

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

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

CALL TO ORDER:

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

MEMBERSHIP INPUT:

No membership was present.

ADOPTION OF AGENDA:

Molli Ellis suggested that 2010 Insurance Policies be placed before 2010 Proposed Budget on the agenda.

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

APPROVE MINUTES:

MOTION: William Munday, made a motion, seconded by Stephen Tompkins to approve the September 19, 2009 minutes as presented. The motion carried unanimously.

CORRESPONDENCE:

Molli Ellis, Secretary, reviewed the contents of the Correspondence Folder with the Board members. Ms. Ellis reported that letters were sent by RU to each of the Board of Directors with the proposed budget, a letter to Cynthia Minter seeking a proposal for the 2009 audit and tax preparations and a letter to Carter Machinery to confirm extended service coverage for the generator. Ms. Ellis also reported that RU received various letters from the VDH Office of Drinking, a letter of proposal for the maintenance agreement on the generator and an engagement letter from Ms. Minter for the 2009 audit.

TREASURER'S REPORT:

Valeska Wallace, Treasurer, reviewed the September 2009 and October 2009 Treasurer's Reports with the Board members.

MOTION: William Munday, made a motion, seconded by William Walker to accept the September 2009 Treasurer's Report. The motion carried unanimously.

MOTION: William Walker, made a motion, seconded by William Munday to accept the October 2009 Treasurer's Report. The motion carried unanimously.

MANAGER'S REPORT:

Denny Kelly, General Manager, directed the Board's attention to his written manager's report. A copy of the report is attached to the minutes. Stephen Tompkins stated that while working at a neighboring house he noticed the Redbud generator had been surging. He further stated that he had received several phone calls to his home regarding the generator surging and the alarm going off. Mr. Tompkins stated that he observed a gentleman from Caterpillar working at the location and he stopped to speak with him. Mr. Tompkins stated that the gentleman informed him that possibly the generator wasn't big enough for the system but that different switches could be installed to help the situation. Mr. Tompkins asked if there was any need to be concerned. Mr. Kelly stated that on the date Mr. Tompkins was referring to there was a power outage. He further stated that when the generator came on it surged some but never completely picked up the way it should have. Mr. Kelly said that Caterpillar was contacted and two problems were identified. Mr. Kelly reported that there was moisture inside the transfer switch. He said that Caterpillar and D&M Electric came in and sealed some holes between the interior of the building and the pipe to the transfer switch. He said the heated air was coming out and it was turning into condensation.

Mr. Kelly also stated that there was a problem with the gas regulator that required an adjustment by Carter Machinery. He stated there were a couple of issues at the location that also need to be addressed. Mr. Kelly said that currently the transfer pumps at Redbud are coming on at the same time and they should not be. He said that's not a generator problem but an interior problem. William Munday asked if that was causing the loud whistling noise. Mr. Kelly replied that was caused by the gas alarm going off and was a regulator issue. He added that maintenance found the reset button and reset the noise then Carter came in and adjusted the carburetor.

Alex MacCormack suggested that in the future when a Board member receives phone calls to refer the individual to the General Manager so their questions or concerns can be properly addressed.

At this time Mr. Kelly thanked the Board for identifying several areas that needed to be improved and for taking action to improve them. Mr. Kelly congratulated the Board on the achievements it has made to the system over the last year.

BRPOA LIASION:

Denny Kelly reported that BRPOA had their last Board meeting of the year on November 11, 2009. Mr. Kelly stated that action was taken on the insurance policies at that time and will be discussed as a part of the agenda.

COMMITTEE REPORTS:

Personnel:

No report was given.

NEW BUSINESS:

2010 Insurance Policies:

Denny Kelly reported that the current Erie Insurance policies combine RU and BRPOA items into one package. Mr. Kelly informed the Board member's that earlier in the year Erie Insurance would not issue a D&O policy to BRPOA as long as the two entities were combined. Mr. Kelly stated that several quotes were received in regards to separating the policies into two individual policies for the corporations. Mr. Kelly said after reviewing the breakdown of the policies they felt it would be best for the two companies to separate the insurance coverage's. He added that beginning January 1, 2010 RU and BRPOA will have separate insurance policies through Erie Insurance. Mr. Kelly said the only related cross-over monies between RU and BRPOA for insurance will be when RU bills BRPOA for the insurance on the backhoe and BRPOA bills RU for 19% of the insurance on the dump truck.

MOTION: Valeska Wallace, made a motion, seconded by William Walker to accept the insurance proposal for Erie Insurance Exchange submittal by Woodward Insurance for \$7,521.75 for 2010. The motion was unanimous.

2010 Proposed Budget:

At this time Valeska Wallace, Treasurer, reviewed the proposed 2010 budget with the Board member's. Ms. Wallace reviewed each line item proposal.

MOTION: A motion was made by William Walker, seconded by Stephen Tompkins to approve the 2010 Budget for RU as presented. The motion was unanimous.

ADJOURN:

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

ADJOURNMENT took place at 10:00 a.m.

President

Date

Secretary

Date