

COMPTON WATER ASSOCIATION
Board of Directors and Business Meeting
Held at Compton School, Compton Arkansas
September 13, 2016 - 7:00 p.m.

Mitch Jones called meeting of September 13, 2016 Compton Water Association to order. Roger Jones called roll to determine if a Quorum is present. Members present: Mitch Jones, Wayne Hartlerode, Roger Jones and Veronica Clark. Quorum established.

REPORTS:

MINUTES: Katrina Davidson
DIRECTORS REPORT: Katrina Davidson
BOOKKEEPER REPORT: Board Member
WATER OPERATOR REPORT: Wayne Hartlerode
METER READER REPORT: Justin Robinson

A motion was made by Roger Jones to accept the reports into the minutes. Wayne Hartlerode seconded the motion. All in favor; motion carries.

OLD/UNFINISHED BUSINESS:

Topic: Water Valve Replacement

Wayne: There is a control valve meter at the pump house. When pump kicks on the valves open slowly so that all that water doesn't hammer the pipes. When you watch that valve, we were watching it, it did not move at all. It is not working the way it needs to. I made some calls and tried to clean one of the screens out and noticed that someone had turned all the little valves off and did not turn them back on. We have had a leak since then, valve is probably not working, this valve also functions like this; when that pump kicks off this valve closes slowly before the pump kicks off. We have had some people look at it; they (valves) are expensive.

Roger Jones: And that in addition to the other valve on the other tower? So, 2 new problems.

Wayne Hartlerode: Yes, it's been like that a lot.

Veronica: He has been awesome finding some amazing things.

Wayne: This tank reports he gave us a break down: 6" overflow pipe, 24 mesh screen, new pulley and cables, tank painting to be priced at a later date, he says we have 2 years.

Veronica: That will be really hard financially.

Wayne: At the tune of \$93,000 a tank

Roger Jones: What was our part?

Veronica: \$120,000 project, a loan was around \$90,000, 15 years. We won't get financing for that unless we have savings built up

Roger: From the rate increase. We have to be able to finance these things. This is all mandated.

Mitch Jones: Right now Wayne and Bobby, there is a lot of ownership going into the lines we have. No surprise to anyone about the condition the likes are in and the amount of work that has to be done. The water authority, which was now surprise, told us there is no one in Arkansas that has the fewest amount of people on the most old lines that exist out there. The ability to chase, find and fix these leaks, that's why we have to aggressively go after these. Roger any comments?

Roger Jones: Nobody likes a rate increase. No one wants inflation. But it does happen. This is a huge deal with limited finances. We have all these mandates from government rural water association that we have to do and we cant actually right now, not even close. This covers the most minimal. I hate it but this is something that has to be done for this to be a viable enterprise.

Mary Decker interrupts and is inaudible

Roger: Ma'am you are interrupting the meeting. You have done this many times before.

Mary Decker continues with her outburst

Veronica Clark: I make a motion to adjourn

Roger Jones: I second

Mary Decker continues

Roger: Ma'am you can't come interrupt a meeting, it's that simple.

Mary continues

Roger Jones: You can request to be on the agenda and talk but you can't come up here and interrupt.

Mitch Jones: This is a constructive meeting.....

Mary Decker: You are ruining this community.....

Mitch Jones: I'm asking you to please sit down.

Mary Decker: continues her ranting

Mitch Jones: Please sit down

Mary continues

Mitch Jones: Please sit down and do not interrupt the meeting

Mitch Jones: We wither ask you to leave or please be quiet, one of the two, your decision.

Mary Decker still talking

- At this time security asks her to leave, Mary continues being disruptive. Security asks her to step outside.

Mary Decker: Do not touch me

Security: Step outside or your going to jail.

- Security escorts her out.

Meeting reconvened.

Topic: Clarifying what Mary Decker was trying to accuse CWA of

Veronica describes to those in attendance the 4 types of audits that you can get, in hopes of clarifying Mary Decker's accusation of Compton Water not having done this. Veronica Clark continues that CWA is in line with what is required of them. CWA has had an independent audit.

Water member from audience: I don't think we want an audit we just want to know why our water is so much higher than everyone else.

Veronica: I understand that. Of the entire state of AR Compton Water has the most line and fewest customers therefore it takes a lot to maintain them. Point 2- Wayne Hartlerode explained many things not done to standard from previous water operator.

