

Holley-Navarre Water System, Inc.

Pre-Board Update

March 16, 2021

Mike Kennedy, Board President, called the meeting to order at 5:00 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 Emlet, Bobby Nelson, Mark Turner, Clinton Wells, Torin Brand, Grant Summers, Phil Phillips, and Will Dunaway.

The purpose of the pre-board update is for staff and board members to discuss the March meeting agenda items in preparation of the following regular monthly board meeting. Each item was discussed in order according to the agenda.

Unfinished Business

1. **SRC Wellfield Protection Area Land Development Code Change:** Staff and legal counsel attended a meeting in which county commissioners voted to kill the action. Will Dunaway added that vigilance is in order.

New Business

1. **Finance – Review of 2021 January and February Financials:** The reports were provided to the Board for review. A question regarding pension payments was answered.
2. **Award to Electrical Department:** Mark Turner gave an overview of why two of his department's employees were being recognized. They assisted in developing a preventative maintenance plan for the system's SCADA system, which is now used by Dataflow. Dallas recommended taking photos with the employees.
3. **Liberty Partners Governmental Consulting Services Renewal:** An error on the contract provided by the service provider was caught by Dallas. It lists a 12-month term rather than the correct, 2-year term. The cost is \$35,000.00 per year. Staff recommendation is to renew. The \$2.6 million grant HNWS received for the Eglin project was due to their efforts.
4. **SRC/HNWS Grant Agreement – Eglin Phase 1:** Phil and legal counsel reviewed the agreement. Staff recommendation is approval to sign.
5. **Finance Committee Updates:** Dallas and Bill drafted the roles and responsibilities document for committee members. Bill listed his expectations, such as meeting frequency and reporting on your committees' items as necessary.

The Club at Hidden Creek

1. **Finance – TCHC Financial Update:** There will be no financial reports presented during this month's meeting due to the recent changes at TCHC.
2. **Company Update:** Interim General Manager Sandra Emlet will be introduced before she provides a general business update. Special agreements related to member guest rates were discussed. Staff and legal counsel will work together to determine the best way to proceed.

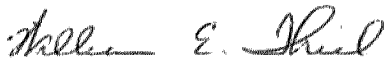
Engineering

1. **Monthly Operations Report:** The monthly reports for January and February were provided. Mark inquired on sewer line extensions. Discussion ensued on the cost share program currently in place, opportunities for new taps and the feasibility of extending in certain areas. Phil elaborated on funding.

Mike Kennedy went over the budget sub-committee items that will be discussed (New Business, #5). The first item was bank fees related to credit card payments. Amber researched the costs HNWS occurred on credit card fees, which for last year was over \$61,000.00. Legal counsel and the POS provider are being consulted to see how/if the fees can be recovered. The next item was after-hours/non-payment fees. Mark Turner listed the reasons why the after-hours fees should be increased to \$135.00. This amount covers the costs incurred by HNWS. The third item is chemicals used for odor control and its corrosive properties. Mark reported that a better, more cost-efficient chemical was found and it will be used over the next six months. The final budget committee item to be discussed is the capital project financing. An RFP for the \$2.1 million CIP projects is being reviewed by legal counsel and should be ready for issuance tomorrow.

A possible leak at hole #5 at TCHC was brought up. Staff will be at TCHC on Friday to evaluate the situation.

Meeting adjourned at 5:45 P.M.



Bill Thiel, Secretary/Treasurer