

COMPTON WATER ASSOCIATION
Monthly Meeting Minutes
Held at Compton School, Compton Arkansas
June 14, 2016 - 7:00 P. M.

Mitch Jones called meeting of June 14, 2016 Compton Water Association to order. Roger Jones called roll to determine if a Quorum is present. Members present: Mitch Jones, Roger Jones and Wayne Hartlerode. Quorum established.

REPORTS:

MINUTES: Katrina Davidson
DIRECTORS REPORT: Katrina Davidson
BOOKKEEPER REPORT: Board Member
WATER OPERATOR REPORT: none
METER READER REPORT: none

Motion was made by Roger Jones to accept reports as read, second by Wayne Hartlerode.
Motion carries.

UNFINISHED BUSINESS:

1. Katrina Davidson reports that the EPA sent a letter in the mail, apparently Wanda Roudabush complained about several topics, this (letter was provided to board members) is how the EPA responded to her, just letting her know CWA is doing everything we are supposed to be doing.

Roger Jones- So negative for chloroform and ecoli? So both things Wanda Roudabush was claiming.

Veronica Clark- And also the way we bill on the taxes, she made a fuss about that. And that is when I got involved and wrote that email. Then after that he wrote this and there is no findings, these people (CWA) is doing what they are supposed to be doing.

Katrina Davidson- And how we communicate when there is a boil order. We post signs, I'm working on calling, maybe already called a fourth of the people to see if they wanted to sign up to receive alerts.

Roger Jones- That is so cool. You know as soon as a boil order comes on and goes off. How many customers are on that?

Katrina Davidson- Right now, 80-85% that have been contacted. Older people that do not have text or email are on a call-list.

Mitch Jones- It's a service, it's a luxury.

Veronica Clark- You (CWA) are paying for it along with the website.

Wayne Hartlerode- We don't have to do any of that. According to the Health Dept. all we have to do is call radio station, which does little good, if we can go door to door if it's a small area.

Veronica Clark- People will call their neighbors and friends.

NEW BUSINESS:

1. Veronica Clark states that the 0.5% increase was on the state side not the county side.
Roger Jones- Does anyone think this is going to stop Mrs. Roudabush?
Veronica Clark- I think it did kind of shock her. There is not a reason in the world that whole thing can't be on the website, the whole thing.
Roger Jones- I think that's a good idea.
Veronica Clark- We can't just put that (EPA complaint) we would have to put the whole thing. And there was no formal complaint; we never got a copy of that. All the emails will have to go out there.
Roger Jones- Which I don't care, it doesn't matter to me. I see your public relations point.
Veronica Clark- It just needs to stop.
Roger Jones- I hope this is an indication that they are.
2. Do we want to have a discussion on billing procedures?
Veronica Clark- You do.
Katrina Davidson- We were talking to South West Boone about how they do it, the way we are doing it now these people have 55 days to pay. The bill rack up.
Roger Jones- Is that because of the time we read it and get everything processed and to the customer or from the time we bill?
Veronica Clark- yes
Roger Jones- That's not happening anywhere else.
Veronica Clark- There are at least two systems doing it the way Katrina said.
Katrina Davidson- SWB is reading on the 17-24, they have a week to pay after shut off notices. Anything over 30 days is immediate disconnect. Bills sent 1st of the month due on the 10th.
Roger Jones- That's more what I remember from municipal
Katrina Davidson- Mt. Sherman does it the same way, not sure where else.
Roger Jones- If we change it it would move everyone up 45 days so that would help cash flow to this place which is fantastic. But there may be folks out here that that might be a big deal to, I don't know maybe I'm wrong.
Veronica- I just know that I was surprised how this system done this. From the 1st to the 15th they have 15 days to pay that bill and then once it becomes 30 days delinquent....
Roger Jones- That doesn't make any sense at all. How many people use this system for their benefit?
Veronica Clark- Thirty
Wayne Hartlerode- Is that 10%?
Veronica Clark- Probably
Wayne Hartlerode- It's crazy that we have to deal with that at all.
Veronica Clark- They work the system.
Roger Jones- How much money...
Veronica Clark- She would have to go to that 10% and put a dollar to it.
Roger Jones- What is our overall receivables, \$30,000 that we take in every month? 10% would be \$3000.
Veronica Clark- On the director's report on the bottom you see current to 30 to 60 to 90 add those together and that's what it is.
Roger Jones- Yep, about 3 grand.

Veronica Clark- That's your penalty you're making \$455.81 that's sort of a profit if you want to call it that.

Wayne Hartlerode- Operating money.

Veronica Clark- It is operating money but it usually doesn't come in until these things are paid so that's about how much money it is.

Roger Jones- So we would be giving up maybe \$4000 in penalty income, to move it forward? Who knows if you would still be getting the penalty?

