

# Holley-Navarre Water System, Inc.

## Regular Board Meeting Minutes

April 17<sup>th</sup>, 2018

James Calkins, Board President, called the meeting to order at 6:00 P.M. The following Board of Directors were present: James Calkins, Ricki DeSantis, Will Goulet, Daryl Lynchard, Mark Miller (arrived late), Debbie Gunnoe and Geo Mayer. Also present were: Secretary/Treasurer Doug Larson, Paul Gardner, Barbara Carawan, Phil Phillips, Clinton Wells, Danny Hawkins, Cory Snyder, Torin Brand, Jennifer Tweedy, Dale Long, Keith Kilpatrick, Kristen McAllister and Leta Woolard (stenographer).

**March Meeting Minutes – Will Goulet motions to approve the 03/20/2018 meeting minutes. Daryl Lynchard seconds.** Geo brings up the pages 70-88 of the meeting transcript as he feels they are an embarrassment. Discussion ensues on the validity of the adjournment during the meeting and what should be included in the transcripts. The attorney's opinion is that the first adjournment was valid. James feels the minutes should be approved up to his initial adjournment. **Ricki DeSantis motions to accept the minutes up to the President's initial adjournment and eliminating everything thereafter.** It's pointed out that a motion made by Will (with Daryl's second) to approve the minutes is currently on the floor. Discussion continues. Will declines to withdraw his motion to approve the minutes up to the second adjournment. **Will Goulet, Daryl Lynchard and Geo Mayer vote "aye" to Will's original motion; Ricki DeSantis opposes and Debbie Gunnoe abstains. Motion passes.** Doug brings up the 03/27/2018 meeting minutes. **Will Goulet motions to approve the 03/27/2018 minutes as presented. Daryl Lynchard seconds. Motion passes unanimously.**

### **March Membership Certificates**

Doug Larson presents the numbers for both new and cancelled membership certificates. There were 343 new members and 290 that were cancelled. **Will Goulet motions to approve the 343 new membership certificates. Geo Mayer seconds. Motion passes unanimously.**

### **Financial Report**

Paul presents the financial report for March. There was \$884,954.87 in total revenue with expenses of \$790,037.39, resulting in a net income of \$94,917.48. An escrow account relating to a past potential liability issue is discussed. **Will Goulet motions to transfer the balance in the escrow account, which is \$124,455.29, to the Region's operating account. Both Debbie Gunnoe and Geo Mayer second. Motion passes unanimously. Daryl Lynchard motions to approve the March financial statements as presented. Geo Mayer seconds. Motion passes unanimously.**

## **Personnel Report**

Daryl Lynchard reports that a personnel meeting was held and Landrum has been approved to take over HR and payroll services. A meeting will be held to inform employees. Paul requests to have another committee meeting scheduled to compare HNWS' current health insurance plan with plans offered through Landrum. For now, the health insurance currently in place will not be changed. Feedback from employees, costs and coverages will need to be reviewed prior to making a decision.

## **Unfinished Business**

1. *2017 Annual Audit* – Kristen McAllister with Warren Averett goes over the results of the 2017 audit, which was a clean opinion on the financial statements. Items such as accounting changes, pension obligations and audit entries were items Kristen went over. Ricki would like the percentage of the pension funding obligation at this time. Kristen will calculate the percentage and provide it to Ricki. **Daryl Lynchard motions to approve the draft copy of the 2017 audit of financial statements. Will Goulet seconds. Ricki requests more time to review the audit and Daryl withdraws his motion.** Per Ricki an additional week should be sufficient. It's verified that Warren Averett will begin working on the tax returns/990 once the audit is approved.
2. *Approval of December 2017 meeting minutes* – **Mark Miller motions to approve all four sets of December meeting minutes. Ricki DeSantis seconds. Ricki DeSantis and Mark Miller vote "aye" with Will Goulet, Daryl Lynchard, Geo Mayer and Debbie Gunnoe abstaining. Motion passes.**
3. *Update on Janet Street Right of way/Easement* – Clinton has spoken with Doug Russell, the owner of R Squared Construction. He's collected all the easements except one, but he's bought the taxes on it. Clinton has assured him HNWS will help him secure sewer services. A basic cost has been prepared and he's also been provided with a proposed per cost share.
4. *GPS Insurance Discount Update* – Paul verified there is no discount for using the GPS. This item is pending as the attorney is currently reviewing the contract to see if it can be cancelled and if there's an associated cost to do so. This will be discussed during next month's meeting.
5. *Website RFP* – Torin reports that in March an RFP for a new website was advertised in local newspapers and provides the Board with the received proposals. Ricki would like Torin to reach out to Paradise Marketing to request a proposal and have legal check into who maintains the rights to the intellectual property. He would also like additional time to review the information provided by Torin. It's decided that the RFP should be put out for bid again.

