

Holley-Navarre Water System, Inc.

Pre-Board Board Meeting Minutes

November 21st, 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, Brian Kelly, Robert Coley and Troy Bossier. Also present were: Paul Gardner, Barbara Carawan, Phil Phillips, Clinton Wells, Zach Lewis, Dale Long, Danny Hawkins, Sherry DeVasher, Cory Snyder, Mike Tidwell and Deborah Kharuf (stenographer).

Agenda Items

1. *Gulf Breeze Reuse Disposal Agreement* – This item was previously tabled after attempting a Board Action without a Meeting (BAWM). A proposal has been received and the applicable information was presented to board members. Bien explains to the members in attendance the purpose for the Gulf Breeze Reuse disposal. Ricki suggests requiring a feasibility study in the agreement. James asks Phil his opinion, which is that Gulf Breeze will be liable for how they dispose of the effluent sent to them. Phil also elaborates on the risks involved with the initial \$100,000.00 investment and the necessity of moving forward with this agreement.
2. *Board Member Eligibility Determination* – Determinations on board member eligibility have been received from the attorney and emailed to all board members yesterday. According to the attorney's opinion, Brian has not provided the necessary documentation establishing ownership or residency (lease, ownership documents, etc.). Whether or not Brian meets the requirements and/or submitted the proper documentation is then debated. HNWS' policy for establishing service is also read and discussed. Brian is questioned further on who actually lives at the address he's listed as his residence where he answered he does not recall. Next, Robert Coley's eligibility is brought up. Although the attorney determined that Robert is eligible, James feels that he is not eligible due to having a tenant in the applicable property. Robert's rental agreement and who pays the water bill is discussed. Paul goes over the requirements necessary to establish water service at HNWS and Robert elaborates on what documentation he's provided in support of his membership eligibility.
3. *FRUS Loan Refinancing* – This item was previously tabled pending a finance committee meeting and the receipt of additional information. Bien confirms with Brian that a finance committee meeting has not been held with Brian stating he requested information on the loan refinancing and did not receive it. Bien confirms the documents were sent to Board members via email. Brian and Ricki state they are unable to review the documents unless it's in hard copy form, with James stating he's unsure if he received the information. Bien requests that Paul physically print Brian and Ricki the requested documents and suggests again tabling the item. He then asks Brian to schedule a finance committee meeting. A

finance committee meeting is scheduled for 01/20/2018 at 8:00AM. Bien expresses his concern with delaying this issue and encourages anyone with questions to attend next week's FRUS meeting. This item is again tabled.

4. *Colonial Pines emergency Pipe Relining* – Paul goes over the need for repairs to the sewer system in this subdivision. Relining the pipes is the best option due to their location and three companies have submitted bids. The staff recommendation is to select Pensacola Concrete for this project.
5. *Qualified Board Candidates* – Barbara announces the running candidates: Gaius Bruce, Troy Bossier, Mark Miller, Daryl Lynchard and William Goulet. They've submitted the required documentation and passed their background checks.

James brings up the election committee/special meeting minutes regarding the handling of proxies received at the HNWS office. He feels there's a misunderstanding between what was decided and what's listed in the minutes. The minutes state that any proxies that are mailed in with a bill or received by staff will be deemed invalid and staff will not put them in the drop box. Bien confirms it was decided that staff will not be touching the proxies. The proxies will be kept, but not counted as valid. Ricki was under the impression that the proxies received by staff would be sent to the third party agency handling the receipt of proxies. This item is tabled in order to allow for research on clarifying what was decided. James suggests holding an election committee meeting. Several board members disagree with James and it's decided that an election committee meeting is necessary. Bien asked James to call an election committee meeting to discuss.

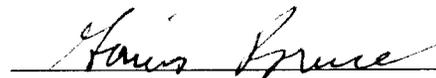
6. *Ricki had several items to discuss* –
 - a. *Greskovich Fund Request Documentation* – The Board previously approved a \$120,000.00 change order needed to complete the Greskovich project. Ricki had requested documentation reflecting the need for the additional funds. Paul presents the documentation he has at this time, but will provide all Board members with the rest once the project is completed and finalized.
 - a) *Panhandle Lift Station Documentation* – Ricki also brings up the Panhandle lift station, which is close to completion. He would like Paul to submit the pay requests related to this project to board members as well (once the project is completed and finalized).
 - b) *Board Member Attendance Roster* – Next, Ricki brings up board member attendance rosters he's requested. Paul provides the information for HNWS and FRUS to Ricki. Bien would like Paul to email this information to the entire Board, and for TCHC as well.
 - c) *Employee Pay Increases/Rate Cap* – Lastly, Ricki requests to add employee wage increases to the agenda, with James elaborating and suggesting a 4% raise for all non-salary employees and later addressing a specific salaried employee's pay rate

at a personnel meeting. He feels that employees deserve a raise due to not receiving one in the last three years. Additionally, James suggests a seven year cap on rate increases. Robert states that he does not oppose looking at the employees and making adjustments however it's not correct to say employees have not received raises for the last three years and the upcoming budget needs to be reviewed prior to making a decision. Bien confirms with Sherry that merit raises are currently being processed and employee evaluations have been received. This information will be taken into account when preparing the budget. Brian feels a 4% raise would be insignificant and the budget should allow for it. James also states he's discussed this with Phil, who feels the budget would accommodate this increase. Management's role versus the Board's role and who should make these decisions were then discussed, resulting in a suggestion of a merit-based, up to 4% employee raise. Clinton stated for record that performance evaluations were submitted last year and they were denied by the board. Bien added that James was one of those voting members that voted against that. In conclusion, employee merit increases, up to 4% based on management reviews will be added to the agenda. Sherry asks for clarification on whether salaried employees should be included. This will apply to all non-salary employees. Employee files will be reviewed in order to locate any salaried employees that have not received raises in recent years. At this time there is believed to be one.

Action Items

1. A finance committee meeting is scheduled for 01/20/2018 at 8:00 A.M. to address the FRUS loan refinancing.
2. An election committee meeting was recommended to address proxies received by staff. Research is also required to determine the accuracy of the election committee/special meeting minutes.
3. Paul will provide board members with the payment documentation related to the additional funds provided for Greskovich (\$120,000.00) and the payment details for the panhandle lift station (once both projects are finalized and all payments have been made).
4. Paul will email board member meeting attendance information for HNWS, FRUS and TCHC to the entire Board.
5. Sherry will review employee files and locate any salaried employees that have not received raises in recent years. There is believed to be one at this time.

Meeting adjourned 7:45 P.M.



Gaius Bruce Secretary/Treasurer