

Holley-Navarre Water System, Inc.

Regular Board Meeting Minutes

May 18th, 2021

Mike Kennedy, Board President, called the meeting to order at 6:00 P.M. The following Board of Directors were present: Mike Kennedy, Mark Miller, Joe Campbell, Bill Thiel and James Dabney. Dallas Peavey, Melissa Miller, Jason Montgomery, Amber Bucholtz, Ashley Ferguson, Clinton Wells, Chris Bond, Phil Phillips, William Stokes, and Deborah Kharuf (stenographer) were also present.

Approval of Minutes & Transcripts

The Board President provided clarification on a comment made during the last meeting regarding the CEO's authority to make membership changes at TCHC. Per legal counsel's opinion the CEO is lawfully authorized to coordinate all activities at TCHC. This is in accordance with the Bylaws and the Board's direction.

Bill Thiel motioned to approve the 04/13/2021 special meeting minutes, and the 04/20/2021 regular meeting minutes and transcript. Mark Miller seconded. Motion passed unanimously.

Approval of Membership Certificates

Joe Campbell motioned to approve the memberships for April 2021 as presented. There were 353 new memberships, 338 cancelled, and 0 transfers. James Dabney seconded. Motion passed unanimously.

Unfinished Business

None.

New Business

- 1. Employee Recognition:** Staff provided a brief overview of the new Employee Recognition Program and introduced the initial employees being recognized, the Field Service Technicians. Their roles and responsibilities were explained, and Field Service Technician DuJuan Vaughn was presented with an award for going above and beyond in his daily duties. The Board commended staff for promoting the accomplishments of fellow employees.
- 2. Finance – Review of April 2021 Financials:** Staff presented the April 2021 financial reports for review. Staff previously met with the Finance Committee and determined the statements appear to be in order and on track for the year.

The lack of TCHC's financials on the meeting agenda was brought up and a discussion ensued on the separate 3-person Board put in place at TCHC, the HNWS Board's role, and why the finances for the private, for-profit entity are not being shared. Board members suggested adding this item to next month's agenda if it needs to be discussed further. It was determined during a previous meeting with legal counsel that quarterly updates will be provided to the HNWS Board.

Board members met with staff and reviewed the budget and nothing unusual was found. **Bill Thiel motioned to approve the April 2021 financial statements for HNWS and MESI as presented. Joe Campbell seconded. Motion passed unanimously.**

- 3. Finance Committee Updates:** Director Thiel listed the sub-committees and referred to each chair for an update.

Eglin Project: Mike Kennedy, the interim chair, gave an update. A status meeting was held with the engineering company and the project is on course with nothing unusual to report.

Capital Improvements: the sub-committee met with the new director of finance to review proposals and Eglin funding opportunities. Expanding the RFP internationally and SRF funding options were also discussed. Member Carmen Reynolds spoke at this time.

Carmen Reynolds, 9621 Sunnybrook Dr: Ms. Reynolds made sure the Board was aware of President Biden's water infrastructure project funds. Staff confirmed they were aware of the possible opportunities through HNWS's partners in Tallahassee.

Bonds: The committee will be meeting soon.

Budget: The committee met with staff and reviewed the budget.

Bill Thiel motioned to appoint Joe Campbell as chair of the Eglin Project sub-committee. Mark Miller seconded. Motion passed unanimously.

Engineering

- 1. Monthly Operations Report:** The monthly reports for April were provided and most of the updates were already discussed (Eglin, Capital Improvements, etc.). Staff added that I & I decreased in April due to ongoing improvements.

A new chemical being utilized and recent odors around lift stations were discussed. Staff confirmed they were not due to the new chemical and more information will be available in June.

Board of Director Candidate Vetting Update: Director Miller reported that information on three candidates was received and he recommended to fill the vacant seats. Staff confirmed the vetting process is not yet complete. Discussion continued. **Joe Campbell motioned to appoint the two replacements during June's meeting. An amendment was suggested by Bill Thiel and Joe amended his motion to appoint the selected candidates during a special meeting once the vetting process is complete, prior to the June regular monthly board meeting.** The necessity of the background check portion of the vetting process was discussed further. Per legal counsel, an officer or director must have a non-felon status according to Florida Statutes. Staff hopes to have the process complete by Tuesday. **Bill Thiel seconded the amended motion. Motion passed unanimously.**

Member Forum

1. **Chuck Pohlmann, 2956 PGA Blvd:** Mr. Pohlmann expressed his disagreement with the Board only reviewing TCHC's financial information quarterly. A prior request made by Mr. Pohlmann to have the golf course rezoned as parks and recreation was also brought up. Lastly, an outside golf course management firm was recommended, specifically K & S Golf.

Discussion ensued on deed restrictions, rezoning and outside management companies.

2. **Susie Kennedy, 2735 Pebble Beach Dr:** Ms. Kennedy began by disclosing she was married to Director Mike Kennedy, has no local business and is not running for any political office. She then addressed the comments circulating in the community regarding TCHC and suggested letting the qualified CEO and the Board of Directors find solutions to current problems.
3. **Paul Baczewski, 7092 Summit Dr:** Mr. Baczewski agreed with Ms. Kennedy's remarks and added his own comments on the decisions made by the HNWS Board. The cost of a past construction project at the golf course was brought up. He would like to see a recovery plan put in place for the golf course to succeed.

4. **Carmen Reynolds, 9621 Sunnybrook Drive:** Ms. Reynolds commented on the participation of members and suggested extending the time they have to speak during member forum.

CEO oversight, a standardized tap fee list, subdivision development fees, lift station maintenance, and the recent rate increase were also commented on. She added that members should have access to equipment inventory and maintenance lists.

5. **Daryl Lynchard, 6539 Avenida De Galvez:** Mr. Lynchard clarified the details of a construction project Mr. Baczewski commented on earlier during member forum.

He added that former board member Troy Bossier is allowing his property to be used during the Eglin construction process and expressed his gratitude.

The Board reminded members that the golf course will still be utilized as a spray field in the master plan for effluent disposal.

Ms. Reynolds recounted past attempts to receive information from staff and the Board directed members to the CEO with information requests.

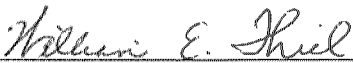
Mr. Pohlmann again spoke, commenting on correspondence with a golf course management company, K & S Golf, during the time options for the golf course were being explored.

Joe Campbell motioned to adjourn. Bill Thiel seconded. Motion passed unanimously.

Action Items:

1. More information on the new chemical being utilized will be provided in June.
2. A special meeting will be held to fill the two vacant seats on the Board once the candidates are vetted. Staff anticipates being finished by Tuesday.

Meeting adjourned at 7:00 P.M.



Bill Thiel, Secretary/Treasurer