

HOLLEY-NAVARRE WATER SYSTEM, INC.

BOARD MEETING

APRIL 17, 2018

6:00 P.M. (CST)

\* \* \* \* \*

**PRESENT:**

James Calkins, President  
Will Goulet, Vice President  
Doug Larson, Secretary/Treasurer  
Ricki Desantis, Director  
Geo Mayer, Director  
Daryl Lynchard, Director  
Mark Miller, Director  
Debbie Gunnoe, Director  
Barbara Carawan, Office Manager  
Paul Gardner, General Manager  
Clinton Wells, HNSW  
Danny Hawkins, HNSW  
Zach Lewis, HNSW  
Torin Brand, HNSW -IT  
Phil Phillips, MESI  
Cory Snyder, MESI  
Dale Long, MESI  
Jennifer Tweety, C-S-V Manager

**ALSO PRESENT:**

Keith Kilpatrick, ESQ.  
Romi White, South Santa Rosa News

## P R O C E E D I N G S

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MR. CALKINS: I'm going to call this meeting to order. Please stand. Ricki DeSantis will lead us into the prayer.

(There was a prayer.)

MR. CALKINS: Amen. I would like to ask Josh Tittle to lead us into the pledge.

(There was the Pledge of Allegiance.)

MR. CALKINS: Secretary, do we have a forum present?

MR. LARSON: Yes, we do.

MR. CALKINS: I would announce that all audio and video recordings are in use. Please silence all cell phones.

We were going to move to approval of March 20th Holley-Navarre System Board meeting minutes. Do we have a motion to approve?

MR. GOULET: Motion to approve.

MR. CALKINS: Do we have a second?

MR. LYNCHARD: I will second it.

MR. CALKINS: We have a motion and a second. Any further discussion?

MR. MAYER: Yes.

MR. CALKINS: Mr. Mayer?

1           MR. MAYER: I was not a director at the time  
2 of that meeting, but I was present. And pages 70  
3 to 88 in the recording of that meeting are a great  
4 embarrassment.

5           MR. CALKINS: Mr. Mayer, the March 20th  
6 meeting?

7           MR. MAYER: Yes, written in the minutes of  
8 that meeting I'm talking about.

9           MR. CALKINS: Is that the...

10          MR. MAYER: Regular Board meeting of March  
11 20th, pages 60 to 88.

12          MR. CALKINS: Okay. Then Keith, was this --  
13 this was the meeting that there was an early  
14 adjournment, correct?

15          MR. KILPATRICK: That's correct. That's the  
16 one I reviewed.

17          MR. CALKINS: How do you feel about the  
18 adjournment of that meeting? Was the adjournment  
19 valid, in the middle, or...

20          MR. KILPATRICK: The bylaws doesn't  
21 expressly say how the president has to  
22 procedurally close a meeting. I think just  
23 historically it's always been motioned and then  
24 seconded and then the meeting has been closed.

25                So it really gives great -- I mean, the

1 president can close it that way. So yes, to  
2 answer your question, it was properly done because  
3 the president adjourned it.

4 MR. CALKINS: Okay. So I would recommend  
5 that we approve it to the point where the  
6 president adjourned it. Do we have any objection  
7 to that?

8 MR. DESANTIS: Mr. President, may I make a  
9 motion to accept the minutes up and to the point  
10 of the president executing the adjournment and  
11 thereafter and those be eliminated, because the  
12 meeting was adjourned?

13 MR. CALKINS: Mr. DeSantis, we have a motion  
14 and a second on the floor currently. Would  
15 anybody like to withdraw their motion and go to  
16 Ricki? Or, Daryl, do you have anything?

17 MR. LYNCHARD: Well, Will made the motion  
18 and Geo has got the floor, so...

19 MR. MAYER: And my remarks have nothing to  
20 do with the adjournment of the meeting. I just  
21 refer you to those pages and the despicable  
22 conduct represented there. And have you from time  
23 to time review that so that this Board never, ever  
24 conducts themselves like that again.

25 MR. CALKINS: I agree.

1                   MR. MAYER: And we owe an apology to our  
2 stockholders. That is the end of my comment.

3                   MR. CALKINS: What is the Board's consensus  
4 on the adjournment? Are we going to end it where  
5 the president adjourned it or are we going to  
6 continue on?