**Ricki DeSantis motions to put the website RFP out for bid again and to accept additional proposals. Debbie Gunnoe seconds. Board members will submit their ideas for the website to Torin within one week, then the RFP will be sent out. The decision can then be made during next month's meeting.** Torin suggests having another committee meeting. Daryl would like Torin to present his recommendations including the pros/cons, then the Board can make a decision.  
**Motion passes unanimously.**

6. *Signing Options for Membership Certificates* – Paul reports that this was previously checked into and the Board can authorize an auto-sign option but it has to be in the form of a resolution passed by the Board. The certificates still have to be approved on a monthly basis. A signature stamp is also brought up as an option. **Debbie Gunnoe motions to approve using a signature stamp on the membership certificates if the signer wishes to have one. Ricki DeSantis seconds.** Discussion continues with the attorney reviewing the Bylaws. **Debbie Gunnoe withdraws her motion, as no one currently required to sign would like to have a signature stamp.** This will be readdressed in the future if the need arises.
  
7. *Gulf Breeze Reuse Agreement* – Phil provides a recap at James' request. HNWS' attorney has been in contact with Beggs & Lane and they are trying to get back to the original agreement initially presented by Gulf Breeze. He's also spoken with the county's attorney, Roy Andrews, attempting to get the franchise agreement for Gulf Breeze so it can be reviewed. Phil confirms the \$100,000.00 previously requested by Gulf Breeze has not been provided due to not reaching a satisfactory agreement. Mark bring up Eglin and Phil states that CH2M Hill is close to finishing a report that will be presented to the county sometime around June.

### **New Business**

1. *Sewer Extension Finance Request* – A customer has requested to finance their share of the cost to get sewer ran on their property in addition to their tap fee. The tap fee and sewer extension cost combined will be over management's approval limit. **Will motions to finance either the tap fee or the sewer line extension, not both combined. Daryl Lynchard seconds.** Financing for the sewer extension has never been approved before and setting a precedent is a concern. **Will Goulet rescinds his motion. Debbie Gunnoe motions to grant Paul Gardner the authority to approve the financing up to the limit of \$6,500.00, for both the tap fee and sewer line extension and the customer would be responsible for any amounts above that. Ricki DeSantis seconds.** Mark Miller reiterates the concern regarding setting a precedent for financing sewer extensions. **Debbie Gunnoe votes "aye" with Ricki DeSantis, Will Goulet, Daryl Lynchard, Geo Mayer and Mark Miller opposing. Motion fails.**

2. *Revised Organizational Chart Approval* – All managers have worked on the revisions to the organizational chart and there are minimal changes. The relocation of a few employees and the addition of the board approved vacant boxes are the main changes. There are 10 vacant spots, but all of them cannot be filled unless the head count freeze is lifted. **Will Goulet motions to approve the revisions to the organizational chart as presented. Daryl Lynchard seconds. Motion passes unanimously.**
3. *Request to Create a Mechanic Position* – Due to the rising cost and timeliness of specialty equipment repairs, Danny requests the approval for a new position, an in-house, special equipment mechanic with a CDL. He also asks that staff handle the interview process as they know what is required for the position. There may be an additional cost for tools and a garage space. **Ricki DeSantis motions to approve the request for an equipment mechanic for HNWS. Debbie Gunnoe seconds. Brief discussion on wages that is directed to the personnel chair. Motion passes unanimously.**
4. *Board Packet Construction* – Mark brings up the cost and time required to make the hard copies of the board packets for each Director. He also points out that they are sent out electronically via email. The transcripts account for most of the pages. He suggests eliminating them from the hard copy and continuing to include them in the electronic packet that's sent. **Daryl Lynchard motions to omit the transcripts from the hard copy of the packet as long as they are included in the electronic version emailed to board members prior to the meetings. The transcripts will be included in the hard copy if a board member requests them. Mark Miller seconds. The motion is clarified and it's passed unanimously.**
5. *Pension Trustee Report* – Mark reports that although funding to the plan was going to be made in one lump sum, only a portion was contributed due to current market conditions.
6. *Legal Counsel Activity Report* – The attorney has nothing to report on other than the Gulf Breeze reuse agreement that was discussed earlier in the meeting.
7. *Dry Reuse Line Resolution* – Paul presents a past resolution from 2006 requiring contractors to install dry reuse lines in new subdivisions, whether water was available or not. The wording is being challenged and clarification needs to be made. Daryl points out that although dry reuse lines had been installed only a couple have ever been hooked up. It's pointed out that past management did not enforce or properly monitor the situation. Requirements of other local water systems are discussed. **Daryl Lynchard motions to require all new developments south of East River to install dry reuse lines with no exemptions. Will Goulet seconds.** The attorney

