

Holley-Navarre Water System, Inc.  
Regular Board Meeting Minutes  
May 19<sup>th</sup>, 2020

Daryl Lynchard, Board President, called the meeting to order at 6:00 P.M. The following Board of Directors were present: Mike Kennedy, Kevin Lanier, James Dabney, Will Goulet, Daryl Lynchard, Grant Summers and Fred Terasa. Also present were: Torin Brand, Keith Kilpatrick, Jamie Gentry (Navarre Press) and Randy Meredith (Navarre Newspaper). Barbara Carawan, Danny Hawkins, Amber Bucholtz, Mark Turner, Chris Legg, Cindy Callen, Phil Phillips, Clinton Wells, and Deborah Kharuf (stenographer) attended via conference call.

**Approval of Minutes & Transcripts**

**Fred Terasa motioned to approve the minutes and transcripts from the 04/21/2020 regular meeting. Kevin Lanier seconded. Motion passed unanimously.**

**Membership Certificates**

**Kevin Lanier motioned to approve the memberships for April as presented. There were 269 new memberships, 245 cancelled, and 1 transfer. Fred Terasa seconded. Motion passed unanimously.**

**Administrative**

1. *Finance – Review of the April 2020 Financial Statements:* An annual pension plan contribution of \$732,784.00 made in April was discussed. Amortizing the annual contributions over twelve months was suggested going forward, to see a true reflection of the monthly numbers throughout the year. Staff confirmed it was possible and was directed to investigate it. **Fred Terasa motioned to approve the April 2020 financial statements as presented. Mike Kennedy seconded. Motion passed unanimously.**
2. *Visioning Exercise Review:* Fred Terasa facilitated a visioning exercise in which the Board provided their input on important issues and came up with objectives for the year. A report of the eight issues identified was prepared afterward and provided to the Board.
3. *Educational Assistance – Employee Tuition Reimbursement Program:* An employee has requested tuition reimbursement in accordance with the current policy. No approval is required for each request as it was done in the past, it is merely an update to the Board.
4. *2020 Budget Amendment – Additional Defined Benefit Plan Funding:* A budget amendment is required to accommodate additional contributions to the pension plan for years 2019 and 2020. HNWS is required to make these contributions and the amendment must be approved. **Kevin Lanier motioned to approve the amendment to the 2020**

**budget as presented. Mike Kennedy seconded.** The figures, why the additional funds are necessary, and how contributions are calculated by the actuaries were discussed. \$203,814.00 is the amount HNWS needs to pay currently. **Motion passed unanimously.** It was noted that all Board members are welcome to attend any pension committee meeting after Mike Kennedy expressed an interest in attending.

5. *Omnicommander Marketing Services:* Representatives from Omnicommander expressed an interest in attending the meeting per a conversation with Keith, to try and encourage HNWS to extend their contract that ends June 1<sup>st</sup>. What social media accounts were created, any recent communications and who directs them to post items were discussed. Keith confirmed that he already sent them a non-renewal notice.

### **Personnel**

A personnel meeting was held with Will Goulet, Kevin Lanier and Mike Kennedy. The CEO description was finalized and approved through a BAWM. Landrum has provided a quote for exclusively assisting in the search and may be willing to negotiate the rate. The current recommendation is to have the Board President request bids from two other companies (which may not require exclusivity) found by Daryl, then select which company to use as a Board, and let them begin the search. Once more information is received from each prospective company, more specific decisions can be made on how applicants can apply. Whether to proceed with a company exclusively or with multiple companies non-exclusively is a main factor to consider.

### **Golf Committee**

None.

