

Holley Navarre Water System, Inc.
Regular Board Meeting Minutes
March 21, 2023

Mark Miller, Board President called the meeting to order at 6:00 P.M. The following Board of Directors were present: Mark Miller, Mike Matthews, Bill Thiel, Joe Campbell, Don Linnell, Daryl Lynchard and David Crumbley. Also present were Jeff Crigler, Will Dunaway Esq., Clinton Wells, Jarod Cross, Kim Torres, Barbara Carawan, Phil Phillips, Cory Snyder, Deborah Kharuf (stenographer) and Emerald McDaniel.

Approval of Minutes and Transcripts:

February 21, 2023, Regular Meeting Minutes and Transcripts; March 3, 2023, BAWM Review; and March 14, 2023, Closed Executive Session Redacted and Unredacted were presented for approval. **Bill Thiel made a motion to approve minutes and transcripts with changes. seconded. The motion passed unanimously. 7/0/0**

Approval of Membership Certificates

There were 223 new memberships, 216 cancelled, and zero transferred for February 2023. **Daryl Lynchard made a motion to approve the February memberships. Don Linnell seconded. The motion passed unanimously. 7/0/0**

Employee Recognition

Staff recognized Trudie Tolbert for years of service and presented Ryan Hicks a plaque for 20 years of service.

Unfinished Business

There were no items presented.

New Business

CEO Update: Staff re-introduced previous employee and gave latest update regarding expectation of Eglin lease. Staff reported dollar amounts of leak adjustments that have been processed. The commercial impact review process included accounts paying impact fees and communicating with staff for options. Staff also explained the pool fill clarifications are expected from the Water Management District before presenting recommendations. Staff announced that employees are now able to join the Eglin Federal Credit Union as a free benefit.

Finance - Review of January 2023 Financials: Staff reported a net loss for January, drivers as sales were lower, interest income was higher, quarterly contributions, and higher expenses from multiple months. **Daryl Lynchard made a motion to approve January financials as presented. Don Linnell seconded. The motion passed unanimously. 7/0/0**

Committee Updates:

1. Finance:
 - a. CIP Committee was not scheduled for this month.
 - b. Budget Committee was cancelled this month.
 - i. Staff was asked to send copies of this month's CIP and Budget documents.
2. SRC Reuse Project – Eglin reported to be waiting on the Eglin Lease.

3. TCHC Management Board representative explained the answers to the previous month members questions to include spray amounts per the water use permit, the spray field expenses that HNWS pays for, and projects. Staff went over last quarter un-audited financials and highlighted 2021 and 2022 annual financials compared to the beginning of 2023.

Kurt Cosby, 6839 Marble St.: The Member requested the profit/ loss since purchase date. The Member requested spray field expenses to break even to avoid a loss and the cost of spray field expenses. Historical contributions, asset investment studies, and current spray field expenses were discussed.

Daryl Lynchard made a motion to request staff to update the analysis of estimated operating costs to run the TCHC spray field without a golf course by the April Board meeting. Mike Matthews seconded. The motion passed unanimously. 7/0/0

4. FRUS Board representative reported new operation Well #7, ribbon cutting ceremony, and updating FRUS Member Agreements to be brought to the HNWS Board when ready.
5. MESI Board representative reported last meeting briefly and requested what items the Board would like to see.

Operations – Generator Repair: Staff explained multiple emergency repairs and requested board approval for all purchase orders presented for a total of \$49,913.60. The purchasing policy and CIP budget regarding generators were briefly discussed. **Daryl Lynchard made a motion to approve the emergency repairs on the Generators for \$49,913.60 as presented. Mike Matthews seconded. The motion passed unanimously. 7/0/0**

Carmen Reynolds, 9621 Sunnybrook Dr: The Member requested a copy of the CIP plan to review, made recommendations to have a second person involved in emergency repairs.

Operations – Portable Bypass Pump: Staff presented quotes for purchase of a Godwin portable bypass pump that was budgeted for. Staff explained the need and requested approval for the recommended quote. The Budget and lead time were briefly discussed. **Bill Thiel made a motion to approve the recommended purchase of a portable bypass pump for \$52,748.47 as presented. Daryl Lynchard seconded. The motion passed unanimously. 7/0/0**

Professional Services – Liberty Partners: Staff explained the value of services, benefits, and highlighted no increase to the contract renewal. Staff was asked to follow up on grants and previous experience with lobbyists. Staff also highlighted the help with the SRC Reuse Project grant. **Daryl Lynchard made a motion to approve the 2023-2024 renewal contract with Liberty Partners for \$35,000.00 each year to expire March of 2025. Don Linnell seconded. The motion passed unanimously. 7/0/0**

Carmen Reynolds, 9621 Sunnybrook Dr: The Member asked that the agenda be available in a reasonable time frame.

Engineering

Staff explained progress regarding recent movement with the SRC Reuse Project – Eglin lease, and upcoming meeting to review next steps. Progress on the Elevate Navarre impact fees, and projects. I & I and the offline Well were discussed briefly.

Member Forum

Brett Ramsey, 1791 Frontera St.: The Member explained a new subdivision, the increase to his costs for his request and challenged staff's decision to require a master meter for the new private subdivision. The Member gave examples of previous compromises with staff, the costs of billing the private subdivision future owners, other utilities servicing processes, and the purpose of HNWS servicing members in the franchise. The Member requested a solution for HNWS to service the new subdivision, made disagreements of staff's current reasoning, and requested each new homeowner in the subdivision to have the opportunity to be members and be metered. Staff went over trends in the utility development to master meter higher density subdivisions and maintenance concerns. Staff explained there are two new developments that have been required to be master metered, the county refuses the right of way, and higher costs of maintenance due to congestion. The Member offered to modify the sidewalks and create a maintenance agreement. Robust discussion continued and staff was asked to provide a proposal for their reasoning.

Carmen Reynolds, 9621 Sunnybrook Dr: The Member reminded staff she submitted a public request. She also would like information regarding the High School Blvd lift station project, Williams Creek clearing, the new EPA PFAS requirements, and the commercial review issues.

Steve Rhodes, 2758 Noah Jordan Rd.: The chairman of the board for the Navarre Beach Chamber of Commerce requested information regarding the commercial impact review process and concerns. Staff was asked to discuss the request with the member. Legal Counsel mentioned the policy that can be found on the website.

Mike Matthews made a motion to adjourn. Joe Campbell seconded. The motion passed unanimously. 7/0/0

Action Items:

1. Staff was asked to send copies of this month's CIP and Budget documents.
2. Staff to update the analysis of estimated operating costs to run the TCHC spray field without a golf course by the April Board meeting.
3. Staff was asked to provide a policy with background information for master metering of private developments.
4. Staff was asked to discuss the commercial impact review process request with the member.

Meeting adjourned at 7:23 P.M.



Bill Thiel, Secretary