

**RIDGE UTILITIES, INC.  
REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
July 18, 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 July 18, 2009.

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

**CALL TO ORDER:**

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

**MEMBERSHIP INPUT:**

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

**ADOPTION OF AGENDA:**

Alex MacCormack added a discussion on a dump truck after Personnel.

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

**APPROVE MINUTES:**

**MOTION:** Claude Morissette, made a motion, seconded by William Munday to approve the May 2, 2009 minutes as presented. The motion carried unanimously.

**MOTION:** William Munday, made a motion, seconded by Claude Morissette to approve the May 16, 2009 minutes as presented. The motion carried unanimously.

**MOTION:** Stephen Tompkins, made a motion, seconded by Molli Ellis to approve the June 16, 2009 minutes as presented. For: Ellis, MacCormack, Munday, Tompkins, Wallace and Walker. Abstained: Morissette.

**CORRESPONDENCE:**

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

## **TREASURER'S REPORT:**

Valeska Wallace, Treasurer, reviewed the April 2009, May 2009 and June 2009 Treasurer's Reports with the Board members.

**MOTION:** A motion was made by Molli Ellis, seconded by William Munday to accept the April 2009 Treasurer's Report. The motion carried unanimously.

**MOTION:** A motion was made by Molli Ellis, seconded by Claude Morissette to accept the May 2009 Treasurer's Report. The motion carried unanimously.

**MOTION:** A motion was made by Molli Ellis, seconded by Claude Morissette to accept the June 2009 Treasurer's Report. 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 that within twenty-four hours of the start of the generator a problem developed with the wells. He stated the problem has been identified as a regulator issue related to work performed by the gas company. Mr. Kelly stated the regulator was not providing adequate fuel for the generator. Mr. Kelly informed the Board that he filed a complaint with the gas company about their workmanship and materials that were used. He reported that a representative with the gas company met with him in regards to the complaint and agreed that the materials and work should be replaced.

Mr. Kelly also reported that RU was able to stay within the approved funds for the purchase of the 2009 Chevrolet Silverado. Mr. Kelly informed the Board that the original price of the truck was \$37,506.00 but RU received approximately \$11,112.00 in overall premiums, incentives and the trade-in.

## **BRPOA LIAISON:**

Denny Kelly reported that RU and BRPOA are expecting to receive an insurance report from the local office of Erie Insurance within the next week. Mr. Kelly also reported that the BRPOA Board approved exploring the possibility of purchasing a dump truck which will be discussed later in the meeting.

## **COMMITTEE REPORT:**

### **Personnel:**

William Munday reported that he appointed Valeska Wallace and Hal Davis as Personnel Committee members.

## **NEW BUSINESS:**

## **DUMP TRUCK:**

Alex MacCormack stated that in the 2008 RU budget \$6,000.00 was budgeted for purchase of a dump truck that would be jointly owned with BRPOA but when that purchase did not occur those funds as well as the funds received from the sale of the dump trailer were placed into a CD in the amount of \$7,501.00. Mr. MacCormack said that BRPOA is revisiting the possibility of trading in or selling one of their trucks and purchasing a dump truck. Mr. MacCormack stated that if BRPOA goes forward with purchasing a dump truck RU will cash in the CD and contribute that amount to its purchase and will be a percentage owner of the dump truck. Denny Kelly reported that the pickup truck that BRPOA would like to sell to purchase a dump truck is scheduled to be replaced this year according to their Long Range Plan.

## **2009 MID-YEAR ADJUSTMENTS:**

Alex MacCormack reviewed the proposed mid-year adjustments with the Board members. He stated that adjustments were made to increase (430) Staff Training and (719) Chemicals and to decrease (720) RU Systems and (423) Annual Meeting.

At this time Mr. MacCormack took a question from Roger Wombold of lots 586-588. Mr. Wombold questioned what the (720) RU Systems account was used for. Mr. MacCormack stated it was the expense account to purchase day to day items such as fittings, etc.

**MOTION:** A motion was made by Claude Morissette, seconded by William Munday to approve the Mid-Year Budget adjustments as indicated on the attached sheet. The motion carried unanimously.

## **CAPITALIZATION POLICY:**

Alex MacCormack directed the Board's attention to the management letter included in their board packets written by RU accountant, Cynthia Minter. He informed the Board that he along with the Denny Kelly and Amy Evans met with Ms. Minter regarding the management letter and her recommendations. Mr. MacCormack stated that RU has not had a proper capitalization policy. Ms. Minter's management letter strongly recommended that RU create a capitalization policy. Mr. MacCormack stated that Ms. Minter reviewed the policy the Board has before it today. He also informed the Board that RU must start keeping better maintenance records.

At this time Mr. MacCormack asked for comments from the Board on the proposed policy. Claude Morissette stated that it appeared to be a standard capitalization policy. Mr. MacCormack stated that RU will also be placing inventory tags on all equipment. Stephen Tompkins stated that his only question pertained to the life expectancy on the pumps. Mr. MacCormack stated that it is hard to determine the life expectancy on pumps. He added that we currently have a pump that had to be replaced at two years

and another pump that's been in the system for twenty years. Molli Ellis stated that she was pleased that we had some guidance in creating the policy.

A copy of the capitalization policy is attached to the minutes.

**MOTION:** A motion was made by Molli Ellis, seconded by Valeska Wallace to approve the Ridge Utilities, Inc. Capitalization Policy dated July 18, 2009, copy attached. The motion carried unanimously.

**2009 – 2010 BOARD CALENDAR:**

**MOTION:** A motion was made by Claude Morissette, seconded by Valeska Wallace to approve the Ridge Utilities, Inc. board calendar June 2009 – May 2010 as attached. The motion carried unanimously.

**ADJOURN:**

**MOTION:** A motion was made by William Munday, seconded by Claude Morissette to adjourn the meeting. The motion was unanimous.

**ADJOURNMENT** took place at 9:36 a.m.

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date