

Holley-Navarre Water System, Inc.

Regular Board Meeting Minutes

May 21st, 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, Daryl Lynchard, Mark Miller, Fred Terasa and Yvonne Harper. Will Goulet was absent. Also present were: Rob Williamson, Barbara Carawan, Cindy Callen, Phil Phillips, Dale Long, Clinton Wells, Amber Bucholtz, Chris Legg, Cory Snyder, Mark Turner, Danny Hawkins, Torin Brand, Keith Kilpatrick and Deborah Kharuf (stenographer).

President Mike Kennedy began by acknowledging the passing of HNWS founding member James Tolbert. Rob Williamson offered condolences to his Daughter, Trudie Tolbert, and his Grandson, Jeremy Blankenship. Both are employees of HNWS.

Approval of Minutes & Transcripts

Kevin Lanier motioned to approve the minutes and transcripts from the 04/16/2019 regular meeting. Daryl Lynchard seconded. Motion passed unanimously.

Approval of Memberships

A prior Board action dictating how membership certificates are issued and maintained (digitally) has been implemented. **Mark Miller motioned to approve the memberships for April, of which are 274 new, 301 cancelled and 1 transfer. Daryl Lynchard seconded. Motion passed unanimously.**

Administrative

- 1. Finance – Review of April 2019 Financial Statements:* In April there was \$924,862.18 in revenue with expenses of \$757,923.38, leaving a net income of \$166,938.80. There are no large material variances at this point in the year, however there may be one next month due to a pension plan payment. **Mark Miller motioned to approve the April 2019 financial statements. Yvonne Harper seconded. Motion passed unanimously.**
- 2. Board Agenda Development:* Staff's suggestion for agenda development protocol has been presented to the Board. **Kevin Lanier motioned to approve as presented. Yvonne Harper seconded.** The timeline and factors involved in agenda preparation are discussed after Board members voice their concerns. **Kevin amended his motion, to accept as presented with the addition of a 12-day timeline for sending out the preliminary agenda and to provide the Board with an updated calendar ahead of next month's meeting. Mark Miller seconded. Motion passed unanimously.**

3. *Special Board Meeting:* Fred Terasa provided an overview of the special meeting. The visioning process resulted in thirteen critical issues of the future, ranked by priority. The first item was how much employees are valued and how to keep them long-term. The list of issues will continually be updated as a “living document” and he would like to see status updates as priorities are addressed. A Board workshop tentatively scheduled for August is brought up as an opportunity to follow-up on the items. Expectations for staff is clarified with periodic updates being suggested, possibly in the same manner the engineers keep track of their projects. Discussion continued. It’s agreed that staff will prepare a status report on the list of priorities identified and present it in August.

4. *Greskovich Maintenance Equipment:* Specialized equipment is required for the maintenance of RIB sites, specifically a tractor and rake hardware. Three quotes were obtained for the tractor, but only one was available for the rake as it is a specialized piece of equipment. Staff identified this as an efficient way to reduce the man hours currently required to maintain the sites. The equipment can be used at multiple RIB sites other than Greskovich. The rake equipment costs \$48,500.00 and the tractor is \$51,087.88. **Daryl Lynchard motioned to approve the purchase of the equipment as directed by staff. Kevin Lanier seconded. Motion passed unanimously.**

Personnel

Director Yvonne Harper mentioned job descriptions and retirement pension issues as items that will be addressed in the near future. Staff is also commended for doing a great job.

THE CLUB AT HIDDEN CREEK

1. *GM Update:* Cindy Callen began with the finances for April stating it was another profitable month. There was \$164,711.00 in course revenue with expenses of \$148,694.00, leaving an operating income of \$16,017.00. There were a couple of unexpected expenses such as additional weed killer on the course and the roofs of both the clubhouse and the cart barn were cleaned. **Daryl Lynchard motioned to approve the financial statements for discussion. Mark Miller seconded.** Daryl Lynchard inquired on prepaid dues and Cindy explained what they consist of, which are prepaid memberships that were previously sold. Cindy will send Daryl the records. **Motion passed unanimously.**

Next, an issue with the golf course net is discussed. Repairs are needed and the installer has not been responding to Cindy’s contact attempts. Keith is now involved and will be looking into what the manufacturer’s warranty covers and if the installer has any legal obligation to make repairs. So far, he’s not found anything in writing listing warranty or repair information. The reasoning behind the installation of the net, maintenance and liability concerns were then discussed. Keith will provide Rob with an update after the upcoming meeting with the installer. The net cannot be lowered at this time due to a recent modification by the installer, who is attributing the problem to golf course staff. Staff will

consider options including hiring someone to maintain the net outside of the installer and bring them back to the Board. The importance of having a written contract on both products and services is noted for future purchases.

An update was provided on the restaurant. They have received their liquor license and the restaurant is scheduled to officially open June 1st.

Lastly, Cindy suggested a public golf rate increase to take place on June 1st. The Board is provided with an example letter she would like to send to members. The reasons and research behind the requested increases were discussed. The current rates are the same as they were when HNWS acquired the golf course in 2012. The goal is to make the golf course more profitable without subsidy from HNWS. This is for information only and no action is required from the Board.

Engineering

1. *Monthly Operations Report:* The monthly operation reports for have been provided to the Board. I & I decreased relative to the annual average so far.
2. *Clarifier #4:* Cory Snyder reported that demo is complete. A problem occurred when pouring the base slab, but the contractor is preparing another pour to correct the issue. The project is still on schedule.

Public Forum

None.

Daryl Lynchard motioned to adjourn. Fred Terasa seconded. Motion passed unanimously.

Action Items

1. Staff will update the agenda development protocol to add the 12-day timeline for sending out the preliminary agenda and provide the Board with an updated calendar ahead of next month's meeting.
2. Staff will prepare a status report on the list of priorities identified in the special board meeting and present it in August.
3. Cindy will provide Daryl with the records on prepaid memberships.
4. Keith will provide Rob with an update after he meets with the net installer. Staff will come up with options to address net issues including maintenance and present them to the Board.

Meeting adjourned 7:30 P.M.



Kevin Lanier Secretary/Treasurer