

**COMPTON WATER ASSOCIATION**  
Monthly Meeting Minutes  
Held at Compton School, Compton Arkansas  
October 12, 2010 7:00 p.m.

Meeting was called to order by Allen Armer who asked John Berry if there was a quorum present to conduct the meeting; Mr. Berry confirmed there was a quorum. Present were Allen Armer, John Berry, Alexa Davis. Also present Veronica Oitker, Bookkeeper

**MINUTES:** Allen Armer asked if minutes from the September meeting had been read and were there any questions or changes, none submitted. Motion was moved by Alexa Davis and second by John Berry to accept minutes, motion carries.

**ACCOUNTING:** There were computer complications with getting the bookkeepers report in writing, one was briefly submitted and the Directors Report was also submitted. Actual report will come out in writing to Board Members - highlights: \$2,000.00 additional was paid to SW Boone and the smaller water bill is current; \$2,000.00 was put into maintenance account; insurance was due and paid this month (Bond Policy, Workmen's Comp.); approx \$6,000.00 in checking. Veronica gave a brief highlight of the Directors Report: we have 335 billed water users, over 90 days past due has been reduced from approx \$7,000 down to \$1,200.

**REPORT FROM JOHN BERRY:** John said that the electric company putting up the high wires are breaking the water lines and we are continually fixing leaks. The greatest challenge is now from Ritter Communications laying fiber optics cable and they are hitting the main water lines. John reported he and Bobby (the water operator) were spending 10 to 12 hours per day watching water lines and repairing them as quickly as they are broken. John wants to keep track of the costs to CWA and present it to Ritter Communications for reimbursement.

**METER READING REPORT:** Readings are going fine. They are continually locating meters which seem to be abandoned and pulling them.

**SW BOONE:** Relationship with SW Boone is going great, it is reported that they have never seen CWA run so well and are appreciative of all the efforts in reducing the past due balance we have with them.

**UNFINISHED BUSINESS:**

Allen called for Mr. Truolio, who was at last months meeting and committed to attend October Meeting to discuss putting the water bill in his tenant's name to step forward but Mr. Truolio was not present. This item is passed over.

Allen asked if the lease between Compton Community Building and CWA was in place, it was confirmed that it was. This item is satisfied.

Allen wanted to know if the estimate had come in on moving the rack from the white truck to the gray truck, John confirmed it was \$100.00 and Gaither Iron Works could do it any weekend the truck is

available. Motion made by Alexa Davis and second by John Berry to proceed with getting the rack moved for \$100.00 by Gaither Iron Works, motion carries.

2008 – 2009 Income taxes: Allen read a letter sent to IRS from Gail Inman Campbell on our behalf, regarding our 2008 – 2009 taxes requesting an extension on these taxes. Letter is attached to these minutes.

NEWBUSINESS:

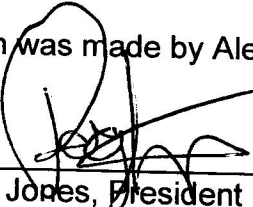
1. Motion was made by Alexa Davis second by John Berry to pay Water Operator for gas in his personal truck while he is coming over daily to help with the Ritter Fiber Optics project, and that Bobby is to keep receipts; motion carries. Bobby is to keep a log of his hours spent over here and we keep a separate accounting of all our expenses we have incurred.
2. Arkansas Natural Resources report that they are doing a formal audit on our accounting and it's scheduled the first week of November. Veronica had conversation with Mark Bennet, Dave Fenter and Cynthia Bearden regarding the audit and Mr. Fenter said to tell anyone involved with this audit that we don't have accounting records prior to January 1, 2010 and that we are under investigative action and weren't responsible for those prior years.
3. Ballots for new Board Members for 2010 and 2011 were presented and counted. It was official that Alexa Davis, Roger Jones and John Berry were voted in as Board Members. Votes were certified by President Allen Armer. Alexa spoke that Allen would be sorely missed and was a great asset to this Board. A motion was made by Alexa Davis and second by John Berry to proceed with nominating the Board Members to specific Office, motion carries. Nomination was made by John Berry to place Roger Jones in as President Nomination was accepted by Roger Jones. Vice President Nomination was left open. Alexa Davis nominated John Berry for Secretary/Treasurer, nomination was accepted. New Board Members are as follows:
  - a. Roger Jones, President
  - b. Wanda Roudabush, Vice President (see below)
  - c. John Berry, Vice President
  - d. Alexa Davis, Board Member

Allen asked if there was anyone in the audience that had any questions or would like to add anything. Someone asked what does a Board Member do? Allen said that attendance to the monthly meeting and any special meetings called by the President were necessary and they watch over the Association's money and the water; they administrate the funds and resources of a public utility. Alexa added that it is very important to come to the meetings if not there then business can't be conducted as we need a quorum to vote on vital decisions.

