

High Knob Utilities, Inc.

Annual Shareholders Meeting

Oct 8th 2007

Call to Order: Dave Henderson called the HKUI annual shareholders meeting to order at 7:05 PM. Other HKUI Board members in attendance were Keith Arnett, Josh Douglas, and Thomas Ricks.

Previous Minutes: Minutes for the previous annual meeting were not immediately available. Josh Douglas moved that the board members review, correct as necessary, and approve the minutes via email. The motion was seconded by Keith Arnett and approved unanimously.

Treasurer's Report: Neither treasurer Vince Bonzagni nor staff member Chase Ragsdale were able to attend the meeting. Dan Althouse presented a written report, which is included here by reference. Dave Henderson noted that HKOAI's contribution to the loan payoff did not show on the report, and Dan Althouse responded that this is correct for this type of report. Josh Douglas noted that loan payments are due in January and July, but only one such payment showed for the period Jan-Sept 2007. Mr. Althouse explained that this is because the check for the January loan payment was cut in December 2006. Josh Douglas noted that the budget had projected net ordinary income to be \$6,660, but the Jan-Sept 2007 number was over \$59,000. Mr. Althouse explained that the final number will be drawn down considerably by upcoming expenses, and will probably end up around \$15,000. Keith Arnett reminded the board members that since this meeting was the Annual Shareholders Meeting, rather than a regular bimonthly meeting of the board, only items from the past calendar year should be addressed, rather than projections for the remainder of the year. Josh Douglas stated that the board should review a balance sheet, whereupon Dan Althouse produced one for the board's review.

Review of the Year: Dave Henderson then reviewed the year's accomplishments. He noted that HKUI had to address very few system leaks and make very few repairs during the last year. The most notable repair expense was HKUI's approximately \$4,300 contribution to the tractor repair. He further noted that two major accomplishments during the last year were the upgrade to the computer system and the Water System of the Year award from the Virginia Rural Water Association.

Election of the HKUI Board for 2007-2008: Dave Henderson presented a slate of candidates to date that included three incumbents and two additional candidates. The three incumbents were Mr. Henderson himself, Keith Arnett, and Josh Douglas. The two other candidates were Don Day and Vic Jones. Mr. Henderson asked for additional nominations from the floor and, there being none, presented the slate of candidates to the members of the KHOAI board present in the audience. The HKOAI board called their meeting to order and elected the slate of candidates named.

Executive Session: Keith Arnett moved that the newly constituted board go into executive session to elect officers. Josh Douglas seconded the motion and it was approved unanimously. The board then retired for a brief executive session. When they returned, Dave Henderson announced that he would continue to serve as board president, that Keith Arnett would continue to serve as vice-president, and that Vic Jones would serve as secretary. He further explained that the by-laws did not require the election of a treasurer and that the board would be operating without one. Keith Arnett moved that the board in its entirety vote to confirm the officers named. Josh Douglas seconded the motion and the motion was approved unanimously.

Adjournment: Keith Arnett moved to adjourn. The meeting was adjourned by Dave Henderson at 7:31 PM.

Thomas Ricks
Secretary, HKUI Board