

## Holley-Navarre Water System, Inc.

### Regular Board Meeting Minutes

April 21<sup>st</sup>, 2020

Daryl Lynchard, Board President, called the meeting to order at 6:05 P.M. The following Board of Directors were present: Mike Kennedy, Kevin Lanier, James Dabney, Will Goulet, Daryl Lynchard and Fred Terasa. Director Grant Summers attended via conference call. Present were: Torin Brand, Keith Kilpatrick, Sandi Kemp (Navarre Press), Randy Meredith (Navarre Newspaper) and Deborah Kharuf (stenographer). Barbara Carawan, Cindy Callen, Phil Phillips, Clinton Wells, Chris Legg, Mark Turner, Danny Hawkins and Kristen McAllister (Warren Averett) also attended via conference call.

#### Approval of Minutes & Transcripts

**Kevin Lanier motioned to approve the minutes and transcripts from the 02/18/2020 Regular meeting, the 01/28/2020 Special Personnel meeting and redactions, The 02/18/2020 Executive Session and redactions, and the 08/20/2019, 09/17/2019, 10/15/2019 and 01/06/2020 MOA Special meeting minutes. Fred Terasa seconded. Motion passed unanimously.**

#### Membership Certificates

**Will Goulet motioned to approve the memberships for February and March as presented. For February, there were 299 new memberships, 260 cancelled, and 0 transfers. March had 336 new memberships, 281 cancelled, and 0 transfers. Kevin Lanier seconded. Motion passed unanimously.**

#### Administrative

1. *Finance – Review of the January, February, and March 2020 Financial Statements:* **Will Goulet motioned to approve the January, February and March 2020 financial statements as presented. Mike Kennedy seconded. Motion passed unanimously.**
2. *2019 Consolidated Financial Audit Presentation:* Kristen McAllister gave a presentation of the 2019 audit report. It was completed in March and went very smoothly. The financials resulted in a clean, unmodified opinion, which is the highest level of assurance. An overview of the audit was provided. A subsequent event note regarding the Coronavirus pandemic is included in the audit, disclosing that the golf course was temporarily closed on April 3<sup>rd</sup>. The Board requested a change to the note, stipulating that the acting CEO closed the golf course based on a recommendation from management and a poll of board members. Kristen will have the note updated. A difference in figures representing the earnings for the golf course and how revenue is represented was explained. **Will Goulet motioned to approve the 2019 consolidated financial audit as presented with the requested change. Fred Terasa seconded. Motion passed unanimously.**

3. *Coronavirus Planning:* The policies and preparations created in response to the Coronavirus outbreak were listed. These include posting signs, daily disinfection, allowing those employees that can work from home to do so, creating a policy allowing salary reimbursement so employees can keep their PTO, closing the lobby to the general public, waiving all late fees and penalties, and cancelling shut-offs during this time. Employees are also limited to two people per vehicle and required to wear face masks if more than one person is in a vehicle. Barbara also confirmed the actions that have been put into place, adding that managers have been sent info to help assess symptoms. We are in the process of applying for the available loans for the golf course. The water system has not shut down due to being an essential business, therefore it is not eligible at this time. Daryl has received the loan request to sign but has not yet signed it. The effects of opening or closing the course were briefly discussed.
  
4. *Actions Taken by the CEO:* Daryl went over the actions he has taken as the acting CEO. These actions include signing purchase orders, checks, raising the purchase limit to \$2,500.00 for the individual managers, approving the purchase of a hoist for the treatment plant, renewing the contract with the law firm to move forward with the Eglin project, he also attended meetings regarding the Eglin project, closed the golf course and approved the reopening to members, allowed division managers to manage, allowed the Sheriff's department to borrow a generator, called multiple offices to clarify essential business designations without a response and approved numerous easements for recordings that were left out in prior years. Daryl confirmed that no employee raises were given, no changes were made to the org chart and no requests for educational assistance or applicable raises have been received. The closing of the golf course was further discussed, specifically the process that was used to determine that course of action. The lost revenue, the CEO's spending limit and the lack of a special meeting used in making the determination was discussed next. Although Cindy and her team were commended for their response to the virus, some of the board members express their disagreement with the decision to close the course without discussing it with the entire Board. The previously approved CEO responsibilities were listed as part of the conversation. The details and events leading up to the closure were discussed at length. Cindy was asked to provide her recollection of the events, which she provided. The Board decided to halt discussion on the golf course until that portion of the meeting.

### **Personnel**

1. Will Goulet reminded the Board of a Personnel Committee meeting scheduled for tomorrow at 11:00 A.M. Landrum will also be conferenced in and the HNWS attorney will be present. Daryl noted that he has not provided the related information requested by other board members due to its sensitive nature. It can be reviewed prior to the meeting at the HNWS office. The CEO position will also be discussed during the Personnel meeting.

### Golf Committee

Fred Terasa would like to discuss the reopening of the golf course once the financials are reviewed and approved.

### The Club at Hidden Creek

1. *January, February and March Financial Statements:* Cindy Callen reported the financials for January, February and March. In January there was \$123,702.00 in course revenue with expenses of \$116,956.00, leaving an operating income of \$6,746.00. For February, revenue was \$145,548.00 with \$113,073.00 in expenses, leaving an operating income of \$32,475.00. March revenue was \$170,632.00 with \$132,976.00 in expenses, leaving an operating income of \$37,656.00. YTD course operating income is \$76,877.00. **Mike Kennedy motioned to approve the January, February and March financial statements as presented. Will Goulet seconded.** How income is represented on the financials and the history of payments to the golf course were discussed. It was noted that last year the club did better than it has since being purchased and Cindy has done a remarkable job. The benefits of keeping the course open versus using it as a spray field were discussed next. **Motion passed unanimously.**

**Fred Terasa motioned to add an item to the agenda, to vote on opening the golf course based on the rules Cindy came up with. It was noted that a motion and second was already made.** Cindy would like to open the course as early as tomorrow, with rules in place to maintain social distancing, no groups larger than 10, and the club house can remain closed. Waivers would also be utilized for insurance purposes. Cindy also has masks ordered and some are being made. **Will Goulet motioned to approve Cindy's recommendations and reopen the course tomorrow. Fred Terasa seconded. Motion passed unanimously.** Cindy again confirmed that she feels confident the course should be opened. **Motion passed unanimously.**

### Engineering

1. *Monthly Operations Report:* The MOA has been executed by all parties and it has been sent to the Water Management District. Will Goulet recommends that any time reports, discussions or questions are made relating to water/sewer taps, that Phil is the person who responds. Will asked Phil if this as possible. Phil agreed that he could; this item will be discussed further during the upcoming Personnel meeting. Looping in the other members of the Personnel Committee for personnel related discussions was suggested. **Will Goulet motioned to accept the engineer's report. Fred Terasa seconded. Motion passed unanimously.**

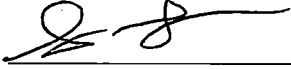
### Public Forum

None.

**Action Items**

None.

Meeting adjourned 7:30 P.M.



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Grant Summers, Secretary/Treasurer