7                   MR. DESANTIS: If I may, Mr. President?

8                   MR. MAYER: There's a motion on the floor.

9                   MR. CALKINS: Mr. Goulet, would you like to  
10 modify your motion?

11                  MR. GOULET: Well, I was sitting in the  
12 room. There was confusion as to whether the  
13 meeting was adjourned properly or not, so that's  
14 why I adjourned the meeting and then it was voted  
15 on, so I guess I don't understand the confusion.

16                  MR. MAYER: The motion is to approve the  
17 minutes.

18                  MR. GOULET: There was a motion and a  
19 second.

20                  MR. MAYER: And the discussion is completed.  
21 So vote.

22                  MR. CALKINS: Okay. So your motion states  
23 that we finish this motion as approved until the  
24 second adjournment, because our attorney just said  
25 basically that the adjournment was valid.

1                   MR. GOULET: But he also said that in  
2 previous meetings, there was always a motion to  
3 adjourn the meeting; is that correct, Keith?

4                   MR. KILPATRICK: That's correct. The  
5 correct, I guess the rules of order, Roberts Rules  
6 of Order does say that a motion needs to be made;  
7 however, like I said, the bylaws do not  
8 specifically state that this Board has to follow  
9 the Roberts Rules of Order, but historically they  
10 have.

11                  MR. DESANTIS: If I may speak, Mr.  
12 President?

13                  MR. CALKINS: Mr. DeSantis?

14                  MR. DESANTIS: In the past with the previous  
15 president, and I've agreed with him at times where  
16 he felt it was necessary to execute an adjournment  
17 due to the environment or behavior or the goings  
18 on at that time, he executed within his right that  
19 power to adjourn that meeting. And I, myself,  
20 personally, experienced that in a Board meeting  
21 where that president executed and adjourned a  
22 meeting as such as you did.

23                  So there is past president, and this has  
24 occurred before while I was on this Board, so it  
25 is, in my opinion, personal opinion, a legitimate

1 adjournment as our legal counsel has mentioned.

2 MR. MAYER: There is no question on the  
3 adjournment.

4 MR. CALKINS: Okay. It's approval of the  
5 minutes?

6 MR. MAYER: It's approval of the minutes,  
7 and seconded. And you asked for discussion, you  
8 had the discussions, now you need to vote. It  
9 doesn't have anything to do with the adjournment.

10 MR. CALKINS: Well, I will now -- is there  
11 any further discussions?

12 (No response.)

13 MR. CALKINS: All those in favor, say aye.

14 MR. GOULET: Aye.

15 MR. LYNCHARD: Aye.

16 MR. CALKINS: Okay. We have two. Any  
17 opposed?

18 MS. GUNNOE: I abstain. I wasn't here for  
19 that meeting.

20 MR. MAYER: So what's the vote?

21 MR. CALKINS: It's two ayes and then -- it's  
22 two ayes and then -- are you --

23 MR. DESANTIS: I'm a nay.

24 MR. CALKINS: Okay. We have one nay. And  
25 Mr. Mayer?

1 MS. GUNNOE: And I abstain because I wasn't  
2 part of the Board at that time.

3 MR. MAYER: Nor was I. I don't know if I'm  
4 eligible to vote, if you need one more vote to  
5 pass it.

6 MR. CALKINS: You can abstain if you like  
7 since you weren't a Board member.

8 MR. MAYER: Do you need another vote to pass  
9 the minutes?

10 MR. CALKINS: Well, it's my opinion, I  
11 personally think that we should go with the  
12 adjournment on that.

13 MR. GOULET: Well, if we do, then we  
14 couldn't have the meeting legally with Landrum,  
15 because that was scheduled after the point when  
16 you left the room, so that was when the Landrum  
17 meeting was scheduled right in here also.

18 MR. CALKINS: So it's up to you, Mr. Mayer.

19 MR. MAYER: What's the vote?

20 MR. CALKINS: There's two ayes, there's one  
21 nay. Ricki is nay, and then Debbie is abstaining.

22 MR. MAYER: Three ayes, the motion passes?

23 MR. CALKINS: That is correct.

24 MR. MAYER: I vote aye.

25 MR. CALKINS: Okay. Motion passes.



1 (Motion passes.)

2 MR. CALKINS: We're going to now move to  
3 approve the March new 343 canceled, and then 290  
4 memberships. See worksheet. And this goes to the  
5 secretary.

