

Holley-Navarre Water System, Inc.

Regular Board Meeting Minutes

December 17th, 2019

Mike Kennedy, Board President, called the meeting to order at 6:05 P.M. The following Board of Directors were present: Mike Kennedy, Kevin Lanier, Yvonne Harper, Will Goulet, Daryl Lynchard and Mark Miller. Fred Terasa was absent. Also present were: Rob Williamson, Barbara Carawan, Cindy Callen, Amber Bucholtz, Phil Phillips, Clinton Wells, Chris Legg, Cory Snyder, Torin Brand, Mark Turner, Keith Kilpatrick and Deborah Kharuf (stenographer).

The meeting began with Cindy announcing the annual Hometown Heroes Charity Golf Tournament results. A total of \$20,000.00 was raised and a check for \$10,000.00 was presented to each of the two recipient organizations, the Air Commando Foundation and the Holley-Navarre Fire District. Representatives from each organization gave a description of what they do and how the funds will help their causes. Cindy, her team and Brit Landrum's band were thanked for making the event successful.

Approval of Minutes & Transcripts

Mark Miller motioned to approve the minutes and transcripts from the 11/19/2019 regular meeting as presented. Daryl Lynchard seconded. Motion passed unanimously.

Daryl Lynchard motioned to approve the redacted 10/15/2019 special confidential personnel meeting minutes as presented. Mark Miller seconded. Motion passed unanimously.

Mark Miller motioned to approve the redacted 10/23/2019 confidential personnel and client privileged meeting minutes as presented. Kevin Lanier seconded. Motion passed unanimously.

Membership Certificates

Mark Miller motioned to approve the memberships for November as presented, of which were 273 new, 263 cancelled and 3 transfers. Kevin Lanier seconded. Motion passed unanimously.

Administrative

1. *Finance – Review of November 2019 Financial Statements:* There was \$882,697.65 in revenue with expenses of \$838,575.10, leaving a net income of \$44,122.55. YTD expenses are under budget for several departments. YTD there has been 210 new water customers and 166 new sewer customers. **Mark Miller motioned to approve the November 2019 financial statements as presented. Kevin Lanier seconded.** The purchase and use of Home Depot gift cards was brought up with Rob explaining the circumstances. The

purchasing department was targeted by a phishing scam. The gift cards were purchased and are currently being used. Precautions have been put into place to prevent similar problems in the future. A calculation error on the budget to actual was also pointed out. **Motion passed unanimously.**

2. *2020 Water Line Extensions and/or Upgrades:* During last month's board meeting staff was tasked with evaluating line upgrades/extensions and the associated costs required for additional fire hydrants. The Board was provided with documentation containing the information and Phil provided a brief history. **Will Goulet motioned to approve for further discussion. Daryl Lynchard seconded.** Discussion ensued on how the costs could be accommodated, such as budget adjustments, a rate increase or looking for savings elsewhere. Member Carmen Reynolds was in attendance and Will suggested that she may have knowledge on possible grant opportunities. It was stated that this is a community cost, not a water system cost. **Yvonne Harper motioned to let Daryl be the lead for the Board to speak with the fire department, the county, etc. and gather information on options such as grants and bring it back to the Board so they can make an informed decision. Mark Miller seconded. Will's prior motion was pointed out and it was rescinded.**

Carmen Reynolds, 9621 Sunnybrook Dr.: Ms. Reynolds gave a brief recap of what was discussed during last month's meeting and requested cost information. Phil elaborated on the associated costs and the determining factors for location selection. Further discussion on grants, the use of a lobbyist and the possibility of funds being accessible after the first two quarters of next year. The importance of working together with the community was reiterated.

The discussion returned to Yvonne's motion, which was to have Daryl work with leaders and gather information. Ms. Reynolds also offered her assistance. Motion passed unanimously.

3. *FRUS/HNWS Service Agreement Resolution of Support:* A resolution of support was presented for approval. Once approved, it can then be presented during the January Fairpoint board meeting. The agreement has been in process for over a year and will result in an additional 20% reimbursement and more accurate equipment reimbursement. Once approved, HNWS will have a year to make the necessary changes to comply. **Mark Miller motioned to approve the FRUS/HNWS service agreement resolution of support as presented. Daryl Lynchard seconded.** The discrepancy with Midway Water was brought up. Midway's operator disputes the HNWS test findings although he was present for the test. Staff previously recommended hiring an independent third party to evaluate

the data and Gulf Breeze has shown support, but it will be up to the FRUS Board. Midway's concerns won't affect the approval of the agreement by the FRUS Board.

Motion passed unanimously.

4. *HNWS Website Launch:* Staff confirmed the website is currently live and Torin gave an overview of the features. Staff can post alerts, members can look at usage, apply for service, and see important events such as meetings. Information for development projects is also now available. The website will link together the HNWS social media platforms. After a short video on HNWS, staff confirmed there is the capability to live-stream meetings, but it is not likely to be available by the annual meeting in January.

