carried. (see attached)
- Darryl made 2<sup>nd</sup> motion regarding proceeding with investigation, second by Alexa, motion carried. (see attached)
- Darryl made 3<sup>rd</sup> motion second by John Berry, motion carried. (see attached)

**PULLED METERS:** A motion was made by Darryl and second by John Berry that any new connections are required to have a shut off valve installed on their side of the meter and that those who are already on the system are 'grandfathered' in and don't have to meet the requirement unless there is work done on their line; motion carried.

A motion was made by Alexa regarding those customers who are in good standing who may request their water be turned off, that we do not pull the meter but there is a \$50.00 reconnect fee when they want it turned back on; those who are not in good standing, their meter will be pulled and a reconnect fee of \$50.00 is charged, motion carried.

Motion was made by John Berry that when a customer is not in good standing and his water is disconnected, that his reconnection fee is \$50.00 and a new meter deposit is \$100.00 is also required, second by Alexa Davis, motion carried. Definition of 'in good standing' is attached on payment plan attached to these minutes.

Alexa Davis made a motion regarding water leaks where a customer didn't phone Arkansas One Call when they dug anywhere on their property and a water line was broken, there is a minimum charge of \$1,000.00 on a main line and \$750.00 on a secondary and customer will incur all costs associated with the leak second by John Berry, motion carried.

Banking information: John Berry submitted a report regarding our 2008 and 2009 taxes which aren't completed and we can't locate any correspondence from the IRS on those years. Leila Hutton, CPA said there were 4 other bank accounts that she recalls CWA had turned in on previous year's taxes and she would be able to pull that information for us. Discussion was had that when that account information was acquired that it would be turned over to investigators.

Darryl asked about new taps or setting a new meter and what we charge for them, he wanted clarification and the charges to be defined; a motion was made by John Berry to table this discussion, second by Darryl Villines, motion carried.

**PERSONNEL ISSUES:** Darryl Villines appointed as spokesman for the Board, who is the employer for the Water Operator. Darryl asked Bill Olsen, Water Operator to establish for the Board his understanding of his job description, his answer was to take care of the system, collect samples, read meters, maintain system and make sure it runs efficient. Darryl asked him if maintenance around tanks, cleaning fire hydrants, paint valves, keeping brush hog areas that need it, anything accessible to the system as part of his job description, Bill answered yes.

Darryl asked Bill to submit an actual cost of setting a ¾ tap setting for Bob Bartlett and to use Bartlett's minimum charge for leaks; this would establish what our charges would be for setting a new tap or meter set with a 25' minimum.

Darryl asked Bill about checking why the gauges on the tanks aren't working; Bill said he had talked to Tim Curry regarding this matter and he was going to come out and check them. Bill is to report at the next meeting on the issue.

Darryl said the mercury switches at both tanks were leaking in the boxes, he asked Bill to find out why they are leaking, to report at next meeting on what needs to be done to get them fixed.

The master meter on Hwy 21 isn't working, Bill said there is no water going through it and doesn't know why. Darryl said he would get with Bill on the issue later.


Leak detection: Until our water loss goes down Darryl thinks that two nights per month should be set aside to do leak detection and Darryl volunteered his time to find leaks. Allen interjected that Josh with ARWA is coming out to begin such leak detection the following week.

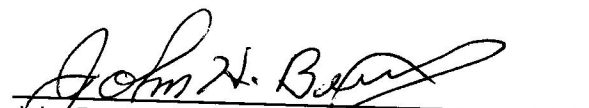
Allen Armer addressed Bill Olsen on his job performance and that his work to this point wasn't acceptable to the Board; his 6 month review was approaching and at this point Allen couldn't recommend continuing on with Bill. Bill Olsen said he would submit his resignation tonight at this meeting. Darryl Villines asked him if he thought his performance was 100% up to this point, and Bill said it was 'as best as he could do' and Darryl Villines said 'I accept your resignation'. Allen stated that this wasn't what the Board wanted and that they were prepared to give him another 30 days to improve performance; Bill Olsen said it was hard to perform when he didn't know what he needed to do in his job, he said when he received phone calls, he responded. Allen stated that if this situation is 'fixable' then they didn't want Bill to leave and if communication was a problem, then we can fix that and that this Board didn't want him to leave. More discussion was had on job performance and expectations. Allen once again said he wanted to save the union and that Bill was the best man for the job but that Bill had let the Board down. Allen established if Bill was still the Water Operator and he said yes; Allen also established the need for a written job description and Bill said he would look at the description and decide if it was satisfactory. Darryl also stated that he wanted Bill to stay and help us improve this system. Allen established that if Bill was with us and we would start over with a new job description. Bill said he would hang on for a little while and the Board established they were willing to do whatever needed to bridge the relationship to improve the system.

**WATER OPERATOR REPORT:** Allen asked Bill Olsen to give a report, nothing to report.

**BY LAWS ESTABLISHED:** Motion was made by Alexa Davis and second by John Berry, to establish the date of the by laws by which we were making our decisions is May 24, 1979, motion carried.

