

# High Knob Utilities, Inc.

## Meeting Minutes for July 11<sup>th</sup>, 2005

**Call to Order:** Keith Arnett called the monthly meeting of the High Knob Utilities, Inc (HKUI) Board to order at approximately 7:00 p.m. HKUI Board members in attendance were Keith Arnett, Jem Anderson (arriving late), Bob Brown, and Josh Douglas.

**Previous Minutes:** The Board reviewed minutes for the June Board meeting and approved them as submitted.

**Treasurer's Report:** Five new taps since the end of May added \$4375 in annual revenue through June 30<sup>th</sup>; with collection of nearly \$1500 in customer billings and \$49 in interest, total revenue through June 30<sup>th</sup> was \$127,949. Expenses increased \$37,922 (total for 2005, through June 30<sup>th</sup>, was \$99,397), most of which resulted from interest and labor expenses. Capital expenses were \$232 for training, bringing the total through June 30<sup>th</sup> to \$6,781. HKUI cash available was \$46,630.48 as of June 30<sup>th</sup>. HKUI owes \$875,666 on the State loan, and anticipates \$2,929 in accounts receivable.

- **Operations Committee Report:** The Joint Operations Committee did not meet.

**Staff Reports:** Marcy McCann provided a detailed Business Manager Report, noting that the volunteer supporting the office most Mondays was very helpful. The volunteer has been working to update and purge HKUI hard files and printing off records for 2003 and 2004.

Marcy has been updating the HKOAI/HKUI Information Booklet provided to new residents. She also reported that the back room of the office area was being renovated into a records storage room (thanks to Jerry, Lee, and Don Day for clearing and disposing of a large amount of debris and old equipment). Records will be moved and sorted as time permits to provide a full archive of High Knob documents.

The payroll service is up and running smoothly. Payroll is handled via direct deposit, with required taxes paid automatically and billing by department to facilitate budget/funds management. HKUI will receive quarterly reports to assist the Treasurer.

HKUI collected two judgments—for \$800 and \$712.33—due to sale or foreclosure of homes. Marcy intends to make a thorough inventory of the customer base during this billing cycle to address previous billing problems.

Posted office hours are 9am – 2 pm weekdays; however, Marcy plans to continue to leave the office door open and answer the phone until 5pm most days. Recent experience indicates doing so will improve communication with the title companies whose information on home sales benefits High Knob. Most errands (bank, printer, post office) will be run during office hours.

Marcy also asked the Board to approve funds for her to attend a one-day seminar titled *How to Communicate with Tact and Skill*, which she hopes will help her deal with difficult customers.

Jerry Pomeroy indicated that the Field Service crew had focused primarily on HKOAI work during the past month, and expected to remain heavily involved in paving preparation through mid-August. They did complete two taps, have about half an hour of labor left to complete meter readings, and took a raw water sample at Salt Lick Springs.

Among the tasks that need attention from the Field Service crew are two more taps (there will be an additional 6-8 due over the next few months), completion of Butler and Paved Road Reservoir lining, and repair of Salt Lick Springs reservoir, which probably has a gap at its top that allows water to flow down into a wall. The repair will likely entail draining the reservoir and injecting concrete, then relining it. When the work is done, the reservoir will probably be bypassed and water moved to other reservoirs.

Water system production averaged about 48,000 gallons per day, and there were no substantial leaks detected.

**Unfinished Business:** Keith Arnett briefly described his presentation at the HKOAI Annual Meeting, where he addressed general history of the water system, completion of the water project, the likelihood that a decline in building on High Knob will reduce HKUI revenue, and discussed road closure/emergencies (including discussion of a recent complaint about a closure on Massanutten Mountain Road).

The initial payment (interest only) on the State Loan was made July 1<sup>st</sup>. Another payment will be due around the first of the year.

There has been no progress made as yet on developing a calendar of annual business events. Keith Arnett wants to meet with Bob Brown and the High Knob staff to develop one, which will list required actions to reduce the likelihood of an important task being forgotten in the rush of day-to-day operations.

The Board discussed the backup power project. Dan Althouse suggested we start with Salt Lick Springs, Alpine and Mountain Top. He also spoke with a generator contractor and an electrician, and they indicated the project should use mostly 25kW generators rather than the 15kW generators projected by Herb Morgan. Dan checked with three vendors (estimates for a 25kW generator ran from \$9,375 to \$11,500) and estimates that, with electrician and staff labor (site preparation), the total costs would be about \$10,000 for each 15kW generator and \$12,000 for each 25kW generator HKUI installs. Don Day suggested we consider time-delay switches and bring components up gradually in order to reduce the peak loads on the generators; Dan Althouse will look into that and obtain firm cost estimates for the next Board meeting.

The office now has a DSL connection in place, and the staff is considering adding a backup power supply and a router. The new email address is [hkoffice@earthlink.net](mailto:hkoffice@earthlink.net).

**New Business:** High Knob employees now have an Employee Handbook, detailing personnel policies, benefits, etc.

Water meter reading procedures are under review, and the existing spreadsheets revised to update customer information.

The next billing is being prepared. It may include an HKUI newsletter and the annual water quality report.

The Board briefly discussed the prospect of obtaining a laptop (donated) to facilitate meter readings for the 3<sup>rd</sup> quarter and beyond.

Synchrony proposed adding a capability to perform remote troubleshooting and software upgrades over the Internet at a cost of \$1525. Since we are still under warranty, the Board elected to table this issue until about October, allowing time to consider the offer more closely and assess its cost-effectiveness.

The red 1987 pickup truck the High Knob staff has been using is no longer safe to operate. Don Day spoke with a dealership and found that the price of a suitable new GMC truck would be approximately \$28,300.

The cost to address the two damaged pumps (discussed in the June 9, 2005 HKUI Board Meeting minutes) was \$3,800—Dan Althouse had initially estimated \$2,400. The insurance paperwork has been prepared and will be filed shortly.

**Question and Comment Period:** There were no additional questions or comments.

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

The meeting adjourned at 8:15 p.m. The next meeting is scheduled for 8:00 a.m. on August 13<sup>th</sup>.

Jem Anderson  
Secretary, HKUI Board