

# Holley-Navarre Water System, Inc.

## Regular Board Meeting Minutes

July 16<sup>th</sup>, 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, Clinton Wells, Chris Legg, Danny Hawkins, Cory Snyder, Mark Turner, Keith Kilpatrick and Deborah Kharuf (stenographer).

### Approval of Minutes & Transcripts

**Daryl Lynchard motioned to approve the minutes and transcripts from the 06/18/2019 regular meeting. Mark Miller seconded. Motion passed unanimously.**

### Membership Certificates

**Daryl Lynchard motioned to approve the memberships for June, of which were 419 new, 367 cancelled and 2 transfers. Fred Terasa seconded. Motion passed unanimously.**

### Administrative

1. *Finance – Review of June 2019 Financial Statements:* Peak summer season resulted in an increase in water sales. There was \$1,084,292.77 in revenue with expenses of \$737,180.04, leaving a net income of \$347,112.73. There were no significant variances to report. **Mark Miller motioned to approve the June 2019 financial statements as presented. Fred Terasa seconded.** Options currently being considered to protect the monetary assets of HNWS were discussed briefly. Ameris Bank is a viable option being considered due to their experience working with utility companies and their ability to assure FDIC coverage. **Motion passed unanimously.**
2. *HNWS Registered Agent:* **Keith Kilpatrick is currently the Registered Agent for HNWS. Normally the lead executive fills that role for all business segments, in this case it would be Rob Williamson, CEO. Rob is currently the Registered Agent for the other HNWS entities. Kevin Lanier motioned to approve. Fred Teresa seconded. Motion passed unanimously.** The address for HNWS will be listed in the contact information.
3. *New Member Application:* At the direction of the Board, staff has been working on streamlining the new member application process. Incorporating online sign-up and consolidating multiple applications into one is the recommended outcome. Feedback was requested and staff will incorporate it into the new version of the form and bring it before the Board in August. This was an informational update only and this item will be added to next month's agenda.

4. *HNWS Website Update:* Significant progress has been made in accordance with the timeline initially presented to the Board. The fifth phase is currently in progress and slightly ahead of schedule. It's anticipated to be completed by the end of the year. The need for improved communication and service to members was stressed.
  
5. *HNWS Effluent disposal Capacity Update:* Staff prepared a report that was provided to the Board. Also, Santa Rosa County was presented with a lease agreement with Eglin Air Force base. They've voted to execute the agreement and make the initial payment to move forward. This is a highly anticipated, positive step in working with the County. Staff has an upcoming meeting on Thursday to begin discussing the details. An agreement with Gulf Breeze is also being pursued and should be presented to their City Manager next week. The importance of pursuing options to meet our capacity timeline, infrastructure costs and area funding sources was also discussed. This led to a request to have Rob prepare an email with cost amounts that would be required to pursue funding sources that were discussed. The Board can then decide to approve the use of funds for this purpose. Regarding the agreement approved by the County, the results of next week's meeting on Thursday will give staff a better idea of when to initiate the beginning stages of design. The Board will be updated after the meeting.

### **Personnel**

1. *FY 2019 Pension Plan Contribution:* Board approval is requested for the annual Defined Benefit Pension Plan contribution for 2019, in the amount of \$724,200.00. This amount was previously included in the approved 2019 budget. The actuary estimated each year's payment amounts, but staff is trying to stabilize the yearly contributions to eliminate significantly higher amounts during certain years. This year's contribution is slightly higher than the initial estimate of \$682,000.00. **Mark Miller motioned to approve the Defined Benefit Pension Plan Contribution as presented. Yvonne Harper seconded.** Contribution projections were discussed further. **Motion passed unanimously.**

### **The Club at Hidden Creek**

1. *GM Update:* Cindy Callen began with the finances for June. It was another successful month with \$184,415.00 in course revenue and expenses of \$158,713.00 leaving an operating income of \$15,702.00. Many positive comments have been received about the condition of the course. Pictures from a recent tournament were shared. A rate increase took effect on June 1<sup>st</sup> and 5 new members have been added. **Fred Terasa motioned to approve the financial statements. Kevin Lanier seconded. Motion passed unanimously.** Cindy is commended for encouraging the restaurant to meet the needs of the Club's members. A tournament menu should be finalized at the end of the week. A pizza lunch was provided to the Superintendent and his staff for recognition and the Men's Golf Association is willing to sponsor additional lunches.

## **Engineering**

1. *Monthly Operations Report:* A record amount of wastewater was sold to customers after a mild winter and hot June, however a decrease in the amount sent to the wastewater treatment plant.
2. *Clarifier #4:* Cory Snyder reported that the clarifier floor has been poured. Since then they've been setting up the steel for the walls. There are no issues with the project. The pictures will be shared with Ms. Kemp. The schedule for completion has been extended due to rain days.

## **Public Forum**

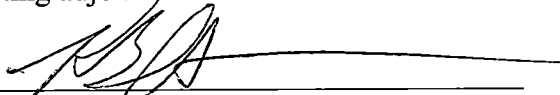
*None.*

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

## **Action Items**

1. The new member application will be added to next month's meeting agenda.
2. Rob will prepare an email to the Board with more information on the need to approve funds to use pursuing additional funding sources.
3. The Board will be updated after the meeting with Santa Rosa County officials.
4. Ms. Kemp will be provided with the pictures from the Clarifier #4 update.

Meeting adjourned 7:00 P.M.

  
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Kevin Lanier Secretary/Treasurer