**ADJOURNMENT:** Motion was made to adjourn by Alexa Davis, second by John Berry to adjourn meeting, motion carried.

  
Allen Armer, President

  
John Berry, Secretary/Treasurer

8/10/10  
Date

6-8-2010  
Date

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

	<b>May 27, 10</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Bank of the Ozarks	4,091.91
CFB 8350 Checking	12,045.23
CFB 72187 Meter Dep Checking	4,850.62
<b>Total Checking/Savings</b>	20,987.76
<b>Accounts Receivable</b>	
Accounts Receivable	450.00
<b>Total Accounts Receivable</b>	450.00
<b>Total Current Assets</b>	21,437.76
<b>TOTAL ASSETS</b>	<b>21,437.76</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
USDA Rural Development Loan	13,188.00
<b>Total Accounts Payable</b>	13,188.00
<b>Credit Cards</b>	
Chase Card Services	1,040.89
<b>Total Credit Cards</b>	1,040.89
<b>Other Current Liabilities</b>	
Southwest Boone Water Assoc	-5,700.00
<b>Total Other Current Liabilities</b>	-5,700.00
<b>Total Current Liabilities</b>	8,528.89
<b>Long Term Liabilities</b>	
<b>ARKANSAS NATURAL RESOURCES</b>	
Arkansas Natural Resources 1	74,825.00
<b>Total ARKANSAS NATURAL RESOURCES</b>	74,825.00
<b>Total Long Term Liabilities</b>	74,825.00
<b>Total Liabilities</b>	83,353.89
<b>Equity</b>	
Opening Balance Equity	-75,009.64
Unrestricted Net Assets	-11,648.72
Net Income	24,742.23
<b>Total Equity</b>	-61,916.13
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>21,437.76</b>

**Compton Water Association, Inc.**  
**Profit & Loss**  
 January 1 through May 11, 2010

	<u>Jan 1 - May 11, 10</u>
Ordinary Income/Expense	
Income	
Reconnect Fees	225.00
Water Sold	65,884.52
Total Income	<u>66,109.52</u>
Gross Profit	66,109.52
Expense	
CONTRACT LABOR	
Bill Olsen	4,950.00
Bob Bartlett	200.00
Brad Olsen	-861.00
C. J. Barron	552.00
Darin Jackson	400.00
Joyce Sattler	2,400.00
Luke Atkinson	144.00
Veronica Oitker	1,800.00
Total CONTRACT LABOR	<u>9,585.00</u>
Contract Services	
Arkansas One Call	57.00
Arkansas Rural Water Assn.	375.00
Total Contract Services	<u>432.00</u>
EQUIPMENT	
Computer	1,435.90
Leak Repairs	1,016.50
Mower	31.63
Other Repairs	51.90
Total EQUIPMENT	<u>2,535.93</u>
Facilities and Equipment	
Rent	170.00
Total Facilities and Equipment	<u>170.00</u>
Operations	
Postage, Mailing Service	847.10
Printing and Copying	21.50
Supplies	150.73
Telephone, Telecommunications	849.99
Utilities, Electric, Gas	1,357.62
Water Works	2,293.87
Total Operations	<u>5,520.81</u>
Other Types of Expenses	
Bank Service Fees	234.50
Dues	30.00
Insurance - Liability, D and O	711.00
Total Other Types of Expenses	<u>975.50</u>
S W BOONE Water	33,703.21
SALES TAX	3,785.45
VEHICLE	
Fuel	1,001.22
Insurance	998.00
Maintenance	852.85
Total VEHICLE	<u>2,852.07</u>
VOID CHECKS	0.00
Total Expense	<u>59,559.97</u>
Net Ordinary Income	6,549.55

3:03 AM  
05/11/10  
Accrual Basis

**Compton Water Association, Inc.**  
**Profit & Loss**  
January 1 through May 11, 2010

	<u>Jan 1 - May 11, 10</u>
Other Income/Expense	
Other Expense	
Ask My Accountant	-107.60
Total Other Expense	-107.60
Net Other Income	107.60
Net Income	<u>6,657.15</u>

## DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	1,953,000	100.0%
Water Sold to Customers	975,246	49.9%
Utility Use (fire, flushing)	0	0.0%
Water Lost	977,754	50.1%
Average Use Per Account	3,208	
Accounts Using Water	304	

## SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	18,376.91	0.00	0.00	99.60	0.00	0.00	1,386.79
Count	332	0	0	332	0	0	332
Average	55.35	0.00	0.00	0.30	0.00	0.00	4.18

## ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on May 2010 Bills	26,129.61	343
Credit Balances	-372.06	8
Debit Balances	26,501.67	335
Payments	-15,498.31	295
Adjustments	-255.64	17
Balance after Payments and Adj	10,375.66	60
Current	1,852.30	15
30 to 60 Days Old	1,673.60	11
60 to 90 Days Old	6,814.61	26
Over 90 Days Old	35.15	8
Penalty Charges	432.00	91
Charges for Services	19,863.30	332
Balance Due	30,670.96	



**COMPTON WATER ASSOCIATION**

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

Monday, May 10, 2010

FHA  
Bill Rowland  
402 N. Walnut Room  
Harrison, AR

Dear Mr. Rowland:

We are hereby requesting a rate increase as directed in our recent Rate Survey. We realize we are outside the direction of our By Laws, yet our situation is considered urgent due to the delinquency we currently have with S W Boone Water. Our May meeting is the 11<sup>th</sup> and we desire to vote on this increase at that meeting effective for June billing.

Thank you for your consideration, your signature below grants us permission from your agency to proceed.

Sincerely,



John Berry  
Secretary/Treasurer



William Rowland

5-10-10

Date