5. *Navarre Boardwalk & Marina Unauthorized Water & Sewer Connection:* Staff provided a summary of events leading up to the current situation. On or around March 27th, staff responded to a leak at the East River Smokehouse. The leak appeared to be coming from a fire suppression line, which is not metered. The owner stated it was for a future retail project. He was instructed to cap the line. The leak detection device on the line was monitored for usage. Water use was detected in a manner not consistent with a leak. The system engineer researched and looked for authorization for the connection and learned the Navarre Boardwalk & Marina does not have an account with HNWS. Plans from the County were reviewed and reflected connections to the HNWS water and sewer system. The connections shown on the plans for the County do not exist. At legal counsel's direction, a formal request was sent to the owner asking how they were receiving water and how they were disposing of sewer. The letter also instructed the owner to disconnect from the unmetered fire suppression line. The letter was sent in August with no response, then sent again Certified in September and it was signed for. To date, only a partial response has been received. The line has been cut and capped and the water usage has stopped. Past meeting minutes and company files have been researched and discussions have taken place with former staff members. No authorization or project review information has been found for the boardwalk/marina project. Several concerns are cited, such as them being two separate corporations, we don't allow businesses to serve others, and we don't allow sewer connections that are not related to direct potable use. Marina waste could have a negative impact on our wastewater treatment by the introduction of certain substances. Mr. Dabney, the owner of the corporations, was in attendance and spoke at this time.

James Dabney: Mr. Dabney presents a DEP permit, County permit and documents related to a federal grant. He questioned who called local agencies trying to obtain information and accusing him of illegal activities. A prior issue between himself and Rob was also brought up. The permits were reviewed and discussed. Will brought up other area businesses such as Wal-Mart, resulting in Phil and Cory explaining the expansion

comparisons and affecting factors. Will noted that he is pro-business and feels that staff is treating Mr. Dabney like a criminal. Mr. Dabney claimed he was not properly notified, and the past contact attempts were reiterated. HNWS policies were discussed, with Will wanting it noted that the system engineer, Cory, was not employed in 2015 when this process started. The past tap fees for the various businesses that have been located on the property, the effects of septic sewage entering our system, the lack of paperwork showing approval, and accepting sewage without being billed for receiving water were items discussed next. Who carries the burden of producing the documentation was debated with HNWS legal counsel confirming it is Mr. Dabney's responsibility to produce the requested information. Ms. Reynolds questioned why this wasn't brought up until just before the election with the timeline being reviewed again. Yvonne responded by stating that she doesn't feel that this issue has anything to do with the election and it could have easily been resolved if it wasn't for personal conflicts. Her frustration with other board members' insinuations that this has to do with the upcoming election was also noted. Discussion continued. **Will Goulet motioned to give James Dabney ninety days to produce the information requested by staff. Daryl Lynchard seconded.** The information includes proof of authorization for receiving water and proof of authorization to discharge of sewer into our system. Once the information is received, the board can make decisions on how to proceed. **Will Goulet, Mark Miller and Daryl Lynchard voted "aye," Kevin Lanier voted "nay" and Yvonne Harper abstained. Motion passed.** Yvonne Harper exited the meeting.

A short recess was taken

Personnel

None.

The Club at Hidden Creek

1. *2019 Financial Statements:* Cindy Callen reported that in November there was \$154,175.00 in course revenue with expenses of \$130,979.00, leaving an operating income of \$23,196.00. Revenue is over budget and expenses are under budget. Cindy is thanked for improving the financial standing of the golf course. **Will Goulet motioned to approve the November 2019 financials as presented. Daryl Lynchard seconded.** The income statement, specifically the food and beverage section, was reviewed with Cindy providing clarification on the numbers. **Motion passed unanimously.**
2. *2020 Budget Presentation:* Cindy presented the budget for 2020 including a breakdown of revenue. Projections for next year show breaking even with a decrease in the subsidy provided by HNWS. It was noted that this year's budget projected a deficit, but there ended up being a profit. Cindy added that they will be working on rebranding, a new website,

and TCHC will be transitioning away from Golf Now. **Will Goulet motioned to approve the 2020 budget as presented. Mark Miller seconded. Motion passed unanimously.**

Engineering

1. *Monthly Operations Report:* The Board was provided with the various monthly operations reports for November and Phil added that there is an upcoming meeting on the MOA with the City of Gulf Breeze and comments should be received soon.

A reminder for the upcoming annual meeting and election was given.

Public Forum

1. *Carmen Reynolds – 9621 Sunnybrook Dr:* Ms. Reynolds expressed her concerns regarding water quality testing in the local area, contaminants and the potential health effects. She also referenced figures from data she's collected.

Action Items

1. Daryl will work with community leaders to gather information related to fire line extensions/upgrades and bring it back to the Board.
2. James Dabney has ninety days to produce the information requested by staff.

Mark Miller motioned to adjourn. Daryl Lynchard seconded. Motion passed unanimously.

Meeting adjourned 8:30 P.M.



Grant Summers, Secretary/Treasurer