Wayne and Bobby are finding them and having to fix them. Because of low attention to maintenance we have been hit hard with that so we have to increase the income to the water operator to get someone to pay attention to it full time. That should correct itself. 3rd- Increases in copper, plastic, wire and our water, we have to buy our water, that price goes up. We should be doubling what we sell to you but we aren't. Anytime you go to buy something anywhere you can about guess there is a 100% markup on it. We are paying twice for it. We have never passed that cost on like it should be to the property owners. We have been hit by folks that made us reprove what we are already doing. \$8,000 is what we had to pay out to lawyer. I calculated that out according to ARWA calculation on what it cost you for your portion, everyone had to pay and extra \$25/year just to offset the legal stuff alone. We have been hit with stuff that is unexpected and beyond our control. So you are being victimized just like we are, as all being property owners.

This seems like a lot of governmental red tape to run a water company, it is. The other alternative is there are a lot of corporations stepping into the rural aspect of things, buying up water companies. If that happens your water will not be what it is now.

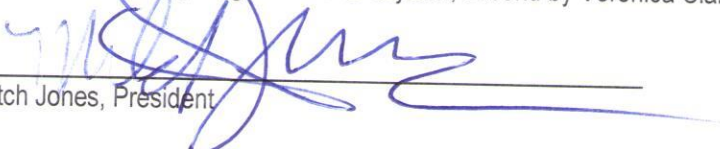
NEW BUSINESS:

1. Mitch Jones stated he would like to send out a follow up newsletter to make sure everyone fully understands. It's online and everything to keep it transparent.
2. Veronica Clark said she would like to begin the discovery process for online bill pay, so those that would like could go online to pay their bill instantly. Roger Jones made a motion to begin the discovery process for online bill pay to be an option. Seconded by Veronica Clark; all in favor, motion carries.

REQUEST TO BE ON AGENDA

1. none

Motion was made by Roger Jones to adjourn, second by Veronica Clark; all in favor, motion carries.



Mitch Jones, President

September 13, 2016

Roger Jones, Treasurer

September 13, 2016



Compton Water Association, Inc.

DIRECTOR'S REPORT

September 2016 Billing cycle

800-227-5128

Printed Friday, September 30, 2016 @ 8:20

DISTRIBUTION EFFICIENCY SUMMARY

	Gallons	Percent
Water Supplied to System	2,123,980	100.0%
Water Sold to Customers	1,346,000	63.4%
Utility Use (fire, flushing)	15,000	0.7%
Water Lost	762,980	35.9%
Average Use Per Account	4,259	
Accounts Using Water	316	

SUMMARY BY SERVICE

	Water	Sewer	Trash	Other1	Other2	Other3	Sales Tax
Charges	21,733.00	0.00	0.00	102.90	54.00	0.00	1,744.86
Count	343	0	0	343	54	0	342
Average	63.36	0.00	0.00	0.30	1.00	0.00	5.10

ACCOUNTS RECEIVABLE ANALYSIS

Balance Due on September 2016 Bills	28,271.78	353
Credit Balances	-272.41	2
Debit Balances	28,544.19	351
Payments	-23,970.56	328
Adjustments	-38.28	1
Balance after Payments and Adj	4,262.94	41
Current	1,854.88	22
30 to 60 Days Old	636.00	3
60 to 90 Days Old	354.21	5
Over 90 Days Old	1,417.85	11
Penalty Charges	338.17	45
Charges for Services	23,634.76	343
Balance Due	28,235.87	

Compton Water Association, Inc.

Profit & Loss

January 1 through September 12, 2016

	<u>Jan 1 - Sep 12, 16</u>
Ordinary Income/Expense	
Income	
FEES CHARGED	
Water Meter Sets	5,400.00
Reconnect Fees	935.00
Total FEES CHARGED	<u>6,335.00</u>
Water Revenue	
Misc Fees	464.00
Penalty	3,762.72
Safe Water	679.15
Sales Tax	13,586.91
Water Sales	175,827.16
Water Revenue - Other	250.00
Total Water Revenue	<u>194,569.94</u>
Total Income	<u>200,904.94</u>
Gross Profit	200,904.94
Expense	
Reconciliation Discrepancies	0.14
Business Expenses	
Bank Charges	8.00
Banking NSF	59.62
Total Business Expenses	<u>67.62</u>
CONTRACT LABOR	
Katrina Davidson	9,100.00
Bobby Hudson Backhoe	1,725.00
Justin Robinson Meter Reader	3,150.00
Wayne Hartlerode Water Operator	6,000.00
Wayne Hartlerode Backhoe	1,200.00
Bobby Hudson	10,000.00
Veronica Clark	5,300.00
CONTRACT LABOR - Other	1,502.50
Total CONTRACT LABOR	<u>37,977.50</u>
Contract Services	
Accounting Fees	400.00
Arkansas Dept of Health	621.00
Arkansas One Call	148.20
Legal Fees	660.00
Outside Contract Services	1,650.00
Total Contract Services	<u>3,479.20</u>
EQUIPMENT	
Equipment Purchase	674.94
Misc. Equip for Repairs	1,653.87
Leak Repairs	4,355.12
Other Repairs	170.69
Total EQUIPMENT	<u>6,854.62</u>
Facilities and Equipment	
Building Rent	303.36
Storage Unit	150.00
Total Facilities and Equipment	<u>453.36</u>
Interest Expense	8,637.66
Operations	
Books, Subscriptions, Reference	775.00
Postage, Mailing Service	1,570.77
Printing and Copying	336.00
Supplies	1,697.66
Telephone, Telecommunications	1,548.76
Utilities, Electric, Gas	2,270.40

