

Holley-Navarre Water System, Inc.

Special Meeting Minutes

April 13th, 2021

Mike Kennedy, Board President, called the meeting to order at 8:00 A.M. The following Board of Directors were present: Mike Kennedy, Mark Miller, Fred Terasa, Joe Campbell, Bill Thiel and James Dabney. Also present were Dallas Peavey, Will Dunaway, Melissa Miller, Phil Phillips and Jason Montgomery.

The Board met in a closed meeting to discuss confidential business matters including strategic planning, The Club at Hidden Creek and the vacant board seat.

HNWS Strategic Planning Session

Staff facilitated various exercises to help identify the core purpose and mission of the water system, and the values that support it. A similar strategic planning session was recently held with management staff and is now being held with the Board. The core purpose statement was presented. The terminology used in the statement and what it represents was discussed. Ending the statement with “your water” instead of “water” was suggested. The importance of HNWS’s responsibility to the community and to the County was noted, with legal counsel explaining the relationship between SRC and HNWS, as dictated in the franchise agreement. Staff will provide the Board with a copy of the franchise agreement for their review.

Core values, threats and weaknesses, and priorities were then discussed. Community relations, updating HNWS’s billing software, infrastructure and employee benefits were some of the items included. The Board was also informed of staff changes and upcoming plans being put in place to help address some of these issues. Examples of departmental score cards used to measure objectives were reviewed. Important issues from past strategic planning sessions facilitated by Director Fred Terasa were compared to the current issued identified. Staff will send the list of priorities from his 2020 workshop to the Board.

The Board’s main priorities were identified, and staff obtained the needed feedback on the proposed core purpose statement. Staff will follow-up with the Board regarding the next steps in the strategic planning process.

TCHC Business Evaluation & Options

Staff was tasked with completing a business evaluation to present recommendations for the future of TCHC. A presentation was made with the resulting options, which are selling TCHC, forming a management-type of contracted operations, making it a self-managed course, or shutting it down and maintaining it as a spray field only. A lengthy discussion ensued on the monthly supplement TCHC receives from HNWS, budgeted funds for capital improvements, the status of the liquor

license, and the history of HNWS's relationship with TCHC. The history of HNWS's use of the Club for effluent disposal was also provided. While discussing effluent disposal, a previously approved policy requiring developers to install reuse lines was brought up and staff was directed to send the details to the Board. Several needed improvements such as replacing the netting, signage, tee boxes, etc. were recommended regardless of the option chosen. Membership rate adjustments were discussed next with individuals/family rates being compared. The discussion returned to the business structure recommendation, which was presented by legal counsel.

Business Restructuring

Legal counsel Will Dunaway presented his minutes reflecting the proposed changes including an operation and maintenance agreement, administered by a separate, three-member board consisting of the Club's general manager, a HNWS board member, and the HNWS CEO. The need to let the CEO manage the Club was expressed by several board members. Discussion ensued. Will Dunaway will provide his documents to staff for the monthly meeting packet and the recommendation will be presented during the regular monthly board meeting for board consideration.


Board Vacancy Vetting

Director Mark Miller has been corresponding with potential candidates for the vacant board seat. Although time sensitive, it was decided that waiting until the May board meeting to address filling the seat would be appropriate to properly vet potential candidates. Candidates that ran in the last election were suggested as options, as well as past board members. A candidate bio was requested, which staff will provide.

Action Items

1. Staff will follow-up with the Board after reviewing the feedback from the strategic planning session.
2. Staff will send the franchise agreement to the Board.
3. Staff will send the list of priorities from Fred Terasa's 2020 workshop to the Board.
4. Staff will send the motion regarding reuse lines in new developments to the Board.
5. Legal Counsel will provide the minutes/O & M agreement to staff.
6. Staff will send the requested candidate bio to the Board.

Meeting adjourned at 1:00 P.M.



Bill Thiel, Secretary/Treasurer