

Memo

To: Board of Directors
From: Paul Gardner
Date: 9/28/2016
Re: Approve September 6, 2016 Minutes

Please find attached the minutes for the HNWS Special Meeting on September 6, 2016 for your review and approval.

If you agree with these actions please sign below. If you do not agree please place NO on the signature blank and initial: **(Note this has to be a unanimous decision to pass)**

✓ Bien May *Bien May*
✓ Robert Coley *Robert Coley*
✓ James Calkins *James Calkins*
✓ Troy Bossier *Troy Bossier*
Gaius Bruce *Gaius Bruce*
✓ Brian Kelly *Brian Kelly*
✓ Daryl Lynchard *Daryl Lynchard*

This will be a Board Action without a meeting and will be recorded as such in accordance with Chapter 617 F.S.

Holley-Navarre Water System, Inc.

Special Board Meeting Minutes

September 6, 2016

CONFIDENTIAL

Bien May, Board President called the meeting to order at 5:00 P.M. The following Board of Directors were present: Bien May, James Calkins, Daryl Lynchard, Robert Coley, Gaius Bruce, Brian Kelly, and Troy Bossier. Also present were: Paul Gardner, Barbara Carawan, Jim Morgan, Rachael Limousin and Deborah Kharuf (stenographer). Mr. Calkins, Mr. Kelly, and Mr. Morgan leave mid-meeting.

Proxy Pin Numbers

Bien introduces request of keeping pin on the proxies. James expresses concerns that people may not favor the pin number requirement. Discussion over pros and cons of keeping the pin. Bien makes suggestion to look at numbers for the current process and analyze the percentage after. Gaius suggests to stick with current process because the issue has already been voted on twice in public meetings.

James Calkins motions to approve the Proxy Committee's recommendation to remove the PIN number requirement from the election process. Brian Kelly seconds motion. Discussion, Bien makes stipulation that if the motion is passed, the issue needs to be voted on in the next public meeting. Daryl, Troy, Robert, and Gaius vote against. Motion fails. Discussion over validation of proxies and ballots.

Daryl makes motion that improper proxy or absentee ballots coming in, will require staff to make an attempt to contact the member in order to validate. Brian Kelly second motion. Motion passed by unanimous vote.

Health Insurance

Rachael gives hand outs and goes over insurance options from brokers. 30-40 plans were looked at. Immediately ruled out HRA and HSA; these would not be options for us due to costs. Narrowed down Aetna plans. Broke down costs differences between Florida Blue, Aetna, and United Health Care. Discussion over coverages for HNWS, MESI, and The Club at Hidden Creek. Plan choice was United Healthcare, low in costs and low deductible for employees, and would mean a savings of approximately \$119,000 during calendar year for all three companies combined. Deductibles are changing to 250/500 for HNWS and MESI, and for the Club 2000/4000. Daryl requests that we put in the insurance motion to get a letter from our accountants and/or legal that says the policies are not discriminatory. Bien suggests for staff to educate employees on the specifics of our insurance options for all three companies. **Robert makes motion to approve recommendation for health insurance presented for the next year. James seconds motion. Daryl suggests stipulation to get letter from our accountants/lawyers stating**

the policies are not discriminatory. Motion passed by unanimous vote. Paul notes that there will be an annual meeting in future years for health insurance.

Wage Rates

Discussion over specific conversation on July 19th regarding entry-level rates and current employee rates. Discussion over bylaws and the Board's responsibility to the employees. Staff needs approval from Board to set current and future employee wages. Board needs actual cost adjustment in order to approve. Bien says if the change is minimal, then it shouldn't be a problem. Bien and James think the issue needs to be tabled until cost information is given. Some board members request at least a dollar range in order to make decision on the issue.

Information Requests

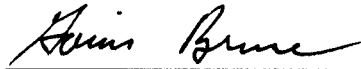
Navarre Press submitted an information request on August 30, 2016. Clarification made on difference between transcripts (verbatim) and minutes (condensed version of meeting including key points and brief expansions). James thinks we should give nothing and ignore it. Paul brings up that we are technically in litigation because we have filed an injunction to keep information from Mr. Sublett's laptop being used. Bien thinks we should treat all information requests equally. Discussion over legal costs associated with approving the request. Discussion over proper purpose for minutes requests. Attorneys have recommended to deny the request; Questions 1 & 2 do not specify an entity, and questions 3-6 aren't in compliance with the statute. Troy brings point that the meeting is open to the public and all of the information being requested can be obtained by sitting in the meeting with a recorder, therefore we should not deny the request. Troy makes explanations to questions 1 and 2; the minutes and the financial statements are on the website; however he thinks she can decipher answers to number 3 and 5 from the financials, and number 4 and 6 from the minutes. **Troy makes motion to give the meeting minutes (not transcript), financial statements, and give explanation that the other questions can be deciphered from the minutes and financials. Brian Kelly seconds. Stipulation made that the minutes are the regular HNWS minutes; Bien would like Mr. Tidwell to draft the explanation as to why we are not answering questions 3-6. Modification to change sections given to 1, 2, and 6. Discussion over modifications. Changed back to only sections 1 and 2. Gaius votes against. Motion passes.**

Robert brings suggestion of creating a newsletter of our own to give HNWS a chance to explain our side of issues. **Daryl makes motion to create the newsletter and post the newsletter on our website. Gaius seconds the motion. Motion passed by unanimous vote.**

Greskovich Property

Paul goes over concerns about the Trust issue with the Greskovich property. Robert gives opinion and would like Mr. Tidwell to confirm: If there should be a relative in the future who has a problem, the issue will be with the trust not with us. **Gaius makes motion to go forward with the easement. Robert seconds the motion. Discussion regarding the ownership from the trust. Gaius amends motion to include stipulation to wait on opinion from Mr. Tidwell. Paul suggests that he can obtain a letter of opinion from Mr. Tidwell first and share with the Board as soon as possible. Gaius withdraws motion until verification is shared from Mr. Tidwell.**

Meeting adjourned 7:45 P.M.



Gaius Bruce Secretary/Treasurer