

Holley-Navarre Water System, Inc.

Regular Board Meeting Minutes

October 17th, 2017

Bien May, Board President, called the meeting to order at 7:40 P.M. The following Board of Directors were present: Bien May, Gaius Bruce, James Calkins and Ricki DeSantis. Robert Coley, Brian Kelly and Troy Bossier attended via telephone. Also present were: Paul Gardner, Barbara Carawan, Phil Phillips, Clinton Wells, Zach Lewis, Danny Hawkins, Sherry DeVasher, Cory Snyder, Mike Tidwell, Doug Tidwell and Deborah Kharuf (stenographer).

September 2017 Minutes – James Calkins questions the board member eligibility section of the September pre-board meeting minutes, as they only list Brian Kelly’s name as the member in question and do not include Robert Coley’s name as well. Although the item was initially brought up addressing only Brian, he feels that since Robert’s eligibility was then brought up his name should be listed as well. Troy points out that the discussion resulted in all board members being required to prove their eligibility (This occurred during the regular September meeting, directly following the pre-board). It’s also explained to him that the names in this section have been redacted from the official minutes prior to being posted to the website. The redacted version, which is contained in his board packet, was also pointed out to him. **James Calkins motions to approve the minutes as presented, seconded by Troy Bossier. Motion passed by unanimous vote.**

Financial Report

Paul presents the financial report for September. There was \$955,210.07 in revenue and \$764,208.83 in expenses, leaving a net income of \$191,001.24. Taps were up from August with 51 new water taps and 47 new sewer taps. The FRUS refinancing item is brought up in the form of a motion by Brian, seconded by James. Bien states proper protocol is not being followed, resulting in the motion being invalid. He also clarifies that the financial report is currently being discussed and the FRUS item is listed later on the agenda under unfinished business. **Troy Bossier motions to approve the financial report as presented. Brian Kelly seconds. Motion passed by unanimous vote.**

Personnel Report

Robert states there is nothing new to report. James brings up the wages of employees that have been with HNWS for several years versus the wages of new hires. Sherry reports that the previous HR Director had researched other water utilities/counties and wages were already adjusted accordingly. Troy expresses his opinion that the Board should leave non-management wage decisions up to management.

Retirement Committee

None.

Unfinished Business

1. *Board Member Eligibility* – This item has been tabled pending receipt of additional information from the third party attorney.
2. *Gulf Breeze Reuse Disposal Agreement* – This item has been tabled as the contract was just received. The contract will be sent to board members for their review and approval.
3. *FRUS SRF Loan Refinancing* – Discussion begins on whether the board should vote to approve/disapprove the FRUS refinancing or table the item and address it in a finance committee meeting. **Brian Kelly motions to table or “crush” this item until the right time. Ricki DeSantis seconds. Troy confirms that by “crush” he means table, with Brian confirming that he’s correct. Motion passes unanimously.** This will be tabled until further notice.

New Business

1. *Member Certificates* – **In order to correct a recently discovered deficiency in HNWS’ processes, Robert Coley motions to issue membership certificates to all active members. Troy Bossier seconds. Motion passes unanimously with the exception of Ricki DeSantis who opposes.**

Ricki brings up last month’s action items including management’s authority to transfer prepaid sewer taps and the current organizational chart that Sherry had emailed to board members. He would like to receive a hard copy of the organizational chart, which Sherry then provided to board members. Paul provided background information on the prepaid sewer taps and it’s confirmed that management was granted the authority to transfer the sewer taps at a previous board meeting.

Engineers Report

Phil gives an update on pending projects. The Gulf Breeze reuse agreement was discussed earlier in the meeting, Greskovich should be put into operation this week and the Panhandle Trail lift station is near completion. He also confirms that a previous issue relating to the soil at Greskovich was resolved.

Brian brings up reports of sewage going into the sound and asks Phil’s opinion on the subject. Phil states that HNWS doesn’t put sewage into the sound and that he may be hearing of issues involving Pensacola Beach or Navarre Beach.

Open Forum

Geo Mayer – 6931 Turnberry Circle: Mr. Mayer brings up the previous discussion on FRUS' loan refinancing as it relates to HNWS and FRUS' previous rate increases. Bien recommends that Geo attend the FRUS board meetings in order to obtain information relating to FRUS and Phil goes over some of the reasons why HNWS required a rate increase.

Dr. Robert Peterzen – 2861 PGA Blvd: Dr. Peterzen comments on the need for a process when issuing certificates to members. He also inquires on the FRUS loan refinancing and HNWS' role with Bien providing clarification. He also asks how much debt HNWS carries with and what the rate information is, with Phil providing general answers. Lastly, he brings up a pond's broken retention wall at the golf course and the need for a permanent solution. Bien states it will be brought up at the next golf course meeting.

Brian suggests holding a finance committee meeting and inviting members from the audience to attend. Bien suggests making it a public meeting for transparency and asks Brian to schedule the meeting, that way it can be announced and publicized to obtain member feedback.

Adam Fair – 8225 Pompano Street: Mr. Fair comments that every time he's interacted with HNWS staff they have been very professional and courteous, which he feels is a testament to management. He also comments that the board appears to be dysfunctional and hopes they can get their issues resolved.

Alicia Bailey – 2732 River Run Road: Ms. Bailey inquires on the damaged MXUs and members being responsible for the cost. Bien explains that discretion will be used in determining who is responsible for damaged MXUs and it's mainly to make members aware that it can be easily damaged by lawn equipment.

Charlie Barnes – 2915 Holly Point Road: Mr. Barnes asks if sewer will ever be available at his residence, as he did purchase a prepaid sewer tap several years ago. Paul lets him know it's getting closer and HNWS appreciates his purchase, as it helped build the system.

Action Items

1. Board member eligibility will continue to be addressed once additional findings from the third party attorney are received.
2. The Gulf Breeze reuse contract will be emailed to board members for approval.
3. The process of issuing membership certificates to active members will be initiated.
4. A pond retention wall problem at the golf course will be brought up at the next TCHC meeting.

5. Brian is to schedule a finance committee meeting with board members/staff, which will then be announced and publicized in order to obtain feedback from members.

Meeting adjourned 8:35P.M.



Gaius Bruce Secretary/Treasurer