

Holley-Navarre Water System, Inc.

Regular Board Meeting Minutes

June 16th, 2020

Daryl Lynchard, Board President, called the meeting to order at 6:00 P.M. The following Board of Directors were present: Daryl Lynchard, Mike Kennedy, Mark Miller, Will Goulet, Grant Summers and Fred Terasa. James Dabney was absent. Also present were: Torin Brand, Keith Kilpatrick, Sandi Kemp (Navarre Press) and Leta Woolard (stenographer). Barbara Carawan, Danny Hawkins, Amber Bucholtz, Mark Turner, Chris Legg, Cindy Callen, Phil Phillips, Clinton Wells and Jim Grace (Underwood Anderson) attended via conference call.

Approval of Minutes & Transcripts

Will Goulet motioned to approve the minutes and transcripts from the 05/19/2020 regular meeting, the minutes from the 04/22/2020 executive session, and the minutes from the 04/28/2020 executive session. Grant Summers seconded. Mark Miller abstained. Motion passed.

Membership Certificates

Will Goulet motioned to approve the memberships for May as presented. There were 325 new memberships, 276 cancelled, and 0 transfers. Grant Summers seconded. Motion passed unanimously.

Administrative

1. *Finance – Review of the May 2020 Financial Statements:* **Will Goulet motioned to approve the May 2020 financial statements as presented. Fred Terasa seconded. Motion passed unanimously.**
2. *HNWS 2020 – 2021 System Insurance Renewal:* Jim Grace provided an overview of the proposal highlights. The renewal is through the existing carrier, Philadelphia Insurance Company. Property values, coverage limits and the various types of coverages were discussed. It was noted that HNWS's work comp rates are currently discounted due to successful safety practices. This year's insurance premiums are at least \$12,000.00 less than prior year. **Will Goulet motioned to approve the insurance renewals as presented. Mark Miller seconded.** HNWS employees were commended for helping keep rates down. **Motion passed unanimously.**
3. *TCHC 2020 – 2021 Directors & Officers, Crime, Cyber Insurance Renewal (Wrap Package):* Jim Grace provided an overview of the Club's insurance renewal with Traveler's Insurance Co., the "wrap policy." An overview of the types of coverages and premiums were included. **Will Goulet motioned to approve the policy as presented.**

Grant Summers seconded. Cindy confirmed \$14,500.00 was budgeted for this purpose and funds from elsewhere should be available to cover the rest of the \$15,000.00 cost. **Motion passed unanimously.**

4. *Pension and 401K Trustees:* Former Director Lanier was a pension/401K trustee and he needs to be replaced. **Mike Kennedy volunteered, and Fred Terasa motioned to approve. Will Goulet seconded.** It was confirmed that James Dabney is the other trustee. **Motion passed unanimously.**
5. *Check Signer – MESI & HNWS:* Former Director Lanier was a check signer for HNWS/MESI and he needs to be replaced. Current check signers were confirmed by Barbara. A brief discussion ensued on past check signers and the best way to move forward. **Will Goulet motioned to add Mike Kennedy and Grant Summers as check signers for HNWS and MESI. Fred Terasa seconded. Motion passed unanimously.**
6. *MESI Officer – Secretary/Treasurer:* Former Director Lanier also served as secretary/treasurer for MESI and he needs to be replaced. It was suggested to appoint Dale Long, an engineer with MESI. **Will Goulet motioned to make Dale Long secretary/treasurer of MESI. Mike Kennedy seconded. Motion passed unanimously.**
7. *Review of Current Operational Policies – Customer Service:* Late fees, penalties and shut-offs have been postponed and the lobby has been closed in response to COVID-19. Discussion ensued on how to proceed with staff being consulted. The late fees/penalties and shut-offs could realistically be started in August, with proper notification to members. Currently there are 96 customers at least 60 days past due. Customers have been called and notified during this time and encouraged to make payments. **Mark Miller motioned to reinstate our normal late fees, penalties, and turn-offs on August 1st. Will Goulet seconded and suggested to add that customers be notified via email and to post it on the website letting them know when it will begin. Mark amended his motion to include his suggestions. Motion passed unanimously.** Discussion continued on lobby access. Staff was in favor of opening the lobby with limiting the number of customers allowed inside, encouraging payments through the drive-thru and posting signage at the office and on the website. Attorney Keith Kilpatrick confirmed he does not see any liability involved with opening the lobby. **Will Goulet motioned to open the lobby on July 1st, post it on the website and email customers to let them know. Mark Miller seconded. Fred Terasa suggested opening on Monday, June 22. Will Goulet amended his motion to open on Monday, June 22nd. Mark Miller again seconded. Motion passed unanimously.**

Personnel

Two additional firms have been contacted to help with the CEO job search and their response is pending. The hope is to receive the information and have a personnel committee meeting prior to next month's board meeting. If necessary, a BAWM prior to the next meeting will be considered.

Golf Committee

None.

