A regular meeting of the Hot Springs Village Property Owners’ Association Board of Directors was held at 9:00 a.m., Wednesday, May 16, 2018 at the Ouachita Building of the Ponce de Leon Center.

Board members attending were: Chairman Tom Weiss, Vice Chairman Bob Cunningham, Directors Buddy Dixon, Cindi Erickson, Nancy Luehring, Mike Medica, Bill Roe Jr., Lesley Nalley, CEO; and Linda Mayhood, COO.

Attending from staff were: Liz Mathis, Controller; Kevin Sexton, Dir. of Tourism and Community Affairs; Cheryl Dunson, Dir. of Sales; Tom Heffer, Dir. of Golf; Stacy Hoover, Dir. of Recreation; Jason Temple, Dir. of Public Utilities; Tony Rather, Fleet Mgr; Alan Ault, Superintendent Streets & Sanitation; Shawnee Cooper, Dir. of Human Resources; Renee Haugen, Dir. of Real Estate Acquisition & Member Services; Magdy Hussein, Dir. Food & Beverage; Mike Sykora, Sup. Buildings & Grounds; Kate Chagnon, Communications Mgr.; and Ella Scotty, Executive Assistant.

Also attending: Lewis Delavan, Village Voice and Pamela Ray, KVRE.

Approximately 45 people were in the audience.

Call to Order: Chairman Weiss called the meeting to order at 9 a.m.

Prayer/Pledge of Allegiance: Director Medica gave the prayer, and the pledge of allegiance was led by Director Luehring.

Introduction of Guests: Dr. Ralph Carter, Superintendent Jessieville Schools

Approval of Order of Business: Chairman Weiss asked if the Board would like to make any changes to the agenda. As there were none, the Order of Business was APPROVED.

Consent Agenda: Chairman Weiss presented the Consent Agenda items consisting of: Ratification of Minutes of the 04-18-18 regular meeting, and 04-13-18 executive session; Standing Committee Minutes: ACC 04-05-18 and 4-19-18; Golf 04-19-18; GAC 04-06-18; Lakes 04-11-18 Recreation 04-09-18; Re-appointment of standing committee chairs – John Froning, ACC; Rhonda Haynes, Golf; Michael Dollar, GAC; Lakes, Bill Goodwin; Donna Aylward, Recreation; Laurie Hartshorn, Trails. As no objections were heard, the Consent Agenda was ADOPTED.

Questions & Comments for the Audience Concerning Agenda items: A member commented on the outdoor pool.

Chairman’s Report: Chairman Weiss commented that the Board Retreat was very productive. Facilitators Dr. Ruth Czirr and Attorney Michelle Allgood did a wonderful job in covering topics such as building a
more effective board, laws that controls the POA and the Board, public trust as it relates to the corporation, fiduciary duties, more effective meetings and much more. The members who attended shared that they learned a lot.

CEO/Financial Report: Lesley Nalley, CEO:
- Called upon Jason Temple, Director of Public Utilities to present “Sharing the Dream - Growing Our Community” recognitions to HSVPOA Public Utility team members Joseph Stadler, Shawn McCoy, and Ethan Goessman.
- In discussing the April 2018 Financials, Nalley took the opportunity to educate the Board on strategies for considering overall financial health.
- CEO Report included a financial review, update on delinquent assessment collections, update on new home permits, Village Homes and Land activities, and the Comprehensive Master Plan. Nalley is in the process of developing a 3-year Phase I CMP implementation strategy, which she will present in the June board meeting. The strategy is based on three pillars 1) Protecting Current Value (Existing infrastructure, 2) Building New Value (Innovation & Development), 3) Meeting Day to Day Service Needs (Service Gaps). She encouraged all property owners to read the CMP from this frame of mind.

COO Report: Linda Mayhood presented the COO report. Highlights included updates of the Water Tank Rehab and Wastewater Treatment Improvement projects, streets maintenance updates, and Lakes Department updates.

CURRENT BUSINESS
2018 Approved Budget Items
a. Purchase of Sanitation Truck: Vice Chairman Cunningham MOVED to approve the bid from Bidder 3, The Larson Group, in the amount of $184,708.28 for the purchase of a 2018 Peterbilt 337 truck equipped with a 20-yard Challenger Commercial Side-Load Body. Director Roe SECONDED and the MOTION was unanimously APPROVED.

b. Roadway Culvert Rehabilitation Project: Vice Chairman Cunningham MOVED to enter into a contract with Krapff-Reynolds of Oklahoma City, OK not to exceed $202,090, which includes all materials and labor for the rehabilitation of 13 culverts totaling 915 lineal feet. Director Roe SECONDED and the MOTION was unanimously APPROVED.

