

## Holley-Navarre Water System, Inc.

MOA Special Meeting #3 Minutes

October 15<sup>th</sup>, 2019

Mike Kennedy, Board President, called the meeting to order at 5:15 P.M. The following Board of Directors were present: Mike Kennedy, Kevin Lanier, Yvonne Harper, Will Goulet, Daryl Lynchard, Fred Terasa and Mark Miller. Also present were: Rob Williamson, Phil Phillips, Keith Kilpatrick, Will Dunaway and Deborah Kharuf (stenographer).

The purpose of the special meeting was stated, which is to have final discussion on the MOA between HNWS and Santa Rosa County. This item is included on the HNWS regular meeting agenda for a vote.

Director Goulet begins with his first concern, which is that he's not seen the breakdown of the 1.7-million-dollars in costs incurred by the County. It was believed to have been provided to the Board via email. Phil informed the Board that the task orders he's seen appear to be related to this project and he has no concerns.

Discussion began on future capacity needs and whether HNWS should reserve the leftover 1.6 MGD of capacity for themselves or add language dictating who can or cannot use the leftover capacity. The main concerns are additional costs, if HNWS needs the extra capacity, and how keeping or getting rid of the golf course would affect capacity needs. Director Miller suggested adding language stating the additional 1.6 MGD shall not be used by any entity other than Navarre Beach or HNWS without the other entity getting first right of refusal. It was noted that if HNWS increases their capacity, the percentage of costs including upkeep and maintenance will also increase. Phil provided the Board with the current capacity limits of the HNWS treatment plants.

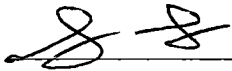
The next concern addressed was the point of contact listed in the agreement. The Board would like it changed from Phil to "Board President."

The last concern discussed was the HNWS policy to obtain 3 bids for any project over \$25,000.00. It is known that the County wants to utilize their engineer, Jacobs Engineering. The process used by the County, which is a required CCNA process, was explained by Phil. It entails advertising the project, selecting the three most qualified firms, giving presentations or providing the necessary information in some form, then selecting the firm. Only one price will be provided, from the selected firm. It was pointed out that entering into this agreement is a partnership with a government entity rather than a typical purchase, therefore staff believes it falls outside the process HNWS would normally follow. Staff also informed the Board that there is nothing in the governing documents preventing them from going outside of normal policy. A suggestion to add

language stating that HNWS would follow the same CCNA requirements used by the County was made and the significant delays it would create to an already behind project were explained.

The meeting concluded with a discussion on how to proceed. Certain items cannot be discussed during the public meeting due to pending negotiations. It was suggested to have Mark approve adding the language regarding the additional 1.6 MGD of capacity, but the concerns regarding the HNWS policy that requires obtaining 3 bids will need to be discussed further. Daryl added that if HNWS chooses to violate their own policy he wants it in the minutes. At this time, the recommendation was to motion on the way the agreement is now, to move forward with the County and to add Director Miller's suggested language.

Meeting adjourned at 6:00 P.M.



\_\_\_\_\_  
Grant Summers, Secretary/Treasurer