

**RIDGE UTILITIES, INC
REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 17, 2009**

The regular meeting of the Board of Directors of Ridge Utilities, Inc., (hereinafter "RU") was held in the Conference Room of the Association Office Building on January 17, 2009.

Board members present were Alex MacCormack, Molli Ellis, Claude Morissette, William Munday, Valeska Wallace and William Walker. Also present were Denny Kenny, General Manager and Amy Evans, Office Manager. Board member Adam Fazackerley was absent.

CALL TO ORDER:

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

MEMBERSHIP INPUT:

Stewart Glass, Lot 735: Mr. Glass questioned the legitimacy of a water bill he received shortly after purchasing his new residence.

ADOPTION OF AGENDA:

Molli Ellis requested that under Old Business, Signing the Code of Conduct, that a discussion be held on the topic prior to signing the document.

MOTION: William Munday, made a motion, seconded by Claude Morissette to approve the agenda as amended. The motion carried unanimously.

APPROVE MINUTES:

MOTION: Claude Morissette made a motion, seconded by William Walker, to approve the November 15, 2008 minutes as presented. The motion carried unanimously.

CORRESPONDENCE:

Molli Ellis reviewed the contents of the Correspondence Folder with the Board members. She stated that contained in the folder were two pieces of correspondence from RU which were membership information and a letter to Robinson, Farmer and Cox advising them we would not be requiring their services for the 2008 audit. She stated there were four correspondences to RU from Rappahannock Electric, American Water Works, VDH – Office of Drinking Water and Standard Insurance.

TREASURER'S REPORTS:

William Walker, Treasurer, reviewed the November 2008 and December 2008 Treasurer's Reports with the Board members.

MOTION: A motion was made by Claude Morissette, seconded by William Munday to accept the November 2008 Treasurer's Report as presented. The motion carried unanimously.

MOTION: A motion was made by Claude Morissette, seconded by William Munday to accept the December 2008 Treasurer's Report as presented. The motion carried unanimously.

MANAGER'S REPORT:

Denny Kelly, General Manager, reviewed his written General Manager's Report with the Board members. Mr. Kelly stated that he wanted to acknowledge to the RU Board, Amy Evans' assistance and cooperation during the absence of a BRPOA Office Manager and then the training of a replacement for that position. Mr. Kelly also informed the Board that on the Friday, the week prior to the meeting, RU received a temporary certificate to bring Well 9 on-line. Mr. Kelly stated that employee evaluations have been completed and all employees that were in that category fared extremely well in that process. He stated that he had received two minor complaints in reference to RU over the two months.

A copy of that report is attached to the minutes.

BRPOA LIAISON:

Denny Kelly stated that there was some activity relating to Joint Personnel Committee and the master evaluation form. Mr. Kelly thanked Valeska Wallace on behalf of the staff for her hospitality at the employee luncheon she held for the staff.

COMMITTEE REPORT:

Personnel: No report was given.

Well and Storage Projects: Mr. MacCormack informed the Board members that water sample results received from Well 10 are high in uranium. He suggested that it's not feasible to proceed any further with Well 10 due to these results and the costs associated with having to eradicate the uranium. Mr. MacCormack suggested that RU go ahead and block Well 10 off.

Alex MacCormack reiterated that we had received a temporary permit to operate Well 9 and the water storage tank. He informed the Board members that we had some trouble with air pockets, so our waterworks supervisor installed several blow-off taps to get the air out. In order for RU to do that we had to acquire a temporary permit from the Virginia Department of Health, Office of Drinking Water. Mr. MacCormack stated the

next step will be for our engineer to write a letter to the Virginia Department of Health and then they will send a representative to inspect and then issue an official permit.

OLD BUSINESS:

Sign Code of Conduct:

Alex MacCormack stated that at the November meeting the Board agreed on the Code of Conduct with the stipulation it be given to RU attorney, John Little, for review. Mr. MacCormack that Mr. Little reviewed it and the document is ready for the Board members' signatures. Mollie Ellis stated that it was her understanding of the draft of the Code of Conduct that #13 was to replace the last sentence in the last paragraph. Mr. MacCormack stated that if Ms. Ellis wanted to discuss this then someone who voted on the motion at the last Board meeting needed to make a motion to reopen the topic. Ms. Ellis stated that she is not objecting to what was passed and that she agrees with it but feels it is in conflict with the last sentence.

Claude Morissette stated that #13 deals with a conflict of interest and the last paragraph of the Code of Conduct deals with an accusation of non-compliance which are two different issues. Ms. Ellis stated if that's the way the attorney wrote it then she would agree to sign the document.

The Board members signed the Code of Conduct at this time.

NEW BUSINESS:

Board of Director's Insurance:

Alex MacCormack informed the Board members that Standard Insurance would no longer be offering the Board of Directors Liability coverage. Mr. MacCormack stated that Amy Evans has been in contact with our Woodward Insurance agent, Russ Green who has found another company willing to offer RU the same coverage at a slightly lower premium.

At this time Denny Kelly stated that he needed to make RU aware that BRPOA will be revisiting its insurance package in its entirety.

Generator:

Alex MacCormack informed the Board that several years ago RU had researched the possibility of purchasing a generator to supply the whole community with water in the event of an emergency. He said our current generator is only big enough to run part of the water system so residents can go to the Emergency Water System and obtain water at that location. He stated that RU is in a position where we are able to afford purchasing a larger generator to better suit our needs. Mr. MacCormack informed the Board that he had Denny Kelly contact Rappahannock Electric and that a representative will be coming

out to view the set up at Redbud. He further stated that we are only in the preliminary stages of researching and obtaining prices for this potential project.

Trailer:

Alex MacCormack stated that in 2006 RU purchased a dump trailer. Mr. MacCormack stated that maintenance does not use the dump trailer and does not see any purpose in holding onto the trailer.

MOTION: A motion was made by Molli Ellis, seconded by Valeska Wallace to authorize our General Manager to advertise and sell the dump trailer. The motion carried unanimously.

ADJOURN:

MOTION: A motion was made by Claude Morissette, seconded by Molli Ellis to adjourn the meeting. The motion was unanimous.

ADJOURNMENT took place at 10:42 a.m.

President

Date

Secretary

Date