NEW BUSINESS
Jessieville/Fountain Lake School District Sewer Connection Discussion: Jason Temple, Director of Public Utilities presented a request from the Jessieville/Fountain Lake School Districts to connect their wastewater system to HSVPOA’s nearest available gravity collection system via an existing lift station and a proposed new
force main. As time is of the essence for the school districts to act, Director Dixon MOVED to give the POA authorization to move forward with the Jessieville/Fountain Lake School Districts to prepare an agreement for final approval at a later date. Director Medica SECONDED and the MOTION was unanimously APPROVED.

Proposed Revision Chapter One, Article 11- Delinquent Accounts/Bad Debt Write-Off Policy:

Liz Mathis, Controller presented proposed revisions to Chapter One, Article 11, Delinquent Accounts/Bad Debt Write-Off Policy.

Outdoor Pool Discussion:

Chairman Weiss opened a discussion on improving the process of bringing the outdoor pool project to the Board for a vote focused on how we can do better. 1) What was wrong with the way the process was handled that led to the Board’s inability to reach a vote? 2) What advice can the board give to management in terms of how best to move forward with similar motions.

Director Roe said he supports the concept of a pool, but would need drawings of the proposed pool before he could approve the project.

Vice Chairman Cunningham said it is not under the Board’s purview to design the pool. These projects should be brought to the Board cut & dry, so they can make a decision i.e. this is what we are going to do and financing terms should be firm. Consider the cost of postponing the projects and consider the cost of expanding projects, such as the Pickleball project where features can be added at a later time. HSV needs the right kind of pool, but let staff design.

Director Luehring is in favor of the pool, but said it is difficult to make a decision without a plan. $700k seems inadequate for the outdoor pool. She said the Recreation Committee should give a go ahead of plans, then bring them to the Board.

Director Erickson asked what specifics are the Board being asked to approve, how will it be funded and when, what are the proforma details. Does the proposed pool hit our target market.

Director Dixon said the Architectural Control Committee needs full set of plans, specifications, plot plans, location, elevations before they can approved the permit.

Director Medica said the pool has to be done right and should include all the things people want. He said it is difficult to review the project without plans.

Lesley Nalley stated that staff needs clarity on the maximum
amount willing to spend and the features. 2,500 people in the first survey said they wanted a pool. POA has the funds needed for the outdoor pool project.

Nalley also said staff needs to know what the Board will require to make an informed decision on priority projects.

Stacy Hoover, Director of Recreation said there is a 48-week lead time to build the outdoor pool.

Chairman Weiss summarized the Board is in favor of an outdoor pool, but in order to approve the project they need drawings, design and, cost upfront. This project will not be part of the 2019 budget process.

Chairman Weiss will draft a path forward and get it to the Board and Lesley, and the Board will bring up the project at the June board meeting.

**Board of Director Comments:**

Director Erickson said she likes the structure and conduct of the meeting, but did not expect a vote on item #15 Jessieville/Fountain Lake School District Waste Water treatment proposal, and thought the motion process could be improved.

Director Luehring likes the new format of the meeting as it gives property owners an opportunity to speak before agenda items are discussed. She is also very honored to be sitting on the board.

Vice Chairman Cunningham thoroughly enjoyed the pool discussion. He likes having open discussions before items are placed on the agenda.

Director Medica thanked all the volunteers in HSV. They are very important to us, and we appreciate what they do for us.

Director Roe complimented Chairman Weiss on running the meeting and for restructuring the agenda.

Director Dixon thanked Chairman Weiss for restructuring the agenda, which shows transparency of the Board. Staff and committee members are to be complimented highly for the Newcomer’s program.

**Questions/Comments-Audience:**

A member commented on NRPI lots and Jessieville/Fountain Lake Wastewater treatment request.
A member commented on the pool.
A member complimented the Board, and commented on the Board retreat.
A member commented on the volunteer luncheon.
A member commented on the lots owned by the Commissioner of
Adjournment: Vice Chairman Cunningham MOVED to adjourn, Director Roe SECONDED, and the MOTION was unanimously APPROVED. The meeting was adjourned at 11:13a.m.

State Lands and back assessments.

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Chairman    Secretary