

**RIDGE UTILITIES, INC.
REGULAR MEETING
OF THE BOARD OF DIRECTORS
July 19, 2008**

The regular meeting of the Board of Directors of Ridge Utilities, Inc., (hereinafter "RU") was held in the Blue Ridge Shores office building on July 19, 2008.

Board members present were Molli Ellis, Adam Fazackerley, Alex MacCormack, William Munday and William Walker. Claude Morissette and Jay Register were absent. Also present was Amy Evans-Boyd, Office Manager.

CALL TO ORDER:

Alex MacCormack, President, called the meeting to order at 9:00 a.m.

MEMBERSHIP INPUT:

There were three members present but no input was given.

RESIGNATIONS:

Alex MacCormack announced the resignation of Jay Register from his directorship on the Ridge Utilities, Inc. Board of Directors. Mr. MacCormack also stated that Delton Hanson resigned his position as General Manager for Ridge Utilities and Blue Ridge Property Owners Association.

ADOPTION OF AGENDA:

MOTION: A motion was made by William Munday, seconded by Adam Fazackerley to approve the agenda as presented. The motion carried unanimously.

Alex MacCormack informed the Board that at this time he wanted to take up the first item under New Business, Appoint A New Board Member. Molli Ellis stated that the agenda had just been approved so a motion should be made to suspend the rules to change the agenda. Ms. Ellis asked if there were any objections and no objections were voiced. (No formal motion was made.)

APPOINT A NEW BOARD MEMBER:

MOTION: A motion was made by Molli Ellis, seconded by William Munday to appoint Val Wallace to fill the vacant Director's seat on the Ridge Utilities Board of Directors. The motion carried unanimously.

APPROVAL OF THE MINUTES:

MOTION: A motion was made by Molli, seconded by Adam Fazackerley to approve the May 3, 2008 minutes as presented. The motion carried unanimously.

MOTION: A motion was made by Molli Ellis, seconded by William Munday to approve the May 17, 2008 minutes as presented. The motion carried unanimously.

REVIEW CORRESPONDENCE:

Molli Ellis reviewed the correspondence folder with the Board members.

TREASURER'S REPORT:

MOTION: A motion was made by Molli Ellis, seconded by William Munday to accept the April 2008, May 2008 and June 2008 Treasurer's Report as presented. The motion carried unanimously.

Alex MacCormack stated that due to the financial condition of Wachovia Bank he reduced the amount of funds Ridge had with Wachovia and created accounts with Bank of America and Virginia Community Bank. Adam Fazackerley inquired if penalties were paid and suggested that in the future decisions such as this should be discussed as a Board before any action is taken. Mr. MacCormack stated there were penalties paid and his decision to move the funds were based on his concern regarding the financial condition of Wachovia Bank.

MANAGER'S REPORT:

No report was given.

BRPOA LIAISON:

No report was given.

COMMITTEE REPORT:

Personnel: William Munday reported that the Personnel Committee received sixty-nine applications in response to the ads placed for the General Manager position. He stated that the Personnel Committee reviewed the applications and recommended seven applicants for interviews. Mr. Munday also informed the Board members that the committee worked on the salary scale which will be covered later in the meeting.

Well and Storage Projects: Mr. MacCormack informed the Board that Mid-Atlantic Storage is scheduled to lay the foundation for the water storage tank during the first part of September and then the tank will be delivered in late September. He further informed the Board that Atlantic Pump is currently working on the controls for the building.

Accountant: Mr. MacCormack stated that Amy Evans has been researching various accounting firms and collecting bids for the 2008 audit. Molli Ellis inquired if this was being done as a cost saving measure or Ridge's unhappiness with our current accountant. Mr. MacCormack said it's in part due to the financial statement not being prepared in a timely manner and not being available for the membership at the annual meeting. He also added that there was a sharp increase in the cost of the 2007 audit in comparison to the prior year's cost.

NEW BUSINESS:

Code of Conduct: Mr. MacCormack stated that in the future the Board will have to address the portion of the Code of Conduct dealing with whether the member who brings a charge against another member should be able to vote on that charge. Mr. MacCormack stated that issue didn't need to be addressed immediately and that the Board should sign the current Code of Conduct and then at a later date it could be discussed and amended if the Board chooses to do so.

2009 Salary Scale: Alex MacCormack reviewed the proposed 2009 salary scale with the Board members. He stated that the BRPOA Board approved the proposed salary scale at their last meeting. He also stated that the listed CPI is 4.1% but employees are not automatically guaranteed that amount and the amount is contingent on their employee evaluation. Mr. MacCormack stated that the two Office Manager positions have been added back to the salary scale.

MOTION: A motion was made by William Munday, seconded by Molli Ellis to approve the salary scale for BRPOA/RU for budget year 2009 (updated for CPI 4.1% - dated 7-16-08). The motion carried unanimously.

Mid-Year Budget Review: Alex MacCormack reviewed with the Board the status of the Ridge budget as of June 30, 2008. He stated that finances are on target for the year with the exception of gas and oil and electric. He stated that he would prefer to wait to make any adjustments until September.

ADJOURNMENT:

There being no further business to discuss a motion was made by William Munday, seconded by Alex MacCormack to adjourn the meeting at 9:40 a.m. The motion carried unanimously.

President

Date

Secretary

Date