Compton Water Association, Inc.
Profit & Loss
 January 1 through September 12, 2016

	Jan 1 - Sep 12, 16
Water Works Computer Program	876.00
Total Operations	9,074.59
Other Types of Expenses	
Insurance Hartford Workmans Com	2,014.00
Other Types of Expenses - Other	160.00
Total Other Types of Expenses	2,174.00
S W BOONE Water	136,098.26
SALES TAX	
Arkansas State Tax	11,961.68
Boone County	9.19
Carroll County	52.09
Madison County	697.25
Newton County	2,065.50
Total SALES TAX	14,785.71
VEHICLE	
Fuel	1,269.37
Insurance	1,566.00
Maintenance	1,037.99
Total VEHICLE	3,873.36
Total Expense	223,476.02
Net Ordinary Income	-22,571.08
Net Income	-22,571.08

Compton Water Association, Inc.

Balance Sheet

As of September 12, 2016

	<u>Sep 12, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
CFB 72245 Depreciation Checking	7,940.97
CFB 8350 Checking	-1,860.33
CFB 72187 Meter Dep Checking	13,566.05
CFB 72161 Loan Res. Checking	2,344.87
Total Checking/Savings	<u>21,991.56</u>
Accounts Receivable	
Accounts Receivable	658.20
Total Accounts Receivable	<u>658.20</u>
Total Current Assets	<u>22,649.76</u>
TOTAL ASSETS	<u>22,649.76</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Water Meter Acct Deposit	13,465.00
Total Other Current Liabilities	<u>13,465.00</u>
Total Current Liabilities	13,465.00
Long Term Liabilities	
ARKANSAS NATURAL RESOURCES	
Arkansas Natural Resources 1	51,231.00
Arkansas Natural Resources 2	18,986.00
Total ARKANSAS NATURAL RESOURCES	<u>70,217.00</u>
USDA Rural Development 01	39,815.37
USDA Rural Development 04	1,389.69
USDA Rural Development Loan 05	17,894.79
USDA Rural Development Debt 09	107,305.94
Total Long Term Liabilities	<u>236,622.79</u>
Total Liabilities	250,087.79
Equity	
Opening Balance Equity	-401,833.02
Unrestricted Net Assets	196,966.07
Net Income	-22,571.08
Total Equity	<u>-227,438.03</u>
TOTAL LIABILITIES & EQUITY	<u>22,649.76</u>

PROPOSAL

EAGLE WATER TANK INSPECTION SERVICE

EAGLE & SANDEL ASTING & PAINTING INC.

136 MAIN STREET

PLEASANT PLAINS, AR 72568

PH: 501-345-2542 FAX: 501-345-2042

Refer. Ref. call 501-454-4172

e-mail: es@eagleanddel.com

Arkansas Contractor's License # 0064780017 Federal ID# 71-4792641

PROPOSAL NUMBER	DATE	DATE
Campton Water Tank	370-305-8390	08/11/2016
ADDRESS:		
1111 Street, Campton, AR	Inspection 100,000 straight pipe	
Campton, AR 72552		
WEATHERY BONDY SPECIALTY MEDICAL CENTER	Campton, AR	

Scope: inspection of 100,000 gallon straight pipe water tank.

Description: Tank will be inspected exterior and interior. A three day water and seven straight pipes of color pigments with descriptions will be relayed to a later date.

Price: \$ 550.00

BY ACCEPTING THIS PROPOSAL, THE CONTRACTOR AGREES TO PROVIDE THE SERVICES DESCRIBED HEREIN IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET FORTH IN THE PROPOSAL. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND INSURANCE. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE SAFETY OF ALL PERSONNEL AND EQUIPMENT ON THE JOB SITE. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING LANDSCAPE AND PLANTING. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING ROADS AND DRIVEWAYS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING FENCES AND BARRIERS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING SIGNAGE AND MARKINGS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING LANDSCAPE AND PLANTING. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING ROADS AND DRIVEWAYS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING FENCES AND BARRIERS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING SIGNAGE AND MARKINGS.

ACCEPTANCE OF PROPOSAL SECURES

SAME AS A BINDING CONTRACT.

Date of acceptance

8-22-16

Accepted by

Robert Beal
Mike Jones Field