

High Knob Utilities, Inc.

Meeting Minutes for

October 9th 2006

Call to Order: Keith Arnett called the monthly meeting of the High Knob Utilities, Inc (HKUI) Board to order at approximately 7:40 PM. HKUI Board members in attendance were Keith Arnett, Vince Bonzagni, Josh Douglas, and Thomas Ricks.

Previous Minutes: The Board reviewed minutes for the August 26th HKUI Board meeting. Vince Bonzagni raised the point that the board meeting scheduled for September 11th had been cancelled for lack of a quorum and that the decision to cancel the meeting had been handled via email among the board members. After some discussion among board members, it was determined that there was no need to handle this parliamentarily beyond the email exchange. The minutes were then accepted as submitted.

Treasurer's Report: Bob Brown gave his final report as outgoing treasurer. Through September 30th, total revenues were \$197,521 resulting from customer billings, interest income, and nine tap fees. This was a significantly fewer number of tap fees than the projected twenty. Expenditures increased to \$128,189 for the year. As of the end of September, HKUI had \$31,634.99 in its bank account and \$45,010.76 in a separate investment account, with Accounts Receivable of \$3,456 and \$851,267.51 due on the Virginia State Loan. The Board approved the report as submitted. Vince Bonzagni, as incoming treasurer, noted the need to ensure compatibility between the current accounting program and his home computer, and a meeting with Marcy McCann was planned to resolve this issue.

Staff Reports: Marcy McCann, who was not present, submitted a written report. She reported that she had been able to collect a closed account from May 2006. Two new water tap fees were paid by Nicolls Construction, one on Salt Lick and the other on Pocahontas. She opened a UPS account to facilitate sending of packages for lab testing by Dan Althouse. She had begun preparing the 3rd quarter bills and anticipated that they would be mailed on October 13th. was mailed July 19th, and about \$26,000 has been collected since August 1st. She had received few complaints thus far. She and Dave Henderson hope to complete the project to integrate Excel to Quick Books prior to the next billing.

Jerry Pomeroy was present for the meeting and submitted a written report. He reported that the resident at 567 Shenandoah did not turn his pump off during work on the main, despite a sign being placed 36 hours prior to the commencement of work. As a result, air entered his system and broke pipes inside the house at pump. He had responded to a water pressure complaint at 904 Windy Way but found that the problem is within the homeowner's property. A leak in the 3" main from Salt Lick Reservoir to Salt Lick Well had been repaired. All reservoirs had been cleaned out and the sites weeded. Meters had been read for the 3rd quarter, finding 4 newly broken meters and 2 leaks in the process. His computer has been taken to the shop for a new power source. Six loads of gravel have been stacked for winter taps. The tank at Salt Lick Well

was patched. Doors were painted and necessary caulking done at Butler, Salt Lick Well, Salt Lick Reservoir, Alpine, and Mountain Top. Bags of straw have been filled for meter crocks. A high priority action item is to correct the situation at 728 Shenandoah Valley, where the homeowner has excavated all dirt away from his crock and over the water line.

Water Operator's Report: Dan Althouse was not present at the meeting and did not submit a report.

Unfinished Business: Don Day reported to the Board that it had been decided, based upon cost, to continue manual temperature monitoring.

New Business: Keith Arnett read a letter from homeowner Billy Thomas in reference to the basement flooding at 567 Shenandoah described in Jerry Pomeroy's report. Mr. Thomas submitted his plumber's bill for the repair and asked that it be paid by HKUI. During the subsequent discussion, Jerry Pomeroy explained that the damage was due to a defective airbled device located within the portion of the system owned by HKUI, not within the system owned by Mr. Thomas. Josh Douglas made a motion to pay half of Mr. Thomas' repair bill, but the motion received no second. Vince Bonzagni then moved to pay the entire bill and the motion was seconded by Thomas Ricks. The motion was then approved on a 3-1 vote, and the bill is to be sent to Chase Ragsdale for payment.

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

Adjournment: The meeting adjourned at 8:52 PM.

Thomas Ricks
Secretary, HKUI Board