

Holley Navarre Water System, Inc.
Regular Board Meeting Minutes
April 18, 2023

Mark Miller, Board President called the meeting to order at 6:00 P.M. The following Board of Directors were present: Mark Miller, Mike Matthews, Bill Thiel, Joe Campbell, Don Linnell, Daryl Lynchard and David Crumbley. Also present were Jeff Crigler, Will Dunaway Esq., Clinton Wells, Jarod Cross, Barbara Carawan, Phil Phillips, Cory Snyder, Chris Legg, Deborah Kharuf (stenographer) and Emerald McDaniel. Kristen McAllister was present as well.

Approval of Minutes and Transcripts:

March 21, 2023, Regular Meeting Minutes and Transcripts were presented for approval. **Daryl Lynchard made a motion to approve minutes and transcripts as presented. Don Linnell seconded. The motion passed unanimously. 7/0/0**

Approval of Membership Certificates

There were 311 new memberships, 273 cancelled, and zero transferred for March 2023. **David Crumbley made a motion to approve the March memberships. Daryl Lynchard seconded. The motion passed unanimously. 7/0/0**

Unfinished Business

2022 Consolidated Financial Audit Presentation: The 2022 audit was presented and discussed robustly. **Daryl Lynchard made a motion to approve the audit as presented and for staff to follow the recommendations made by the CPA. Mark Miller seconded. The motion passed unanimously. 7/0/0**

Additional – TCHC Operating Agreement and the Management Board: Directors discussed the benefits and consequences of having Board of Directors appointed to The Club at Hidden Creek Management Board as outlined by the Operating Agreement at great length.

Daryl Lynchard made a motion to amend the Operating Agreement to only have the CEO as the Managing Member of The Club at Hidden Creek. Don Linnell seconded. Legal confirmed no changes are necessary based on language. Daryl Lynchard withdrew the motion.

Daryl Lynchard made a motion to modify the Operating Agreement manager description to be the CEO or the entire HNWS board. The motion failed with no second.

Donald Linnell made a motion to remove Daryl Lynchard and Michael Matthews as Managers from The Club at Hidden Creek. Bill Thiel seconded for discussion.

Donald Linnell amended the motion to include not replacing the two Board of Directors for the rest of 2023, and to authorize the Holley Navarre Water System, Inc., Chief Executive Officer as the sole Manager of The Club at Hidden Creek, LLC. Bill Thiel seconded the amended motion. The motion passed unanimously. 7/0/0

Employee Handbook: Robust discussion was had. **David Crumbley made a motion to approve the employee handbook with the changes requested. Daryl Lynchard seconded. The motion passed unanimously. 7/0/0.**

New Business

CEO Update: Staff reported Northwest Florida Water Management District has been contacted and is waiting for response regarding the pool fill policy clarifications. Staff also reported the Commercial Impact review is still in progress.

Finance - Review of February 2023 Financials: Don Linnell made a motion to approve February financials as presented. Daryl Lynchard seconded. The motion passed unanimously. 7/0/0

Committee Updates:

1. Finance:
 - a. CIP Committee reported progress of projects and next meeting is scheduled for June.
 - b. Budget Committee reported will be changing to the analysis of the budget going forward.
2. SRC Reuse Project – Eglin representative reported the executed lease has been received and next steps were discussed with the environmental requirements and property acquisition.
3. TCHC Management Board representative reported the audit recommendations and adjustments have been discussed as well as the financials.
4. FRUS Board representative reported progress of updating the Member Agreements and the budget was approved at the Annual Meeting.
5. MESI Board representative reported there will be a meeting scheduled soon.

Selection Committee: Staff requested to set up a selection committee for the recently advertised Insurance Broker Services. Staff requested three HNWS, 1 MESI, and 1 TCHC representative. Daryl Lynchard made a motion to approve the requested Selection Committee as presented. Don Linnell seconded. The motion passed unanimously. 7/0/0

Award of Forensic Audit: Staff presented a summary of the four received bids and made a recommendation to approve Carr, Riggs, & Ingram proposal. Daryl Lynchard made a motion to approve the recommended proposal for \$39,450.00 as presented. David Crumbley seconded. The motion passed with Don Linnell and Bill Thiel opposing. 5/2/0

2023 Pension Contribution: Staff presented reports showing a payment of \$393,850.00 is required to meet the 2022 benefit year requirements. Staff recommended the following:

1. Approve the payment of \$393,850.00 for the 2022 benefit year.
2. Amend the 2023 budget to reflect the \$750,850.00 that includes the 2022 and 2023 plan contributions.
3. Appoint the CEO as a trustee for the retirement benefit plans.

Joe Campbell made a motion to approve the staff recommendations of approving the 2022 benefit year plan payment for the amount of \$393,850.00, amending the 2023 budget to \$750,850.00, and appointing the CEO as a trustee for the retirement benefit plans. Bill seconded. The motion passed unanimously. 7/0/0

Master Meter Policy for Private Developments: Staff explained development standards, past practices that created existing issues, exceptions, development options, and recommendations regarding metering private developments. Staff recommended to amend Part 1 General Requirements of the HNWS Guidelines, Standards, and Specifications language to the following:

HNWS will not accept ownership of water, wastewater, or reclaimed water utilities on private property as part of a private development project. The only exception to this is if HNWS determines that there is a benefit to the entire utility system to take ownership of these utilities. HNWS Engineering, Operations, and the CEO will make the final determination if such benefits exist and make a recommendation to the HNWS Board of Directors that HNWS accept ownership of the proposed utilities.

Daryl Lynchard made a motion to approve Part 1 in the General Requirements of the HNWS Guidelines, Standards, and Specifications with the recommended language as presented. David Crumbley seconded. The motion passed with Mark Miller and Mike Matthews opposing. 5/2/0

Engineering

Staff reported project progress.

Member Forum

Mike Matthews made a motion to adjourn. Daryl Lynchard seconded. The motion passed unanimously. 7/0/0

Action Items:

The meeting was adjourned at 8:35 P.M.



Bill Thiel, Secretary