

**RIDGE UTILITIES, INC.
REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 21, 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 March 21, 2009.

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

CALL TO ORDER:

Alex MacCormack, President, called the meeting to order at 9:02 a.m.

MEMBERSHIP INPUT:

One member was present but no input was given at this time.

ADOPTION OF AGENDA:

MOTION: William Munday, made a motion, seconded by Valeska Wallace to approve the agenda as presented. The motion carried unanimously.

APPROVE MINUTES:

MOTION: Molli Ellis, made a motion, seconded by William Munday to approve the minutes January 17, 2009 minutes as presented. The motion carried unanimously.

CORRESPONDENCE:

Molli Ellis, Secretary, reviewed the contents of the Correspondence Folder with the Board members.

TREASURER'S REPORT:

Alex MacCormack, President, reviewed the January 2009 and February 2009 Treasurer's Reports. At this time Mr. MacCormack took a member question from Roger Wombold of lots 586-589. Mr. Wombold noted Line Items 763 and 764 have expenses listed but no amounts budgeted for the year. He questioned where the funds for those expenses are paid from. Mr. MacCormack stated those expenses are funded through Capital Improvements.

Adam Fazackerley asked what the February action occurred that accounted for the purchases for Line Item #719, Chemicals and the increase in cost. Mr. MacCormack replied the purchases were for Chlorine Reagent and LOP-1400 to treat the water system. He added that the increase was due to shipping and the need to purchase the chemicals more frequently some years than others. Mr. MacCormack stated the budget would be adjusted at the mid-year review and also stated that due to an increase in electricity, Line 585 will have to be adjusted as well.

MOTION: A motion was made by Valeska Wallace, seconded by William Munday to accept the January 2009 and February 2009 Treasurer's Reports. The motion carried unanimously.

MANAGER'S REPORT:

Denny Kelly, General Manager, reviewed his written report with the Board members. A copy of the report is attached to the minutes. Mr. Kelly informed the Board members that the BRPOA Board agreed to renew the Erie Insurance policies for the upcoming year and to have the policies reviewed. Mr. Kelly stated that Erie Insurance will be sending in a representative to evaluate all facilities for Ridge and BRPOA. Mr. Kelly also informed the Board that he had spoken with the company who handles the employee healthcare policies which come up for renewal in June and those policies would not be increasing.

Mr. Kelly informed the Board members that BRPOA is willing to accept credit card payments on behalf of RU as a way to increase payment options to Ridge's customers. Next, Mr. Kelly referenced the generator report he prepared for the Board members. He stated that the cost to fill the propane tank was not listed in the report but for 300 gallons of propane the costs would be about \$2,275.00.

Adam Fazackerley stated that RU currently has PayPal set up to accept credit cards payments from customers. Alex MacCormack stated that he knew it had been discussed by the Board previously but was not aware it had actually been set up. Mr. MacCormack suggested that Mr. Fazackerley get with the office staff and determine if it's a workable set-up.

Alex MacCormack stated to the Board that in reference to the Erie insurance policies previously discussed he has advised the BRPOA President that there is an agreement between the two corporations for insurance and they can not make a change without Ridge's approval.

BRPOA LIAISON:

Covered under the Manager's Report.

COMMITTEE REPORT:

Personnel:

No report was given.

Well and Storage Projects:

Alex MacCormack stated that the well and storage project has been completed.

OLD BUSINESS:**Generator:**

Denny Kelly reported that three bids for a generator and installation have been submitted. Mr. Kelly referenced the written report given to the Board members and stated he would answer any questions they had. He informed the Board that originally D&M Electric submitted a proposal for 80 kilowatts because they felt that would more than handle our needs but they did go back and supply the bid for 100 kilowatts upon request.

Discussion was held on the proposals submitted and the need for a generator. Adam Fazackerley asked if the company providing the generator would install the propane tank or would our maintenance department be required to perform that task. Mr. Kelly stated the company would deliver the propane tank and install it. He further stated that our maintenance department would pour the concrete and install the pad site. Mr. Fazackerley inquired if Atlantic Pump had been contacted regarding 80 kilowatts versus 100 kilowatts. Mr. MacCormack stated that Atlantic Pump only submitted a proposal for 100 kilowatts.

William Munday suggested RU acquire a proposal from Atlantic Pump for an 80 kilowatt generator. Mr. MacCormack stated that Atlantic Pump had the opportunity but only submitted a proposal for 100 kilowatts. Mr. Fazackerley stated he was torn on the absolute need for a generator. He further added he would be interested to see how a generator would have benefitted RU over the last five to ten years. Mr. MacCormack stated that the only extended period we've had was during Hurricane Isabel. Valeska Wallace stated there are events other than hurricanes that can cause extended power outages such as ice storms. Mr. MacCormack stated he would support the proposal from D&M Electric.

Mr. MacCormack stated his concern isn't just a power outage. He said that when you have a power outage the water system starts to drain down and then you end up with negative pressure in the higher locations and that heightens the risk contaminants being drawn into the system.

MOTION: A motion was made by Valeska Wallace, seconded by Molli Ellis to approve the purchase and installation of an 80 kilowatt generator, allocating \$40,000 from

Capital Reserves for the entire project and accepting the submitted bid from D&M Electrical dated February 26,2009. For: Molli Ellis, Alex MacCormack, Valeska Wallace Against: Adam Fazackerley and William Munday

ADJOURN:

MOTION: A motion was made by Adam Fazackerley, seconded by William Munday to adjourn the meeting. The motion was unanimous.

ADJOURNMENT took place at 10:09 a.m.

President

Date

Secretary

Date