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

1. *2020 Financial Statements:* Cindy Callen reported the financials for April. The course was closed for 21 days due to the virus. There was \$60,040.00 in course revenue with expenses of \$110,000.00, leaving an operating income of -\$50,000.00. 2020 YTD course operating income is still in the positive at \$26,889.00. Cindy confirmed she was able to secure government funds to help offset the losses. Cindy is unsure whether it will be May or July when the 75% is reflected as revenue. The process was briefly explained. **Will Goulet motioned to approve the April financial statements as presented. Mike Kennedy seconded.** The guidelines for the government funds were discussed, including determining the portion that may need to be paid back. **Motion passed unanimously.**
2. *Planning for the Future of The Club at Hidden Creek:* **Fred Terasa motioned for the Board to task the golf course committee to present a proposal for the sale of The Club at Hidden Creek at the June 16<sup>th</sup> monthly board meeting. Furthermore, to ensure**

**that the Board's intentions for such a sale are clear, the following minimum provisions must be included:**

**First, the minimum bid must be \$1.9 million. Second, the buyer agrees that until the Eglin RIB project is operational, HNWS has the right to spray its effluent up to its authorized average daily limit. Third, the buyer agrees that once the Eglin RIBS are operational, HNWS will be allowed to spray its effluent up to its authorized average daily limit should the transmission system to the Eglin RIBS fail. Finally, the buyer agrees to maintain the Club at Hidden Creek property as a golf course in perpetuity. Kevin Lanier seconded** Discussion ensued on the pros and cons, the history of the purchase and the stipulations listed in the property deed paperwork. A suggestion was made to change the buyer's requirement, allowing HNWS to spray its effluent up to its authorized daily limit, without Eglin being a factor. Recent developments regarding a local golf course (Tiger Point) were discussed as well. **Fred amended his motion, to have the Board task the golf course committee to present a proposal for the sale of The Club at Hidden Creek at the June 16<sup>th</sup> monthly board meeting. Kevin Lanier seconded. Motion passed unanimously.** The golf course committee will schedule a meeting for further discussion.

### **Engineering**

1. *Monthly Operations Report:* The monthly operating reports were provided to the Board. Phil added an update on the Eglin project, specifically the timeline and progress. The preliminary design report was recently received and should be finalized in the next few weeks. He also reported on grant funding from the Northwest Florida Water Management District's regional reuse project including the timeline, funding, and cost information.

Kevin Lanier announced that June 1<sup>st</sup> he will no longer be in the service area. His recommendation is for Mark Miller to fill his seat on the Board. Kevin reached out to Mark and he would be available to do so. How to proceed was discussed with **Fred Terasa motioning to add an item to the agenda, the replacement of Kevin Lanier. Kevin Lanier seconded. Motion passed unanimously.** Daryl confirmed the proper procedure with Robert's Rules of Order. **Will Goulet motioned that with Kevin Lanier moving out of the franchise area, Mark Miller is appointed to his position. Fred Terasa seconded. It was pointed out that Mark previously served on the FRUS Board and he can replace Kevin in that role as well. Motion passed unanimously. Will Goulet amended his motion to have it be effective after Tuesday's FRUS meeting, and have both Mark and Kevin attend the FRUS meeting. Kevin's positions on any other committees will be decided later. Fred Terasa seconded. Motion passed unanimously.**

Will Goulet brought up four company vehicles that need to be sold. He will provide the trade-in value for each vehicle to establish minimum bid amounts and the sale will be advertised. The

trade-in value will be used as the minimum bid for each vehicle except for the van, the repair estimate amount will be subtracted from the trade-in value to determine its minimum bid amount. Will Goulet will email the Board trade-in value information on the vehicles and the Board will provide their approval before being advertised.

Kevin Lanier was thanked for his service on the HNWS and FRUS Boards.

**Fred Terasa motioned to adjourn. Mike Kennedy seconded. Motion passed unanimously.**


**Public Forum**

None.

**Action Items**

1. Staff will investigate amortizing the annual pension plan contributions going forward.
2. Daryl Lynchard will obtain quote information from two other companies for the CEO job search and once the information is received, how to proceed will be decided.
3. The golf course committee will schedule a meeting to further discuss possibly selling the golf course.
4. Will Goulet will email the Board trade-in information on the four vehicles that need to be sold.

Meeting adjourned 7:30 P.M.



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Grant Summers, Secretary/Treasurer