Wanda Roudabush offered her Nominating Petition as a Board Member after hearing the requirements of a Board Member. A motion was made by John Berry and second by Alexa Davis to accept her nomination, motion carried. Motion was made by John and second by Alexa to nominate her to Vice President which she accepted and motion carried.

Allen Armer submitted his resignation as President and turned gavel over to Roger Jones.

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

  
\_\_\_\_\_  
Roger Jones, President

\_\_\_\_\_  
Date

11-9-2010

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

\_\_\_\_\_  
Date

11-9-2010

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

|   | Oct 27, 10       |
|---|------------------|
| <b>ASSETS</b>                           |                  |
| <b>Current Assets</b>                   |                  |
| <b>Checking/Savings</b>                 |                  |
| CFB 8350 Checking                       | 14,540.50        |
| CFB 72187 Meter Dep Checking            | 5,141.48         |
| CFB 72161 Loan Res. Checking            | 4,000.50         |
| <b>Total Checking/Savings</b>           | 23,682.48        |
| <b>Total Current Assets</b>             | 23,682.48        |
| <b>TOTAL ASSETS</b>                     | <b>23,682.48</b> |
| <b>LIABILITIES &amp; EQUITY</b>         |                  |
| <b>Liabilities</b>                      |                  |
| <b>Current Liabilities</b>              |                  |
| <b>Accounts Payable</b>                 |                  |
| USDA Rural Development Loan             | 3,768.00         |
| <b>Total Accounts Payable</b>           | 3,768.00         |
| <b>Other Current Liabilities</b>        |                  |
| Road Bond                               | -1,000.00        |
| Southwest Boone Water Assoc             | -14,900.00       |
| Water Meter Acct Deposit                | 285.00           |
| <b>Total Other Current Liabilities</b>  | -15,615.00       |
| <b>Total Current Liabilities</b>        | -11,847.00       |
| <b>Long Term Liabilities</b>            |                  |
| <b>ARKANSAS NATURAL RESOURCES</b>       |                  |
| Arkansas Natural Resources 1            | 72,882.00        |
| <b>Total ARKANSAS NATURAL RESOURCES</b> | 72,882.00        |
| <b>Total Long Term Liabilities</b>      | 72,882.00        |
| <b>Total Liabilities</b>                | 61,035.00        |
| <b>Equity</b>                           |                  |
| Opening Balance Equity                  | -75,009.64       |
| Unrestricted Net Assets                 | -11,648.72       |
| Net Income                              | 49,305.84        |
| <b>Total Equity</b>                     | -37,352.52       |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>   | <b>23,682.48</b> |

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

|                                       | Jan 1 - Oct 27, 10 |
|---------------------------------------|--------------------|
| <b>Ordinary Income/Expense</b>        |                    |
| <b>Income</b>                         |                    |
| <b>FEES CHARGED</b>                   |                    |
| Miscellaneous Revenue                 | 4,326.21           |
| Water Meter Sets                      | 500.00             |
| Reconnect Fees                        | 475.00             |
| <b>Total FEES CHARGED</b>             | 5,301.21           |
| <b>Interest Accounts</b>              |                    |
| Interest-Savings                      | 6.36               |
| <b>Total Interest Accounts</b>        | 6.36               |
| Water Revenue                         | 208,017.22         |
| <b>Total Income</b>                   | 213,324.79         |
| <b>Gross Profit</b>                   | 213,324.79         |
| <b>Expense</b>                        |                    |
| <b>Business Expenses</b>              |                    |
| Bank Charges                          | 5.00               |
| Banking NSF                           | 60.00              |
| <b>Total Business Expenses</b>        | 65.00              |
| <b>CONTRACT LABOR</b>                 |                    |
| Bill Mcelhane                         | 240.00             |
| Bill Olsen                            | 6,750.00           |
| Bob Bartlett                          | 375.00             |
| Bobby Hudson                          | 7,600.00           |
| Brad Olsen                            | 710.00             |
| C. J. Barron                          | 552.00             |
| Darin Jackson                         | 400.00             |
| Joyce Sattler                         | 2,400.00           |
| Luke Atkinson                         | 144.00             |
| Tim Fletcher                          | 2,921.73           |
| Tom Gandy                             | 2,250.00           |
| Veronica Clark                        | 5,800.00           |
| <b>Total CONTRACT LABOR</b>           | 30,142.73          |
| <b>Contract Services</b>              |                    |
| Arkansas Dept of Health               | 891.00             |
| Arkansas One Call                     | 114.00             |
| Arkansas Rural Water Assn.            | 475.00             |
| Legal Fees                            | 749.10             |
| <b>Total Contract Services</b>        | 2,229.10           |
| <b>EQUIPMENT</b>                      |                    |
| Computer                              | 1,560.85           |
| Leak Repairs                          | 6,577.05           |
| Mower                                 | 195.66             |
| Other Repairs                         | 496.62             |
| <b>Total EQUIPMENT</b>                | 8,830.18           |
| <b>Facilities and Equipment</b>       |                    |
| Building Rent                         | 75.84              |
| Storage Unit                          | 410.00             |
| Truck Expense                         | 2,341.71           |
| <b>Total Facilities and Equipment</b> | 2,827.55           |
| <b>Interest Expense</b>               | 3,741.00           |
| <b>Operations</b>                     |                    |
| Books, Subscriptions, Reference       | 28.00              |
| Postage, Mailing Service              | 1,776.75           |
| Printing and Copying                  | 177.20             |
| Supplies                              | 526.25             |
| Telephone, Telecommunications         | 1,492.76           |
| Utilities, Electric, Gas              | 2,257.99           |

