

# Holley-Navarre Water System, Inc.

## Regular Board Meeting Minutes

November 19<sup>th</sup>, 2019

Mike Kennedy, Board President, called the meeting to order at 6:10 P.M. The following Board of Directors were present: Mike Kennedy, Kevin Lanier, Yvonne Harper, Will Goulet, Daryl Lynchard, Mark Miller and Fred Terasa. Also present were: Rob Williamson, Barbara Carawan, Cindy Callen, Phil Phillips, Clinton Wells, Chris Legg, Cory Snyder, Torin Brand, Mark Turner, Keith Kilpatrick and Deborah Kharuf (stenographer).

### Approval of Minutes & Transcripts

**Mark Miller motioned to approve the minutes and transcripts from the 10/15/2019 regular meeting as presented. Daryl Lynchard seconded. Motion passed unanimously.**

**Mark Miller made a motion to approve the 10/15/2019 special personnel meeting minutes with the change he previously requested via email.** Staff confirmed the change was accurate and the minutes were updated prior to the meeting. **Daryl Lynchard seconded. Motion passed unanimously.**

**Kevin Lanier motioned to approve the 10/23/2019 special personnel meeting minutes as presented. Fred Terasa seconded. Motion passed unanimously.**

After a brief discussion on the current policy regarding posting confidential minutes, the Board requested to have Keith redact the minutes from the special personnel meetings and to approve them during the December meeting. Once approved, they will be posted to the website.

### Membership Certificates

**Daryl Lynchard motioned to approve the memberships for October as presented, of which were 345 new, 303 cancelled and 0 transfers. Mark Miller seconded. Motion passed unanimously.**

### Administrative

1. *Finance – Review of October 2019 Financial Statements:* There was \$810,164.48 in revenue with expenses of \$876,720.67, leaving a net income of -\$66,556.19. Revenue was less than normal for October due to the billing cycle transition, but it is \$175,000.00 more than prior year through October. **Fred Terasa motioned to approve the October 2019 financial statements as presented. Mark Miller seconded.** After an increase in credit card purchases on the check register was pointed out, staff explained that the decision was made to use credit cards for more vendor payments to increase revenue through rebates. Nothing has changed related to policy or procedure. Next, Sam's Club memberships dues

were discussed. Historically, HNWS has paid for employee memberships as a benefit and continues to do so. The contract labor figure was also brought up and staff confirmed it represents leased employees. Staff will research the history of Sam's Club membership dues including amounts, number of employees, if there is an approved policy, and how the benefit is calculated for tax purposes and provide it to the Board. A copy of all HNWS policies was also requested. The way policies are recorded is currently being improved and will be provided to the Board once finished. **Motion passed unanimously.**

2. *2020 Budget Presentation:* A slide presentation of the 2020 proposed budget was presented with Rob providing commentary and a breakdown of the figures. It was noted that a rate increase would not be necessary with the proposed budget. Discussion began on the inclusion of funds for a new operations building. The 2.2 million listed would cover a new consolidated operations facility and site improvements to the current building. Prior year budgeted amounts for building improvements were included in the discussion. **Fred Terasa motioned to approve the 2020 proposed budget to be presented at the annual meeting of the members for acceptance and direct staff to use the 2020 proposed budget for operations from January 1, 2020 until the budget is approved at the annual meeting of the members on January 21, 2020 Kevin Lanier seconded. Motion passed unanimously.**
3. *2020 Board of Directors Running Candidates & Bios:* Candidate bios were provided to the Board in accordance with the election calendar and governing documents. There are four candidates that have been verified and meet the necessary requirements to run in the election. **Daryl Lynchard motioned to approve the slate of candidates for the 2020 election. Will Goulet seconded. Mark Miller and Yvonne Harper abstained. Motion passed.** Staff confirmed the candidates and their bios were approved.
4. *2020 HNWS Holiday Calendar:* The Board was given the 2020 list of holidays that now includes January 20<sup>th</sup>, Martin Luther King Jr. Day. The 2020 proposed budget covers the expenditures related to holiday pay. **Fred Terasa motioned to approve the 2020 holiday schedule as presented. Mark Miller seconded. Motion passed unanimously.**

### **Personnel**

None.

