

**RIDGE UTILITIES, INC.
REGULAR MEETING
OF THE BOARD OF DIRECTORS
May 7, 2011**

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 May 7, 2011.

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

CALL TO ORDER:

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

MEMBERSHIP INPUT:

Roger Wombold, Lot 586, stated that in regards to the Inspectors of Election he had to add a couple to count the BRPOA ballots. He further added that they will only count BRPOA ballots not RU ballots.

ADOPTION OF AGENDA:

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

APPROVE MINUTES:

MOTION: William Walker, made a motion, seconded by William Munday, to approve the March 19, 2011 minutes as presented. The motion carried unanimously.

CORRESPONDENCE:

Molli Ellis, Secretary, reviewed the contents of the Correspondence Folder with the Board members. Ms. Ellis stated that letters received by RU were test results from the Division of Consolidated Lab Services, Ms. Harbin's request, member request for payment plan, Erie Insurance amendment to Worker's Compensation policy, letter from BRPOA President, Laura Foussekis, quote from Atlantic Pump for Well 1A pump replacement and letter from VRWA regarding to funding changes.

Ms. Ellis stated that correspondences sent by RU were sent to Roger Wombold, Dennis & Patricia Harbin regarding a Board decision, Racey Engineering notice of contract approval and signed contract, approval of member's request for payment plan, March and

April 2011 Water Usage Reports to VDH – Office of Drinking Water, water bills mailed to all members and 120 late notices mailed to delinquent members.

TREASURER’S REPORT:

Valeska Wallace, Treasurer, reviewed the March 2011 Treasurer’s Report with the Board members.

MOTION: William Walker, made a motion, seconded by Stephen Tompkins to accept the March 2011 Treasurer’s Reports. The motion carried unanimously.

MANAGER’S REPORT:

Denny Kelly, General Manager, reviewed his written Manager’s Report with the Board members. A copy of Mr. Kelly’s report is attached to the minutes. Mr. Kelly stated he did not have any additional items to add to his written report. Mr. Kelly informed the Board that the BRPOA canal project on North Lakeshore Drive was underway. He assured the Board that the staff was keeping close tabs on RU’s waterline to ensure that the contractor did not damage the line.

BRPOA LIASION:

No report was given.

COMMITTEE REPORT:

PERSONNEL:

William Munday stated Personnel would be handled under Old Business.

OLD BUSINESS:

1.) Member’s Request to Relinquish Water Rights

Alex MacCormack directed the Board’s attention to Patricia Harbin’s letter dated March 27, 2011 rescinding her request to void the grandfather clause for a water connection on lot #586.

2.) Joint Personnel Manual

William Munday stated that at the March 19, 2011, the RU Board approved the revisions to the Joint Personnel Manual as presented by the Personnel Committee. The BRPOA Board of Directors, at their March 12, 2011 meeting, approved the revised manual with four of their own recommended revisions to the manual. The Joint Personnel Committee met on April 9, 2011 and approved some but not all of the BRPOA recommended revisions. Mr. Munday informed the Board that he was

requested by the Chairperson of the Joint Personnel Committee to go back to the RU Board, request that the RU Board disapprove the revisions previously approved at the March 19, 2011 meeting, and approve the revisions presented today. Attached are the revisions outlined in an April 11, 2011 memo from Laura Foussekis to Alex MacCormack.

Mr. Munday stated that the one big problem he sees with the revised revisions presented to the Board today is that the sick leave revisions previously approved have been removed. Mr. MacCormack stated it's essentially the same sick leave policy as is in the current manual. Mr. Munday directed the Board's attention to a handout he provided to each of the Board members prior to the meeting of an option the committee will be exploring in the future with regards to sick/vacation leave, but for now, the proposal is to leave the sick leave policy in its current approved state.

At this time the Board reviewed the proposed revisions presented today. Mr. MacCormack said that he believed the Joint Personnel Committee should have sent the Board an actual copy of the revised Joint Personnel Manual highlighting the revisions. Ms. Ellis stated that she was not voting on anything that said, revision of revision. Ms. Ellis said this is a prime example of why people do not volunteer for committees because the BRPOA Board picks apart the committee's work. She stated that the Boards need to support their committees. William Walker stated that the Boards need to rely on their representatives appointed to the Joint Personnel Committee rather than nitpick their work. Valeska Wallace stated that the BRPOA Board did not follow proper protocol when they made revisions to the original revised Joint Personnel Manual that was presented by the Joint Personnel Committee. Ms. Wallace stated that the Joint Personnel Committee put in a lot of time and effort into the revised Joint Personnel Manual.

MOTION: Claude Morissette made a motion, seconded by Stephen Tompkins, to rescind our previous approval of the JPC recommended changes to the Joint Personnel Manual on page 10 under "sick leave" and to retain the current sick leave policy in the first paragraph, to agree to the addition of "consecutive work" in "Sick Leave" on page 11, and to agree to the addition of "The Association/RU in "Electronic/Computer Information Policy on page 17. For: MacCormack, Morissette, Munday, Tompkins, Wallace , Walker. Against: Ellis. The motion carried.

NEW BUSINESS:

1.) Audit of 2010 Financial Records

Alex MacCormack directed the Board's attention to their copies of the 2010 Audited Financial Statement. Mr. MacCormack stated that the Board could either accept the financial statement or reject the financial statement.

MOTION: William Walker made a motion, seconded by Molli Ellis to approve the 2010 Audit Report prepared by Cindy Minter. The motion carried unanimously.

1.) Conflict of Interest Policy

Alex MacCormack stated that RU accountant, Cindy Minter recommended that RU develop and adopt a conflict of interest policy for its Board members and employees.

MOTION: Claude Morissette made a motion, seconded by William Walker, to approve the “Conflict of Interest Policy” as presented. The motion carried unanimously.

2.) Appointment of the Inspectors of Election

MOTION: Valeska Wallace made a motion, seconded by William Walker, to approve the Inspectors of Election as requested by Roger Wombold, Chairperson, in letter dated May 6, 2011. The motion carried unanimously.

3.) Replacement Electrical Panels

Denny Kelly, General Manager, directed the Board’s attention to the three proposals received for replacing two electrical panels at Redbud Well 1A. Mr. Kelly stated that four contractors were contacted and three submitted bids. Mr. Kelly said he recommended the Board accept the low bid presented by D&M Electrical Services.

MOTION: Claude Morissette made a motion, seconded William Munday, to accept and approve the proposal for replacement electrical panels presented by D&M Electrical Services, Inc. at \$1,375.00. The motion carried unanimously.

ADJOURN:

MOTION: Molli Ellis, made a motion, seconded by, William Walker to adjourn the meeting. The motion carried unanimously.

ADJOURNMENT took place at 9:55 a.m.

President

Date

Secretary

Date