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

|                                      | Jan 1 - Oct 27, 10 |
|--------------------------------------|--------------------|
| Water Works Computer Program         | 2,725.87           |
| Operations - Other                   | 191.62             |
| <b>Total Operations</b>              | <b>9,176.44</b>    |
| <b>Other Types of Expenses</b>       |                    |
| Bank Service Fees                    | 286.40             |
| Dues                                 | 30.00              |
| Insurance - Liability, D and O       | 1,069.50           |
| Other Costs                          | 110.00             |
| <b>Total Other Types of Expenses</b> | <b>1,495.90</b>    |
| <b>S W BOONE Water</b>               | <b>87,002.95</b>   |
| <b>SALES TAX</b>                     |                    |
| Arkansas State Tax                   | 10,163.33          |
| Boone County                         | 6.51               |
| Carroll County                       | 44.21              |
| Madison County                       | 679.49             |
| Newton County                        | 1,988.78           |
| SALES TAX - Other                    | 101.78             |
| <b>Total SALES TAX</b>               | <b>12,984.10</b>   |
| <b>VEHICLE</b>                       |                    |
| Fuel                                 | 2,997.34           |
| Insurance                            | 886.00             |
| Maintenance                          | 1,640.66           |
| <b>Total VEHICLE</b>                 | <b>5,524.00</b>    |
| <b>VOID CHECKS</b>                   | <b>0.00</b>        |
| <b>Total Expense</b>                 | <b>164,018.95</b>  |
| <b>Net Ordinary Income</b>           | <b>49,305.84</b>   |
| <b>Other Income/Expense</b>          |                    |
| Other Expense                        |                    |
| Ask My Accountant                    | 0.00               |
| <b>Total Other Expense</b>           | <b>0.00</b>        |
| <b>Net Other Income</b>              | <b>0.00</b>        |
| <b>Net Income</b>                    | <b>49,305.84</b>   |

**DISTRIBUTION EFFICIENCY SUMMARY**

|                              | Gallons   | Percent |
|------------------------------|-----------|---------|
| Water Supplied to System     | 1,381,740 | 100.0%  |
| Water Sold to Customers      | 1,174,000 | 85.0%   |
| Utility Use (fire, flushing) | 100,000   | 7.2%    |
| Water Lost                   | 107,740   | 7.8%    |
| Average Use Per Account      | 3,787     |         |
| Accounts Using Water         | 310       |         |

**SUMMARY BY SERVICE**

|         | Water     | Sewer | Trash | Other1 | Other2 | Other3 | Sales Tax |
|---------|-----------|-------|-------|--------|--------|--------|-----------|
| Charges | 19,764.50 | 0.00  | 0.00  | 99.30  | 0.00   | 0.00   | 1,490.88  |
| Count   | 331       | 0     | 0     | 331    | 0      | 0      | 331       |
| Average | 59.71     | 0.00  | 0.00  | 0.30   | 0.00   | 0.00   | 4.50      |

**ACCOUNTS RECEIVABLE ANALYSIS**

|                                   |           |            |     |
|-----------------------------------|-----------|------------|-----|
| Balance Due on October 2010 Bills |           | 30,248.94  | 341 |
| Credit Balances                   | -304.93   |            | 8   |
| Debit Balances                    | 30,553.87 |            | 333 |
| Payments                          |           | -27,187.28 | 311 |
| Adjustments                       |           | 280.13     | 6   |
| Balance after Payments and Adj    |           | 3,341.79   | 44  |
| Current                           | 1,817.08  |            | 27  |
| 30 to 60 Days Old                 | 682.45    |            | 7   |
| 60 to 90 Days Old                 | 196.12    |            | 4   |
| Over 90 Days Old                  | 646.14    |            | 6   |
| Penalty Charges                   |           | 579.38     | 83  |
| Charges for Services              |           | 21,354.68  | 331 |
| Balance Due                       |           | 25,275.85  |     |