

**RIDGE UTILITIES, INC.
REGULAR MEETING
OF THE BOARD OF DIRECTORS
SEPTEMBER 17, 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 September 17, 2011.

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

CALL TO ORDER:

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

MEMBERSHIP INPUT:

Roger Wombold of lot #586 expressed his gratitude to the Board and staff for their actions taken following the August earthquake.

ADOPTION OF AGENDA:

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

APPROVE MINUTES:

Alex MacCormack, President, directed the Board's attention to a correction at the end of the first paragraph of the July 16, 2011 minutes. He stated the date should read July 16, 2011 instead of May 7, 2011.

MOTION: Valeska Wallace, made a motion, seconded by Claude Morissette, to approve the July 16, 2011 minutes as amended. 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 included water testing results from the state lab, lead and copper reminder for the VDH, and a settlement check from Erie Insurance for well repairs. Ms. Ellis stated that letters sent by RU included a

signed contract to Liquid Engineering Corporation, 120 pastdue/disconnect notices, 11 meter disconnected letters and water usage reports sent to VDH.

TREASURER'S REPORT:

In the absence of Treasurer, William Walker, Alex MacCormack reviewed the July 2011 and August 2011 Treasurer's Reports with the Board members. Mr. MacCormack stated that on the August 2011 Treasurer's Report it lists (419) Workman's Comp at 88%. Mr. MacCormack informed the Board that RU pays this in nine month installments and there is only one installment of approximately \$300.00 left for the year.

MOTION: Claude Morissette, made a motion, seconded by, Valeska Wallace to accept the July 2011 Treasurer's Report. The motion carried unanimously.

MOTION: Valeska Wallace, made a motion, seconded by, William Munday to accept the August 2011 Treasurer's Report. 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 that in addition to the first bullet on his attached report there have been two more situations that have occurred resulting in repairs to the wells. Mr. Kelly stated that \$1,400 in spare parts have been purchased to keep on hand when these situations arise. Mr. Kelly informed the Board that Erie Insurance reimbursed RU for all but \$1,000, which is the deductible, of the damage that occurred on July 23rd, 2011.

Mr. Kelly stated that maintenance is in the process of reading water meters, but have had to stop and repair five leaks so far. He said he anticipated the completion of reading meters on Monday. Mr. Kelly stated that the interior inspection of the Redbud Tank is scheduled to occur by the end of the year. He also added that results have been received on lead and copper samples and all passed.

Additionally, Mr. Kelly stated that RU currently does not have earthquake insurance coverage. Mr. Kelly stated that following the August earthquake he requested that Erie Insurance provide RU a quote for such coverage.

BRPOA LIAISON:

Alex MacCormack stated that he and BRPOA President, Laura Foussekis have been meeting monthly to discuss BRPOA and RU matters. Mr. MacCormack stated that they recently signed an updated Memorandum of Agreement for Insurance between the two companies. He stated the MOA was updated to reflect that RU has separate Erie insurance policies from BRPOA. He added that the only joint policy with BRPOA is for Workman's Comp, but Erie Insurance bills RU directly for their portion of that insurance.

COMMITTEE REPORT:

PERSONNEL: Alex MacCormack stated that Personnel would be covered under New Business.

OLD BUSINESS:

1.) RU System Evaluation Report

Denny Kelly, General Manager, informed the Board that he met with the Racey Engineering staff on September 13th, 2011 in Luray. Mr. Kelly stated that essentially the report is complete, but they would like to visit the RU facilities one more time before finalizing the report. Mr. Kelly said all their fieldwork, reports are completed. Mr. Kelly stated that Racey has been very complimentary of the RU system overall, especially the system maintenance, operations, recordkeeping, quality and quantity of our water supply. Mr. Kelly said the engineer actually commented that of all the water system evaluations they have done that they have never seen any as clean and as nicely managed as our system. Mr. Kelly further added that they were also very impressed by how little treatment RU has to do to the water supply. Mr. Kelly stated that according to Racey Engineering RU does very little treatment in comparison to most jurisdictions.

Mr. Kelly stated that all the complimentary statements made by Racey Engineering is reflective of a very proactive Board over the years. He said it's also reflective on the maintenance and recordkeeping of George Allen Kail and Amy Evans. Mr. Kelly said Racey will have the report completed by the November Board meeting. He said there was a slight delay in finalizing the report due to their project manager having back surgery and as a result was out for forty-five (45) days.

NEW BUSINESS

1.) BRPOA/RU Joint Personnel Committee Recommendation for Merit Increases

At 9:18 a.m. Alex MacCormack called for an Executive Session to discuss BRPOA/RU Joint Personnel Committee Recommendation for Merit Increases. The Board returned from Executive Session at 9:43 a.m.

Mr. MacCormack stated that during the Executive Session the Board discussed the BRPOA/RU Joint Personnel recommendation for 2012, cost of living increases and merit increases. Mr. MacCormack stated the Board had arrived at a consensus and the Personnel Committee representative would read the motion.

MOTION: Valeska Wallace made a motion, seconded by William Munday, to approve the recommendation of the Personnel Committee to grant a 2% cost of living increase and a 2% merit increase at the discretion of the GM for employees in 2012. The motion carried unanimously.

At this time Valeska Wallace informed the Board that during the Personnel Committee meetings there have been discussions about changing the current charter. Ms. Wallace stated she was against some of the suggested changes by the committee. Ms. Wallace said she was in favor of adding to the charter that budget recommendations from the Personnel Committee be presented to each board for approval and then sent to the Finance Committee. Ms. Wallace said that by adding this to the charter it may help with the process.

Ms. Wallace said there was also discussion of combining sick leave and vacation leave into one. Ms. Wallace stated that she believed that the leave should remain in its current form. She said she saw no need to change the Personnel Manual after all the hard work and expense put into updating manual last year.

Stephen Tompkins inquired if the change to sick/vacation leave was being requested by the employees. Mr. MacCormack stated no.

ADJOURN:

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

ADJOURNMENT took place at 9:48 a.m.

President

Date

Secretary

Date