

High Knob Utilities, Inc.

Meeting Minutes for October 10th, 2005

Call to Order: Keith Arnett called the monthly meeting of the High Knob Utilities, Inc (HKUI) Board to order at 7:25 p.m, following the HKUI annual meeting. HKUI Board members in attendance were Keith Arnett, Bob Brown, Vince Bonzagni, and Josh Douglas.

Previous Minutes: The minutes from the September meeting were presented by Keith Arnett, and were accepted by board vote, with Vince Bonzagni abstaining.

Treasurer's Report: Bob Brown presented the treasurer's report for review. The VWSRF loan has been drawn to the maximum amount. We are currently four tap over the annual estimate, with more pending. Third quarter billings will be coming in shortly. The HKUI payment of one-half of the new truck was categorized as a capital expense. The auditor has picked up the materials needed to begin the audit. A plan for payback of the funds owed to HKUI by HKOAI for the Water Capitalization fees was presented. The total amount due is \$61,036, and would be paid back at a rate of \$5,000 per year beginning in 2005. Payments will be made directly to the VWSRF loan account as payments on the outstanding principle. The agreement was distributed to the board for study, and will be considered at next month's meeting.

Operations Committee Report: There was no Operations Committee meeting in September.

Staff Reports: Marcy McCann was unable to attend but submitted a written report (attached),

Jerry Pomeroy was unable to attend and did not provide a report.

Water Operator's Report: Dan Althouse presented the water operator's report, covering:

- Production numbers
- Current projects
- Ph remediation at Salt Lick reservoir
- Wrap up of Synchrony punch list
- Generator project – cost of purchasing tanks
- List of critical work planned for this year

Report attached.

The decision on whether to rent or purchase the propane tanks was briefly discussed. Because of the shortened meeting time, the issue was deferred to an e-mail discussion. A decision will be announced at the next board meeting.

Unfinished Business: The quarterly division of expenses between HKUI and HKOAI was considered, having been deferred for revision at the last board meeting. The revised agreement was adopted by the board. The divisions are as follows:

- All vehicle expenses, 50/50
- All postage, 50/50
- Office rent, \$200/mo. from UI to OA
- Backhoe, 50/50
- Maintenance building (shop), 50/50
- Plow, 100% OA
- Workers comp, unemployment, 100% OA, UI pays a 10% premium on billed wages.
- Insurance, paid by liable organization

New Business: Keith Arnett reminded Dan Althouse that an engineering report is due to VWSRF by November 15, and that he will need to meet with Dave Bushman in sufficient time to have a report ready.

He also mentioned that the budget process for 2006 needs to begin, as a preliminary budget is due Dec. 15. A budget working meeting will be scheduled for the beginning of December.

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

Executive Session: The Board met briefly in executive session to address personnel matters. No votes were taken by the Board during the executive session.

The meeting adjourned at 8:10 p.m. No future meeting dates were set.

Keith Arnett
President, HKUI

High Knob Utilities
Marcy McCann
Business Manager's Report
October 10, 2005

- I The 2nd Quarter billings were collected with only 1 meter actually having to be shut off. Payment was made immediately and the S42. will be accessed on the 3rd Quarter billing.
2. Rebilling of former residents resulted in another responsible former resident coming into the office for and explanation and left with a promise that he would pay. We are slowing eroding the away at past due accounts.
- 3, The Excel spreadsheet and Quick Books records of customer accounts have now been compared and updated. Several times more than one customer had the same account number. Names were updated and new meters added to the list. This took quite a bit of time but should be easy to keep updated from now on.
4. In office inventory of meters listed is now underway or determine the exact number and general location of meters.
5. Updating of the Board of Directors member's manual is now underway. It is much outdated as per Dan.
6. Volunteer Rosalie Norem work in the office on several Tuesday afternoons assisting with filing as well as organizing materials for the UI Audit, helping assemble and mount the new map, and many other much needed tasks. Each builder is now listed in Quick Books with each building lot listed as a separate job location to insure proper tracking charges and meters as they are installed. We are also revising the filing and control of the builder's contracts and files.
- S. Bob Brown and I met with Will Busch to go over Audit materials and delivered same to him.
9. Jerry and I have met to discuss various projects we are working on.
10. John Kulnis provided a new map for the office showing the 911 addresses, roads, in a cleaner, more legible format. We will affix images of fire hydrants and other relevant features of High Knob
11. Tee shirts with the High Knob staff names are now being worn daily as part of the High Knob dress.
12. Have prepared the invoice from U A to UI for rent and payroll due through Sept 30th.

Respectfully submitted,

Marcy McCann

HK Utilities 10/05

• **Current Water Production Average/ Daily**

Salt Lick Springs	19.000
Salt Lick Springs export to well	0
Salt Lick Well	1.100
Alpine Well	6.000
Butler Wells	10.000
Butler Spring(No Name Reservoir)	500
Spring	0
Paved Road Wells	<u>12.000</u>
	48.600

1. There are no known ongoing leaks in the system. I am suspicious of the usage numbers on the Mt Top section and there were some apparent leaks discovered when replacing Chesnut main.
2. Chesnut main started before rain - Sprint has buried phone mains on top of our water main - Verbal report
3. Old tank at Paved Road resealed and filling work 92% done
4. Old tank at Butler cleaned with prep work still needed before epoxy is applied as liner.
5. Annual Sampling will be done next week - Inspection VDH later this month
6. **Playground substation damage - electrical surge - most parts repaired and back** verbal report

PH Issue and Engineering

I have permission to begin experimenting with PH at Salt Lick - The equipment has been ordered at a cost 385.00 + shipping and the only other cost will be engineering when it is submitted to VDH. All procedures and materials have been coordinated with VDH and Bushman Engineering. When the mixer arrives I will add soda ash to our chlorine mix.

Syncrony

Jack Large visited from Syncrony 2 weeks ago and delivered software for PLC programming and troubleshooting. All warranty issues were corrected. The reports program is still being revised. All corrected punch list items

- Transducer @SLS not programmed for minute atmospheric fluctuations
- Trending at Mt. Top not working
- Playground PLC needs reprogram
- Comms error Alp to SLW to Office
- SLW valve not allowing manual operation for transfer
- Paved Road Res import valve

Generators

Generators should arrive any time. 500 gal LP tanks are an issue. Quarles misquoted their policy as far as providing tanks is concerned, so I got 3 quotes for gas service and installation.

	Tank Cost	Rental Fee	Installation
Quarrels	\$1,300	0	approx \$200
Holtzman	0	400 gal per year Or \$100 fee	\$150+\$5 per ft over 25 ft
Amerigas cost	0	250 Gal per year or difference	\$3 per foot at

Note we have an account where we have been purchasing diesel fuel - 150 gal per month from Quarrels

Reline or repair Old Tanks

	<u>Budget</u>	<u>\$ spent to date</u>
Butler	3,600	\$1,044
Paved Rd Reservoir	3,000	\$2,285 (almost complete)
Salt Lick	3,400	\$1,352 (almost done)

Critical work planned for this year

- | | |
|--|-----------------------|
| Repair SLS tank in critical condition | <u>95%Done</u> |
| 1. Get pool off system and install back flow preventer | |
| 2. Repair and seal old Paved Road Tank | <u>Done</u> |
| 3. Repair and reseal old Butler tank and put back on line | <u>Started</u> |
| 4. Prepare for annual health inspection | <u>90%Done</u> |
| 5. New Main Chesnut | <u>Started</u> |
| 6. Complete blow off hydrants per Engineering plans (materials in stock) | |