

Holley-Navarre Water System, Inc.

Regular Board Meeting Minutes

September 18th, 2018

Will Goulet, Board President, called the meeting to order at 6:00 P.M. The following Board of Directors were present: Will Goulet, Daryl Lynchard, Mark Miller, Doug Larson, Brett Ramsey, Shane Kahl and Joe Aguirre. Also present were: Paul Gardner, Barbara Carawan, Cindy Callen, Phil Phillips, Jennifer Tweedy, Clinton Wells, Zach Lewis, Cory Snyder, Mark Turner, Danny Hawkins, Torin Brand, Kristina Cook and Deborah Kharuf (stenographer).

HOLLEY-NAVARRE WATER SYSTEM

August 21, 2018 Meeting Minutes & Transcripts

Mark Miller motions to approve the meeting minutes and transcripts as presented.

Doug Larson seconds. Motion passes unanimously.

August Membership Certificates

Doug Larson motions to approve the 428 new membership certificates for August.

Mark Miller seconds. Motion passes unanimously.

Financial Report

Paul presents the financial report for August. There was \$887,315.77 in total revenue with expenses of \$856,447.19, resulting in a net income of \$30,868.58. **Doug Larson motions to approve the financial statements as presented. Daryl Lynchard seconds. Motion passes unanimously.** There were 29 new water taps and 21 new sewer taps.

Unfinished Business

1. *New CFO/COO Position* – This item is tabled in order to allow the Board more time to work out the details of the position.
2. *Approval of Redacted 05/02/2018 Special Meeting Minutes/Transcripts for Posting to the HNWS Website* – **Doug Larson motions to approve. Daryl Lynchard seconds. Motion passes unanimously.**

New Business

1. *Approval of New Guidelines, Standards & Specifications* – The Guidelines, Standards & Specifications have been updated and require board approval as soon as possible. The affected costs, any significant changes and why they need a prompt approval are then discussed. **Mark Miller motions to approve the new procedures as outlined. Daryl Lynchard seconds. Mark amends his motion to make it effective today. Daryl again seconds. Motion passes unanimously.**

2. *Jake Armstrong: Impact Fee Finance* – Mr. Armstrong is building six townhouses and inquires on financing options. Paul states financing has never been available for anyone other than individual, residential customers and management would not recommend it for contractors or developers. The Board agrees with staff's recommendation.
3. *Ron Ward: Waiver of Dry Reuse Line in Brooks Landing* – Mr. Ward has requested a waiver for the dry reuse line requirement. He is not in attendance. Mr. Ward's engineer determined a smaller, more inexpensive line can be used and that may be why he did not attend the meeting. This item requires no action at this time.
4. *Elementree Yoga Studio Impact Fee Calculation* – The owner has requested to use a comparison of a similar local business to calculate their impact fee. This is allowed but requires Board approval. Staff recommendation is to allow it in accordance with standard requirements. **Daryl Lynchard motions to approve the request. Mark Miller seconds.** Brief discussion on the tap fees that have already been paid and if a refund will be necessary. **Motion passes unanimously.**
5. *FRUS/ECUA Connection* – **Daryl motions for the Board to approve charging ECUA a rate no less than the maximum rate Navarre Beach is charged.** Mark reiterates that this is for temporary service to Pensacola Beach during emergency situations. This will be voted on during an upcoming FRUS meeting and requires prior HNWS board approval. **Daryl restates his motion, to approve FRUS selling water to ECUA on an emergency basis only, at a rate no less than the maximum rate charged to Santa Rosa County for Navarre Beach. Mark Miller seconds.** **Motion passes unanimously.**

Engineers Report

Phil goes over the various reports showing the amount of water sold to members, the amount of water treated, capacity, etc. Permit limits issued by the Water Management District are also discussed. There's no significant construction projects going on at this time. Lastly, Santa Rosa County has not yet been in contact to set up a meeting regarding Eglin.

THE CLUB AT HIDDEN CREEK

August 28, 2018 Meeting Minutes & Transcripts

Doug Larson motions to approve the August meeting minutes and transcripts as presented. Daryl Lynchard seconds. Motion passes unanimously.

Financial Report

Cindy goes over the August numbers. It was a good month with \$167,613.00 in course revenue. Expenses were down, leaving a course operating income of \$18,041.00. Will brings up a drainage line problem on hole #7. Clinton has been in contact with a contractor but has not yet received an estimate. Other options for repair are discussed briefly. Cindy then provides clarification on the increased labor/maintenance expenses and elaborates on food sales. **Mark Miller motions to approve the financial report. Daryl Lynchard seconds. Motion passes unanimously.**

Restaurant Watt Meter

Mark Turner explains what areas will be associated with the meters. Brief discussion on splitting the AC costs between the club's different areas. **Mark Miller motions to approve moving forward with obtaining the meters. Doug Larson seconds. Motion passes unanimously.**

Capital List

Cindy updates the Board on the working capital list (fencing, front doors, etc.) and future requests (AC units, additional fencing). Will recommends consulting with Mark Turner when obtaining bids for the AC units. Daryl would also like the specs for the AC unit bids sent to him. Additional items such as the course restrooms and additional cart paths are discussed briefly. Cindy will work on getting bids for the additional projects.

Public Forum

Geo Mayer: 6931 Turnberry Circle – Mr. Mayer inquires on the 05/02/2018 special meeting minutes/transcript redactions. Will states the redactions were at the recommendation of legal counsel and are related to legal or personnel issues.

Fred Terasa: 2414 Knotty Pine Drive – Mr. Terasa is concerned about the instability at the club. He commends Cindy on her ability to fill the role of GM and feels she should be given the position permanently.

Bob Marcouiller: 2867 PGA Boulevard – Mr. Marcouiller suggests forming a committee of members to provide input to Cindy. She can then pass the information to the Board.

Daniel Scruggs: 2310 Crescent Wood Road – Mr. Scruggs provides the Board with a letter that he does not want to share publically due to the length and content. He requests for the Board to contact him once they review the letter.

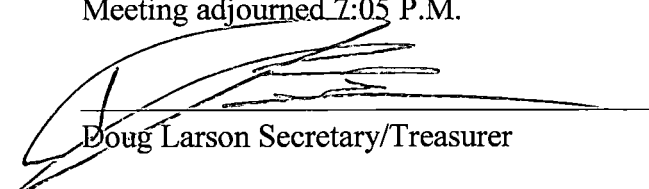
Mark brings up the restaurant RFP's and a brief discussion ensues. It's decided that a meeting will be scheduled for the Board to go over the responses and interview the interested parties. The importance of proceeding in a timely manner is expressed and the Board decides to meet well in advance of the next board meeting.

Doug Larson motions to adjourn. Daryl Lynchard seconds. Motion passes unanimously.

Action Items

1. The CFO/COO position is tabled awaiting further review by the Board.
2. The redacted minutes/transcripts from the 05/02/2018 special meeting will be posted on the website.
3. Cindy will have Mark Turner assist in obtaining bids for new AC units and will provide Daryl with the specs for the bids. She will also work on getting bids started for the future capital items.
4. The Board will contact Daniel Scruggs once they review the letter he provided.
5. The Board will meet prior to the next regular meeting and go over the restaurant RFP responses and interview the interested parties.

Meeting adjourned 7:05 P.M.



Doug Larson Secretary/Treasurer