

## Holley-Navarre Water System, Inc.

MOA Meeting #1 Minutes

August 20<sup>th</sup>, 2019

Mike Kennedy, Board President, began the meeting at 4:50 P.M. The following Board of Directors were present: Mike Kennedy, Kevin Lanier, Daryl Lynchard, Yvonne Harper, Fred Terasa and Will Goulet (late arrival). Mark Miller was absent. Also present were: Rob Williamson, Phil Phillips, Keith Kilpatrick and Will Dunaway.

The meeting began with a discussion to determine if a closed meeting is necessary and if so, what items would be included. Will Dunaway was introduced as outside counsel hired to draft the MOU (now called a MOA) between HNWS and Santa Rosa County. It was decided that the Board can specify what points would be discussed during the closed meeting rather than the public meeting. **Yvonne Harper motioned to discuss that which is confidential during the closed meeting and discuss in public all other information regarding this process. Fred Terasa seconded. Motion was not voted on.** The closed meeting was confined to only what is confidential and considered privileged information.

Rob began by stating the main purpose of the meeting, which is to go over key points in order to obtain direction, so Will Dunaway can begin drafting a document that is consistent with the Board's priorities. Previous correspondence from 2018 was provided as backup showing the history leading up to this point. It also included a general outline of the funds SRC has spent so far, although a more detailed breakdown of their expenses is expected. Most of the costs incurred by the County is related to the lease and transmission lines. Director Goulet arrived. Most of the MOA will address who will be responsible for what expenses, which consist mostly of engineering, legal and administrative costs. The prior correspondence indicated the project would be split into two phases and outlined some of the costs that would be the responsibility of HNWS and SRC. The first phase of the project is construction of the line from our wastewater treatment plant to the Eglin RIBS. The second phase is what the County will build from their wastewater treatment plant to ours. Phase one is what we are constructing and phase 2 is what the County is responsible for. The line to the RIBS will be sized to accommodate both our flow and their flow, and the cost would be shared according to the capacity needs for that line. We would be reimbursed when they come online for building the line to accommodate the capacity they require. If SRC never connects, HNWS would need to decide if they will request reimbursement for something they never needed.

Another item the MOA needs to address is how HNWS would be reimbursed if another third party connects, which led to a discussion on the possibility of forming a wastewater regional utility, what the benefits would be and who will be responsible for operation and maintenance.

General discussion continues. It was reiterated that the agreement will come before the Board for approval before being provided to the County. Once approval is granted within the County, staff will be directed to formally engage in drafting the MOA and more detailed cost info will be provided to HNWS.

It was noted that there is a sense of urgency for both HNWS and SRC. The letter signed by President Kennedy and sent to the County was then discussed, specifically the RFP terminology, with Director Lynchard bringing up HNWS policy that requires anything over \$25,000.00 to come before the Board and the requirement of obtaining 3 bids. How to proceed was discussed, with the advantages of having HNWS's engineering firm handle the project rather than the County being noted. The way engineering costs will be considered will need to be decided later. Awarding the project to Jacobs Engineering was discussed as a viable option to both HNWS and SRC. The previous Board shared the same opinion.

It was confirmed that nothing has changed from the Board's perspective and everyone agrees that splitting the project into 2 phases is preferable. Staff also made sure the Board was aware that as of now, the golf course will still be necessary for effluent disposal once phase 1 is complete. The Board previously approved the 11 million dollars to complete phase 1, which provides construction that will allow an additional 1.5 million gallons of effluent disposal capacity. If we want to have an additional 1.5 million gallons, for a total of 3 million, the Board would have to approve the additional construction costs. Phil will be looking at those numbers and can provide them to the Board. This does not have to be decided at this time and it can be discussed further later.

Staff informed the Board that HNWS is approximately 1 month behind according to the original timeline, but it is still going well. Will now has enough feedback to continue working on the document.

#### **Action Items**

1. Phil will provide the numbers for construction costs that would allow for an additional 3 million gallons of effluent disposal capacity rather than the already approved construction plan allowing for 1.5 million gallons.

Meeting concluded at 6:00 P.M.



Grant Summers, Secretary/Treasurer