

**COMPTON WATER ASSOCIATION**  
**Monthly Meeting Minutes**  
**Held at Compton School, Compton Arkansas**  
**June 8, 2010 7:00 p.m.**

Meeting called to order by Allen Armer, Secretary John Berry confirmed there was not a quorum. Allen Armer extended meeting until 7:30 p.m. anticipating Clark Shaver and Chris Shaver would be in attendance.

In attendance: Allen Armer, John Berry, Alexa Davis  
Veronica Oitker Bookkeeper  
Bobby Hudson, Water Operator applicant  
Tom Gandy, Meter Reader applicant

Allen Armer stated we were in an emergency state and declared that Compton Water Association could not function without a Water Operator or Meter Reader; therefore we would proceed with both of these applicants as temporary hires until a quorum vote could be declared at the next scheduled meeting and both applicants would be hired at the full pay scale.

At 7:30 p.m., Allen Armer once again asked Secretary John Berry for a quorum, he confirmed there was not a quorum. Allen Armer scheduled the next meeting for Tuesday June 15, 2010 at 7:00 p.m. at Compton School. At 7:30 p.m., Allen Armer adjourned the formal meeting.

Allen Armer asked the members if they had any questions:

One member asked for clarification on what a shutoff meter or disconnected meter is, answer was supplied by John Berry.

John Berry addressed the members regarding how much money CWA owes and reminded them of the outstanding debt and added some clarification to the figures. The amount owed to SW Boone was declared to be approx. \$87,000.00 which excludes penalties and will continue to exclude penalties as long as CWA is able to pay the water usage, taxes and some on delinquent amount. A question was asked about the USDA loan amount, John stated the balance was approx. \$72,000 not \$17,000 which was given in a previous meeting; it was explained that the \$17,000 was the past due amount (which was 3 years in arrears) and the loan balance is approx. \$72,000.00. The truck balance is \$388.23 and will be paid off in June. John also reported that the taxes hadn't been done in 2008 and 2009 and the past accountant Leila Hutton was proceeding to do the taxes with back up disc's from those years.

Allen said that it would be nice if people would answer the call to serve as Board Members; at this meeting 3 were missing, one threatening to resign and we were unable to conduct business. He was hoping others would be ready to commit to serve. Explanation was given as to why the other members weren't in attendance.

One member asked what the water loss for the month was; it was declared it was approx. 1,000,000 gallons, we had a major leak. 2,127,000 supplied to system, we sold 975,000 gallons. Josh with Arkansas Rural Water was a great help in locating leaks and establishing the condition of

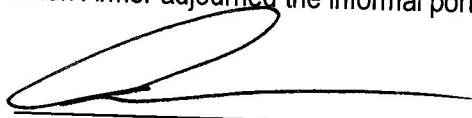
our system and giving assistance in any way to help Compton Water. The leak was found in the Erbie Road area.

A member asked if CWA had ever noticed any paper work regarding fire hydrants that had been purchased and possibly returned. John Berry declared that we were not comfortable with searching for documents due to the investigation currently going on with CWA. Until or unless the investigation is over or completed it would not be wise for any CWA Board Member or Bookkeeper to proceed with searching for documents.

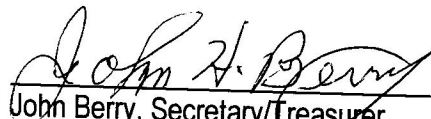
Garland Matlock declared there was a fire hydrant next to the fire department which is improperly plumbed and wouldn't be able to fill a truck. Mr. Matlock wishes that the hydrant be installed correctly half between the driveways to make it easy to fill trucks and could the Fire Department work with CWA to complete the project. Both the Fire Department and CWA declared it was a community safety issue the way they are. Garland said there were opportunities to get funds to help with these improvements; Allen asked Garland to keep him informed about the availability of these funds.

Allen gave an update on the investigation and though it was proceeding, it was still going to require authorization by local authorities in this jurisdiction to proceed and the conflict of interest with these authorities and the investigation was still an obstacle. They were waiting for further information to come forward.

Allen Armer adjourned the informal portion of the meeting.

