

High Knob Utilities, Inc.

Meeting Minutes for

March 11th 2006

Call to Order: Keith Arnett called the monthly meeting of the High Knob Utilities, Inc (HKUI) Board to order at approximately 8:05 a.m. HKUI Board members in attendance were Keith Arnett, Jem Anderson, Vince Bonzagni, and Bob Brown.

Previous Minutes: The Board reviewed minutes for the February 13th HKUI Board meeting and approved them as submitted.

Treasurer's Report: Through February 28th, total revenues were \$60,640, from Customer billings and one tap fee. Expenditures increased \$10,194 to \$14,133 for the year – including \$3,396 for Materials & Supplies and \$2,421 for Water Operator services. As of the end of February, HKUI had \$65,467.16 in its bank account, with Accounts Receivable of \$9,363 and \$878,216 due on the Virginia State Loan.

Operations Committee: There was no Operations Committee meeting held since February 13th.

Staff Reports: Marcy McCann's written report indicated that, with one exception, all customer payments are either in or otherwise accounted for—and only one customer needed to be contacted at home (Marcy will provide a return envelope next time). Dan Althouse suggested HKUI consider obtaining a capability to accept payment on-line via credit card (or debit card). Marcy has made some edits to the Contractor's Agreement sheet to eliminate obsolete language and to clarify that the contractor remains the customer of record until HKUI gets updated information. Also, there was one revised bill which the customer believes was calculated incorrectly; the office is reviewing the bill. She has continued meeting regularly with Jerry Pomeroy to coordinate activities and Rosalie Norem continues to volunteer her assistance with office matters on Tuesday afternoons. She also reported that customers have appreciated the use of reminder calls.

Jerry Pomeroy reported that the staff had the Mountain Top and Alpine generators working and completed two taps during the month. They also replaced the ninth of the 21 meters they planned to replace this year and assisted home owners in finding two leaks (one is already repaired, while the second, on Lazy Livin', appears to be within the customer's house).

Water Operator's Report: Dan Althouse reported that average water consumption remained at historically low levels, and that there were no leaks in the HKUI portion of the water system. He has completed his capitalization assessment and will review it with Bob Brown. Finally, he continued work on the required water quality reports.

Unfinished Business: The missing check identified by the auditor (please see HKUI Board minutes for February 13, 2006) remains a mystery; the auditor has not been in touch with Bob

Brown in a few weeks. Also, a story about the High Knob water project was published in the Sentinel earlier in the week.

New Business: Jerry Pomeroy presented an estimate for widening Shenandoah Valley Drive and moving the water line (this issue was discussed at previous HKUI Board meetings), totaling \$90,964. This was a response to two homeowner concerns about storm water runoff, and HKUI agreed to consider assisting HKOAI in executing a project to improve the end of the road. Thus far, Jerry has spent about ten hours cleaning up the area; he estimates that another 10-12 hours of work would be sufficient to address the key issues in that area. Accordingly, the Board chose to table this issue indefinitely.

Keith Arnett also led a discussion about developing a business calendar (this topic has been addressed periodically at previous HKUI Board meetings) which would indicate which reports are due at what time to which State agencies/offices. The Virginia Department of Health (VDH) has a list of testing activities required, and Dan Althouse was assigned to develop a tailored list for HKUI, including a list of reports. Dan indicated, in response to a question from Vince Bonzagni, that HKUI could ask VDH for a list of what testing has been done; their database usually is updated about a week after receipt of the relevant water sample. Bob Brown indicated he has two reports that go to the State Corporation Commission—an assets report (which he generally does) and a Financial Report (which we hire someone to do). Our taxes are due April 15th, but we typically file for an extension and finish them in August (due to our tax status, these are information reports, rather than payments).

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

Adjournment: The meeting adjourned at 8:42 a.m. The next meeting is scheduled for 7:00 p.m. on Monday, April 10th.

Jem Anderson
Secretary, HKUI Board