

Holley Navarre Water System, Inc.

Regular Board Meeting Minutes

February 20, 2024

David Crumbley, Board President called the meeting to order at 6:00 P.M. The following Board of Directors were present: David Crumbley, Mike Matthews, Rob Low, Mark Miller, Joe Campbell, Don Linnell, and Daryl Lynchard. Also present were Jeff Crigler, Will Dunaway, Esq., Clinton Wells, Barbara Carawan, Phil Phillips, Donna Lupola, Deborah Kharuf (stenographer) and Emerald McDaniel.

Employee Recognition

Staff thanked James (Buddy) Harvell for his dedicated and hard work for thirty-five (35) years while presenting a plaque.

Approval of Minutes and Transcripts

January 11, 2024, Closed Executive Session Minutes redacted and unredacted, January 16, 2024, Annual Meeting of Members Minutes and Transcripts and January 23, 2024, Open Board Reorganization Meeting Minutes were presented for approval. **Mike Matthews made a motion to approve the minutes and transcripts as presented. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0**

Approval of Membership Certificates

There were 212 new memberships, 217 cancelled, and one transferred for January 2024. **Daryl Lynchard made a motion to approve the January memberships. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0**

Unfinished Business

Procurement Policy: The updated Procurement Policy was presented with implemented recommendations from the 2023 Forensic Audit. Staff was asked to correct minor grammar issues. **Joe Campbell made a motion to approve the 2024 Procurement Policy as written with minor grammar corrections. Mike Matthews seconded the motion. The motion passed unanimously. 7/0/0**

New Business

CEO Update: Staff reported on the following items:

- a. Staff announced the first draft of the HNWS Quarterly Newsletter will be available early April. **No action was taken.**
- b. Staff presented current pictures of the progress of the RIBS at the Santa Rosa Regional Reuse site compared to December's progress. Staff reported slight change to route to bypass the FPL easement due to negotiation complications and an change order presented for approval on the agenda. **No action was taken.**

Finance - Review of November and December Quarterly 2023 Financials: Staff reported expenses, revenue, accruals, and the unaudited net income compared to budget. Staff explained the 2023 audit is in progress. **Daryl Lynchard made a motion to approve the November and December Quarterly 2023 unaudited financials as presented. Mark Miller seconded the motion. The motion passed unanimously. 7/0/0**

Committee Updates:

1. Finance: No reports at this time. **No action was taken.**
 - a. The CIP Committee reported the end of year review was completed and is on track. **No action was taken.**
 - b. The Budget Committee reported the budget expenses were less than expected, and the revenue was more than expected due to delays of the SR Regional Reuse Initiative Project. **Joe Campbell made a motion to formalize employee pay bands before starting the 2025 budget process, with consideration to long-term employees using local, south-east, regional competitive rates. Don Linnell seconded the motion. The motion passed unanimously. 7/0/0**
 - c. The Pension/ 401k Committee reported a meeting was scheduled for March and plans to meet bimonthly and as needed. **No action was taken.**
2. SR Regional Reuse Initiative representative did not have additions to the update given by the CEO. **No action was taken.**
3. TCHC Management Board Manager reported the expenses were lower, a loss for the month compared to the wet weather in 2022, staff has made a focus on advertising the Event space, and there was one bid received for the Golf Cart Lease renewal. Staff is going to review the one received and possibly rebid. **No action was taken.**
4. FRUS Board representative reported a gas station with underground fuel tank proposal is on the Santa Rosa County Board of County Commissioner's (SRC BOCC) regular agenda after the Committee voted to not recommend for approval. The meeting will be attended by the FRUS Board and staff will continue to keep the Board informed of the Fairpoint Regional Utility System's (FRUS) Wellfield Protection issues. **No action was taken.**

Carmen Reynolds, 9621 Sunnybrook Dr.: The Member thanked staff for being available and speaking at the SRC BOCC's meeting and explained another item on the SRC BOCC's regular agenda is to rezone a parcel from agricultural to residential with plans to install 26-28 septic tanks within the FRUS's Wellfield Protection area that will be turned over to an HOA to maintain.

5. MESI Board representative reported the board meeting successfully explained the history and went over the 2024 business plans with the Director Don Linnell. **No action was taken.**

CIP – Parkers Landing LS#22 Pump Replacements: Staff presented quotes for an upgrade of pumps at Parker's Landing Lift Station #22 and recommends two Hydromatic model pumps from Morrow Water Technologies. **Mike Matthews made a motion to approve two Hydromatic H4QXP2500EC model pumps from Morrow Water Technologies, Inc for \$45,675.89 at Parker's Landing LS#22 as presented. Daryl Lynchard seconded the motion. The motion passed unanimously. 7/0/0**

Carmen Reynolds, 9621 Sunnybrook Dr.: The Member asked if there were storm damages that could contribute to the cost of the repair. Staff explained the damages were from normal wear and tear.

CIP – HNWS Well #3 Pump Replacement: Staff presented the quote to upgrade the pump and line shafts for HNWS Well #3 with a recommendation to approve. **Mike Matthews made a motion to approve the Griner Drilling Services quote for replacement of the pump and line shafts in HNWS Well #3 for \$38,748.85 as presented. Don Linnell seconded the motion. The motion**

passed unanimously. 7/0/0.

Independent Rate Study: Staff recommends solicitation of independent rate consultants to perform a rate study. The scope, timeline, benefits, and expected results were discussed in detail. Legal Counsel explained risk management benefits. Historical in-house rate studies were discussed briefly. **Daryl Lynchard made a motion to approve staff to proceed with solicitation of an independent rate study. Mike Matthews seconded the motion.**

Kurt Cosby, 6839 Marlin St.: The Member inquired about the initial motivation to get an independent rate study done, the expected cost, and the date of the last rate study. The Board explained the difference in the historical rate studies and the budget process rate reviews.

The motion passed unanimously. 7/0/0

Santa Rosa Regional Reuse Project – Phase 1A Change Order #1: Staff presented the requested L&K Proposal for Change Order #1 to install approximately 470 linear feet of 18" reclaim water main on Eglin AFB property as opposed to the current proposed location on FPL property due to negotiation complications subject to final approval of the revised route by Eglin AFB. Staff confirmed the change would be removed from Phase 1B when bid, an FPL easement will still be needed on a smaller scale, and Eglin AFB staff is believed to be in support of the change. Staff explained the Eglin AFB Right of Entry process in great detail as they have experienced it. **Don Linnell made a motion to approve the L&K Change Order #1 for the Santa Rosa Regional Reuse Project as presented. Mike Matthews seconded the motion. The motion passed unanimously. 7/0/0.**

Engineering

Staff reported I&I and water loss has increased at a greater rate. Staff is continuing to review the reports and has recently found master metering issues. Staff was asked about the project on the community development list that had a previous unauthorized connection.

Member Forum


Carmen Reynolds, 9621 Sunnybrook Dr.: The Member inquired about the estimated time of completion on projects, budgeted projects, and the TCHC Events calendar, and the progress on the elevated tank at Elevate Navarre.

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

Action Items:

1. Staff was asked to correct minor grammar issues in the approved Procurement Policy.
2. Staff was asked to formalize pay bands prior to the 2025 budget process.

The meeting was adjourned at 7:10 P.M.



Rob Low, Secretary/ Treasurer