will prepare a new resolution with the appropriate verbiage regarding multi-unit developments. **Motion passes unanimously.** Keith will email out the resolution and the Board will approve it.

8. *Annual Election Voting Process* – Geo brings up HNWS’ standard use of proxy voting. He would like staff to look into the easiest and fairest ways of voting in future HNWS elections. Following the Bylaws and the difficulty required to amend them are then discussed. Will recommends seeking the opinion of Tappie Villane, the Supervisor of Elections. Mark would also like Keith to review the process for amending the bylaws in comparison to the articles of incorporation. Daryl reports that he asked an attorney about this four years ago, and the articles of incorporation are the governing documents if there’s a conflict between them and the bylaws. The bylaws have been improperly amended in the past. Keith will look into this further and get back with the Board.
9. *List of Director Terms/Start Dates* – Barbara presents the Board with the requested information.
10. *List of Director Contact Information* – Geo brings up the need for accurate information to reach other Directors. Barbara provides the Board with her list of contact information and asks them to provide her with any changes they would like.
11. *HNWS Employee Telephone Directory* – Barb states there is currently an automated directory for employees and you can also call and enter an extension. She will provide the Board with employee extensions.
12. *Update on Outstanding RFPs* – The only outstanding RFP is for the website which was discussed earlier in the meeting.

### **Engineers Report**

Phil reports that the Panhandle Lift station is the only construction project at this time. The lift station is finished but the old wetwell is being addressed with the DOT.

Staff reports that the new sewer cameras are working very well after Geo makes an inquiry.

Debbie inquires on a road closure and if it will be re-opened on schedule. It’s unknown at this time due to the DOT. Paul also brings up the possibility of getting portable signs to notify traffic of closures. Danny reports that they are currently obtaining bids and they should be presented at the next meeting.

### **Open Forum**

*Chris Stapleton: 1700 Sea Lark Lane* – Mr. Stapleton represents the new owner of 2805 Masters Blvd and brings up a fence at the golf course that needs to be replaced due to being

in close proximity to the driving range. The roof of the home is being damaged by golf balls. Mr. Stapleton presents a bid for fencing he's obtained. Jim's previous suggestion of making it a driving range with irons only is brought up by Will. Mr. Stapleton will attend the club's upcoming board meeting on Tuesday and this will be discussed further.


*Doug Robbins: 2021 Jessica Way* – Mr. Robbins is a builder who asks for clarification on whether dry reuse lines will be required on a development he's working on. It's stated that it's in his specifications provided by Cory and therefore yes, it's required. Daryl adds that this situation will no longer be overlooked and it will be enforced going forward.

*A brief recess is taken and the meeting continues in an executive session in order to discuss confidential personnel matters.*

### Action Items

1. A personnel committee meeting will be scheduled to go over health insurance options.
2. Kristen with Warren Averett will provide staff with what the pension funding obligation percentage is at this time. This will then be provided to Ricki per his request. Ricki will also review the audit statements and report back within one week.
3. Keith will finish reviewing the GPS contract and it will be discussed during next month's board meeting.
4. Torin will check into Paradise Marketing for the website RFP, review ideas from board members and re-advertise the RFP. A committee meeting will possibly be scheduled to go over the proposals and he will present his recommendation. The Board will make a selection during next month's board meeting.
5. Keith will draft a resolution regarding the dry reuse line requirements for new multi-unit developments and the Board will approve it via email.
6. Keith will look into the articles of incorporation versus the bylaws in regards to the process to amend them and get back to the Board.
7. The Board will let Barbara know if they would like any changes made to their contact information that will be kept on file.
8. Barbara will provide the Board with a list of employee extensions.
9. Bids for portable traffic signs will be presented to the Board during next month's meeting.
10. A replacement fence near the driving range at the golf course will be addressed at the next club meeting.

Meeting adjourned 10:05 P.M. *(during the executive session)*

  
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Debbie Gunnoe Secretary/Treasurer