The Club at Hidden Creek

1. *2020 Financial Statements:* Cindy Callen reported the financials for May. The course was closed for 21 days due to the virus. There was \$157,843.00 in course revenue, which is less than what was projected due to the virus. Expenses have also been reduced. The golf course is doing better than expected, even with limited access. The liability waiver currently in use was brought up with Keith recommending to continue its use. **Will Goulet motioned to approve the May financial statements as presented. Grant Summers seconded. Motion passed unanimously.**
2. *Update on the Potential TCHC Sale:* The golf committee previously met to discuss the potential sale and a slide presentation was shown. Fred went over the pros/cons, stipulations requested if the decision to sell was reached, and the current options available. Major considerations are effluent disposal and the course being a community asset. Mark has reached out to two commercial real estate brokers for their opinion. The broker handling the Gulf Breeze golf course can prepare a proposal if requested. Determining an appropriate value is a main, initial factor. Mark does not believe there would be a cost for the broker to prepare a proposal. Cindy will contact Mark tomorrow to go over what financial information that will be needed. Will has also spoke with Beggs & Lane regarding details of the sales agreement. He provided an overview of what was discussed and the attorney's background. The next steps are to provide them with the suggested terms and expectations in the purchase contract. Effluent disposal was discussed further. Mike Kennedy suggested rezoning the land with the attorneys. Potential costs, the effects of rezoning and property values are factors to consider. Members were invited to speak at this time.

Joe Campbell – 7146 Brinkley St: Mr. Campbell advised the Board to request a copy of Gulf Breeze's appraisal of the Tiger Point Golf Course.

Etta Lawlor – 2532 Cedarcrest Ln: Ms. Lawlor asked how the golf course was currently zoned, which according to Mark Miller is R1. She recommended performing your own research regarding zoning and deed restrictions, rather than relying on others.

Carmen Reynolds – 9621 Sunnybrook Dr: Ms. Reynolds brought up the past use of attorneys, their qualifications, and their fees. Beggs & Lane was specifically mentioned as she recalled a few years ago the Board terminated them due to their exorbitant fees.

Tom Beckman – 2415 Knotty Pine Dr: Mr. Beckman added that to rezone requires a 3-page document. He also contacted SRC and they stated there was no need to resurvey the property. The filing fee is \$500.00 and everyone who lives within 500 feet of the golf course must be notified. He also elaborated on current land codes, the differences in zoning designations and available options on how to proceed.

Geo Mayer – 6931 Turnberry Cir: Mr. Mayer reminded the Board that the golf course operator will need effluent from HNWS. He added that he has experience buying/selling golf courses and elaborated on current market conditions for this type of sale, which he feels are not favorable. Discussion continued on the possible scenarios/options.

Chuck Pohlmann – 2956 PGA Blvd: Mr. Pohlmann expressed his concerns regarding the value of his property and how it will be affected. He also added the information he obtained on rezoning. The interest in his property is his main concern.

Stephen Huschka – 2545 Masters Blvd: Mr. Huschka asked how the buyer will handle receiving the effluent water, if they will be charged. The Board also confirmed Tiger Point Golf Course receives effluent as well.

The Board confirmed their intention of obtaining information at this time and they will report back during next month's meeting.

Engineering

1. *Monthly Operations Report:* Phil updated the Board on the Eglin project. Next month it will be on the agenda, to vote on approving a contract with Jacobs Engineering. In the last month, the engineers have been working on a detailed schedule of design and construction, and a cost schedule. Other details on what has occurred were given as part of the preliminary report Jacobs is finalizing. These items will be seen in detail during the next meeting.

At this time Will requested an update on line extensions for fire protection. Three areas were previously identified, and the information was already presented to the Board. This item will be added to next month's agenda for an update.

Phil also confirmed I & I for the month was higher due to increased rain.

Public Forum

1. *Carmen Reynolds – 9621 Sunnybrook Dr:* Ms. Reynolds thanked the Board members for their community service. She also wanted to confirm board members received the email she sent on December 31st regarding the well field in East Milton and the possible construction/landfill locations that could affect it. The annual meeting minutes and their approval/availability during the next annual meeting was also explained.

Next, she asked if Philadelphia Insurance paid for the emptying of the clarifier, which it did not, and if cyber/ransomware protection is currently in effect, with IT staff confirming it is. Whether the email initially discussed was received will be confirmed with the Board after the meeting.

2. *Fred Fink – 2771 Pebble Beach Dr:* Mr. Fink requested the golf course slide presentation from tonight's meeting. Fred will provide it to him.
3. *Etta Lawlor – 2532 Cedar Crest Ln:* Ms. Lawlor continued to elaborate on Ms. Reynold's comments regarding the well field in East Milton. The commissioners will receive public input on August 26th at 9:00AM. She recommended someone from the Board watch the meeting. She reminded the Board that it is their job to protect the water supply for members, and that it is policy not politics.
4. *Angela Campbell – 7146 Brinkley St:* Ms. Campbell asked that something be done with the net on Masters Blvd, as she feels it looks terrible.

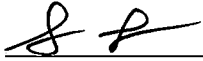
Action Items

1. Staff will prepare to open the lobby on Monday, June 22nd and to reinstate penalties, late fees, and turn-offs on August 1st.
2. Cindy will contact Mark Miller tomorrow to the determine what financial information the commercial real estate broker will need to prepare a proposal.
3. The Board will continue gathering information on the potential sale of the golf course and report back during next month's meeting.
4. The Eglin project will be on next month's agenda, to approve a contract with Jacobs Engineering.
5. Line extensions/Fire protection will be added to next month's agenda.

6. Fred Terasa will provide Fred Fink with the slide presentation on the potential sale of the golf course.

Fred Terasa motioned to adjourn. Will Goulet seconded. Motion passed unanimously.

Meeting adjourned 8:00 P.M.



Grant Summers, Secretary/Treasurer