

Holley-Navarre Water System, Inc.

Regular Board Meeting Minutes

December 19th, 2017

Bien May, Board President, called the meeting to order at 8:40 P.M. The following Board of Directors were present: Bien May, Gaius Bruce and James Calkins. Ricki DeSantis, Robert Coley and Troy Bossier attended via telephone. Also present were: Paul Gardner, Barbara Carawan, Phil Phillips, Zach Lewis, Dale Long, Danny Hawkins, Sherry DeVasher, Mark Turner, Cory Snyder, Mike Tidwell, Doug Tidwell and Deborah Kharuf (stenographer).

Bien requests that Brian Kelly step down as he is not an eligible Board Member. Brian declines (Bien states repeatedly throughout the meeting that if Brian votes on any motions it shall be disregarded).

October & November 2017 Minutes – Bien confirms that board members have reviewed the minutes. **Gaius Bruce motions to approve the October and November meeting minutes. Robert Coley seconds.** Brief discussion initiated by James regarding Brian Kelly's status. **Bien May, Gaius Bruce, Robert Coley, Ricki DeSantis and Troy Bossier vote "aye," with James Calkins opposing. Motion passes.**

Financial Report

Paul presents the financial report for November. There was \$814,151.85 in total revenue with expenses of \$791,925.88, resulting in a net income of \$22,225.97. **James Calkins motions to approve the financial report as presented. Gaius Bruce seconds. Motion passes unanimously.**

Personnel Report

Robert states the employee COLA has been discussed and motions to approve an employee COLA increase for 2.5%, but then withdraws his motion until it's reached on the agenda.

Retirement Committee

None.

Unfinished Business

1. *Greskovich Easement Attorney's Fees* – As discussed in the preboard meeting the request for additional attorney's fees will be denied. **Gaius Bruce motions to approve adhering to the original contract, limiting the attorney's fees to \$20,000.00 as stated in the contract. The easement will benefit the corporation in the future. James Calkins seconds. Motion passes unanimously.**

2. *Review Attorney Determination on the Board Action Removing Brian Kelly* – This item was discussed extensively in the preboard meeting. James states his opinion for the record, that according to Florida Statutes the HNWS bylaws and articles of incorporation were ignored when the attorney came to his determination. James also questions why the attorney is not in attendance and feels this meeting is invalid since all Board members were not sent notification (referencing former director Brian Kelly). Bien pointed out that this item has been discussed in-depth, several times, and the Board will proceed in accordance with the attorney's recommendation.

New Business

1. *Board Member Appointment* – Per the recommendation of the attorney, the current vacant seat needs to be filled at the next regularly scheduled board meeting. Bien reads the article in the bylaws pertaining to this. **Robert Coley then motions to appoint Mark Miller to the Board, as he's a well-respected member of the community, has passed the required background checks and been vetted, filling the vacant seat until the next election.** It's clarified that the appointment is only until the next election. **Troy Bossier seconds.** James expresses his concern that Brian Kelly was removed improperly and this could result in criminal charges. Bien asks for Mike Tidwell's opinion, which is that he doesn't believe this situation could result in criminal charges. **Robert repeats his motion for confirmation, with Troy seconding. Bien May, Gaius Bruce, Robert Coley and Troy Bossier vote "aye." James Calkins and Ricki DeSantis oppose. Motion passes.** Mark Miller then takes his seat as director. James' refusal to let the meeting proceed results in the Sheriff's deputy asking him to step down and talk to him. James rejoins the meeting.
2. *2018 HNWS Budget* – The budget was reviewed in the preboard meeting with Phil providing a breakdown. **Gaius Bruce motions to approve the budget as presented. Robert Coley seconds. Motion passes unanimously.**
3. *2018 Holiday Schedule* – **Gaius Bruce motions to accept the 2018 holiday schedule as presented. Mark Miller seconds. Motion passes unanimously.**
4. *2018 Employee COLA* – The Board has recommended a 2.5% COLA for all employees. **James Calkins motions to approve a COLA of 2.5%. Ricki DeSantis seconds. Motion passes unanimously.**
5. *TCHC A/C Repairs* – Approval is needed for HNWS to fund the air conditioning repair at TCHC. **Gaius Bruce motions to approve HNWS providing \$13,400.00 to TCHC for the required A/C repairs, as an investment. James Calkins seconds. Motion passes unanimously.**

6. *Review and Approve Revised Election Documents* –The proxy, ballot and notice of annual meeting documents need to be revised, reflecting the removal of Brian Kelly from the Board. **Bien motions to approve the current revisions and to modify the election proxy to add Mark Miller’s name as well as a third vacancy to the ballot, and making the necessary changes to the notice of annual meeting letter. Gaius Bruce seconds.** James continues arguing against the move, stating that he feels the election is being rigged. James requests to have an attorney review this before taking any action. Bien declines adding this to the motion. Mark Miller states it will still be up to the membership to decide who fills the vacant seats for 2018. **Bien May, Gaius Bruce, Robert Coley and Troy Bossier vote “aye” with Mark Miller abstaining. James Calkins and Ricki DeSantis oppose.**

7. *PR Firm Retention* – This item has been tabled until the next monthly meeting.

Engineers Report

Phil states both Greskovich and the Panhandle lift station are now online.

Open Forum

1. *Doug Larson-9575 Navarre Parkway:* Mr. Larson reads a prepared letter requesting the dismissal of Gaius Bruce from the Board of Directors, due to not issuing membership certificates according to the Bylaws. He also requests the removal of Bien May as President of the Board, also in relation to the issuance of membership certificates and the removal of a sitting Board member. Bien confirms that Mr. Larson knows the proper protocol to remove a Board member for cause which Bien then explains the process per the By-Laws.

2. *Maria Calkins-8137 Fourth Street:* Ms. Calkins states her opinion that the way Brian Kelly was removed from the Board is unacceptable and supports a fair election. She also clarifies that she’s speaking as a member and not as James Calkins’ wife.

James attempts to make a motion to hire a new, independent attorney that the whole Board agrees on. Bien asks Barbara to schedule a special meeting with sitting board members to address this. He denies Mr. Calkins motion, as it’s not on the agenda and would require a two thirds vote for it to be added.

Gaius then requests to ask Maria Calkins where her Brother or Brother-in Law lives, with Ms. Calkins stating she will not answer any questions regarding this.

Mark Miller points out that Brian Kelly was found to be ineligible to serve on the Board and questions why anyone would want someone to serve on the Board when they are not eligible to be a member of the water system. James continues to respond with his disapproval and the meeting is adjourned.

Action Items

1. Barbara will modify the election documents reflecting Brian Kelly's removal and the addition of Mark Miller
2. The possibility of hiring a PR Firm will be added to next month's meeting agenda
3. Barbara will schedule a special meeting at Bien's request.

Meeting adjourned 9:25 P.M.



Debbie Gunnoe Secretary