

Holley Navarre Water System, Inc.
Regular Board Meeting Minutes
November 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, David Crumbley, and Daryl Lynchard. Also, present were Jeff Crigler, Will Dunaway, Esq., Clinton Wells, Barbara Carawan, Deborah Kharuf (stenographer) and Emerald McDaniel.

Approval of Minutes and Transcripts:

October 17, 2023, Regular Meeting Minutes and Transcripts and November 7, 2023, BAWM were presented for approval. **David Crumbley made a motion to approve minutes and transcripts as presented. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0**

Approval of Membership Certificates

There were 280 new memberships, 266 cancelled, and zero transferred for October 2023. **Bill Thiel made a motion to approve the October memberships. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0**

Unfinished Business

None.

New Business

CEO Update: Staff reported on the following items:

- a. Fraud Hotline – Staff announced the fraud hotline has been set up to anonymously report fraud to the Board President via a third-party secure site. **No action was taken.**
- b. Forensic Audit Allegations – Staff reported Carr Riggs and Ingram reviewed the value of the allegations and stated the allegations would most likely be resolved with the current recommendations. **No action was taken.**
- c. Budget Workshop – Staff announced tentative date for open Budget Workshop to review TCHC, MESI, and HNWS draft budgets with a Reserve Funding option and requested Paybands for HNWS staff. **No action was taken.**

Finance - Review of September Quarterly 2023 Financials: Staff reported expenses, revenue, accruals, and net income **Mike Matthews made a motion to approve the September Quarterly 2023 financials as presented. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0**

Committee Updates:

1. Finance: Finance chair reported outstanding Spray field accounting issue to resolve. Robust discussion ensued. **Joe Campbell made a motion to move the Due from TCHC amount of \$277,261.79.00, for all valid Spray field related expenses to Investment In to make the books true and clear. Bill Thiel seconded the motion. The motion failed with Daryl Lynchard, Mike Matthews, David Crumbley, and Mark Miller opposing. 3/4/0** Details of spray field expenses were discussed at great length. **Daryl Lynchard made a motion for TCHC write a check back to HNWS in the amount of \$180,266.51 to repay the expenditures from Jan 1, 2022, to September 20, 2022 which was not approved by the board and the remaining balance of \$96,995.28, be transferred to Investment In.**

David Crumbley seconded the motion. The motion passed with Bill Thiel and Joe Campbell opposing. 5/2/0

- a. The Budget Committee reported the budget is on schedule. **No action was taken.**
2. SR Regional Reuse Initiative representative announced the Phase 1A Groundbreaking Ceremony is scheduled and brief update regarding Phase 1B. Staff was asked to forward the invitation to the full HNWS Board. Legal Counsel recapped the easements, taking progress, voluntary closures, and Closed Executive Session discussion of the last easement not part of the taking. **Joe Campbell made a motion to approve an appraisal for the Florida Power & Light easement. Daryl Lynchard seconded the motion.** Prior easement expectations, current state of negotiations, and appraisal benefits were discussed at length. **Joe Campbell amended the motion to allow the HNWS CEO to authorize an order for an appraisal up to the end of the year if negotiations stall. Daryl Lynchard seconded the amended motion. The motion passed unanimously. 7/0/0**
3. TCHC Management Board Manager reported spray field expenses through September, revenue, Golf Cart Fleet RFP in progress, and hosted events. **No action was taken.**

Kurt Cosby, 6839 Marlin St.: The Member requested the details of the spray field expense sheet. September 2022 motioned valid spray field expenses were reiterated.

4. FRUS Board representative reported the 2024 Budget has been approved, no increases to water rates, and the December meeting has been cancelled. **No action was taken.**
5. MESI Board representative reported budget meeting has been scheduled. **No action was taken.**

2023 Pension Payment: Staff presented a handout outlining recommended payment of \$222,000 to keep funding at 80% with March 2024 deadline. **Bill Thiel made a motion to make a pension payment of \$222,000 by the end of the 2023 calendar year. Mike Matthews seconded the motion. The motion passed unanimously. 7/0/0**

Annual Chlorine Contract Bid Award: Staff presented the three bids for the annual contract for gas chlorine delivery at HNWS Well sites and WWTP's. The lowest responsive bidder was Mobile Solvent in the amount of \$123,750.00 with two, one-year options of renewal included. Staff plans to bring the renewal options to The Board for approval. **David Crumbley made a motion to award the Annual Chlorine Delivery Contract to Mobile Solvent in the amount of \$123,750.00 as presented. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0.**

Emergency Response Plan: Staff presented the Emergency Response Plan and Standard Operating Procedures as a living document. Staff was asked to update the outdated point of contacts. **David Crumbley made a motion to approve the 2023 Emergency Response Plan content and format with necessary POC updates as needed. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0**

2024 Holidays: Staff presented the 2024 Holiday closure dates as outlined by the Employee Handbook. **Don Linnell made a motion to approve 2024 Holiday closures as presented. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0**

SR Regional Reuse Project: Staff reported a requirement to update the appraisals to be within a year. An additional appraisal escrow deposit payment of \$13,800.00 to Santa Rosa County is needed to add to the previously approved \$119,400.00. **Bill Thiel motioned to approve the additional appraisal escrow payment in the amount of \$13,800.00 be transferred and deposited to Santa Rosa County for a total of \$133,200.00 in appraisal escrow payments. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0**

2023 TCHC Property Taxes: Staff presented the HNWS budgeted 2023 TCHC Property Taxes invoice in the amount of \$38,909.38 for 3070 PGA Blvd with a recommendation to be paid by TCHC unbudgeted and without reimbursement. **Joe Campbell made a motion to approve The Club at Hidden Creek pay the unbudgeted 2023 Property Taxes invoice in the amount of \$38,909.38 prior to November 30, 2023. David Crumbley seconded the motion. The motion passed unanimously. 7/0/0.**

Engineering

Staff reported RIB clearing in progress, and completion of one of the hydraulic loops and an increase in water loss.

Member Forum

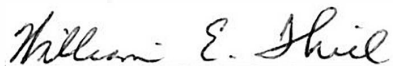
Kurt Cosby, 6839 Marlin St.: The Member requested clarification of correlation between proxy voting and state law after the governing documents have been updated and specific By-Law updates. The updating process and proposed changes were discussed at length.

Mike Matthews made a motion to adjourn. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0

Action Items:

1. Staff was asked to forward the SR Regional Reuse Groundbreaking invitation to the full HNWS Board.

The meeting was adjourned at 7:23 P.M.



Bill Thiel, Secretary