

Holley Navarre Water System, Inc.
Executive Session (Closed Meeting)
June 29, 2022

Board President, Joe Campbell, called the meeting to order at 5:58 P.M. The following Board of Directors were present: Joe Campbell, Mark Miller, Bill Thiel, Mike Kennedy, Don Linnell, James Dabney, and Daryl Lynchard. Will Dunaway, Esq., HNWS Legal Counsel was also present.

Unfinished Business

None.

New Business

Personnel and Legal Matters: The following agenda items were addressed during the session. Robust discussion among Board members occurred for each item. Legal inputs from the HNWS legal representative, Will Dunaway, were provided when requested. There were NO formal motions presented or voted on during discussion of any of the agenda items. Audio and video recorders were not present.

1. Performance Rating (PR) for CEO covering first year of employment was discussed. [REDACTED]

[REDACTED] Consensus of board determined the way ahead was to rate the CEO against the "performance requirements" specified and agreed to in his "hiring/job description document" dated June 6, 2019/signed by CEO December 4, 2020. Each individual Board member was tasked to provide inputs to areas specified in the above document to the Board President NLT July 8, 2022. The Board President will collate/consolidate the inputs into a single document and return a draft version of the PR to the Board for their review NLT July 12, 2022. A subsequent Closed Executive Session will be scheduled for "TBD" to agree on the final version of the PR. The President will present the PR details to the CEO and the final document filed IAW HNWS HR requirements.

2. D&O Insurance renewal. Detailed discussion concerning upcoming formal inputs/certifications required for renewal of Liability Insurance Policy coverage for Board Members set to expire in September 2022. Legal counsel provided inputs on which "certifications" were required by HNWS Staff in order to process the renewal [REDACTED]

3. Thorough discussion of FDEP warning letter (second of 2 such notices) issued to current [REDACTED] member concerning potential FDEP violation for failure to obtain required permit for commercial activity IAW FL statutes. [REDACTED]

[REDACTED] Legal counsel stated no further Board action was required at this time [REDACTED]

4. Board addressed concerns surfaced that Board Members in the past had received "special treatment" from HNWS Staff when addressing issues with their member accounts (either commercial or

residential). Robust discussion followed and final “unanimous consensus” of all Board members was any such special treatment by HNWS Staff for issues with either commercial or residential accounts owned by Board members was inappropriate and would not be tolerated. In other words Board members should receive the same treatment as any other member of the HNWS when/if account issues arise.

5. Board addressed concern by a Board member that The Club at Hidden Creek (TCHC) Managers acted outside of the HNWS Board approved Operation Agreement (OA) [REDACTED] [REDACTED]. Legal counsel opined that the action was within the scope of the authority granted to the Managers as specified in the TCHC OA. Legal counsel further opined that the HNWS Board had the authority to modify the OA if it believed additional clarity of authority was required.
6. Board addressed concern by a Board member that HNWS Policies approved and implemented by previous HNWS Boards were being violated without having been altered, changed, or deleted by the HNWS Board. Consensus was that future Board of Director training would include a thorough review of all “active” HNWS Board approved policies and procedures so current Board members are aware of all existing Board approved policies and procedures. Additionally, CEO is responsible to remind all HNWS Staff that existing Board approved policies and procedures must be strictly followed unless changes are properly approved by the HNWS Board.
7. Board member asked whether HNWS was strictly adhering to established HNWS HR nepotism policy. Board and legal counsel will review current HNWS organizational structure and HR nepotism policy to determine if any issues exist with adherence to current nepotism policy. Board also to review existing HR nepotism policy to determine if current policy is outside “industry standard” and/or needs any adjustments.
8. General discussion centered on concerns by several Board members over how “employee termination actions” were currently being executed by HNWS. Board will review current HNWS HR termination policies and procedures and modify if required.
9. Board member questioned whether board members were still receiving email contacts from the members through the "Contact the BOD" link on the website. Query will be addressed with HNWS staff to make sure “Contact the BOD” link on website is still working properly for member queries via this link.

Meeting adjourned via motion/second/unanimous vote at 7:54 P.M.



Bill Thiel, Secretary/ Treasurer