

# High Knob Utilities, Inc.

## Meeting Minutes for February 12<sup>th</sup>, 2005

**Call to Order:** Keith Arnett called the monthly meeting of the High Knob Utilities, Inc (HKUI) Board to order at 8:00 a.m. HKUI Board members in attendance were Keith Arnett, Bob Brown, Jem Anderson, Robert Clough, and Josh Douglas.

**Previous Minutes:** The Board reviewed and approved minutes for the January HKUI Board Meeting, as presented.

**Treasurer's Report:** Bob Brown reported total revenue of \$54,726 as of January 31<sup>st</sup>, with \$54,700 in customer billings. Operating expenses totaled \$12,672 due mostly to materials and supplies and payments to contractors and HKOAI employees. Work on water project elements added \$4,063 to the Capital Projects account. Deposits into the Greater Atlantic Bank account since the last report totaled \$17,522.87 and expenditures totaled \$16,894.51, leaving a balance of \$8,140.11 as of January 31<sup>st</sup>. HKUI owes \$845,268 on the Virginia state loan, received approximately \$30,000 since the end of December, and had an accounts receivable balance of \$50,375. Bob also reported that the property tax relief issue (which could result in a refund of taxes paid recently by HKUI) is on the agenda for the February 15, 2005 meeting of the Warren County Board of Supervisors, and that a "clean" copy of the HKUI annual budget is now posted on the HKUI website.

**Operations Committee Report:** The Joint Operations Committee met January 31<sup>st</sup>. Topics of discussion included: (1) a review of projects for HKUI and HKOAI, which Jerry Pomeroy was to prioritize and schedule; (2) choosing the best approach to two taps—one requiring either cutting the new pavement or using a very long water line (the Committee elected to cut the pavement) and another which posed a risk that the customer would have low water pressure (the Committee agreed to have the tap located to maximize pressure); (3) reconciliation of HKUI and HKOAI records, including a lengthy discussion of water capitalization fees from the past few years; and (4) the status of paving repairs (the paver's contract has expired and the weather is too cold for additional paving; but the paver can be called back when the weather warms).

**Staff Reports:** Kim Renz received a letter from an Alpine Road customer, complaining about unauthorized use of his water by the paving contractor after our staff had departed for the day. While the cost to the customer was not significant, the idea that the contractor could twice drain his water tank with impunity was a major irritant. Jerry Pomeroy generally handles this sort of support to contractors by providing them access to the reservoirs during "duty hours", and by notifying them they could ask permission from homeowners to use water after hours. Keith Arnett agreed to draft a letter for joint signature with the HKOAI Board President to detail this policy for future use.

A customer on Massanutten Mountain Road, whose unrepaired leak was consuming significant amounts of water, received two letters from the HKUI office demanding proof that the leak had been repaired and payment of half of the past due amount on the account (\$475) by 2:00pm on February 14<sup>th</sup>. The staff has received a list of repairs made and is awaiting payment—Jerry will replace their meter with a lockable one and shut off service if the bill is not paid. Complicating matters, the property was recently sold and the current resident is not the homeowner of record.

Jerry Pomeroy has developed a list of approximately 35 tasks needing to be done, thirteen of which are HKUI issues. He will prioritize and schedule these tasks (along with those for HKOAI issues) and report back to the Board. Among the pending tasks are removing old equipment and rerouting control tubing at Mountain Top Reservoir, installing additional meters, raw water taps (as directed by the Virginia Department of Health), blow-off hydrants and waterline to complete the Water Project, maintenance at existing reservoirs and installing and/or repairing customer taps and meters.

The SCADA system is being turned on from the top of the mountain down. Installation of components should be completed February 12<sup>th</sup> and the staff will allow it to run a week before they start making adjustments. Salt Lick Reservoir is currently shown (erroneously) as overflowing, for example. In response to Keith Arnett's query about backup procedures for the SCADA PC, Dan Althouse indicated the staff has backup disks. Further, if any programmable logic circuits fail at the sites, the staff will call Synchrony and rely on the floats rather than the transducers associated with the SCADA system. Dan reported that the SCADA system software could be upgraded to provide trend analysis (e.g. average time for a reservoir to fill/empty), but he doesn't have cost estimates yet.

Dan Althouse is still finishing up all the paperwork associated with the project, but he believes it will end up around \$10,000 over budget due to higher costs than anticipated for some system parts (some parts for the meters are still on order). He believes we could borrow the funds (the State Loan allows up to \$150,000 above the original figure, to account for unexpected cost overruns), if necessary.

Also, a few leaks remain in the system (as has been reported previously), as water production averaged about 50,000 gallons per day.

**Unfinished Business:** Bob Brown has reconsidered his previous proposal to have HKUI make an interest-free loan to HKOAI, and now recommends against doing so. Jerry Pomeroy discovered only four hydrants that need protection—one of which (Red Bud) is already protected by boulders. He recommends placing boulders around the hydrants at the intersections of Deer Trail and Salt Lick and of Alpine and Shenandoah and installation of a bollard (he has one available) in front of the hydrant on High Knob Road (near the intersection with Red Bud). Jem Anderson and Wes Gillespie found no significant issues with the HKUI bylaws.

**New Business:** No new issues were raised.

**Question and Comment Period:** Don Smith thanked the staff for their efforts in clearing snow during the past few weeks. Also, the Warren Sentinel posted an announcement of the County

Board of Supervisors meeting that will address High Knob's request for property tax refund for the time HKUI has been a tax-exempt organization.

**Executive Session:** The Board met briefly in joint executive session with the HKOAI Board to address personnel matters. No votes were taken by the Board.

The January meeting of the HKUI Board adjourned at 9:20 a.m. The next meeting is scheduled for 7:00 p.m. on March 14<sup>th</sup>, and the Operations Committee meeting is scheduled to meet at 7:30 p.m. on Monday, February 28<sup>th</sup>.

JEM P. ANDERSON  
HKUI Board Secretary