

Holley Navarre Water System, Inc.
Regular Board Meeting Minutes
September 19, 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, Phil Phillips, Cory Snyder, Chris Legg, Deborah Kharuf (stenographer) and Emerald McDaniel. Carr Riggs and Ingram's Ben Kincaid, and Donna Melillo were guests in attendance.

Employee Recognition

Staff announced congratulations for Bobby Dobson and Brad Patterson for acquiring their Class A Wastewater Operator licenses.

Approval of Minutes and Transcripts:

August 10, 2023, Open By-Law Amendment Workshop Minutes, and August 15, 2023, Regular Meeting Minutes and Transcripts were presented for approval. **Daryl Lynchard made a motion to approve minutes and transcripts with as presented. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0**

Approval of Membership Certificates

There were 285 new memberships, 281 cancelled, and one transferred for August 2023. **Don Linnell made a motion to approve the August memberships. David Crumbley seconded the motion. The motion passed unanimously. 7/0/0**

Unfinished Business

HNWS 2023 Annual Board Election – Canvassing Committee: Staff recommended appointing a Director to the Canvassing Committee, as the members are the CEO, Legal Counsel, and a Board of Director. Director Lynchard volunteered. **The vote was called and passed unanimously. 7/0/0**

Legal Counsel later requested clarification for the committee appointments. **Bill Thiel made a motion to appoint Jeff Crigler, Will Dunaway, and Daryl Lynchard as the Canvassing Committee members. David Crumbley seconded the motion. The motion passed unanimously. 7/0/0**

Forensic Audit: Staff recounted the timeline of the Forensic Audit, the scope, and the awarded vendor. Staff introduced Ben Kincaid and Donna Melillo. Ben Kincaid presented the requested scope from the reported concerns surrounding six (6) months in reference to the previous CEO, fifteen (15) findings, informational graphics via PowerPoint, additional allegations outside the scope, and the recommendations to mitigate the deficiencies in detail and at great length. Robust discussion ensued regarding findings, recommendations, previous annual audit findings, and sharing with the Members. **Daryl Lynchard made a motion to approve posting the Forensic Audit to the HNWS website once complete. Don Linnell seconded the motion.**

Redaction concerns were discussed briefly. Legal Counsel recommended to have Carr Riggs and Ingram make recommendations of redactions if necessary. **Daryl Lynchard retracted his first motion and made a motion to approve posting the Forensic Audit to the HNWS website with**

recommended redactions within 48 hours of receiving the final copy. Bill Thiel seconded the motion. The motion passed unanimously. 7/0/0

Harlan Hall, 7712 Manatee St.: The Member asked if the CEO spending on the Forensic Audit was accumulative, concerns regarding internal resolutions, and recommended the Forensic Audit be expanded to The Club at Hidden Creek and the additional allegations, as well as, releasing the Forensic Audit to the Public. Ben Kincaid, CRI, clarified that MESI and TCHC were included in the scope.

Later, staff was asked to provide an implementation schedule.

New Business

CEO Update: Staff reported on the following items:

- a. WWTP Clarifier Repair – Staff reported a part broke on the clarifier and the necessary actions to repair were successful. Additional evaluations were scheduled for remaining parts. **No action taken.**
- b. Election Annual Notice was reported as in progress and will be briefed in the following month.

Finance - Review of July 2023 Financials: Staff reported expenses, revenue, loss, accruals, and net income. Staff explained a grinder pump was stolen off of an HNWS work truck and the resolution for future prevention. The Club at Hidden Creek spray field expenses were discussed in detail and the \$277,000 amount was confirmed to be the auditor's determination of TCHC spray field expenses. Staff was asked to provide The Board actions and discussions regarding TCHC and the spray field reimbursements.

Kurt Cosby, 6839 Marble St.: The Member asked if the HNWS entities are making profits, and if he can have a breakdown of the profit loss for each. Posting the for-profit entity information online was discussed robustly.

Daryl Lynchard made a motion to request staff provide a detailed listing of the TCHC spray field expenses in the board packets. Staff recommended the invoices to HNWS from TCHC. Joe Campbell seconded the motion. The motion passed unanimously. 7/0/0

Harlan Hall, 7712 Manatee St.: The Member requested The Board decide on how to handle the \$277,000, and how much an acre the spray field expenses would be calculated to be.

Bill Thiel made a motion to approve the July 2023 financials as presented. David Crumbley seconded the motion. The motion passed unanimously. 7/0/0

Committee Updates:

1. Finance:
 - a. The Budget Committee reported on budget.
2. Eglin Regional Reuse Project – reported the recent bid process briefly and noted the item on the agenda.
3. TCHC Management Board Manager reported the income and season being a high revenue time with fluctuations.
4. FRUS Board representative reported the Member agreements have been fully executed, a

Master Plan update is in progress with land acquisition, and FRUS received approval from FDEP loan section for the material solicitation.

5. MESI Board representative reported the previously approved camera purchases are both on order.

Eglin Regional Reuse Project Phase 1A Bid Award: Staff reported bid process, Board approved re-bid opened in August and presented the five (5) bids received with a recommendation to award the lowest responsive bidder. **Bill Thiel made a motion to approve L&K Contracting Company the bid for the Eglin Regional Reuse Project – Phase 1A in the amount of \$4,800,000.00 as presented. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0** Staff confirmed the bid includes the provisions to the lease.

Engineering

Staff reported the I&I issues have decreased and this month reflects the perceived expectations.

Member Forum

Jery Wickliffe, 2580 Cypress Point Cir.: The Member requested information regarding the LAS system and stated he pulled all records regarding the LAS System with Holley by the Sea and referenced a letter from 2017 requesting all spraying on the HBTS property ceases and asked about spraying on HBTS property. The details of previous agreements were discussed, and staff confirmed HNWS has never had the authority nor operated the irrigation system on HBTS.

Harlan Hall, 7712 Manatee St.: The Member explained HBTS has been maintaining the entrance island to Hidden Creek Estates on HWY 399 for four (4) years, TCHC owns the island, and requested records showing an agreement for HBTS to continue maintaining the island. Irrigation, drafting a lease for HBTS, and additional solutions were briefly discussed. Staff explained there is a meeting scheduled with the General Manager of HBTS to discuss a resolution.

Hope Bush, 7432 Brewster St.: The Member requested information regarding the marketing of the TCHC Event Room and information regarding a possible restaurant there.

made a motion to adjourn. seconded the motion. The motion passed unanimously.

Action Items:

1. Staff was asked to provide The Board actions and discussions regarding TCHC and the spray field reimbursements.
2. Staff was asked to provide an implementation schedule of the Forensic Audit recommendations.
3. Staff will update the Board of Directors on the Hidden Creek Estates entrance, Hwy 399 island, on resolution options.

The meeting was adjourned at 7:52 P.M.



Bill Thiel, Secretary