

# High Knob Utilities, Inc.

## Meeting Minutes for February 13<sup>th</sup>, 2006

**Call to Order:** Keith Arnett called the monthly meeting of the High Knob Utilities, Inc (HKUI) Board to order at approximately 7:05 p.m. HKUI Board members in attendance were Keith Arnett, Bob Brown, and Josh Douglas. Jem Anderson and Vince Bonzagni arrived later.

**Treasurer's Report:** Through January 31<sup>st</sup>, total revenues were \$59,757, from Customer Billings. Expenditures totaled \$3,939 – including \$1,729 in Water Operator Contract Services and \$1,154 in Purchased Power. As of the end of January, HKUI had \$52,303.19 in its bank account, with Accounts Receivable of \$47,341 and \$878,216 due on the Virginia State Loan.

Bob Brown reported that the audit, which was almost complete, had discovered a check from HKUI to HKOAI (the amount was around \$10,000) that apparently never cleared the bank. Bob and the auditor are reviewing the records to determine whether that check was ever replaced. The audit report needs to be delivered to the State of Virginia by the end of February; Bob expects to have it ready in time.

In response to a question from Jem Anderson, Bob Brown stated that the final report for 2005 would be available in August, when taxes are in and depreciation is calculated. Dan Althouse is currently working on capitalization for 2005 expenses.

**Previous Minutes:** The Board reviewed minutes for the January 14<sup>th</sup> HKUI Board meeting and approved them with one minor correction. Vince Bonzagni, who did not attend that meeting, abstained.

**Staff Reports:** Marcy McCann's written report indicated that she has worked with Dan Althouse, Bob Brown, and the auditor on the audit, that she has continued meeting regularly with Jerry Pomeroy to coordinate activities and that Rosalie Norem continues to volunteer her assistance with office matters on Tuesday afternoons. She also has been processing customer payments from the latest billing.

Jerry Pomeroy reported that within the last several weeks, the staff had repaired leaks on Bridle Path, Clubhouse and Honeysuckle and replaced meters on Bridle Path, Clubhouse and Skyline. In all 8 of the 20 meters on the "replacement list" are already complete. The staff also addressed a small leak on the Salt Lick Well and spent time cleaning tools and organizing storage bins.

There was also a large leak on the homeowner's side of the meter at 314 Shenandoah Drive. The HKUI Board agreed to adjust billing for that customer, consistent with the Tariff.

**Water Operator's Report:** Dan Althouse reported that average water consumption was less than 40,000 gallons per day, the lowest he has ever seen. Marcy and her assistant are calculating total water sales figures for the annual report.

Virginia Department of Health (VDH) Q1 sampling of Butler Well #2 and Salt Lick Well #2 (the two newest wells in the water system) was completed in January.

A relay at the Salt Lick Springs reservoir burned out. Replacement cost will be about \$100.

The SCADA system is operating well, and has allowed Dan to address several problems with the system, including the burned-out relay referenced above. The in-road temperature gauges are working well.

The generator work at the Alpine and Mountain Top reservoirs is not yet complete, but both are connected and should be ready later in the week.

**Unfinished Business:** Dan Althouse spoke with Dave Bushman about updated engineering drawings of the water system. Also, the Warren Sentinel spoke with Dan and Keith Arnett and plans to publish an article about the water system upgrade.

**New Business:** Josh Douglas reported that HKOAI was planning a volunteer appreciation event, and has allocated \$300. He recommends HKUI match the HKOAI contribution. The HKUI Board agreed to do so, and the event will be Saturday, April 8<sup>th</sup>.

**Question and Comment Period:** Jerry Pomeroy is stocking gravel for road and water system use. He estimates we'll need about five loads. Josh Douglas asked whether we might get a better price through the County; Doug Stanley agreed to look into it.

**Adjournment:** The meeting adjourned at 7:50 p.m. The next meeting is scheduled for 8:00 a.m. on March 11<sup>th</sup>. The following meeting will likely be April 10<sup>th</sup> at 7:00 p.m..

Jem Anderson  
Secretary, HKUI Board