6 MR. LARSON: Before you do that, do you want  
7 to approve the March 27th special meeting minutes?

8 MR. CALKINS: As a matter of fact, March  
9 27th? Okay.

10 MR. LARSON: They're in the packet.

11 MR. GOULET: They're in the packet.

12 MR. CALKINS: That was the meeting with the  
13 -- where we appointed the --

14 MR. LARSON: That was the meeting called  
15 right before the golf club meeting.

16 MR. CALKINS: Okay. Yes. We will -- I  
17 agree with that. Yeah, we will. We're going to  
18 go to approval of that meeting.

19 MR. GOULET: March 27th.

20 MR. CALKINS: March 27th meeting minutes.

21 MR. GOULET: I'll make a motion to approve  
22 as presented.

23 MR. CALKINS: We've got a motion. Do we  
24 have a second?

25 MR. LYNCHARD: I'll second.

1 MR. CALKINS: All those in favor, say aye.  
2 (Board members collectively say aye.)

3 MR. CALKINS: Discussion?

4 MR. GOULET: They were e-mailed. Right  
5 after tab one before tab two, Ricki. It was the  
6 election, the election results.

7 MR. DESANTIS: These are the minutes prior  
8 to the golf course meeting, correct?

9 MR. GOULET: Yes, sir.

10 MR. DESANTIS: Okay. Good.

11 MR. CALKINS: Any further discussion?  
12 (No response.)

13 MR. CALKINS: All those in favor, say aye.  
14 (Board members collectively say aye.)

15 MR. CALKINS: Motion passes.  
16 (The motion unanimously passes.)

17 MR. CALKINS: We are going to go back to our  
18 secretary.

19 MR. LARSON: We've got 343 new members that  
20 I would like to have y'all approve.

21 MR. CALKINS: Okay. Do we have a motion to  
22 approve?

23 MR. GOULET: I'll make a motion to approve.

24 MR. MAYER: Second.

25 MR. LYNCHARD: Second.

1 MR. CALKINS: We have a motion and a second.  
2 Any further discussion?

3 (No response.)

4 MR. CALKINS: All those in favor, say aye.

5 (Board members collectively say aye.)

6 MR. CALKINS: Motion passes.

7 (The motion unanimously passes.)

8 MR. CALKINS: And we're going to go to the  
9 canceled 290 memberships.

10 MR. LARSON: You don't vote on the  
11 memberships that are canceled.

12 MR. CALKINS: Okay. Thank you. We're going  
13 to go to reports of the committees. Mr. Paul  
14 Gardner?

15 MR. GARDNER: For the month of March we had  
16 a total revenue of \$884,954.87. We had a total  
17 expenses of \$790,037.39 for a net income of  
18 \$94,917.48.

19 MR. GOULET: Mr. Gardner?

20 MR. GARDNER: Yes, sir.

21 MR. GOULET: That money that was in escrow,  
22 did we put that in the operating funds?

23 MR. GARDNER: No, sir. I'm still waiting  
24 for the Board to give me an action or give me  
25 permission to do it.

1 MR. GOULET: Okay.

2 MR. GARDNER: I think that has to be a Board  
3 decision, whether to move all that money or not.

4 MR. DESANTIS: What is the amount?

5 MR. LARSON: I believe it's about 1.2, I  
6 believe, is what they told me.

7 MR. GARDNER: Yeah, it is about 1.2. I can  
8 look right here and tell you.

9 MR. DESANTIS: 1.2 million?

10 MR. MAYER: It's actually in escrow.

11 MR. GOULET: It's in escrow. What happened  
12 is there was a --

13 MR. MAYER: There was construction.

14 MR. GOULET: Right, and we put it in escrow  
15 because of future possible payment.

16 MR. MAYER: Escrow is a designated --

17 MR. GARDNER: Yeah, we're talking about the  
18 wrong accounts, guys.

19 MR. DESANTIS: Is this the Regions account?

20 MR. GARDNER: No. This money was put in  
21 escrow because of some possible lawsuits that  
22 could have come around between the State DOT and  
23 Holley-Navarre because of a contractor that we had  
24 issues with. Let me get to that page. I'm sorry.  
25 I didn't know you were going to ask those

1 questions.

2 MR. DESANTIS: Paul, how is that listed in  
3 the assets?

4 MR. PHILLIPS: I'm pretty sure it's under  
5 your bank accounts, on your balance sheet.

6 MR. DESANTIS: Which account is under there?  
7 I know that.

8 MR. PHILLIPS: It's \$124,000, Ricki. It's  
9 the only amount.

10 MR. DESANTIS: I thought he said it was 1.2  
11 million.

12 MR. GOULET: It's 124,000.

13 (Unintelligible multiple speakers.)

