

High Knob Utilities, Inc.

Meeting Minutes for October 9, 2004

Call to Order: Keith Arnett called the monthly meeting of the High Knob Utilities, Inc (HKUI) Board to order at 8:25 a.m. HKUI Board members in attendance were Keith Arnett, Robert Clough, Jem Anderson, Bob Brown, and Josh Douglas.

Previous Minutes: The Board reviewed and approved minutes from September meeting, with a few minor amendments. Jem Anderson promised to send minutes of the past year's HKUI Board meetings to John Painter for posting to the HKUI web site.

Treasurer's Report: Mr. Brown reported revenue three taps, bringing total revenue through the end of September to \$175,690. Expenditures for September included \$2,266 for lab testing, \$4,300 for property manager services, \$3850 for materials & supplies, and \$1,750 for transportation, bring the total annual expenses to \$130,134. Capital project expenditures increased by \$185,600 to \$693,634. HKUI had slightly over \$38,000 in its Greater Atlantic Bank account as of September 30th, anticipates \$3,376 in additional funds from accounts receivable, and owes \$678,476 on its Virginia State Loan.

Operations Committee Report: The Joint Operations Committee met on September 28th. Among the Committee's activities, the committee directed Dan Althouse to research abolishing the \$1,500 water capitalization fee, in favor of increasing the tap fee from \$875 to \$2375. It also discussed representation of water capitalization fees (collected by HKOAI) in HKOAI financial statements and recommended that HKUI pay two-thirds of paving costs—up to \$40,000—to fund road repair required as a result of water system improvements.

Water Manager's Report: Dan Althouse was not present, but provided information to Josh Douglas. The Butler Reservoir roof on Greenfield Road is nearly complete, and a sign has been posted to notify residents of pending water system construction along Pocahontas and Honeysuckle.

Unfinished Business: The homeowner never picked up the pump obtained for 115 Alpine and Dan Althouse will return it to the vendor. Further, Kim Renz indicated that the process of accepting credit card payments is relatively simple—the next step is to consider the accounting implications of doing so.

New Business: Another instance of aggressive behavior (verbal abuse) by a resident toward HKUI staff resulted in a decision to file a complaint with the magistrate. This is a Class IV misdemeanor, similar in severity to a charge of public drunkenness. Though the magistrate's office was closed on Friday, staff will visit the office on Monday to file the complaint. Since the 3rd Quarter billings are going out, Keith Arnett suggested that the Board include a letter to ask for

better cooperation between residents and HKUI staff. He proposed developing and sending a draft letter to the Board members for their approval. The Board agreed unanimously to do so. Wes Gillespie also recommended that the letter be posted in the Newsletter.

Also, the Board agreed to the Operations Committee's proposal to split road paving costs with HKOAI—HKUI will authorize funding for two-thirds of the overall paving contract (up to \$40,000 in funds).

In addition, Josh Douglas recommended formation of a two-member committee (one each from the HKUI and HKOAI Boards) to review the HKUI Bylaws and recommend changes, if needed, by the end of December. Jem Anderson (HKUI) and Wes Gillespie (HKOAI) agreed to participate.

Question and Comment Period: Doug Stanley recommended that HKUI charge a fee to cover costs associated with use of credit cards. He also asked about the discarded pipe and other materials left over from water system construction; Keith Arnett agreed to look into the matter.

In other issues, Kim Renz and Jerry Pomeroy are also slated to attend a seminar in “dealing with difficult people”, prompting Louise Fahey to commend Jerry and Lee for their forbearance in dealing with residents during the construction process. Keith Arnett observed that many newcomers are not yet accustomed to living in a small town, and presume an anonymity that does not exist. Don Day agreed with Keith Arnett on this matter.

Finally, Mr. Kevin Dyer (of 507 Shenandoah) asked about the occasional water shutoffs he was encountering in his home. Keith Arnett will ask Dan Althouse to investigate. While the first thought was that it might be an internal issue to be worked with his builder (Wayne Franklin), Rob Clough has observed occasional loss of pressure at his house (482 Shenandoah) as well.

The September meeting of the HKUI Board adjourned at 9:05 a.m. The next meeting is scheduled for 7:00 p.m. on November 9th, and the Operations Committee is scheduled to meet at 7:30 p.m. on October 26th.

JEM P. ANDERSON
HKUI Board Secretary