

Holley Navarre Water System, Inc.  
Open By-Law Workshop Minutes  
August 10, 2023

Mark Miller, Board President called the meeting to order at 5:00 P.M. The following Board of Directors were present: Mark Miller, Mike Matthews, Bill Thiel, Joe Campbell, and Don Linnell. Directors Daryl Lynchard and David Crumbley came in late. Also present were Jeff Crigler, Will Dunaway, Esq., Amber Bucholtz, Jarod Cross, Deborah Kharuf (stenographer) and Emerald McDaniel.

**Unfinished Business**

None.

**New Business**

*Articles of Incorporation Update:* Legal Counsel presented definitions of the governing documents, Articles of Incorporation and By-Laws, the conflict between Articles of Incorporation – Article IX and By-Laws – Article XIII, referenced the Florida Statute, past HNWS amendment practices, and case studies, as well as three options to resolve the discrepancy.

1. Interpret “Membership” to mean Members present for the vote – not recommended.
2. Amend Articles of Incorporation to resolve discrepancy between Article IX and X – recommended.
3. Interpret “Membership” to mean all membership certificate holders – not recommended.

Directors discussed whether or not a past membership still has voting rights. Legal Counsel provided an opinion that once a membership is cancelled, the right to vote is forfeited. Legal Counsel briefly discussed the HNWS Franchise Agreement with Santa Rosa County and Holley Navarre Water’s exclusive authority to provide service when requested.

Legal Counsel went through each option in detail and recommended option two (2) that is supported by and consistent with the 1983 amendments. Next steps were outlined to include:

1. At the January 2024 Annual Member Meeting, present a ballot for the members present to vote to propose an amendment of the Articles of Incorporation to track the bylaws by amending Art. IX and Art. X.
2. Follow this with a vote of the Board of Directors to approve the amendment.
3. The Board of Directors would then call a special meeting of the members to approve or deny proposed changes to the bylaws.

The amendment ballot was discussed. Legal provided an opinion that the amendment vote cannot occur by proxy or absentee voting. The amendment ballot must be separate from the director’s ballot.

Doug Larson, 9575 Navarre Parkway: The member asked if there would be protections for members with the proposed changes.

The threshold required for processing the changes was discussed at length. President Miller requested directors give their proposed threshold and he suggested at least 500 members’ vote or 5% or less. Legal Counsel recommended using a percentage. Director Lynchard stated that 500 members voting is not enough and a 10% minimum. Director Linnell suggested 750 members’ vote or 5%. Director Crumbley suggested 5%. Director Campbell suggested that 500 ballots statistically would have a 4% margin of error. Director Matthews suggested 5%. Director Thiel

suggested 3-5%. President Miller stated the majority is at least 5% of members of the corporation and asked Legal Counsel to provide draft language for proposed amendments of Article IX and X with a threshold of 5% to be added to the amendment ballots.

**Election Timeline:** Staff presented two timelines for the 2024 Annual Election with the recommended starting earlier and extending the member participation time for Candidate Applications and Early Voting. Staff explained benefits to include timing issues with ballots, processing, and conflicts with holidays. Staff explained the election packet will be discussed at the regular board meeting. **Bill Thiel made a motion to approve the recommended earlier and extended timeline as presented. David Crumbley seconded the motion. The motion passed with Director Lynchard opposing. 6/1/0**

**By-Law Update:** Based on the discussion surrounding the Articles of Incorporation Update and next steps, staff recommended to table the By-Law Update discussion until a later time. **President Miller tabled the agenda item.**

#### **Member Forum**

No speakers present for Member Forum.

**Joe Campbell made a motion to adjourn. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0**

#### **Action Items**

1. Legal Counsel was asked to provide draft language for proposed amendment revision.

The meeting was adjourned at 6:57PM.

  
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Bill Thiel, Secretary