

Holley-Navarre Water System, Inc.
Special Board Meeting Minutes
May 7th, 2019

Mike Kennedy, Board President, called the meeting to order at 6:00 P.M. The following Board of Directors were present: Mike Kennedy, Kevin Lanier, Will Goulet, Daryl Lynchard, Mark Miller and Fred Terasa. Yvonne Harper was absent. Also present were: Rob Williamson, Barbara Carawan, Phil Phillips and Keith Kilpatrick.

President Kennedy began by stating the purpose of the meeting, which is to define, discuss and prioritize critical issues in a workshop setting. The meeting was turned over to Director Terasa to facilitate.

Director Terasa provided an overview of the process, beginning with the need to scan the current environment in order to identify key issues and opportunities for improvement. Once the key issues are identified, the CEO and staff will have clear direction on the Board's priorities.

Prior to the meeting, attendees were asked to identify and present some of the issues they felt were important. Participants were encouraged to add items to the list if they are identified throughout the process. Once the meeting concludes Director Terasa will prepare a report of the results listing the key issues identified.

Assessing the Current Environment

Several topics were introduced in order for attendees to provide feedback, beginning with the current state of the company. Most feel the company is good overall but there is room for improvement. Over the last ten years there has been an increased focus on customer service and technological improvements. The system has also acquired its own engineering firm, a golf course and has assisted the community with fire protection. Although there are many positive comments it is noted that the image of HNWS has been an issue over the years.

General feedback regarding employees included that they care about the company and are technically proficient.

Additional comments were made describing the company as self-sufficient, financially stable and responsible enough to handle the operation of FRUS along with their subsidiaries.

The Eglin RIB project, the five year capital improvement plan and the Gulf Breeze reuse MOU were items identified as plans for the future.

Employees

Employees were discussed further, specifically how appreciation is currently shown and how it can be approved. Appreciation is currently being shown by offering benefits such as paid health insurance, paid time off and tuition reimbursement. The recent employee picnic was also mentioned as a success.

Next, Feedback on rewarding employees is requested. Suggestions included more events like the picnic, 401K contributions, awards for longevity and/or good reports from members, and recognition.

History

Highlights of the company's history are provided. There were less than 100 members when the water system started in 1970. It now has approximately 16,500 members. Sewer services were added in the late 80's and there is currently about 9100 sewer customers. A notable operational improvement was going from manually reading meters to utilizing the new Flexnet meter system. Engineering services are now able to be offered to generate income and golf is available to the community. Commercial services have also increased.

Changes to the organizational structure were discussed next. The General Manager position has been replaced with the CEO. The CEO is responsible for identifying external funding opportunities and taking the lead with day-to-day operations. It is pointed out that past management issues required the Board to become more involved in daily operations. Communication has been improved with routine staff meetings.

The company's upcoming 50th anniversary is brought up. A party at the golf course with information on the original 4 founders and displays of company equipment was suggested.

Outside Forces – Threats/Opportunities

Attendees were asked to provide different outside factors that could be seen as threats or opportunities for improvement. Examples such as population growth, relationships with regulatory agencies, testing requirements, hurricanes and irrigation were discussed. Environmental considerations such as the contamination of wells and effluent disposal into the sound were also brought up.

Previously discussed items such as revenue, population growth and the strengths/weaknesses of the company were elaborated on.

Critical Issues of the Future

Additional items such as company finances and water quality were added to the list of potential priorities of the Board.


Each attendee was able to vote on what they believe should be identified as a critical issue. Each person had 5 votes. The votes were tallied and a final list of critical issues was prepared. The top categories were employees and effluent disposal. Fred will prepare a report of the outcome of the meeting which will include the final list of the 13 top priorities.

Attendees felt the meeting was a success and they thanked Director Terasa for being the facilitator.

Action Items

1. Director Terasa will prepare a report of the results listing the key issues identified during the meeting.

Meeting adjourned 7:45 P.M.



Kevin Lanier, Secretary/Treasurer