

Holley Navarre Water System, Inc.
Regular Board Meeting Minutes
October 17, 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, David Crumbley, and Daryl Lynchard. Also present were Jeff Crigler, Will Stokes Esq., Clinton Wells, Barbara Carawan, Phil Phillips, Chris Legg, Deborah Kharuf (stenographer) and Emerald McDaniel.

Approval of Minutes and Transcripts:

August 10, 2023, Open By-Law Amendment Workshop Transcripts, and September 19, 2023, Regular Meeting Minutes and Transcripts were presented for approval. **Daryl Lynchard made a motion to approve minutes and transcripts with changes presented. David Crumbley seconded the motion. The motion passed unanimously. 7/0/0**

Approval of Membership Certificates

There were 282 new memberships, 282 cancelled, and one transferred for September 2023. **Daryl Lynchard made a motion to approve the September memberships. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0**

Unfinished Business

HNWS 2023 Annual Board Election: The Canvassing Committee presented the updated 2024 Election of Directors and Articles of Incorporation Amendment documents with updated legal opinion to follow a Florida Statute to allow proxies for the Articles of Incorporation Amendment, ballot and proxy samples and confirmed the 2024 candidates have been vetted per the Election Policy. Staff announced the qualifying 2024 Candidates as Rob Low, Mark Miller, Wes Siler, and William Thiel.

- a. **Joe Campbell made a motion to approve the 2024 slated candidates, releasing the publications, and ordering 2500 ballots. David Crumbley seconded the motion. The motion passed with Mark Miller and Bill Thiel abstaining. 5/0/2**
- b. **Joe Campbell made a motion to approve the 2024 Articles of Incorporation Amendment Ballot, Proxy, and the updated Election documents with changes. Mike Matthews seconded the motion. The motion passed unanimously. 7/0/0** Staff was asked to change the "Early Voting" language going forward and review the "last amended" year on the Articles of Incorporation documents.

Harlan Hall, 7712 Manatee St: The Member requested a more detailed explanation of the updated legal opinion to allow Proxies for the Articles of Incorporation. Legal Counsel explained in reference to the Florida Statute and HNWS governing documents proxies are to be allowed and considered a present Member at the Annual Meeting.

Kurt Cosby, 6839 Marble St.: The Member reiterated the Open Workshop discussion and requested confirmation of current year Articles of Incorporation Amendment process to include the majority of the Members present at the Annual Meeting as well as expressed frustration with possible corruption with proxy forms.

Wes Siler, 2000 Costa Verde Ct.: The Member expressed frustration with possible corruption using proxies and requested the reason to not allow an absentee ballot for the Articles of Incorporation Amendment vote as well as a copy of the legal opinion with Florida Statutes.

Forensic Audit: Staff presented the Forensic Audit Implementation Schedule reiterating the goals and necessary changes with target dates for each.

Wes Siler, 2000 Costa Verde Ct.: The Member positively reinforced the Board of Directors for hiring a top financial firm to conduct the Forensic Audit as well as deciding to publish the Forensic Audit for the Members. The Member encouraged the Board to continue the transparency while adopting plans and requested the Implementation Schedule be released as well.

Harlan Hall, 7712 Manatee St: The Member requested details of the referenced allegations that were outside of the scope of the Forensic Audit and the Board's plan to review the allegations.

Carmen Reynolds, 9621 Sunnybrook Dr: The Member requested the statutes referencing the updated allowance of proxies for the Articles of Incorporation Amendment, referenced the Board of Directors abdicating duties, lack of credentialed financial staff, and the importance of the Whistleblower Policy.

Daryl Lynchard made a motion to post the Forensic Audit Implementation Schedule on the HNWS website as presented. Mike Matthews seconded the motion. The motion passed unanimously. 7/0/0 Staff was also asked to reach out to Carr Riggs & Ingram for the allegations outside the scope and possibly get a quote to address the allegations if necessary.

New Business

CEO Update: Staff reported on the following items:

- a. PBGC Premium – Staff announced a pension requirement, the deadline, and the budgeted amount. Staff will come back for approval when ready.
- b. TCHC Events – Staff announced the most recent events to include the Special Olympics Tournament and weddings.
- c. TCHC Spray field – Staff announced the spray field cost breakdown will be found in the financials section of the monthly board packet going forward.

Carmen Reynolds, 9621 Sunnybrook Dr: The Member requested the details of the TCHC spray field cost breakdown. The Board of Directors reiterated previous conversations with details and listed the 2023 expense totals to date.

