

Holley-Navarre Water System, Inc.

Regular Board Meeting Minutes

June 15th, 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, Bill Thiel, Joe Campbell, Jo Ann Cave and Don Linnell. James Dabney was absent. Also present were Dallas Peavey, Jason Montgomery, Melissa Miller, JR Ratliff, Chris Legg, Mark Turner, Chris Bond, Phil Phillips, Deborah Hayes, Ashley Ferguson, Will Dunaway, and Deborah Kharuf (stenographer).

Approval of Minutes & Transcripts

Mark Miller motioned to approve the 05/18/2021 regular monthly meeting minutes and transcripts, and the 06/01/2021 special meeting minutes. Bill Thiel seconded. Motion passed unanimously.

Approval of Membership Certificates

Joe Campbell motioned to approve the memberships for May 2021 as presented. There were 290 new memberships, 277 cancelled, and 2 transfers. Don Linnell seconded. Motion passed unanimously.

Unfinished Business

None.

New Business

- 1. Employee Recognition:** The Sewer Operations team members were introduced and recognized as part of the ongoing Employee Recognition Program. An overview of their roles, responsibilities and current projects was provided. Team members Robert Avezac, Justin Moxley and Buddy Harvell were presented with certificates for the efficient, quality service they provided while repairing a recent line break.
- 2. Finance – Review of May 2021 Financials:** The May 2021 financial reports were presented for review. The Budget sub-committee met and determined water sales were down for the month, but it is expected to increase. Several expenses were also below budget year-to-date. The frequency and amounts of the required pension payments were also discussed. **Mark Miller motioned to approve the financial statements for May 2021 as presented. Bill Thiel seconded. Motion passed unanimously.**
- 3. 2021 Unrestricted CIP Loan Proposal:** Two proposals were received, one of which is for standard financing through ServisFirst. A bond issue was not recommended due to the cost and time associated. Staff provided the details on the ServisFirst financing, which will

cover 60% of the 2021 unrestricted budget. **Joe Campbell motioned to approve staff's recommendation for the ServisFirst unrestricted funds loan proposal. Jo Ann Cave seconded.** Member Carmen Reynolds spoke at this time.

Carmen Reynolds, 9621 Sunnybrook Drive: Ms. Reynolds requested clarification on the loan's purpose, which is for capital projects including repair and replacement. A list of the projects was requested. Ms. Reynolds was directed to send a written request to the CEO with her information request.

Motion passed unanimously.

4. **Odor Control Chemical Update:** After investigating options for odor control, staff found an all-natural product that is less abrasive to the system and more cost effective. Initial distribution issues have been corrected and the results are positive. Staff was thanked for assessing the situation and finding the best solution.
5. **Corrective Board Action:** A special meeting was held on 06/01/2021 to appoint two members to the Board of Directors. A mistake in tallying the votes was made and a corrective action was necessary to appoint the correct members. Going forward, double validation will be in place to assure the results are correct. The new directors were congratulated and thanked for volunteering to serve on the Board.
6. **Finance Committee Updates:** The sub-committee chairs gave an update. For the Eglin project, an update meeting was held at HNWS and representatives from all involved parties attended. Easements are being obtained and construction is anticipated to start in August. For Capital Improvements, additional funding is needed for restricted improvements. This will be discussed during the next sub-committee meeting in mid-July. No update was necessary for the Bonds sub-committee and the budget was already discussed. Member Debbie Gunnoe spoke at this time.

Debbie Gunnoe, Navarre: Ms. Gunnoe inquired on the HNWS pension plan, contribution amounts, who it covers, etc. After asking additional questions, Ms. Gunnoe was directed to email the CEO with her information request. Ms. Gunnoe also recommended periodic forensic audits. The cost, the reasoning behind the request and current yearly audits were discussed briefly.

