### **COMPTON WATER ASSOCIATION**

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

Hello to all COMPTON WATER ASSOCIATION MEMBERS:

July 1, 2014

Included in this newsletter, you will find a copy of an article which appeared in the Harrison Daily Times on May 30, 2014. Some time back, a law suit was filed by Wanda Roudabush which included several items, most of which were dismissed, however the two remaining items Judge Putman ruled on, are noted and addressed below. Though the complainant in this suit took these findings to the local newspaper and thereby to the general public, Compton Water feels its most important that the Water Members be informed as to the findings and how it affects them/you.

The first item is regarding the notice of meetings, which was found we had not properly noticed our members. Notice of meetings is to be given to Water Members 120 days prior to the meeting, by first class mail. We had done that in prior years by putting the meeting schedule on your blue water bill. That changed, when Roudabush felt we didn't give proper notice and definition to delinquency, so the small amount of space allotted to additional information was given to that definition, we are now back to placing the notice of the meetings on your blue water bill and if you would like further definition on what it means to be delinquent, please let us know and we will gladly explain it to you. In addition, proper notice wasn't given of a meeting change during the winter months; there was an ice/snow storm that prohibited CWA from conducting its normal business, so the meeting was canceled. It wasn't possible to place a notice on the door of the meeting location (Compton Community Building) due to the same ice storm, as the parking lot was slick and snow packed, with no ability to clean the lot. Therefore, both of these situations led Judge Putman to rule that Compton Water Association did not give proper notice to its members, for this we apologize. We want you to notice the meeting information on your Blue Water Bill and we invite every Water Member to attend. The regular annual Business Meeting and Board of Directors meeting schedule is as follows:

February, April, June, August, September, October, December. Second Tuesday at 7:00 p.m. at Compton Community Building, Compton, Arkansas

The second matter which Judge Putman ruled on was the issue of the names and addresses of CWA Members, which he ruled were to be submitted to Roudabush. Initially, CWA had no issue with giving the names to Roudabush, however some of you voiced concern to Board Members about giving out this personal information and took issue with it violating your privacy, therefore the Board felt it necessary to seek legal advice on the matter. We took legal council with Mitch Cash, Attorney, and upon his advice, did not give them out. Roudabush then filed suit to get them from Compton Water. CWA decided that a judicial process and outcome was what we would abide by, and the findings were to give names only to Roudabush, which has been done. The newspaper article states that CWA spent \$9,000.00 on legal costs fighting this cause, which is not correct. Since January 1, 2010, CWA has had to engage legal council on many matters and the total amount spent on legal council from 2010 to present is \$5,016.54, approximately \$3,900.00 was spent on the court case as well as understanding the Freedom of Information Act. We regret it took that much money to solve this issue, however there were so many opinions offered, that CWA voted to seek legal council for resolution. You might want to know, that Arkansas Rural Water Association and all other entities that over see CWA, recommend that every utility company keep an attorney to advise them on all matters of operation, and we follow that advice. We would like to say, we wish the funds spent on this case could have been applied to more important matters like a building, rewriting our by laws, improving the water lines, well house building maintenance, etc., but that was not the case. Hopefully, moving forward, we can get back to those things which are of a critical nature and have equal importance.

The last parting words of wisdom from Judge Putman, after the case was presented, was that he saw so many critical cases and his hope and advice to all parties present, would be to get along and work together, and to that CWA agrees. We do hope this was informative to you and satisfies your questions. Please feel free to come to the meetings, but note we don't have a speaker system and do our best to project our voices so all can hear. Please write to us if you would like to be placed on the Agenda with any questions, we invite all concerns, however to address the business matters expediently, we need to be able to conduct meetings in an orderly and business manner.

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Mitch Jones, Pres.; John D. Henderson, Vice Pres.; John Berry, Treas.; Roger Jones & Sandy Irwin, Board Members

**NEWSLETTER July 2014** 

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Roudabush, who served on the water board in 2011, had requested the information, but was denied. She said that during her time on the board, she had refused to be a "yes" person, and she suggested that might have a reason for the board's denial of her FOIA request.

"Nobody knew when they would meet," Roudabush's husband, Paul, said of the water association board.

In his ruling, Putman noted that "this case was not plead or presented in a conventional legal man-Roudabush explained that was because she represented herself as the plaintiff.

Describing herself as "just a housewife," Roudabush said she was assisted in the case by Lewis and her husband.

"I knew I was right," Roudabush said. "I didn't know how good a presentation I would give, but I knew I was right."

