

# High Knob Utilities, Inc.

## Meeting Minutes for

**March 12 2007**

**Call to Order:** Dave Henderson called the monthly meeting of the High Knob Utilities, Inc (HKUI) Board to order at 7:05 PM. Other HKUI Board members in attendance were Keith Arnett, Josh Douglas, Vince Bonzagni, and Thomas Ricks.

**Previous Minutes:** The Board reviewed minutes for the January 20<sup>th</sup>, 2007 HKUI Board meeting. Josh Douglas noted that the minutes included one typographical error, in that the abbreviation “HKPOA” was used instead of the correct “HKOAI,” for the owners’ association. With that change, a motion to accept the minutes was made by Keith Arnett and seconded by Dave Henderson. The minutes were approved.

**Treasurer’s Report:** Chase Ragsdale presented a written report. Dan Althouse noted that the annual tax summary was to be complete by the end of the week. He then made a brief presentation of his method of capitalizing expenses on the balance sheet. He expressed the opinion that depreciation should be taken on the profit & loss statement. That figure could then be taken into account for the nonprofit tax return and the balance sheet. Dan also recommended waiting until July or August to move any of the cash on hand into a CD, since there is a loan payment due at the end of June, prior to the receipt of most of the second quarter revenues. Josh Douglas moved to accept the treasurer’s report, and Keith Arnett seconded the motion. The report was approved with Vince Bonzagni abstaining.

**Unfinished Business:** The action for collection against Garth Gatlin is proceeding.

**New Business:** Keith Arnett proposed that the following language be adopted as HKUI policy: “No customer, or other acting for the customer, shall create a condition that may cause damage to any meter, connection, service pipe, meter cock, seal, or any other appliance or installation of the company. The presence of such condition shall be ascertained solely by the determination of the company, subject to appeal to the board of directors. The customer shall be responsible for removing any potentially damaging condition designated by the company, subject to supervision and approval of the company.” During discussion of enforcing such a provision, it was noted that not all residences have a valve for shut-off, but they are gradually being installed as meters have to be replaced and will be complete within the next 3 to 4 years. Dan Althouse stated that revising the tariff to reflect such a policy change is relatively simple. Josh Douglas moved to incorporate the language as drafted, Thomas Ricks seconded the motion, and the proposal was approved unanimously.

Two informational items were then presented: 1) Keith Arnett recently noted in the local newspaper that a nearby 19-acre area was approved for commercial development by the county, with a cap of 38,000 gallons per day of water use. This may not impact High Knob due to the difference in water tables, but on the other hand there is a chance that it will have an impact due

to shared aquifers. 2) An application to the Virginia Rural Water Association for Water System of the Year had been submitted. One achievement noted in the application was cutting the per-household water use in half over a two-year period through the elimination of leakage.

Keith Arnett noted that in the past many staff reports and water operator reports were not archived, and suggested that this be remedied in the future. Dan Althouse commented that he has all of his reports in electronic format and that recent staff reports are stored electronically in the office.

**Staff Reports:** Marcy McCann and Chase Ragsdale were not present for the meeting but left written reports, included here by reference.

Jerry Pomeroy was present for the meeting and submitted an oral report. His next upcoming project is to repair damaged blow-off valves. Jerry reported that the maintenance shop has been completed, and is now completely insulated, covered with plywood, and heated.

**Water Operator's Report:** Dan Althouse was present for the meeting and submitted an oral report. He stated that he had applied to the Virginia Department of Health for waivers regarding testing for volatile chemicals that are never found in residential areas. These waivers had been previously granted but had expired. Electrical repairs due to the recent power surge will total about \$6,300. Once the bills are in hand, an insurance claim will be filed. Dan has since researched small, portable propane heaters that could be used to keep reservoirs from freezing during power outages. Two have already been purchased and two more are needed. Dan also mentioned that he has a complete record of correspondence between himself and the Virginia Department of Health, and will make it available for board review should it ever be needed. Paper copies are stored in the office as well. Lastly, he reported that he is executing the process to bring the HKUI license up to date, since the utility had made significant infrastructure upgrades (such as the addition of two wells) since the license was granted.

**Executive Session:** The HKUI and HKOAI Boards met jointly in executive session to discuss personnel matters.

**Adjournment:** The next meeting was scheduled for 7 PM on Monday, May 14<sup>th</sup>, 2007, with subsequent meetings to take place every other month on Monday evenings. Keith Arnett moved to adjourn, the motion was seconded by Josh Douglas, and the meeting adjourned at 8:19 PM.

Thomas Ricks  
Secretary, HKUI Board