14 MR. GARDNER: I think the ones they're  
15 talking about was an investment account.

16 MR. GOULET: Is this the Regions investment  
17 account where this money is in escrow?

18 MR. GARDNER: We have the Regions investment  
19 account.

20 MS. CARAWAN: That's the tap fee money.

21 MR. GOULET: What's this account labeled as?  
22 Is it not labeled?

23 MR. GARDNER: Time Deposit, Regions Time  
24 Deposit.

25 MR. DESANTIS: That's only 124,000, Paul?

1 MR. GARDNER: Yes. That's correct.

2 MR. DESANTIS: Where is the 1.2 million  
3 escrow account?

4 MS. CARAWAN: The 1.2 is not an escrow  
5 account.

6 MR. DESANTIS: Okay. What is it?

7 MR. GARDNER: That's just a savings account  
8 for your tap fees, CD.

9 MS. CARAWAN: Tap fees.

10 MR. GOULET: Where is the money from the  
11 escrow account that was put aside like five years  
12 ago?

13 MR. GARDNER: That's the 124,000.

14 MR. GOULET: Oh, the 124,000?

15 MR. GARDNER: Yeah, that's the escrow. The  
16 other one is a -- the investment account is a CD.

17 MR. DESANTIS: Is that the one for  
18 1,140,000?

19 MR. GARDNER: Yes.

20 MR. DESANTIS: So the two combined is where  
21 you're coming up with the roughly 1.2 million?

22 MR. GARDNER: No. I don't know where the  
23 1.2 came from. I was assuming you guys were  
24 talking about the --

25 MR. MAYER: More importantly, where did it

1 go?

2 MR. DESANTIS: It's 124,000, right? That's  
3 the escrow account, right, 124?

4 MR. PHILLIPS: That is the account that was  
5 set up to deal with Royal American up on Highway  
6 87 years ago for potential liability of  
7 Holley-Navarre, or actually, a contractor that  
8 Holley-Navarre would have had to take care of from  
9 the contractor if DOT had prevailed. It got  
10 resolved, nothing ever happened. Holley-Navarre,  
11 apparently, left that money in that account until  
12 today.

13 MR. GOULET: Well, my recommendation to the  
14 Board is we take that 124,455.29 and put that into  
15 the Regions operating account would be my  
16 recommendation to the Board.

17 MR. CALKINS: Okay. Is that a --

18 MR. GOULET: That's my motion.

19 MR. DESANTIS: Can we please make note of  
20 that discrepancy you made? It's 124,000 not 1.2  
21 million.

22 MR. CALKINS: We have a motion on the floor.  
23 Do we have a second?

24 MR. MAYER: Second.

25 MS. GUNNOE: I'll second.

1 MR. CALKINS: We have a motion and a second.  
2 Any further discussion?

3 (No response.)

4 MR. CALKINS: All those in favor, say aye.

5 (Board members collectively say aye.)

6 MR. CALKINS: Motion passes.

7 (Motion unanimously passes.)

8 MR. LYNCHARD: One question.

9 MR. CALKINS: Daryl?

10 MR. LYNCHARD: By moving that money into the  
11 operating account, we are not in violation of our  
12 bylaws?

13 MR. GARDNER: No, not that I'm aware of.

14 MR. LYNCHARD: There's some pretty specifics  
15 at the back of them about what we're supposed to  
16 do with surplus funds.

17 MR. GARDNER: Well, yeah, I don't think our  
18 bylaws spells out any certain number, but it's  
19 going --

20 MR. LYNCHARD: It says any surplus funds.

21 MR. GARDNER: Well, it's going into the  
22 operating account, which we would be spending on  
23 capital projects and stuff.

24 MR. DESANTIS: I don't see this listed as a  
25 contingency reserve fund for potential liability.



1 It was just simply put into an account, right?

2 MR. GARDNER: When Royal America, they put  
3 us in a bunch of liability with the State of  
4 Florida that we were afraid that we were going to  
5 get sued by the State, by the contractor, after he  
6 moved out, so we made the contractor put this  
7 money into an escrow to cover us for eight or ten  
8 years in case DOT came back and wanted damages,  
9 but it's all gone away, so...