The Compton Water Association was represented: by Marshall attorney, Mitch Cash. According to Roudabush, she learned that the water association paid Cash \$9,000.

Regarding the release of water association member names, Putman cited a similar case, Hopkins v. City. of Brinkley. In that case, the Arkansas Supreme Court ruled that the Brinkley Water and Sewer Department must release names and addresses of ratepayers.

Roudabush also got a 2007 opinion written by Arkansas Attorney General Dustin McDaniel. In it, McDaniel addresses the question of water systems being under the jurisdiction of the Arkansas FOIA law. In addition, she got a 2002 opinion written by then attorney general Mark Pryor in which he state that a rural water district must provide records reflecting requests such as Roudabush's.

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Association have gained a reputation as quarrelsome events, both Roudebush and Jones said. While Roudebush has complained of board members shouting down or ignoring residents in attendance of meetings, Jones said he and other board members have been the targets of verbal threats of physical violence from attendees during such meetings. Jones said he had never pressed criminal charges in such instances. "This is a small community," said Jones, who moved to Compton from Little Rock in 2010. "These are my neighbors. Along with the truth, I want peace." Much of the apparent discord stemmed from a 2010 increase in water rates, a move Jones and Oitker said they had to make to repay debts accumulated by the previous board, which was dissolved in early 2010. The association now charges \$35 for the first 1,000 gallons of water each month, and \$9.50 for each additional 1,000 gallons, an increase over the previous rate of \$25 for the first 1,000 gallons and \$5.50 for each additional 1,000. "Past boards had refused to up rates incrementally as costs had increased," Oitker said. "The expenses to maintain the system had gone up with time, but the board refused to raise the rates to compensate for those expenses. And as a result, much of the set-aside funds were used to run the system." In 2009, Oitker discovered that the previous bookkeeper had not ordered an audit since 2002. Oitker requested a special investigation from the Legislative Audit Division, which determined a pattern of "salary overpayments, noncompliance with IRS regulations and Code, questioned disbursements, and significant differences in water purchased from the Supplier and sold to customers," according to the division's investigative report. The association owed more than \$97,000 to the Southwest Boone County Water Association 2009; the debt has since been paid with revenue generated from the 2010 rate increase. The investigation also found improper compensation payments in the amount of \$5,550. The report was forwarded to the 14th Judicial District Prosecuting Attorney Ron Kincaid, but charges were never filed. Calls to Kincaid's office were not returned. Over the past few years, Jones and Oitker said, Freedom of Information Act requests, filed by Roudebush and others, have overwhelmed Oitker to the point of her being nearly unable to carry out her actual responsibilities as bookkeeper. In a December 2012 Freedom of Information Act request, Roudebush asked for copies of the association's five previous annual audit reports, among other things. Oitker said producing every document associated with even one annual audit was an enormous task. "They want every document supplied to the auditor," Oitker said. "I don't know if you realize what that means in the accounting world. It entails every single check, every document, every receipt, everything. "I understand the need for [the Freedom of Information Act], but when it's abused, it's perilous, and it hurts people," Oitker said. "This little group of folks are abusing it. It's antagonistic, and it's really put a burden on this water company." Jones said: "Imagine being a small water association with three paid employees, and having to answer an unbelievable, endless flow of FOI requests. I think it's designed to wear [Oitker] out." In addition to Oitker, the association also employs a meter reader and a maintenance worker, Jones said. Board members are not compensated for their positions with the association. The Compton Water Association currently has no physical office. Oitker said all of the association's paperwork is kept in her home. She said board members had intended to purchase a commercial business space in 2013 but decided against it after spending approximately \$3,900 in legal fees paid to Mitch Cash, an attorney retained by the board to navigate Freedom of Information Act questions. "There were as many people saying, 'I don't want you giving my name out,'" Oitker said, referring to Roudebush's request for the names, addresses and phone numbers of association members. As Roudebush's Freedom of Information Act suit gained momentum, board members felt the potential legal costs precluded the planned business-office purchase, Oitker said. Menz, the Little Rock attorney, said the contrarian nature of the Compton Water Association board's relationship to its members was not unusual among rural, quasigovernmental agencies, in his experience. "You see the same thing in small city councils: Somebody challenges them on something, and they say, 'We've been running it this way for years, and it's been OK," Menz said. "It's just human nature working out. What you have here may not be a legal problem -- it sounds like a personality problem." NW News on 09/02/2014 Copyright 2014, Arkansas Democrat-Gazette.

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