

**RIDGE UTILITIES, INC.  
REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
November 17, 2018**

A 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 17, 2018.

Board members present were Alex MacCormack, William Haase, William Munday, Stephen Tompkins, and Steven Burrill. Board Members, Molli Ellis and Al Fortune were absent. Denny Kelly, General Manager and Amy Evans-Kail, Manager of Fiscal Affairs were also present.

**CALL TO ORDER:**

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

**MEMBERSHIP INPUT:**

No membership present at this time.

**ADOPTION OF AGENDA:**

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

**APPROVE MINUTES:**

**MOTION:** William Haase made a motion, seconded by Steven Burrill to approve the July 21, 2018 minutes as presented. The motion carried unanimously.

**CORRESPONDENCE:**

Alex MacCormack, President, reviewed the contents of the Correspondence Folder that were sent and/or received by RU since the last Board meeting. The Correspondence Folder was available at the meeting for the Board members to review its contents.

**TREASURER'S REPORT:**

Stephen Tompkins, Treasurer, reviewed the July 2018 through October 2018 Treasurer's Reports with the Board members. Mr. Tompkins stated everything is looking great for the year and we should collect an additional \$25,000 in revenue by the close of the year. Alex MacCormack stated that there has been an abundance of overtime this year due in large part to water leaks occurring after-hours. Mr. MacCormack stated that leaks are a

priority and must be repaired immediately when detected. He said when trying to determine an overtime amount for the budget the best you can do is compare the past several years to arrive at an amount. Some years we are over the approved overtime amount and some years under the approved amount.

Steven Burrill stated that there appears to be a surge in income during off months. Mr. Tompkins stated that during those months people are paying late bills due to extensions, late fees, and reconnect fees.

**MOTION:** William Munday made a motion, seconded by Steven Burrill, to accept the July 2018, August 2018, September 2018, and October 2018 Treasurer's Reports as presented. 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 we have one outstanding issue pertaining to the 2018 Groundwater Sanitary Report related to pH levels. He informed the Board that we have contacted VDH on two occasions seeking their guidance on how to address the pH levels being a bit low, but have not received a response to date.

Mr. Kelly stated that VDH approved the design for Well 1A. He informed the Board that the pitless adaptor project is complete with the exception of one support item, the electrical conduit. Atlantic Pump will be back to complete the project in the near future. Mr. Kelly provided before and after photos of the project for the Board's review.

Mr. Kelly informed the Board that to date maintenance has repaired 71 leaks for the year, 31 of those leaks occurred during the July – October 2018 timeframe. Mr. Kelly also reported that maintenance will be reading water meters for the 4<sup>th</sup> qtr. billing the third week of December.

At this time Mr. Kelly asked if there were any questions from the Board on his report. Mr. MacCormack asked Mr. Kelly if he had mentioned Ridge's insurance claim. Mr. Kelly informed the Board that during the August 20<sup>th</sup> electrical storm there was damage to some of the equipment. He said a claim has been filed with our insurance company and an investigation is underway regarding that claim. Mr. Kelly stated that he anticipates we will receive reimbursement for everything, with the exception of the \$1,000 deductible.

### **BRPOA LIAISON**

No report was given.

## **PERSONNEL COMMITTEE**

No report was given.

### **NEW BUSINESS:**

#### **1. 2019 OPERATING BUDGET:**

Mr. MacCormack directed the Board's attention to the draft copy of the 2019 Operating Budget. Mr. MacCormack stated there is not a lot of discretionary spending. He said some of the increases are due to employee expenses. Mr. MacCormack further stated that in order to appropriately maintain the amounts going into reserves a \$1.00 increase in the base rate and a \$1.00 increase per 1,000 gallons in the overage rate are necessary. Mr. MacCormack noted that we will only have three billing quarters in 2019 at this proposed rate. Mr. Burrill inquired as to how the membership is alerted to rate increases. Mr. MacCormack stated that it will be published in the Shore Line. Mr. Burrill stated that the cost of water in BRS is much lower than other places he has been associated with.

**MOTION:** Alex MacCormack made a motion, seconded by Steve Burrill to approve the 2019 Operating Budget as presented. The motion carried unanimously.

#### **2. PITLESS ADAPTOR OVERAGE:**

Mr. MacCormack next directed the Board's attention to the pitless adaptor overage. He stated approving the additional \$2,000 in the contract price is just a housekeeping matter at this point. Mr. MacCormack stated that he had received a favorable response to his August 1<sup>st</sup> email from the Board members to go forward with the contract at an additional cost of \$2,000. Mr. Burrill stated he felt Atlantic Pump should have compromised on the original quote since it was their mishap. Mr. MacCormack stated that he was a little disappointed in that as well. William Haase asked if we had gotten a second proposal from another company on the project. Mr. MacCormack stated that in our overall experience with Atlantic Pump is that no other company does the quality of work or gives as good service as they do.

**MOTION:** Alex MacCormack made a motion, seconded by William Munday to approve the revised proposal on the Well 1A Pitless Adaptor Project, awarding Atlantic Pump \$14,946.24 to bring Well 1A up to code with a pitless adaptor. The motion carried unanimously.

#### **3. PUMP FOR WELL 7:**

Mr. MacCormack informed the Board that the pump at Well 7 had to be replaced and while replacing the pump we also replaced the piping. Mr. Kelly added that we replaced

the piping with stainless steel piping. Mr. MacCormack stated that a good portion of the costs associated with the replacement was the mobilization and use a crane to pull the pump and pipe.

**MOTION:** Steven Burrill made a motion, seconded by William Haase to approve the \$10,770.00 for the replacement of the Well 7 pump, work performed by Atlantic Pump. The motion carried unanimously.

