

High Knob Utilities, Inc.

Meeting Minutes for December 8, 2003

Call to Order: Keith Arnett called the monthly meeting of the High Knob Utilities, Inc (HKUI) Board to order at 7:00 pm. Members in attendance were Keith Arnett, Jem Anderson, Bob Brown, Scott Cooper, and Josh Douglas.

Previous Minutes: The Board approved the minutes of the November meeting, which Jem Anderson provided the previous week via email.

Treasurer's Report: Mr. Brown provided the Board a monthly report, which were amended to include \$6517 for Water Operator costs which were not carried over from the November report and accepted by the Board. Upon Mr. Brown's recommendation, the Board also accepted the 2001 audit report and agreed to have Sareen & Associates, Inc. audit HKUI's 2002 records. Cost for the 2002 audit will be \$2200 (\$200 more than the 2001 audit). Mr. Brown did not seek multiple bids for the 2002 audit; however, he noted that Sareen & Associates had been chosen to perform the 2001 audit, after a thorough review by the HKOAI Board of local firms, due to its experience and reasonable fee. Also, they are now familiar with our records and accounting procedures. Mr. Brown intends to review multiple bids for the 2003 audit.

Operations Committee Report: Mr. Arnett provided the Board with the minutes of the November meeting, which addressed the resource coordination, status of the HKUI water improvement project, water taps, leak repairs, and other activities. Amanda Keach raised the issue of radio frequency communication for the SCADA system, and these concerns will be provided to the SCADA vendor for comment.

Water Manager's Report: Dan Althouse reported that the HKOAI staff made two repairs to chlorinators, insulated the valve boxes above Windy Way (the insulation is degraded by water and must be replaced annually), repaired a major leak on Massanutten Mountain Road, located another leak on Bridle Path, and installed three new taps. Nichols Construction will receive guidance on the house under construction near the Paved Well location, to assure the septic lines

from the house do not impinge on the well lines. Water production averaged 46,600 gallons per day, and 9 customers were disconnected.

The water system loan settled on 26 November, with a final interest rate of 3.1% for 20 years. HKUI has the first funds installment of \$28,800 (for engineering services) and is preparing to draw funds for the nearly-complete Mountain Top and Alpine reservoirs (~ \$50,000), the SCADA deposit (~ \$18,000) and part of the Greenfield Road project. The two reservoirs should be complete in December, ready for Virginia Department of Health (VDH) approval in January. The design for a new Mountain Top pressure system will also require VDH approval prior to installation. The displaced soil from the Greenfield Road waterline project has been removed and the road graded and gravel-covered, and gravel and other materials are stockpiled for bad weather and pending projects.

Pending projects include upgrading the Playground valve room and junction, completing reservoir construction, water testing, and preparation for SCADA and loan funds disbursement.

Unfinished Business: Dan Althouse explained the updated assessment from Herb Morgan, who studied the issue of overcoming the effects of power outages on the High Knob water system. Given recent improvements in battery technology, it may be possible to use that technology in place of propane. Further, Mr. Morgan identified a self-contained generator that would not require construction of separate buildings. Total cost for the six most important locations would likely be approximately \$30,000-\$33,000. Mr. Althouse recommends installing one backup unit while the SCADA contractor is installing that system, evaluating its performance and available funds, and adding additional backup units when conditions are favorable. The Operations Committee will choose the initial site.

New Business: Keith Arnett and Josh Douglas sent a joint letter to the staff, thanking them for their recent efforts on behalf of the property owners. Mr. Arnett also announced that he and Mr. Douglas (HKOAI Board President) had started Operations Team meetings with the staff, and planned to convene the next Team meeting shortly before the next Board meeting.

In another matter, there are six past-due accounts (totalling about \$2000) for customers who have left the mountain. One account, totalling \$6, will be written off; the rest will be turned over to the HKOAI Board for collection action.

When Keith Arnett opened the floor for homeowner question/comment, Don Day inquired about whether the concrete ring covering the valve/main at the end of Pocahontas could be replaced by a more aesthetically pleasing arrangement. It was installed because trucks had been hitting (and

damaging) the equipment, and there was general consensus that a beautification project of some kind would be beneficial. The Board intends to revisit this issue next Fall.

The December meeting of the HKUI Board adjourned at 8:05 pm. The next meeting will be January 10, 2004 at 8:00 am.

JEM P. ANDERSON
HKUI Board Secretary