Veronica Clark- The penalty is charged in 15 days on unpaid amount for the month, not unpaid balance. Your working on about \$3000-4000 a month but what it will do, you get disconnect and reconnect fees where you make more money, so your not making all that much, you are covering costs with that because you then mail a letter then send Bobby out there.

Katrina Davidson- We actually didn't have disconnects this month.

Veronica Clark- You should have, we will have people keep getting water because we don't disconnect. They will pay just enough to avoid that and you have paid for the water that you bought, out of your pocket, rather than the person paying for it.

Roger Jones- If we went to this new system would that be more disconnects?

Veronica Clark- At the onset it will, eventually it will stop it. We run a water company we aren't debt collectors.

Roger Jones- What do you think Mitch?

Mitch Jones- I think that is every water company does it like that, I'm not sure how we got off going that extra 30 days, its up to us to fix this if we can, and we can but there will be some fall outs, there will be some headaches.

Wayne Hartlerode- Is it free to make this transition?

Veronica Clark- The will need to be a newsletter and its time to do a newsletter. You would have to give them 1st class notice probably 60 days in advance.

Mitch Jones- Veronica, this would be more like electric company? And telephone? Are we the only ones that give this 30+ days?

Veronica Clark- That I know of.

Roger Jones- Everywhere I have known you've had 10 days.

Veronica Clark- However you need to consider our mail service is a real issue. It's a disadvantage because you live in such a rural area. So what you might do is keep it the first through the 15th and then if not paid send out a disconnect on the 25th, if not paid by the 1st that would be a disconnect.

Roger Jones- Now Karl Lehr and his deal with billing, was that resolve at all?

Veronica Clark- No it was not. Karl Lehr was saying when you mail the bill out and its postmarked 4 days later, that he don't get that 15 days.

Roger Jones- He knows he has a water bill coming up.

Veronica Clark- A- That's correct. B- If its due on a certain day of the month, its not that you have 15 days from when you get it, it's the 15th. He thinks when he gets it he should have 15 days to pay it. We all have electronic ways to pay bills. He was also handing his bill to any board member, that's not a professional delivery.

Roger Jones- Last board meeting we talked about raising rates.

Veronica Clark- Your rate survey is still being figured.

Wayne Hartlerode- Any idea how long that will take? Will that be something to add to the newsletter?

Veronica Clark- That would be great.

Roger Jones- Is it something we deal with now or wait on rate survey?

Mitch Jones- I believe it should be laid out very plain in a letter with rate increase and everything and say we are getting more uniform, which goes along with everything online. We do have an issue with mail service. We don't want to get down in the mud over a couple of days.

Veronica Clark- The telephone and electric companies have same problems. You just have to decide...

Roger Jones- What do they do, are they pretty hard?

Veronica Clark- Yes

Wayne Hartlerode- I've been here for 20 something years and I don't remember not getting a bill pretty close to on time.

Veronica Clark- We have it automatically withdrawn.

Wayne Hartlerode- We knows it coming and if it doesn't show up...personal responsibility.

Veronica Clark- I would recommend to get it voted in so when you do have your newsletter ready to come out it will be in there.

Mitch Jones- When do you expect rate survey?

Veronica Clark- Any time. It will be here for the next meeting.

Roger Jones- It's still our choice correct?

Veronica Clark- It is.

Roger Jones- We are going to do it.

Veronica Clark- You have to do it.

Mitch Jones- Do it all at one time. I anticipate to get it within the next 30 days, at the next meeting we will vote it in.

Roger Jones- Did you just make a motion? Do we not need it in a written form so we know what we are voting on?

Mitch Jones- I would like to see it.

Roger Jones- I make a motion to write the new policy down and have it at the next meeting, shoot over emails with that draft of policy to be prepared to enact that at the next meeting along with rate decisions.

Wayne Hartlerode- I second that motion.

Motion carries.

3. Mitch Jones- Tank inspection discussion.

Katrina Davidson- Bobby emailed that ARW no longer does tank inspections, which was free, due to Health Department changing rules. We have 2 options per Bobby: 1-Drain the tank losing 100,000 gallons draining it and 100,000 refilling it. This option costs \$500. Option 2- Have tank inspected by an ROV which costs \$1500. I need a decision soon from the board on this.

Roger Jones- What goes along with draining a tank? What inconvenience to customers and to the system?

Wayne Hartlerode- As soon as they started draining Firetower tank, BOC is going to be screaming.

Veronica Clark- Everybody will but doesn't it fill Firetower first and come back to Compton?

Wayne Hartlerode- Yes

Veronica Clark- Is an ROV, a small submarine, can you use the water once and ROV has been dipped into it.

Wayne Hartlerode- I think you can, that's not a person in there just a machine. They may have you boost the chlorine, that is at our cost of money.

Veronica Clark- So if you use the ROV your talking \$3000, \$1500 per tank.