#### **4. AUDIT PROPOSAL FOR 2018 FINANCIAL RECORDS:**

Mr. MacCormack directed the Board's attention to the proposal received from Robinson, Farmer, Cox Associates to conduct the 2018 audit and prepare/file appropriate taxes.

**MOTION:** Alex MacCormack made a motion, seconded by Stephen Tompkins to approve the \$5,700 to Robinson, Farmer, Cox to conduct audit of our 2018 financial records and file the taxes. The motion carried unanimously.

#### **5. EXTENDED WARRANTY COVERAGE FOR WELL GENERATOR:**

Mr. MacCormack informed the Board the proposed extended warranty coverage is for the Northside Generator. Mr. Haase asked if we have had any issues with that particular generator. Mr. MacCormack replied, no. Mr. Kelly stated that with regards to our Redbud Generator the extended warranty coverage has paid off on several occasions. Mr. Burrill inquired as to whether the generators have surge protectors on them, and if the equipment damaged in the August electrical storm had surge protectors as well. Mr. MacCormack stated that both the generators and the damaged equipment had surge protectors on them. He further added that about ten years ago we experienced a lot of issues with damage from lightning strikes and measures were put into place to protect the equipment further at that time.

**MOTION:** William Munday made a motion, seconded by Steven Burrill to approve the extended service coverage protection plan for the Northside Generator with \$590.00 to be paid to Carter Machinery. The motion carried unanimously.

#### **ADJOURN:**

**MOTION:** William Munday a motion, seconded by Steven Burrill to adjourn the meeting. The motion carried unanimously.

**ADJOURNMENT** took place at 9:28 a.m.

Ades Woods  
President

2/16/19  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

**GENERAL MANAGER'S REPORT**  
**Ridge Utilities, Inc.**  
**November 17, 2018**

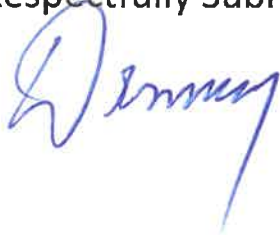
Ladies and Gentlemen, the narrative of Ridge Utilities/BRPOA Staff activities for the period of July 15, 2018 through November 17, 2018 and projected items for the months of November through December, 2018 are included for your review and/or questions.

- All routine testing as required by VDH for the months of July, August, September, & October, 2018 was completed, submitted and received approval.
- Noted within the April 10, 2018 Sanitary Survey by the Virginia Office of Drinking Water was the finished water ph at the entry point samples with their field test kit, measured 6.5 and should be 7.2-7.5. WE have asked in writing on two occasions for their guidance without a response to date.
- Jessica submitted the July, August, September, & October, 2018 Water Usage Reports to VDH.
- The approval of the design for Well 1 A by the Board was sent to Racey Engineering for submission to the Virginia Office of Drinking Water by our Engineer. Contract with Atlantic Pump was sent to them in confirmation of our intent.

- The Pitless Adaptor Project is complete with the exception of one support item for the electrical conduit. Our guys removed all of the old cover including the concrete platform and completed the final Landscaping.
- On August 20, 2018 we experienced an electrical storm that created havoc within the RU Systems. The final result was \$14,110.45 in damages. That has been paid and transferred to the Insurance Company and we should collect all of that excluding the deductible of a \$1000.00.
- Correspondence sent to VDH relevant to the completion of all noted items on their Bi-Annual Inspection Report! We have requested their assistance with the note on ph levels in the system. To date no response received.
- We have received notification that our 2019 Insurance Policies will be renewed. One is \$0.00 increase and the other \$20.00 for the year
- VDH completed a Source Water Assessment for RU informational and usable purposes.
- The guys had **31 leaks** during the months of July-October, 2018 with a total of **71** for the year to date. Several of these leaks occurred during the high 90 temperature days of July-August, 2018. (That Leak Report is attached.)
- Barton & Boyd patched fifteen areas related to water leaks @ a cost of \$11,130.00. Initially it was eleven places @ \$9130.00.

- The guys read meters for third quarter, on September 13 & 14, 2018 and invoices mailed. Cutoffs are scheduled for November 15, 2018. Amy has worked with twelve members to assist with payment hardships. Amy sent twelve notifications to members for high water usage.
- George Allen normally takes well readings every day and that report is distributed for review monthly. RU continues to be strong in well depths and water availability.
- In the closing weeks of 2018, would like to acknowledge the hard work, efforts and dedication of Amy Jean, Jessica, Dede, George Allen, James Hawley, and George Sweet. Their effort and energy simply “makes things work!” Additionally, thanks to you; the Board members for your support and efforts during the past year. May you have a prosperous and safe Holiday Season !

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Denny". The signature is written in a cursive style with a long, sweeping tail.



**2018 RIDGE UTILITIES, INC. ANNUAL LEAK REPORT**

<b>Month</b>	<b>Service Line</b>	<b>Water Main</b>	<b>Truck Damage Main Line</b>	<b>Couplings, Adapters, Ells, Tees, Gaskets</b>	<b>Cut Off Valve</b>	<b>Meter</b>	<b>Homeowner's Line</b>	<b>Total Y-T-D</b>
January	2			1		5	6	14
February						1		1
March	1	1				1		3
April	1							1
May	8				1	2		11
June	6	2				1	1	10
July	6	1		1		1		9
August	6							6
September	6	1					1	8
October	5			1			2	8
November								
December								
<b>Y-T-D Totals</b>	<b>41</b>	<b>5</b>		<b>3</b>	<b>1</b>	<b>11</b>	<b>10</b>	<b>71</b>