

Holley-Navarre Water System, Inc.

Regular Board Meeting Minutes

March 15, 2022

Joe Campbell, Board President, called the meeting to order at 6:00 P.M. The following Board of Directors were present: Mike Kennedy, Mark Miller, Joe Campbell, Don Linnell, Bill Thiel, and James Dabney. Also present were Dallas Peavey Jr., Will Dunaway, Chris Bond, Donna Lupola, Ty Campbell, Deborah Kharuf (stenographer), and Emerald McDaniel.

Approval of Minutes and Transcripts

Bill Thiel motioned to approve the February regular minutes and transcripts, February special minutes and transcripts, and January annual minutes and transcripts. Mike Kennedy seconded. Motion passed unanimously.

Approval of Membership Certificates

Don Linnell motioned to approve the memberships for February 2022 as presented. There were 282 new memberships, 262 cancelled, and 2 transferred for February 2022. **Daryl Lynchard seconded. Motion passed unanimously.**

Unfinished Business

Legal Report – SRC Reuse Eglin Update: Legal counsel reported the appraiser has been engaged, the letters went out with the county's approval from Santa Rosa County to the property owners requesting input, and schedule is on track to issue official notices and offers.

New Business

Finance – Review of February 2022 Financials: Review of February financials were presented. Staff reported revenue down, additional January expenses, and sales were down. Directors expressed approval with new formatting. **Bill Thiel motioned to approve the financial statements for February 2022 as presented. Mike Kennedy seconded. Motion passed unanimously.**

Finance Committee Updates: The finance sub-committee chairs gave a brief update. The Budget committee director expressed approval on the new formatting. The Eglin project director reported there were meetings, we are still waiting on the lease to be signed and asked that the meeting minutes be sent to all directors. Legal Counsel reminded the board of directors to “not reply all” regarding any Eglin information. Capital Improvements director reported no updates or issues.

Operations – Department Recognition: Staff reported an eight-inch line that busted causing the water transmission line to South Santa Rosa and Midway to be turned off. The water operations team were repairing the line until the early morning hours and the next day had a six-inch line break on highway 87. The crew responded and repaired that leak as well. The Assistant General Manager and the Board President recognized the Water Operations team for continuously providing safe and reliable drinking water to our customers, working diligently, and sacrificing their time for the Water System.

Gravity Sewer Easement Clearing – Woodmont: Staff reported bids from contractors have been returned and will discuss with legal and staff to make determination of contract award. Two customers that expressed concerns of the easements and staff response was discussed.

Finance –2021 Consolidated Financial Audit Presentation: Warren Averitt's Ms. McAllister reported her approval of the new financial formatting, the consolidated audit to include HNWS, TCHC, and MESI, issued an unmodified opinion, no unusual adjustments, and even with internal movement the audit is done early with staff's help. Ms. McAllister reviewed the individual balances, consistent assets, decreased liabilities, revenues, expenses, overall funding for each, and the effects of the significant pension plan change. Ms. McAllister explained evaluation of internal controls while looking for weaknesses or improvements and found positive changes. **Mike Kennedy motioned to approve the 2021 consolidated financial audit. Daryl Lynchard seconded. Motion passed unanimously.**

Engineering

Monthly Operations Report: Staff reported recovered from the rainfall events and the issues with I&I have gone down due to projects and repairs, and the details of the water loss report were discussed.

Member Forum

1. **Chris Johnston, 1809 Frontera St:** The member explained brief history, has owned home since 2017, recently received a high bill with no change in water habits, spoke with customer service team, doesn't have a pool, but has usage that indicates one. Mr. Johnston explained his neighbor has a pool and just filled it up, water technicians evaluated the meters and according to the customer, was told he has been paying his neighbors bill for five years. Mr. Johnston explained due to the usage, his home uses more water than his neighbors, has been underpaying by \$2,105.61 and was issued a bill of correction. Mr. Johnston explained his financial situation, the concerns of not being able to pay the entire amount at one time, the lack of official notice, and requested legality information. Mr. Johnston confirmed has spoken with the Billing Manager, but not to the CEO. The board president asked Mr. Johnston to contact the CEO with his information for a resolution. Mr. Johnston asked the board to absorb the cost. Legal counsel and the CEO was asked if staff has the authority to set up a payment plan.
2. **Mike Romero, 1956 Eagle Ln:** The member explained has a pool, the pool company told him about a rebate on sewer for the pool fill, he spoke with customer service and was told once a year and needs to send in request. Mr. Romero called customer service again and explained his delay, was given an estimate of the bill and sent in request of rebate on sewer charges for the pool fill. Mr. Romero explained received a notice explaining there will be no rebate per a regulation, and he will be charged for water and sewer. Mr. Romero expressed concerns with the notice and explained he had other options for the pool fill water as well as the communication between parties. Mr. Romero confirmed he wrote an email to the CEO and received a reply explaining the details of the provision policy and regulation. The board president asked the CEO to look over the customer service policies and apologized for the miscommunication. Mr. Romero asked the board for the sewer adjustment and the board president asked Mr. Romero to send the CEO an email regarding his disagreement. Mr. Romero expressed appreciation for the pray and the flag.

Additional:

Charity Golf Tournament: Director Thiel inquired if a team of four directors constituted an official meeting and quorum. Legal explained there are no prohibitions to getting together in social settings if they do not bring up or talk about business matters. Legal counsel confirmed the directors are not going to discuss Eglin during the event and reminded them of the Sunshine Law.

Board President, Joe Campbell, announced the board strategy meeting is April 1st, 2022, and the next board meeting is on April 19th, 2022.

Action Items:

1. CEO to look over the customer service policies.

Mike Kennedy motioned to adjourn. Mark Miller seconded. Motion passed unanimously.

Meeting adjourned at 6:55 P.M.



Bill Thiel, Secretary/Treasurer