

Holley-Navarre Water System, Inc.
Special Board Meeting Minutes
April 17th, 2018
CONFIDENTIAL

James Calkins, Board President, initiated the executive session portion of the meeting. The following Board of Directors were present: James Calkins, Will Goulet, Daryl Lynchard, Mark Miller, Geo Mayer, Ricki DeSantis and Debbie Gunnoe. Also present were: Paul Gardner, Torin Brand, Keith Kilpatrick, Doug Larson and Leta Woolard (stenographer).

James begins by stating this is a personnel meeting and it's still called to order until there's a motion to adjourn.

Secretary/Treasurer

Due to believing that all corporate officers should be members of the Board, **Geo Mayer motions to select Ricki DeSantis for Treasurer, Debbie Gunnoe for Secretary, and thanks Doug Larson for his service. Ricki DeSantis seconds.** Discussion ensues on whether or not the bylaws dictate that the secretary/treasurer must be a board member and if the two positions can be separated. **Geo clarifies that his motion is without regard to what the bylaws say.** Keith reads the duties of officers and the discussion continues. Mark points out that this is not a personnel issue and should be discussed in a public meeting. He adds that it's in violation of the bylaws. Doug requests to speak with Keith privately before continuing with James stating that would not be possible. Keith then informs the Board that just prior to the meeting Doug presented a complaint and had asked to keep it private until it was formally filed. Several board members express their approval of letting Doug speak to Keith privately. James states he can speak to him in front of everyone present. Doug informs James he's filed a complaint, as secretary, to have James removed from the Board. **Debbie Gunnoe, Geo Mayer, Ricki DeSantis and James Calkins vote "aye" on the motion, with Daryl Lynchard, Will Goulet and Mark Miller voting "nay."** **Motion passes.** James reminds everyone that this is a private personnel meeting and nothing that happens in this meeting is allowed to be discussed publicly. Several board members disagree and again express that this should have been discussed in a public meeting. Doug exits the meeting at James' request.

Effluent Disposal

Debbie Gunnoe motions to form a select committee of two, consisting of Will Goulet and Daryl Lynchard, to accomplish our objectives in the most expeditious manner possible with the issue of adequate spray capacity, spray field capacity, adding that they would report back to this Board on a monthly basis and that they would be exclusive to that select committee, except for Will's position on the Fairpoint board. Geo Mayer Seconds. Although several board members express their disapproval due to this item not being related to personnel James calls the motion to a vote. **Ricki DeSantis, Debbie Gunnoe and Geo Mayer vote "aye."** **Daryl Lynchard and Will Goulet abstain. Mark Miller votes "nay."** **Motion passes.**

Geo Mayer motions to [REDACTED] as [REDACTED] of the [REDACTED] and that he be given the opportunity to [REDACTED] for personal reasons, provided that his [REDACTED] is direct, straightforward without negotiation or any consideration other than his accrued entitlements. Further, if [REDACTED] elects not to [REDACTED], he shall be immediately [REDACTED] for cause. Our outside auditors shall review the company's books and records. Documented events and irregularities established [REDACTED] failure to fulfill his responsibility for honest service. **Debbie Gunnoe seconds.** It's brought up that [REDACTED] has filed an [REDACTED] with the Board against James Calkins and Geo Mayer. Discussion ensues on whether or not there's cause and the possible financial ramifications. [REDACTED] performance and lack of review history are also brought up. Will, Mark and Daryl express their disapproval for making this decision tonight. It's felt that there's been a lack of communication between board members, with Will and Daryl both pointing out that they have not received the paperwork other directors have at the meeting. Mark points out that options other than [REDACTED] may be feasible, as someone will still need to run the golf course. **Geo Mayer, Debbie Gunnoe and Ricki DeSantis vote "aye."** **Mark Miller, Daryl Lynchard and Will Goulet vote "nay."** **James votes "aye" to break the tie on the recommendation of the golf course committee chair.** **Motion passes.** After Ricki points out that committee chairs should be supported Daryl states he feels blind-sided, as the personnel chair was not informed of this situation. **Debbie Gunnoe then motions to employ John Childs as the general manager of the Club at Hidden Creek, and to have Ricki DeSantis, Will Goulet, Debbie Gunnoe and Geo Mayer constitute a committee to negotiate and execute a term of employment contract for that position. Geo Mayer seconds.** The correct process for selecting a general manager is discussed as several board members feel resumes should be obtained in order to find the most qualified candidate. Mr. Child's background and experience are then pointed out. *Will Goulet exits the meeting.* **Debbie Gunnoe, Geo Mayer and Ricki DeSantis vote "aye."** **Debbie reiterates that her motion included to have Will Goulet as a committee member with James stating Will can make that decision. Mark Miller and Daryl Lynchard vote "nay." Motion passes.**

Employee Wage Increases

Paul, along with [REDACTED] recommends [REDACTED]. *Daryl Lynchard exits the meeting.* Management has approved the recommendations and they're now being presented to the Board for approval. The specifics of why [REDACTED] are being requested and the work history [REDACTED] discussed briefly. **Ricki DeSantis motions to approve the [REDACTED].** **Paul's recommendation is also accepted.** **Mark recommends making [REDACTED].** **Ricki DeSantis motions to [REDACTED].** **Debbie Gunnoe seconds.** The importance of retaining good employees is expressed. **Motion passes unanimously.** **Ricki DeSantis then motions to approve [REDACTED].** **Geo inquires as to what the policies are regarding the general manager's ability to approve raises with Paul providing clarification. Landrum's role and the need for a new policy manual are mentioned. Debbie Gunnoe seconds. Motion passes unanimously.**

Election Process

Ricki DeSantis motions to have Debbie head a special committee to determine what election process is most fair and convenient to our members and stockholders and Debbie be the chair of that committee. Geo Mayer seconds. Geo Mayer, Debbie Gunnoe and Ricki DeSantis vote "aye." Mark Miller votes "nay" due to this item not being personnel related and he feels it should have been discussed in the public meeting. Motion passes.

Board Committees

James Calkins motions to dissolve all board committees except those identified in the current meeting until such time as the Board decides otherwise. It's pointed out that someone other than James should make the motion and Ricki then makes the motion. Geo Mayer seconds. Mark states he will not be voting on this item as it is also not personnel related. Mark Miller exits the meeting. James clarifies the only committees that will continue are the election, effluent and golf course committees. Motion passes unanimously.

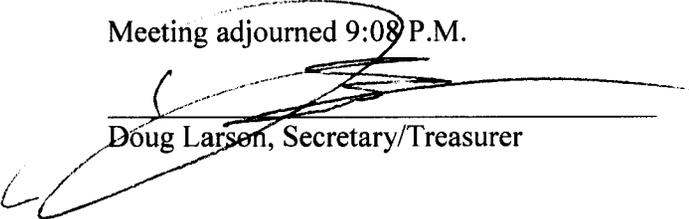
Insurance Options

Paul suggests forming a committee to go over current insurance options and to obtain guidance from the Board. Debbie suggests he call a meeting as general manager and invite board members. Ricki also offers his assistance.

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Paul requests clarification on when/how/who is going to inform ██████████ of his termination. Discussion continues with Keith recommending to tell him first thing the next morning, while Geo suggests waiting until the next TCHC board meeting. The ██████████ filed by ██████ is brought up again and whether or not his ██████████ would be viewed as ██████████ was discussed briefly.

Ricki DeSantis motions to adjourn the meeting. Geo Mayer seconds. Motion passes unanimously.

Meeting adjourned 9:08 P.M.



Doug Larson, Secretary/Treasurer