

Holley-Navarre Water System, Inc.

Regular Board Meeting Minutes

March 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, Melissa Miller, Sandra Emler, Bobby Nelson, Mark Turner, Clinton Wells, Torin Brand, Grant Summers, Phil Phillips, Will Dunaway, and Deborah Kharuf (stenographer).

The meeting began with an introduction of HNWS's new legal counsel, Will Dunaway.

Approval of Minutes & Transcripts

Mark Miller motioned to approve the 02/16/2021 pre-board update minutes, and the minutes and transcripts from the 02/16/2021 regular board meeting. Fred Terasa seconded. Motion passed unanimously.

Approval of Membership Certificates

Fred Terasa motioned to approve the memberships for February 2021 as presented. There were 321 new memberships, 290 cancelled, and 1 transfer. Joe Campbell seconded. Motion passed unanimously.

Unfinished Business

1. **SRC Wellfield Protection Area Land Development Code Change:** Staff and legal counsel attended a meeting on 02/24/2021. The Santa Rosa County Board of County Commissions unanimously voted to kill the amendment and there are currently no plans to move forward outside of pursuing additional protections.

New Business

1. **Finance – Review of 2021 January and February Financials:** Staff presented the January, February and YTD financial reports. Revenue for January was \$912,691.31 with expenses of \$762,055.20, leaving a net operating income of \$150,636.11. February's revenue was \$991,173.07 with expenses of \$914,672.72, leaving a net operating income of \$76,500.35. YTD revenue was \$1,903,864.38 with expenses of \$1,676,727.92, leaving a total net operating income of \$227,136.46. **Bill Thiel motioned to approve the financial reports as presented. Fred Terasa seconded. Motion passed unanimously.**
2. **Award to Electrical Department:** Employees Blake Lindsay and Chip Alvey were introduced and recognized for their efforts in developing a preventative maintenance plan for the system's SCADA system, which is now used by Dataflow throughout the entire

southeast. The employees were congratulated and presented with their award certificates. a photo was also taken.

3. **Liberty Partners Governmental Consulting Services Renewal:** The current contract with Liberty Partners is expiring. Staff recommendation is to renew, with a 2-year contract starting on 04/01/2021. It was noted that the \$2.6 million grant HNWS received for the Eglin project was due to their efforts. **Mark Miller motioned to approve the Liberty Partners contract renewal. Bill Thiel seconded. Motion passed unanimously.**

4. **SRC/HNWS Grant Agreement – Eglin Phase 1:** A copy of the agreement for a \$2.6 million payout based on the construction and completion of phase 1 had been provided to the Board. Both the engineers and legal counsel have reviewed the document and staff recommendation is to approve it. **Fred Terasa motioned to approve. Joe Campbell seconded. Motion passed unanimously.**

5. **Finance Committee Updates:** Bill Thiel provided an update. A document outlining roles and responsibilities has been prepared and staff members have been assigned to support each sub-committee chair. It will serve as the governing document moving forward. Meeting schedules will be determined by the sub-committee chairs and their assigned staff. As the committee chair, Bill did not have a general update. Each sub-committee chair gave an update.

Eglin Project: Fred touched on a possible funding opportunity with little or zero interest for materials and the \$2.6 million grant previously discussed. A meeting has been scheduled for 03/24/2021 at 1:00.

Capital Improvements: Joe reported that an initial meeting with staff is scheduled for next week.

Bonds: Mark discussed pension, investments, etc. with Dallas and those items are being monitored. Monthly updates will be received from financial advisors.

Budget: The first item reported on was bank charges for credit card payments. Last year bank charges cost HNWS \$61,323.00. The need to recover the funds has been identified and legal counsel is being consulted. Evaluating after-hours and non-payment fees were the next items discussed. A fee of \$135.00 for turning on services after-hours was proposed. The fee strictly covers costs incurred by HNWS. This item will be brought back to the Board in April once the process has been finalized. The third item discussed was chemicals, odor control, and damages incurred from chemical gases. New chemicals are being utilized at a lower cost than other remedies considered. The final item discussed was

capital project financing. The 2021 budget included \$2.1 million for capital improvement projects. The engineers have prepared an RFP to go out for prospective bidders. The needs have been identified and legal counsel is currently reviewing the RFP. Once finished, it will be put out for bids. Staff members were commended for their efforts and teamwork.

The Club at Hidden Creek

1. **Finance – TCHC Financial Update:** Due to staff changes, the audit, etc., the financials will be provided during next month's board meeting.
2. **Company Update:** The interim General Manager gave a brief overview. The greens are in the process of being maintained/sprayed and there are two tournaments left in March. Also, the club's military discount has been extended to all law enforcement and first responders. Additional employees are being hired and website updates have occurred. The management changes, area rumors, and the club's direction were then discussed briefly. Staff is evaluating TCHC's future to come up with a recommendation that will be presented during next month's meeting.

Engineering

1. **Monthly Operations Report:** The monthly reports for January and February were provided to the Board. Phil also provided an update on I & I.

Public Forum

1. **Carmen Reynolds, 9621 Sunnybrook Drive:** Ms. Reynolds wanted to inform the Board that protecting Santa Rosa County's water quality is still being pursued. She also referenced informative resources available to anyone who is interested. Water conservation, the chemicals used, and testing results were discussed next. Ms. Reynolds questioned specific test results that she will share with staff for clarification.

Action Items:

1. An increase of the after-hours turn-on fee to \$135.00 will be on April's meeting agenda.
2. Staff is evaluating TCHC's future to present a recommendation during April's board meeting.

Fred Terasa motioned to adjourn. Bill Thiel seconded. Motion passed.

Meeting adjourned at 6:35 P.M.



Bill Thiel, Secretary/Treasurer