

Holley-Navarre Water System, Inc.  
Regular Board Meeting Minutes  
February 16, 2021

Mike Kennedy, Board President, called the meeting to order at 6:00 P.M. The following Board of Directors were present: Mike Kennedy, Mark Miller, Fred Terasa, Joe Campbell and Bill Thiel. James Dabney was absent. Also present were Dallas Peavey, Barbara Carawan, Chris Legg, Mark Turner, Clinton Wells, Torin Brand, Grant Summers, Cindy Callen and Phil Phillips.

**Approval of Minutes & Transcripts**

**Mark Miller motioned to approve the minutes and transcripts from the 12/15/2020 regular meeting, the 01/25/2021 special meeting (regular and redacted), and the 01/25/2021 board reorganizational meeting. Bill Thiel seconded. Motion passed unanimously.**

**Membership Certificates**

**Fred Terasa motioned to approve the memberships for December 2020 and January 2021 as presented. In December there were 345 new memberships, 324 cancelled, and 0 transfers. In January there were 365 new memberships, 224 cancelled, and 0 transfers. Bill Thiel seconded. Motion passed unanimously.**

**Administrative**

- 1. Finance – Review of the 2020 YTD Un-Audited Financial Statements:** The un-audited financial statements were provided to the Board. The audited statements will be available in April. **Joe Campbell motioned to approve as presented. Bill Thiel seconded. Motion passed unanimously.**
- 2. SRC Wellfield Protection Area Land Development Code Change:** Staff provided the Board with an update. All commissioners appear to be in agreement and the change is anticipated to be voted down at the next meeting on the 25<sup>th</sup>. This is considered a “dead item” and is being viewed as both a legal and political win. Members of the community, staff, directors, and partner utilities were all commended for working together and drawing attention to the matter.
- 3. Committee Memberships:** Staff recommendation is to eliminate both existing committees, the Personnel and TCHC committees. Dallas has been tasked with managing employees and to prepare a business plan for TCHC. Therefore, the committees are no longer needed. **Mark Miller motioned to eliminate both the Personnel and TCHC committees. Bill Thiel seconded. Motion passed unanimously.** Staff also recommended forming a finance committee, chaired by the Secretary/Treasurer, with 4 sub-committees within it. The sub-committees are the Eglin project, capital improvements,

bonds, and budgets. **Mark Miller motioned to form a finance committee and name Bill Thiel the chair. Joe Campbell seconded. Motion passed. Joe Campbell motioned to create the Eglin project sub-committee and name Fred Terasa the chair. Mark Miller seconded. Motion passed. Bill Thiel motioned to create the capital improvement sub-committee and name Joe Campbell the chair. Mark Miller seconded. Motion passed. Joe Campbell motioned to create the bond sub-committee and name Mark Miller the chair. Bill Thiel seconded.** Dallas added that outside experts will be added to the committees as needed. **Motion passed. Fred Terasa motioned to create the budget sub-committee and name Mike Kennedy the chair. Mark Miller seconded. Motion passed.**

4. **Board Vacancy Vetting Committee Update:** At least two individuals have expressed an interest in serving on the Board. Interested members were encouraged to submit their information for consideration. A selection could possibly be made in March.
5. **Employee Paid Time Off (PTO) Policy Revisions:** Staff discussed their recommendation to revise HNWS's PTO policy. Landrum and legal counsel have been consulted and this is in accordance with industry standards. It would also be financially beneficial to HNWS. **Joe Campbell motioned to approve the PTO policy revision as written. Fred Terasa seconded.** Concerns with the proposed "use it or lose it" policy revision, such as accounting for sick time and scheduling conflicts, were discussed. Mark suggested allowing employees to roll over a portion of their PTO. How employees react to the revision is another concern. Discussion continued. **Motion passed with Mark Miller opposing.**
6. **New Legal Counsel Update:** An RFP was utilized after HNWS's previous legal counsel submitted their resignation letter. One response was received from Clark Partington. Staff recommendation is to choose them as legal counsel for HNWS. **Mark Miller motioned to accept Clark Partington as HNWS's new legal counsel and to authorize Dallas to execute the agreement. Fred Terasa seconded. Motion passed unanimously.**
7. **Pension Obligation Payment:** Staff recommendation is to make the required payment of approximately \$930,000.00 to avoid paying additional interest. The payment is already included in the budget. **Mark Miller motioned to make the payment. Fred Terasa seconded. Motion passed.**
8. **Easement Lease Extension:** An amendment to the budget to pay for a 25-year lease extension with the Department of the Navy at Holley Field is necessary. The previous amount paid was believed to be for the lease extension, but it was a separate fee. The additional amount is approximately \$21,000.00. The budget will be reviewed to locate

the funds required to make the payment. **Joe Campbell motioned to approve the amended budget for the \$21,870.00 easement payment. Mark Miller seconded.** The Board requested to be informed of where the funds are allocated from. **Motion passed.**

9. **Water System Securities:** The Board was provided with information on HNWS's monitoring systems and the security measures currently in place. A memo detailing the information was provided to the Board and is available to interested parties. A recent security breach in south Florida prompted a review of the precautions HNWS has in place. Staff elaborated on system details.

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

1. **A – 2020 YTD Un-Audited Financial Statements:** YTD revenue was \$1,709,576.00 with expenses of \$1,551,184.00, leaving a course operating income of \$158,392.00. TCHC was closed a few months for COVID-19 and hurricane Sally. The effects on rounds and profitability were discussed. **Fred Terasa motioned to approve the 2020 YTD un-audited financial statements as presented. Joe Campbell seconded. Motion passed.**

**B – Sale Update:** Dallas has been tasked with determining the best course of action for TCHC and all aspects will be considered. There are 60 days left to prepare a recommendation and the Board will continue to be updated throughout the process.

### **Engineering**

1. **Monthly Operations Report:** Phil went over the monthly reports provided to the Board. He also provided an update on the Eglin project, which is currently on schedule. A status meeting will be held in the next few days and the Board will be updated.

### **Old Business**

Items were discussed under “Administrative” due to pending agenda format updates.

### **New Business**

A training session has been scheduled for the Board with a certified trainer on March 19<sup>th</sup>. Legal counsel will also be in attendance. Other items were discussed under “Administrative” due to pending agenda format updates.

### **Public Forum**

1. **Carmen Reynolds, 9621 Sunnybrook Drive:** Ms. Reynolds inquired on the board vacancy left by Grant Summers' resignation. Items from the previously determined list of board priorities, including employee morale and fire protection, were discussed next. System alarms and response times were also discussed. She offered to participate in these

items and asked for approval to contact the fire department. Discussion continued. Clinton Wells will contact Ms. Reynolds to further discuss fire protection.

2. **Tom Beckman:** Mr. Beckman commended HNWS and the other water utilities for fighting against the wellfield protection land development code change but warned that the fight is not over, and it will still need to be addressed.

Mike Kennedy thanked the Board of County Commissioners and fellow partners.

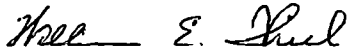
Ms. Reynolds wanted it on the record that she prepared the report for Commissioner Piech and the information can be sent to whomever requests it.

**Action Items:**

1. Staff will update the Board on where in the budget the funds to renew the easement lease will be allocated from.
2. Staff will further discuss fire protection and Clinton Wells will be in contact with Ms. Reynolds.

**Joe Campbell motioned to adjourn. Mark Miller seconded. Motion passed.**

Meeting adjourned at 7:05 P.M.



Bill Thiel, Secretary/Treasurer