

Holley Navarre Water System, Inc.
Regular Board Meeting Minutes
July 18, 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, Jarod Cross, Barbara Carawan, Phil Phillips, Deborah Kharuf (stenographer) and Emerald McDaniel.

Approval of Minutes and Transcripts:

June 8, 2023, Closed Executive Session Minutes redacted, unredacted and June 20, 2023, Regular Meeting Minutes and Transcripts were presented for approval. **Daryl Lynchard made a motion to approve minutes and transcripts with corrections reflected. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0**

Approval of Membership Certificates

There were 354 new memberships, 329 cancelled, and three transferred for June 2023. **Mike Matthews made a motion to approve the June memberships. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0**

Unfinished Business

Commercial Impact Review: Staff presented Mr. Walters executed request of a one-time transfer of 5.500 ERU's from 8885 Navarre Pkwy – Emerald Beach Campground to 7634 Navarre Pkwy – Johnny Huston's at 5.00 ERU's and 7622 Navarre Pkwy – The Grey Taproom at .500 ERU's to mitigate the amount of fees owed. **Bill Thiel made a motion to approve the ERU transfer as presented and authorize the CEO signatory authority for the agreement with the Member. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0**

Kenneth Walters, four respective accounts: The Member suggested making policies based on facts and recounted the frustrations of his accounts and experiences with previous employees. The Member also requested HNWS pay most legal fees.

ServisFirst Bank – LOC Draws: Staff reported the requirements of the loan to include transferring all accounts with no interest. Staff presented options and made a recommendation of paying off the loan and closing the line of credit. **Daryl Lynchard made a motion to pay off the ServisFirst Loan in the amount of \$475,000.00 and close the line of credit. Joe Campbell seconded the motion. The motion passed unanimously. 7/0/0** Staff was asked to analyze needs for unrestricted and restricted funding during the budget process.

HNWS By-Law Change Committee: Legal Counsel reported conflicts between the Articles of Incorporation and the By-Laws in regard to members and amending the documents. Case law supporting the recommended option of changing the Articles of Incorporation and the By-Laws being changed by majority of members present at an annual meeting of the members will be presented at the Workshop. Staff will schedule the Open Workshop in early August.

Harlan Hall, 7712 Manatee St.: The Member suggested using the Roberts Rules of Order when changing By-Laws at previous experiences and informing the Members of the changes.

New Business

CEO Update: Staff reported on the following items:

- a. Centennial Account Update – Staff recognized the Director of Finance for getting higher interest rates and FDIC insurance on accounts. **No action taken.**
- b. Edmunds GovTech – Staff presented and reported format differences on the reports shown on the financial statements from new ERP. **No action taken.**
- c. LS56 Completion – Staff announced completion of significant upgrade to the lift station on High School Blvd. **No action taken.**

Carmen Reynolds, 9621 Sunnybrook Dr: Member requested the complete cost of project, impacts of flooding at the lift station, and requested confirmation of reasons of contracting project.

- d. Insurance Tracking Sheet – Staff reported the location of the requested Insurance tracking sheet. **No action taken.**

Finance - Review of May 2023 Financials: Staff reported good month, with increase in revenue and decrease in expenses. **David Crumbley made a motion to approve the May financials as presented. Bill Thiel seconded the motion. The motion passed unanimously. 7/0/0** Staff was asked to review the possibility of showing monthly accruals for 401K with HR.

Committee Updates:

1. Finance: Treasurer reported discussion of establishing an operating reserve fund with minimums. **Daryl Lynchard made a motion to direct staff to present needs for operating reserve account as part of budget process. Bill Thiel seconded the motion. The motion passed unanimously. 7/0/0** Staff was asked to present a proposal for setting reserve accounts, showing minimums, for HNWS, TCHC, and MESI.
 - a. The Budget Committee did not have anything additional to add.
 - b. Pension/ 401k committee reported market value of assets which resulted in a current funded liability of 85% and does not require additional funding in 2023 payment can be made until September 2024. No issues were reported with the 401k and increasing participation was discussed.
2. SRC Reuse Project – Eglin representative reported at open special meeting the Board has voted to advertise bid for Phase 1A and the eminent domain process has begun.
3. TCHC Management Board Manager reported Event Room renovation in progress, contractor ready to tackle the erosion issues and good month for financials.
4. FRUS Board representative reported revisions to the Member Agreements and master plan updates.
5. MESI Board representative reported insurance renewals on the agenda for approval and upcoming proposals that will be discussed at the upcoming MESI Board meeting.

FRUS – Member Agreement for Supply and Purchase of Water: Staff presented summary memo, redline, and final, clean version of the required changes to the Fairpoint Regional Utility System Member Agreement due to Water Use Permit renewal. Staff requested resolution approving the FRUS First Amended and Restated Member Agreement and a consent of required changes to the FRUS By-Laws. Reimbursements and changes to sharing and seeking other sources in emergency situations were briefly discussed.

- a. Joe Campbell made a motion to approve of a resolution approving the Fairpoint Regional Utility System First Amended and Restated Member Agreement. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0
- b. Daryl Lynchard made a motion to approve the consent of changes to the Fairpoint Regional Utility System By-Laws. Mike Matthews seconded the motion. The motion passed unanimously. 7/0/0

Guidelines, Standards, and Specifications Policy Update: Staff presented minor changes to the standard detail for new wastewater lift stations to bring the requirements up to industry standard and explained updated additional costs for developers and long-term maintenance cost savings. Staff confirmed in house repairs will be kept to the new standard and requirements of private systems to meet standards before HNWS acquires them. Mike Matthews made a motion to approve the amendments to the Lift Station Standard Detail as presented. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0

MESI – 2023 Annual Insurance Renewals: Staff presented the Municipal Engineering Services Insurance renewals for '23-'24 including Commercial General Liability, Commercial Auto, Workers Compensation, Umbrella, WRAP and a two-year term for Professional Liability in the amount of \$45,340.12. Bill Thiel made a motion to approve the Municipal Engineering Services Insurance Renewals in the amount of \$45,340.12 as presented. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0

Engineering

Staff reported the I & I is lower, wastewater is increasing due to local growth, and water loss decrease due to meter adjustments.

Additional

Staff was asked for an update on the septic to sewer grant at the August meeting. Staff explained the county has reached out regarding a second funding opportunity as well.

Member Forum

Chuck Pohlmann, 2956 PGA Blvd: The Member requested information allowing proxies for the annual election. Making changes to the By-Laws was discussed and current options.

Harlan Hall, 7712 Manatee St: The Member requested resolution for the smell of the Coral St lift station. Current and previous attempts to reduce the smell were discussed.

Carmen Reynolds, 9621 Sunnybrook Dr: The Member commended Director Campbell for recognizing the need for emergency funds, shared success getting feasibility block grants in neighboring areas, and questioned the water quality testing results compared to other reporting entities. Staff explained the water quality testing results are in compliance with constituents

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

Action Items:

1. Analyze needs for unrestricted and restricted funding during the budget process.
2. Schedule by law changes committee open workshop.
3. Share total cost of LS56 project with Carmen Reynolds.
4. Finance to review the possibility of showing monthly accruals for 401K with HR.
5. Present a proposal for setting reserve accounts, showing minimums, for HNWS, TCHC, and MESI.
6. Schedule MESI board meeting.
7. Give updates on funding opportunities.

The meeting was adjourned at 7:58 P.M.

William E. Thiel

Bill Thiel, Secretary