Finance - Review of August 2023 Financials: Staff reported expenses, revenue, loss, accruals, and net income. Staff was asked about auto repairs to one vendor. **Bill Thiel made a motion to approve the August 2023 financials as presented. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0**

Committee Updates:

1. Finance:
 - a. The Budget Committee reported the budget is on schedule.
 - b. The CIP Committee reported an update on the Elevated Tank Contract and the Lift Station repairs and improvements.

2. SR Regional Reuse Initiative representative attended the All-Phase meeting noting the schedule is on track and the preconstruction meeting is scheduled for Phase 1A. The Order of Taking Hearing for the easements was scheduled for November 27th.
3. TCHC Management Board Manager reported wedding marketing promotional items in progress for the Event Room, budget on track, increased positive feedback of course conditions, and year to date revenue.
4. FRUS Board representative reported the draft budget has been presented to the Board of Directors and will be presented for approval in November.
5. MESI Board representative reported possession of the manhole camera, expected delivery of the side-by-side unit, and will be scheduling a board meeting to review the budget.

2022 HNWS Corporate Tax Returns: Staff presented a copy of the 2022 HNWS Corporate Taxes. Staff was asked to remove redactions of part seven (7), request clarification regarding redactions on corporate taxes, and send via BAWM for approval to meet deadlines. **Bill Thiel made a motion to approve signatory authority to President Mark Miller and to submit the HNWS 2022 Corporate Taxes as presented. Daryl Lynchard seconded the motion.** Staff was asked to remove redactions of part seven (7), request clarification regarding redactions on corporate taxes, and send via BAWM for approval to meet deadlines. **Bill Thiel and Daryl Lynchard withdrew their motion and second.**

Conflict of Interest Policy: Staff presented the Conflict of Interest Policy and recommended immediate adoption. Staff confirmed the form is meant to be signed annually by Board of Directors, CEO, General Manager of Operations, Director of Finance, and Procurement Manager as well as the bid evaluation committees. **Daryl Lynchard made a motion to approve and immediately adopt the Conflict of Interest Policy as presented. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0**

Operations Dewatering Pump Purchase: Staff presented three (3) solicited quotes for the purchase of a Dewatering Pump from Tugwell to replace the currently used bypass pumps for the many emergencies that include lowering ground water. Staff explained the reasoning of choosing quality and reliability over the lowest bid. **Daryl Lynchard made a motion to approve the purchase of Dewatering Pump from Tugwell in the amount of \$43,945.00 as recommended. David Crumbley seconded the motion. The motion passed unanimously. 7/0/0**

Carmen Reynolds, 9621 Sunnybrook Dr: The Member requested details of the life cycle and warranty for the proposed pump.

CIP – Colonial Pines LS#16 Pump Replacements: Staff presented quotes and project schedule to upgrade the pumps and controls for Colonial Pines Lift Station #16 in response to growth and age of current pumps. Staff explained improving the system with a bigger pump and new controls will extend the life of the lift station. Staff explained the electrical upgrades will be done in house resulting in savings. **Daryl Lynchard made a motion to approve the Colonial Pines LS#16 Rehabilitation project for a total amount of \$35,092.59. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0**

Engineering

Staff reported decrease in water loss, increase to I&I due to weather, and progress of the Elevated Tank and Booster Pump projects.

Member Forum

Carmen Reynolds, 9621 Sunnybrook Dr: The Member requested compensation details of a previous CEO.

Wes Siler, 2000 Costa Verde Ct.: The Member commended the Board for releasing the Forensic Audit and encouraged the Board to continue the transparency by releasing important documents to the Members.

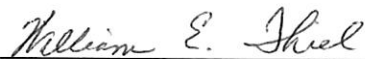
Harlan Hall, 7712 Manatee St: The Member commended the Board for following through with the Forensic Audit and releasing it to the Members. The Member also commended the Operations staff for researching the improved pump.

Joe Campbell made a motion to adjourn. Bill Thiel seconded the motion. The motion passed unanimously. 7/0/0

Action Items:

1. Staff was asked to change the "Early Voting" language going forward and review the amended year on the Articles of Incorporation documents.
2. Staff was asked to present the updated Purchasing Policy and to post the FA Implementation Schedule to the HNWS website.
3. Staff was asked to reach out to Carr Riggs & Ingram for the allegations outside the scope of the Forensic Audit and possible quote to address the allegations if necessary.
4. Staff was asked to remove redactions of part seven (7) in the 2022 HNWS Corporate Taxes, request clarification regarding redactions on corporate taxes, and send via BAWM for approval to meet deadlines.

The meeting was adjourned at 7:33 P.M.



Bill Thiel, Secretary