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

8/10/10  
Date

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

6-15-2010  
Date

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

	Jun 27, 10
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Bank of the Ozarks	518.42
CFB 8350 Checking	11,272.54
CFB 72187 Meter Dep Checking	4,850.62
<b>Total Checking/Savings</b>	16,641.58
<b>Total Current Assets</b>	16,641.58
<b>TOTAL ASSETS</b>	<b>16,641.58</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
USDA Rural Development Loan	11,304.00
<b>Total Accounts Payable</b>	11,304.00
<b>Other Current Liabilities</b>	
Road Bond	-1,000.00
Southwest Boone Water Assoc	-7,200.00
<b>Total Other Current Liabilities</b>	-8,200.00
<b>Total Current Liabilities</b>	3,104.00
<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>	77,929.00
<b>Equity</b>	
Opening Balance Equity	-75,009.64
Unrestricted Net Assets	-11,648.72
Net Income	25,370.94
<b>Total Equity</b>	-61,287.42
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>16,641.58</b>

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

	<u>Jan 1 - Jun 27, 10</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>FEEES CHARGED</b>	
Miscellaneous Revenue	1,361.00
Reconnect Fees	325.00
<b>Total FEEES CHARGED</b>	1,686.00
Water Revenue	100,525.18
<b>Total Income</b>	102,211.18
<b>Gross Profit</b>	102,211.18
<b>Expense</b>	
<b>CONTRACT LABOR</b>	
Bill Mcelhaney	240.00
Bill Olsen	6,750.00
Bob Bartlett	375.00
Bobby Hudson	450.00
Brad Olsen	710.00
C. J. Barron	552.00
Darin Jackson	400.00
Joyce Sattler	2,400.00
Luke Atkinson	144.00
Veronica Clark	2,400.00
<b>Total CONTRACT LABOR</b>	14,421.00
<b>Contract Services</b>	
Arkansas One Call	68.40
Arkansas Rural Water Assn.	400.00
<b>Total Contract Services</b>	468.40
<b>EQUIPMENT</b>	
Computer	1,435.90
Leak Repairs	2,313.66
Mower	195.66
<b>Total EQUIPMENT</b>	3,945.22
<b>Facilities and Equipment</b>	
Storage Unit	170.00
Truck Expense	2,341.71
<b>Total Facilities and Equipment</b>	2,511.71
<b>Operations</b>	
Books, Subscriptions, Reference	28.00
Postage, Mailing Service	1,108.75
Printing and Copying	89.54
Supplies	305.78
Telephone, Telecommunications	970.47
Utilities, Electric, Gas	1,573.97
Water Works Computer Program	2,293.87
Operations - Other	191.62
<b>Total Operations</b>	6,562.00
<b>Other Types of Expenses</b>	
Bank Service Fees	286.40
Dues	30.00
Insurance - Liability, D and O	711.00
<b>Total Other Types of Expenses</b>	1,027.40
<b>S W BOONE Water</b>	40,814.01
<b>SALES TAX</b>	
Arkansas State Tax	2,970.00
Boone County	1.00
Carroll County	16.00
Madison County	197.00
Newton County	564.00

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

	<b>Jan 1 - Jun 27, 10</b>
SALES TAX - Other	37.45
Total SALES TAX	3,785.45
VEHICLE	
Fuel	1,549.63
Insurance	886.00
Maintenance	869.42
Total VEHICLE	3,305.05
VOID CHECKS	0.00
Total Expense	76,840.24
Net Ordinary Income	25,370.94
Other Income/Expense	
Other Expense	
Ask My Accountant	0.00
Total Other Expense	0.00
Net Other Income	0.00
Net Income	25,370.94

**DISTRIBUTION EFFICIENCY SUMMARY**

	Gallons	Percent
Water Supplied to System	1,969,540	100.0%
Water Sold to Customers	2,507,420	127.3%
Utility Use (fire, flushing)	1,300	0.1%
Water Lost	-539,180	-27.4%
Average Use Per Account	8,062	
Accounts Using Water	311	

**SUMMARY BY SERVICE**

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	22,001.80	0.00	0.00	100.80	0.00	0.00	1,661.62
Count	336	0	0	336	0	0	336
Average	65.48	0.00	0.00	0.30	0.00	0.00	4.95

**ACCOUNTS RECEIVABLE ANALYSIS**

Balance Due on June 2010 Bills		30,670.96	339
Credit Balances	-316.57		10
Debit Balances	30,987.53		329
Payments		-21,163.54	313
Adjustments		-118.08	10
Balance after Payments and Adj		9,389.34	58
Current	1,924.45		24
30 to 60 Days Old	1,439.46		9
60 to 90 Days Old	886.61		5
Over 90 Days Old	5,138.82		20
Penalty Charges		453.38	78
Charges for Services		23,764.22	336
Balance Due		33,606.94	