Katrina Davidson- Bobby said this option costs \$1500.

Veronica Clark- I emailed Bobby back and asked all these questions, he never responded. I said the board is going to want to know these things. 1. Is this per tank? 2. What do you suggest? He did not answer me.

Roger Jones- That's disappointing.

Wayne Hartlerode- That's the communication we get from him.

Veronica Clark- In order to drain on tank you will have to use the other tank entirely for the whole system. You will use one tank down. The water operator has to do this.

Roger Jones- How long will it take?

Veronica Clark- Probably 2 weeks. Then you have to schedule those guys inside of that time and then you can't drain both tanks at the same time and your water operator has to monitor all that water coming out.

Wayne Hartlerode- Job description of a water operator, there may be days or weeks when he doesn't do anything but answer calls, then all the sudden boom you may have to babysit a tank for weeks, that's the water operator's job. I'm not saying this in protection or trying to side up with Bobby saying well he needs to be doing this, it's cheaper its \$500 to get it done. My problem is when we painted that tank there is a lot of things that go along with it. If you calculate all the problems that go along with that, high pressure/low pressure, customers freaking out and Bobby working all that extra time, all that aside it could be more costly if we had 2 major leaks during that time of draining the tank, could be more than \$1500.

Roger Jones- How often do they need inspected? Every 3-5 years? Have we ever done this?

Wayne Hartlerode- My question is, we painted the Firetower tank why do we have to have that one inspected?

Veronica Clark- I don't know, whenever Bobby answers that question that I proposed to him, I'll let you know.

Roger Jones- Could we ask for an exemption for that tank?

Veronica Clark- I asked the water operator that, he did not... How many gallons is in one of those tanks? Is it really 100,000?

Wayne Hartlerode- They are not full so probably 80,000.

Roger Jones- Where does all that water go?

Wayne Hartlerode- On the ground.

Veronica Clark- If you don't drain it for usage and then time your inspection on an almost empty tank and then fill.

Wayne Hartlerode- The operator could start playing with that and make sure all the people on Firetower are not complaining and get it down as low as we can then drop in there, drain it and have the inspector sitting there.

Veronica Clark- Which would be timing. Well Compton if it's too low or too high you, Wayne, have no water. If we don't keep that pressure within 5 feet that close you may have too much pressure or no water. We may have to hire an ROV. I can tell by Bobby's emails that's what he is thinking should happen.

Roger Jones- All those questions, it's hard for us to make a decision without knowing.

Veronica Clark- His math is per tank, it would have to be. I think I recall its 100,000 capacity but you keep it at 70-80%. So he can use one down.

Mitch Jones- Its only been 1 year since we put in new one, so that one shouldn't have to have it.

Veronica Clark- I asked him that.

Roger Jones- Who is that? Arkansas Rural Water?

Wayne Hartlerode- Probably call Stan Starling at the Health Dept. he could tell us. He is probably the one requiring that.

Veronica Clark- We have never done it. We have depended on Bobby to deal with that.

Wayne Hartlerode- If anything I would say we are about due for a tank repaint on Compton.

Veronica Clark- You have to save \$60,000 first. And your right, you are. Its \$120,000 but we have to save \$60,000. I asked him those questions and he did not answer.

Roger Jones- I don't see how we can make a decision with insufficient information.

Mitch Jones- I refuse to vote on anything involving new tank (Firetower tank) if the rule is we are delinquent on old tank, then we need to get her going. We just spend \$150,000 on redoing the new tank.

Wayne Hartlerode- There was an inspection on the tank when the tank was inspected.

Roger Jones- That's already been done.

Mitch Jones- We definitely got an exemption.

Wayne Hartlerode- I met with the guy when the tank was completed and he is the state certified inspector and he did it.

Veronica Clark- I can call him

Wayne Hartlerode- If its just one tank we are dealing with its going to cut the price in half.

Veronica Clark- You (Katrina) have all the Firetower stuff at your house, we will email you on this so you can talk about it.

Roger Jones- So basically we will table that.

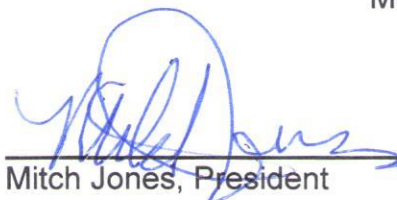
4. Mitch Jones states we need to change some bank signatures.

Veronica Clark- She has to go back and get all new signature cards and chase everyone down to get them signed.

REQUEST TO BE ON AGENDA

1. Reuben & Jenna Waldron-no show
2. Richard & Donna Reynolds-no show

Motion was made by Roger Jones to adjourn, second by Wayne Hartlerode.
Motion Carries.



Mitch Jones, President

June 14, 2016



Roger Jones, Treasurer

June 14, 2016



Compton Water Association, Inc.

