

Holley Navarre Water System, Inc.  
Regular Board Meeting Minutes  
February 14, 2023

Mark Miller, Board President called the meeting to order at 6:05 P.M. The following Board of Directors were present: Mark Miller, Mike Matthews, Bill Thiel, Joe Campbell, Don Linnell and David Crumbley. Director Daryl Lynchard attended via Zoom. Also present were Jeff Crigler, Will Dunaway Esq., Clinton Wells, Amber Bucholtz, Jarod Cross, Kim Torres, Phil Phillips, Deborah Kharuf (stenographer) and Emerald McDaniel. Director Lynchard left the meeting early.

**Approval of Minutes and Transcripts:**

December 20, 2022, Regular Meeting Minutes and Transcripts; January 17, 2023, Annual Meeting Minutes and Transcripts; January 23, 2023, Closed Executive Session Redacted and Unredacted; and January 23, 2023, Special Board Reorganization Minutes and Transcripts were presented for approval. **David Crumbley motioned to approve minutes and transcripts as presented. Don Linnell seconded. Motion passed. Joe Campbell abstained from the December 20, 2023, minutes, and transcripts. 6/0/1.**

**Approval of Membership Certificates**

There were 204 new memberships, 196 cancelled, and one transferred for December 2022. There were 198 new memberships, 186 cancelled, and three transferred for January 2022. **Bill Thiel motioned to approve the December and January memberships. Mike Matthews seconded. Motion passed unanimously. 7/0/0**

**Unfinished Business**

***Finance - Review of October 2022 Financials:*** October 2022 financials are being represented with no noted changes. **Bill Thiel motioned to approve as presented. Don Linnell seconded. Motion passed unanimously. 7/0/0**

***Member Services – Commercial Review:*** Staff reported processes, accounts, and reduced amounts owed were discussed at length. Reasons for charges, previous warning letters, corrected accounts, and anticipated accounts for 2024 were discussed briefly. Financing option was discussed.

***Organizational Resources – Employee Handbook:*** President Miller requested comments from the Board of Directors by March 7, 2023. Previous updates and scheduling a working group were discussed.

***TCHC and MESI – Agreement Amendments:*** Staff summarized the amendments that have been previously requested to update the MESI Administrative Policy and TCHC Operating Agreement to allow the HNWS Board to have the authority to approve the budget no later than the December meeting annually. Concerns of added value and oversight were discussed briefly. **David Crumbley motioned to amend the TCHC Operating Agreement by adding, “The company shall submit its budget annually for approval by the Member on or before the Member’s December meeting.” Don Linnell seconded. Motion passed unanimously. 7/0/0.**

**Joe Campbell motioned to include monthly meeting minutes from TCHC and MESI in the HNWS monthly packets. Don Linnell seconded. Motion passed unanimously. 7/0/0.**

**Mike Matthews motioned to amend the MESI Administrative Policy, by adding, "MESI shall submit annually a proposed budget, which shall be approved by Holley Navarre Water System Board no later than at its December meeting." David Crumbley seconded. Motion passed unanimously. 7/0/0.**

***Water Use Permit – Leak Adjustments:*** Staff recommended a new policy which supersedes any prior Board approved policies that states that a once in a lifetime bill adjustment be allowed per customer per account, and that follow the specifications outlined in a Board memorandum.

- a. Bill adjustments will only be allowed per account holder per service address. An account holder may request a single rate adjustment during the tenure of their account at the current address.
- b. Bill adjustment will apply to the customer's service received: water or water and sewer but must be used together for the same month and occurrence.
- c. If a customer moves and sets up an account at a new service address, they will be allowed a new once in a lifetime rate adjustment for that service address.
- d. The policy will be enacted to provide a clean slate to all account holders system wide as of the date of Board approval. Therefore, as of the date of approval all accounts will have 1 one-time forgiveness bill adjustment.
- e. The adjustment will allow the customer to pick a month of their choosing and the bill for that month will be adjusted to match the previous 12-month average of the customers water usage, or for as many months available if the customer does not have 12 months of usage. The minimum number of months of usage will be 3 months.
- f. The customer must have an active account for at least 3 months to qualify for an adjustment.

**Joe Campbell motioned to approve the recommended policy update, make the policy retroactive from when the policy was rescinded in 2022, and add language to the form to include signing up for the member portal and notifications. Don Linnell seconded. Joe Campbell amended motion to include the retroactive adjustments will be added as a credit to the accounts. Don Linnell seconded. Motion passed unanimously. 7/0/0**

President Miller requested to discuss credits for the sewer portion of pool fills and assigning a policy to allow it more than on a once-in-a-lifetime basis. Benefits to Members and staff belief of possibly violating water use permit was discussed robustly. Staff requested to come back to the Board with a better definition and specifics for a possible policy. Communications from the Northwest Florida Water Management District regarding this item was asked to be shared with the current Board.

### **New Business**

***CEO Update:*** Staff requested clarification regarding check signers for each entity and Secretary/Treasurer duties. Staff gave brief update on the current review of the forensic audit. Staff recommended reaching out to vendors to confirm scope, evaluate bids, and present to board for award when annual audit is finished. Staff also reported the awaited items for the building renovation is expected to ship this week.

