

# High Knob Utilities, Inc.

## Meeting Minutes for March 8, 2004

Call to Order: Keith Arnett called the monthly meeting of the High Knob Utilities, Inc (HKUI) Board to order at 7:05 pm. HKUI Board members in attendance were Keith Arnett, Jem Anderson, Bob Brown, Scott Cooper, and Josh Douglas.

Previous Minutes: The Board accepted the minutes of the February meeting, with one very minor modification.

Treasurer's Report: Mr. Brown handed out copies of the audit report for 2002, indicating that there were no problems found and that his preliminary review of the document revealed no errors. The Board will discuss the report at its April meeting. Mr. Brown then presented a revised 2003 budget, with funds used for capital projects reallocated under the Capital Projects heading. The 2003 total expenditures were \$200,586, with \$84,718 in capital projects. Through February 29, 2004 HKUI spent \$70,868, with \$57,600 allocated to capital projects (the Alpine and Mountain Top reservoirs). The only "unusual" expenses for February were high cell phone expenses in response to problems with frozen pipes. No tap fees were collected in January, but \$120,803.32 of state loan funds were deposited (HKUI owes \$119,054.59 on that loan, as of February 29, 2004). There were eight delinquent accounts from the first quarter billing (one carry-over from the previous cycle), which owed a collective \$4,357 to HKUI.

Operations Committee Report: The Joint Operations Committee met on March 3, 2004. Among the issues discussed was reconciliation of HKOAI and HKUI financial records, which will be completed once the new HKOAI treasurer is ready (HKUI capitalization is complete, and we are prepared to return residual funds). The Committee also discussed allocation of High Knob labor to address road and utility issues, in light of the arrival of E.C. Pace to commence work on the water system (this issue was also discussed in a joint executive session of the HKOAI and HKUI Boards on 8 March 2004). Finally, the committee discussed funding office software training courses for Kim Renz.

Water Manager's Report: Dan Althouse reported that the crew very busy responding to service outage calls, especially on the Ridge System. There were a number of leaks and many frozen taps. In addition, connection and plumbing for the Alpine reservoir is about 60% complete, five new taps were installed, and the pumping system and control on the Ridge System were replaced. Water system production was as high as 110,000 gallons per day, but averaged 49,600 per day for the month. The Mountain Top and Salt Lick reservoirs continue to overflow occasionally.

Mr. Althouse obtained a second bid for the playground valve station work, but it was substantially higher than the initial bid from Clear Flow; Mr. Althouse contracted with Clear Flow to perform the work.

To prepare for E.C. Pace's arrival (tentatively scheduled for April 1, 2004), the crew must excavate the Butler reservoir, conduct site preparation for the Playground valve station, line and install plumbing for the Alpine and Mountain Top reservoirs, install a new main between Butler reservoir and the Playground valve station (approximately 2500'), review SCADA with Bushman Engineering, and obtain the necessary electrical permits and scheduling to complete the reservoirs and SCADA work. In addition to routine test sampling and office work, there were immediate needs to install a manhole at Lazy Livin, replace posts and valves, find and fix a leak on the Ridge line, and install five new construction taps. Further, meters will be read this month for billing purposes.

Finally, the final papers for the state loan arrived for Mr. Brown.

Unfinished Business: There was no unfinished business to address.

New Business: Mr. Douglas recommended that the business office be authorized to address non-routine issues with billing and payments at its discretion—with the Board handling appeals to the business office decision. During the discussion of this issue, the Board was reminded that it could mandate a deposit prior to service connection/reconnection, and that finance charges would apply to any "extended payment" plan. Mr. Brown recommended addition of a specific provision to offer the Business Manager an option to consult with the Treasurer or another Board member. Also, a suggestion was made from the floor that HKUI develop a set of "standard plans" to reduce the amount of creativity required on the part of the business office. The Board decided to consider that as an option for the future.

Also, it came to the attention of the Board that the current HKUI license permits service of up to 350 customers (there are approximately 400 at this time), based on water production and storage

considerations. Technically, HKUI appears to be in violation, but the Virginia Department of Health (VDH) has not raised an objection and our license does not reflect full capacity of the water system. The Board directed Mr. Althouse to follow up with VDH to have an updated license issued. A status report is due at the April HKUI Board meeting.

Further, Kim Renz seeks training in business software (Quick Books, Microsoft Word, Microsoft Excel, etc.). HKOAI cannot fund this request, and seeks HKUI assistance, as her enhanced skills will benefit both organizations. The Board approved the request.

Finally, HKUI's website (<http://www.HKOAI.org/HKUI>) should be available within a week. It will contain a variety of useful information for customers and other interested parties.

Question and Comment Period: A gentleman from Windy Way inquired about water running onto the road, wondering whether it resulted from the manhole work being done in that area. Mr. Althouse assured him that the manhole was not causing that problem.

Executive Session: The HKUI Board met in executive session with the HKOAI Board to address allocation of High Knob personnel labor for road work and water system upgrades. Priority will be given to water system work.

The February meeting of the HKUI Board adjourned at 8:45 pm. The next meeting will be scheduled after the HKOAI Board meeting.

JEM P. ANDERSON  
HKUI Board Secretary