Engineering

1. **Monthly Operations Report:** The monthly reports for May were provided to the Board. Staff gave updates on I & I, the importance of the booster pump station project, and the

Eglin project's status. The timeline to start construction for the Eglin project may be closer to year's end rather than August as mentioned previously. Members spoke at this time.

Susie Kennedy, Pebble Beach Drive: Ms. Kennedy asked if the golf course would still be used for spraying effluent once the Eglin project is finished. Staff clarified that yes, the golf course is included in the HNWS effluent disposal plan, and it will continue to be used after the Eglin project is complete. The accuracy of information being posted on social media was also discussed briefly.

Carmen Reynolds: Ms. Reynolds inquired on the Greskovich RIBS also currently used for effluent disposal. Staff confirmed the RIBS will continue to be used as they are a permanent, permitted disposal facility.

Debbie Gunnoe: Ms. Gunnoe brought up a statement made by Director Campbell regarding information posted on social media, with him clarifying it was "misinformation rather than disinformation."

Public Forum

1. *Ms. Forester:* Ms. Forester asked if HNWS falls under Sunshine rules. Legal counsel confirmed HNWS does not fall under Sunshine rules as a Florida not-for-profit corporation that operates under Florida Statutes. HNWS also operates under an open meeting framework. Special meetings, TCHC decisions, and quorums were discussed with it being confirmed that the CEO of HNWS has the authority to make decisions for the system's assets, including TCHC.
2. *Mike Matthews, 2193 Bellemeade Circle:* Mr. Matthews inquired on the past attempt to sell the golf course, of which none of the respondents met the requirements of the ITN (Invitation to Negotiate). Finances of TCHC were discussed next with it being noted that a profit is now being made for the first time.
3. *Robert Barnett, 2008 Pine Ranch Drive:* Mr. Barnett brought up the recent appointment of board members and the process used to select candidates. The Board explained the process used by the vetting committee. Members were encouraged to submit their information during past meetings and the committee attempted to find interested candidates. Discussion continued on terms, how they were contacted, and what the bylaws dictate.
4. *Tom Ashe, 7067 Shellfish Court:* Mr. Ashe questioned why the financials have not been posted to the HNWS website since November of 2020 and requested them along with additional tax documents. He previously requested them through the HNWS website. He

was instructed to email the CEO directly with a list of the requested documents. Mr. Ashe also recommended a forensic audit.

5. *Chuck Pohlmann, Navarre:* Mr. Pohlmann spoke on the area's economic development in relation to impact fees paid by residents and businesses. Staff explained how impact fees are calculated. The information is also available on the HNWS website. Usage and capacity were discussed further.
6. *Debbie Gunnoe:* Ms. Gunnoe asked if HNWS was aware of a large new apartment complex being developed and if HNWS has a plan to accommodate it. Staff is aware of the development and is corresponding with the developer. Other questions were asked, and Ms. Gunnoe was instructed to email them to the CEO. She would also like to see HNWS try to influence the county commissioners regarding area development. The master plan and capacity were discussed further.
7. *Wes Siler, 2000 Costa Verde:* Mr. Siler questioned HNWS celebrating employees, TCHC making a profit, and other positive issues but not making the financials available and requiring members to email the CEO directly for information. Staff confirmed that putting the financials back on the website is in process and they will be available by next month's board meeting. Transparency concerns were discussed and posting questions/answers on the website was recommended.
8. *Carmen Reynolds:* Ms. Reynolds expressed frustration over being required to email the CEO with information requests and reiterated her request to extend the time allowed for members to speak during board meetings. Ms. Reynolds spoke on several items including the recent rate increase, COLA increase, and other budget items. Possible grant opportunities, background checks for board members, the difference between elected and appointed board members, PFOA and PFOS testing, and TCHC's general manager were also discussed.

Action Items:

1. Staff will have the monthly financial statements updated on the website by next month's board meeting.

Joe Campbell motioned to adjourn. Don Linnell seconded. Motion passed.

Meeting adjourned at 8:00 P.M.



Bill Thiel, Secretary/Treasurer