- a. **Joe Campbell motioned to add Jeff Crigler to the HNWS check signers. Bill Thiel seconded.** HNWS Check signers: Joe Campbell, Mark Miller, Bill Thiel, Clinton Wells, and Jeff Crigler. **Motion passed unanimously. 7/0/0**

- b. Mike Matthews motioned to add Jeff Crigler as the CEO and Registered Agent to Sunbiz. David Crumbley seconded. Motion passed unanimously. 7/0/0
- c. Joe Campbell motioned to ratify the TCHC check signers as Jeff Crigler, Daryl Lynchard, Mike Matthews, and Clinton Wells; and the MESI check signers as William Phillips, Jeff Crigler, Dale Long, Bill Thiel and David Crumbley. Don Linnell seconded. Motion passed unanimously. 7/0/0
- d. Don Linnell motioned to annotate the Treasurer duties and assign it to Joe Campbell as per the information in the packet and Secretary duties as outlined by Director Thiel. David Crumbley seconded. Motion passed unanimously. 7/0/0

A. Secretary Duties

- a. Keep records of all meetings of Corporation and Board of Directors.
- b. Maintain all Books & Records of the Corporation.
- c. Sign all Membership Certificates.
- d. Sign other official Corporation papers as directed by Board of Directors.
- e. Serve all notices and make all reports required by By-Laws.
- f. Report to Members at Annual Meetings as required.
- g. Keep Corporate Seal & Membership certifications and affix Corporate Seal to all papers as required.
- h. Keep Membership Certificate record.
- i. Other duties as assigned.

B. Treasurer Duties

- a. Perform such duties with respect to Finances of Corporation as prescribed by Board of Directors.
- b. Finance Committee Chairperson
  - i. Chair Bi-monthly CIP Subcommittee w/Director Linnell as previously selected Board Rep.
  - ii. Chair Monthly Budget/O&M Subcommittee w/Director Lynchard as previously selected Board Rep.
- c. Provide support to Corporate CEO & Director of Finance as requested (recommend for Annual Budget prep & Budget execution monitoring, etc.).

***Finance - Review of November and December 2022 Financials:*** Staff reported November to include a loss in revenue and described the month's drivers and expenses briefly. TCHC reimbursements and concerns surrounding the group health insurance total costs were discussed. Staff was asked to provide break down of the group health insurance. Bill Thiel motioned to approve November's financials as presented. Mike Matthews seconded. Motion passed unanimously. 7/0/0

Staff reported December to include an increase in revenue and gave a brief detail of the month's drivers and expenses. Staff was asked about the annual professional fee amount. Bill Thiel motioned to approve December financials as presented. Mike Matthews seconded. Motion passed unanimously. 7/0/0

**Finance – Review of 2022 YTD Un-audited Financial Statements:** Staff presented the 2022 un-audited financial statements, under budget breakdown, drivers, and annual expenses overview. Increased legal fees, one-time expenses, wages, and vehicle needs were discussed briefly.

**Don Linnell motioned to approve the 2022 year -to-date unaudited financial statements. Daryl Lynchard seconded. Motioned passed unanimously. 7/0/0**

***Committee Updates:***

- a. Eglin Committee reported still waiting on executed lease documents and all other parts of project are on track.
- b. CIP Committee reported expectation to be under budget for projects this year.
- c. Budget Committee reported nothing additional to financials presented.
- d. FRUS representative reported meeting will be next week.

**Employee Recognition:** Staff recognized two employees, Monica Garcia, who completed the 2022 Santa Rosa Leadership program and Josh Tittle who is in the current class of 2023 Santa Rosa Leadership program.

**TCHC – Sale of 7061 Pro Am Ct Parcel:** Staff reported the sale of 7061 Pro Am Court was discussed by TCHC Management Board and have asked TCHC staff to evaluate the value of selling the property or keeping. Historical purchase of parcel, possible steps forward including appraisal, zoning restrictions, and believed value if kept were discussed. Staff was asked to research options.

**Operations – Well 4 Maintenance:** Staff requested approval of presented Well 4 purchase orders for \$58,908.00 to replace the pumps and column parts for the high demand well. Staff expects repairs to be done before the high demand season. **Mike Matthews motioned to approve the Well 4 Maintenance expenditure for \$58,908.00. David Crumbley seconded. Motion passed unanimously. 7/0/0**

**Engineering**

Staff reported I&I reduced in December and increased in January. Staff is continuing to evaluate the system to find the sources. Concerns of increased water loss was discussed briefly.

**Member Forum**

**Greg Fountain, 1901 Rue La Fontaine:** The Member gave a historical account of development of property, has a water leak due to the freeze, and tenants bill was \$2,674.15 compared to \$50.00. The owner of the property requested an adjustment for tenant's bill. Directors explained the leak adjustment policy that was approved and next steps for tenant to request and agree with once-in-a-lifetime adjustment for account. Staff was asked to reach out to the tenant.

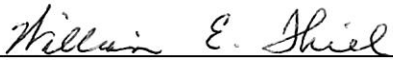
**Kurt Cosby, 6839 Marble St.:** The Member requested a response to his email that requested information regarding The Club at Hidden Creek, and requested a brief be added the March 2023 board meeting agenda. Previous quarterly briefs and TCHC being a private entity were discussed.

**Mike Matthews motioned to adjourn. Don Linnell seconded. Motion passed unanimously. 7/0/0**

**Action Items:**

1. President Miller requested comments regarding the Employee Handbook from the Board of Directors by March 7, 2023.
2. Update the MESI/ TCHC agreement with amendments.
3. Staff will come back to the Board with a better definition and specifics for a pool fill policy.
4. Staff to update check signers and Sunbiz Annual Report.
5. Staff was asked to provide break down of the group health insurance.
6. Staff was asked about the annual professional fees in the annual expenses.
7. Staff was asked to research options for keeping or selling 7061 Pro Am Court at TCHC.

Meeting adjourned at 8:23 P.M.

  
\_\_\_\_\_

Bill Thiel, Secretary