

Captain's Cove Utility on Firm Footing

Captains Cove Utility Company has found firm footing by way of investing partner Hearn & Burkley. Tim Hearn has agreed to fund short term operations of the CCUC until such time as a Rate Study can be completed, and the Virginia SCC can hear a case for a standard rate increase. At Mr. Hearn's suggestion, CCUC has filed for an extension on its Emergency Rate Relief Request with the SCC. Mr. Hearn viewed the Emergency Rate Relief procedure as a "band aid fix", leaving neither the Community nor the CCUC with a proper solution to the problem. Instead, they will fund operations until the new rate (tariff) can be approved by the SCC. Mr. Hearn estimates the time frame for completion of that process to be six to nine months. Until then, all current rates for service will remain in place. Most importantly to the residents of Captains Cove, there is no fear of the Utility ceasing service. Additionally, Mr. Hearn has taken some immediate steps this week to ensure that any capacity problems that may develop over the upcoming holiday weekend can be properly managed.

In the short term, all energies are being focused on bringing the CCUC into compliance with all State Regulatory Agencies. They will also begin to address areas such as proper operational management, needed repairs and maintenance to the system, and future capital needs.

Hearn & Burkley is negotiating to buy out PNC's debt, with an ultimate goal of having Captains Cove Group LLC's Bankruptcy dismissed. Once CCG emerges from Bankruptcy, their goal will be to establish relationships with builders, and resume the sale of lots. They have a long term view of building homes in Captains Cove, and helping the Community to grow.

Mr. Hearn is committed to work with the Board of Directors of the Home Owner's Association concerning items important to Captain's Cove, such as the Marina Club. He has expressed the need for an agreeable working relationship with the Community, as it is the only way in which we can all prosper, and enjoy the lifestyle that is Captain's Cove.

Sincerely,
Lance Stitcher
General Manager
Captains Cove G&YC