

Holley-Navarre Water System, Inc.

Pre-Board Board Meeting Minutes

October 17th, 2017

Bien May, Board President, called the meeting to order at 6:00 P.M. The following Board of Directors were present: Bien May, Gaius Bruce, James Calkins, Ricki DeSantis and Brian Kelly (exited during the private session and later called in). Robert Coley 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).

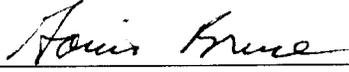
The meeting began with a private session in order to discuss a confidential legal matter regarding [REDACTED]. The public meeting then commenced in the board room.

Agenda Items

1. *September Meeting Minutes* – Bien confirms the minutes have been reviewed and that no one has any questions.
2. *Financial Report* – Paul goes over the revenue, expenses and amount of new taps for September that will be presented during the regular board meeting.
3. *Board Member Eligibility* – It was decided during the private session that this item will be tabled until further notice, pending receipt of additional results from the third party attorney. Once received, it will either be addressed during a special meeting that will be announced and publicized, or included during a regular monthly board meeting.
4. *Gulf Breeze Reuse Disposal Agreement* – Tabled due to the late receipt of the attorney prepared contract. Paul will provide board members with a copy and also send it via email. Once it's reviewed by the board, it will be handled either with a Board Action Without a Meeting or a Special Meeting.
5. *FRUS Loan Refinancing* – This item was previously tabled pending receipt of additional information. Bien gives an overview of why FRUS is interested in refinancing and discussion ensues. James expresses his disapproval and would like public input on the issue. Buz Eddy presents additional information including current loan rates, balances and terms for the Board's consideration. It's also pointed out that the FRUS Board has approved the decision to refinance. Discussion continues on previous rate increases and how they apply to HNWS/FRUS, with Phil and Buz providing information on capital improvements and reserve amounts. After much debate between several board members, it's

suggested that it's addressed during the regular meeting with the possibility of tabling the item pending a finance committee meeting.

Meeting adjourned 7:30 P.M.



Gaius Bruce Secretary/Treasurer