### **The Club at Hidden Creek**

1. *2019 Financial Statements:* Cindy Callen reported that in October there was \$174,310.00 in course revenue with expenses of \$180,686.00, leaving an operating income of -\$6,376.00. There is an overage on course maintenance expenses due to preventative fertilizer and chemicals. **Daryl Lynchard motioned to approve the October 2019**

**financial statements as presented. Fred Terasa seconded.** Staff explained what the optional Legal Shield employee benefit was after Will inquired. **Motion passed unanimously.**

2. *Verticutter Purchase:* Staff is requesting this equipment to reduce labor costs and course closures. The machine is designed for use on areas that have been over-fertilized and over-watered, and will verti cut, sweep, flail mowing, fraise mowing and has a high dump feature. Funds would come from TCHC and not HNWS. The machine has a 3-year warranty. **Mark Miller motioned to approve the purchase of a verticutter from Beard Equipment at a cost of \$47,744.18. Kevin Lanier seconded.** Staff at TCHC was commended for the many improvements made on the course. **Motion passed unanimously.**

### **Engineering**

1. *Monthly Operations Report:* The Board was provided with the various monthly operations reports for October and Phil noted the operation and I & I numbers are skewed due to the billing cycle transition.

### **Public Forum**

1. *Daniel Scruggs – 2310 Crescent Wood Rd:* Mr. Scruggs is concerned about developers building homes on the golf course and clearing trees from TCHC property. Mark is aware of the situation and is looking into it with Rob. Keith elaborated on possible options to remedy the situation. Cindy, Rob and Keith will investigate and bring it back to the Board next month.
2. *Carmen Reynolds – 9621 Sunnybrook Dr:* Ms. Reynolds suggested checking to see if the proper permits were obtained related to Mr. Scruggs concerns and noted how time sensitive the issue is. Determining if wetland requirements have been met was also suggested by Yvonne. Ms. Reynolds commended HNWS staff for their after-hours response during a water pump alarm and requested information on how to prevent similar problems in the future. She was directed to follow-up with Rob. Lastly, she brought up the 2020 budget, specifically the expansion of water lines for fire hydrants. The budget does not include funds specifically for this item outside of normal operations. Rob has met with the Fire Department and there have been multiple discussions over the years. The issue of who is responsible for paying for adding fire protection was brought up as the main concern. The areas that need hydrants is known, what entities are going to responsible for the associated costs is what needs to be determined. Ms. Reynolds is willing to work with members in the areas lacking fire protection. Discussion continued. Staff will determine the highest priority areas, prepare cost information, check for any available grants and bring the information back to the Board next month.


Mr. Scruggs added that builders are currently in the process of clearing trees from an area around tee box #11. Staff will check on it in the morning.

Mark inquired on the new trucks that have been ordered. The Expedition can be picked up in December and the utility truck will be ready in January. Staff is anticipating a vehicle auction in the first quarter of 2020.

**Action Items**

1. Keith will redact the minutes from the special personnel meetings and the Board will approve them during the December board meeting. Once approved, they will be posted to the website.
2. Staff will research the history of Sam's Club membership dues and finish updating HNWS policies in order to provide the information to the Board.
3. Cindy, Rob and Keith will continue looking into the developers clearing trees from TCHC property and bring information back to the Board next month. A current situation involving tee box #11 will be checked on tomorrow.
4. Staff will determine the highest priority areas for line upgrades related to fire protection, prepare cost information, check for any applicable grants and bring the information back to the Board next month.

Meeting adjourned 7:30 P.M.

  
Kevin Lanier Secretary/Treasurer