DIRECTOR'S REPORT

June 2016 Billing cycle

800-227-5128

Printed Thursday, June 30, 2016 @ 13:5

DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	2,138,920	100.0%
Water Sold to Customers	1,437,000	67.2%
Utility Use (fire, flushing)	26,500	1.2%
Water Lost	675,420	31.6%
Average Use Per Account	4,635	
Accounts Using Water	310	

SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	22,571.50	0.00	0.00	101.70	54.00	0.00	1,811.38
Count	339	0	0	339	54	0	338
Average	66.58	0.00	0.00	0.30	1.00	0.00	5.36

ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on June 2016 Bills	25,981.50	346
Credit Balances	-461.85	5
Debit Balances	26,443.35	341
Payments	-22,506.96	327
Adjustments	-3.81	1
Balance after Payments and Adj	3,470.73	37
Current	815.64	20
30 to 60 Days Old	587.49	4
60 to 90 Days Old	287.91	4
Over 90 Days Old	1,779.69	9
Penalty Charges	390.51	58
Charges for Services	24,538.58	339
Balance Due	28,399.82	

Compton Water Association, Inc.
Profit & Loss
 January 1 through June 14, 2016

	Jan 1 - Jun 14, 16
Ordinary Income/Expense	
Income	
FEES CHARGED	
Water Meter Sets	1,400.00
Reconnect Fees	560.00
Total FEES CHARGED	1,960.00
Water Revenue	
Misc Fees	298.84
Penalty	2,831.13
Safe Water	380.61
Sales Tax	8,622.65
Water Sales	113,831.32
Total Water Revenue	125,964.55
Total Income	127,924.55
Gross Profit	127,924.55
Expense	
Reconciliation Discrepancies	0.14
Business Expenses	
Bank Charges	8.00
Banking NSF	59.62
Total Business Expenses	67.62
CONTRACT LABOR	
Katrina Davidson	5,200.00
Bobby Hudson Backhoe	1,225.00
Justin Robinson Meter Reader	2,250.00
Bobby Hudson	10,000.00
Veronica Clark	3,800.00
Total CONTRACT LABOR	22,475.00
Contract Services	
Arkansas Dept of Health	310.50
Arkansas One Call	148.20
Legal Fees	660.00
Outside Contract Services	1,650.00
Total Contract Services	2,768.70
EQUIPMENT	
Leak Repairs	1,903.91
Other Repairs	44.26
Total EQUIPMENT	1,948.17
Facilities and Equipment	
Building Rent	189.60
Storage Unit	150.00
Total Facilities and Equipment	339.60
Interest Expense	6,662.07
Operations	
Books, Subscriptions, Reference	775.00
Postage, Mailing Service	1,058.95
Printing and Copying	126.00
Supplies	1,336.88
Telephone, Telecommunications	790.34
Utilities, Electric, Gas	1,111.17
Total Operations	5,198.34
Other Types of Expenses	
Insurance Hartford Workmans Com	1,071.00
Other Types of Expenses - Other	160.00
Total Other Types of Expenses	1,231.00

Compton Water Association, Inc.
Profit & Loss
 January 1 through June 14, 2016

	Jan 1 - Jun 14, 16
S W BOONE Water	85,190.35
SALES TAX	
Arkansas State Tax	6,246.73
Boone County	5.67
Carroll County	28.32
Madison County	352.42
Newton County	1,082.73
Total SALES TAX	7,715.87
VEHICLE	
Fuel	549.67
Insurance	1,566.00
Maintenance	141.03
Total VEHICLE	2,256.70
Total Expense	135,853.56
Net Ordinary Income	-7,929.01
Net Income	-7,929.01

Compton Water Association, Inc.
Balance Sheet
As of June 14, 2016

	Jun 14, 16
ASSETS	
Current Assets	
Checking/Savings	
CFB 72245 Depreciation Checking	7,940.97
CFB 8350 Checking	5,758.15
CFB 72187 Meter Dep Checking	12,516.05
CFB 72161 Loan Res. Checking	14,344.87
Total Checking/Savings	40,560.04
Accounts Receivable	
Accounts Receivable	658.20
Total Accounts Receivable	658.20
Total Current Assets	41,218.24
TOTAL ASSETS	41,218.24
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Water Meter Acct Deposit	13,715.00
Total Other Current Liabilities	13,715.00
Total Current Liabilities	13,715.00
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	42,217.66
USDA Rural Development 04	1,479.49
USDA Rural Development Loan 05	18,181.91
USDA Rural Development Debt 09	108,203.14
Total Long Term Liabilities	240,299.20
Total Liabilities	254,014.20
Equity	
Opening Balance Equity	-401,833.02
Unrestricted Net Assets	196,966.07
Net Income	-7,929.01
Total Equity	-212,795.96
TOTAL LIABILITIES & EQUITY	41,218.24