10 MR. MAYER: You're saying it's his money or  
11 our money?

12 MR. PHILLIPS: It's your money. At one  
13 point in time there was some conditions to hold  
14 that money in the bank. I don't believe there is  
15 anymore. I think it could have been done years  
16 and years ago, but it's just sat there.

17 MR. LYNCHARD: It just an interest-bearing  
18 CD?

19 MR. GARDNER: I don't think -- it's not a CD  
20 even.

21 MR. PHILLIPS: It does bear interest in the  
22 account. It's actually a pretty good rate of  
23 return. As I recall, it was one of the better  
24 rates of return.

25 MR. DESANTIS: How long ago?

1 MR. PHILLIPS: Dale probably knows more  
2 about it than anybody in the room, about how long  
3 ago was it?

4 MR. LONG: I'm going to say 2003, 2005,  
5 something like that.

6 MR. PHILLIPS: A long time ago.

7 MR. GARDNER: I think we need to check it  
8 out of what the real interest is, because what I  
9 remember is it draws good interest sometimes and  
10 we pay penalties on it the other times.

11 MR. PHILLIPS: I don't think so.

12 MS. CARAWAN: We don't pay penalties on the  
13 CD.

14 MR. GARDNER: I guess I'm confused.

15 MR. CALKINS: Any further discussion on the  
16 finance? Ricki?

17 MR. DESANTIS: If I may, I would like to  
18 know if there is a rate of return -- what type of  
19 vehicle is this and what that rate of return is.  
20 It might be beneficial if it's a long term, or  
21 you're pulling out eight percent, it might be a  
22 pretty good investment to leave in for that  
23 amount.

24 MR. GOULET: It's not eight percent.

25 MR. DESANTIS: You don't know. He said it's

1 a high rate, right? He said it was in 2003.

2 MR. PHILLIPS: It's higher than zero, which  
3 is pretty much what you get on any checking  
4 account. So it actually earns something as  
5 opposed to our savings account.

6 MR. DESANTIS: He said high. I was thinking  
7 five to seven-and-a-half.

8 MR. PHILLIPS: Oh, no. I think anything  
9 above zero in a holding account is pretty darn  
10 good. That account that it's in, though, you  
11 probably couldn't use that for anything else. It  
12 was probably set up strictly for that escrow  
13 purpose and you probably could not use that and  
14 transfer other funds in there. You could check it  
15 out, but my guess is that's why it draws that  
16 interest, because it's restricted.

17 MR. GARDNER: And that's one of the things I  
18 have been wanting to get with Doug about, because  
19 our policy says that we have to get with the  
20 secretary and go over these accounts every so  
21 often.

22 MR. MAYER: You mean the treasurer.

23 MR. GARDNER: Well, the secretary/treasurer,  
24 yeah, and go over these accounts every so often  
25 and make recommendations to the Board what we

1           should do with these accounts. And me and you  
2           have talked about that a long time ago, we just  
3           need to get together and do it.

4           MR. LARSON: Yes, and clarify. I must have  
5           misheard you when we were talking about the funds  
6           and we never sat down and clarified which funds we  
7           were talking about.

8           MR. CALKINS: Okay. Have we finished  
9           discussing the finances? Anybody else?

10          MS. CARAWAN: They need to be approved.

11          MR. CALKINS: Okay. Do we have a motion for  
12          approval of March financials?

13          MR. LYNCHARD: I make a motion we approve  
14          the March financial statements as presented.

15          MR. CALKINS: Do we have a second?

16          MR. MAYER: Second.

17          MR. CALKINS: We have a motion and a second.  
18          Any further discussion?

19          (No response.)

20          MR. CALKINS: All those in favor, say aye.

21          (Board members collectively say aye.)

22          MR. CALKINS: Motion passes.

23          (Motion unanimously passes.)

24          MR. CALKINS: We're going to now move to  
25          personnel. Mr. Lynchard.

1                   MR. LYNCHARD: We did have one personnel  
2 meeting this past month. We met with Landrum  
3 about their HR services and their, I guess the  
4 payroll processing that they're going to do.

5                   After it was all said and done, we all  
6 approved it and Keith approved it, and I believe  
7 we are in the process now of converting over to  
8 Landrum for the HR services and that's all taken  
9 care of, I guess, right?

10                  MS. CARAWAN: Yes, sir.

11                  MR. GARDNER: Tomorrow, we'll do the  
12 enrollment tomorrow with all the employees and  
13 moving on.

14                  MR. LYNCHARD: That will work.

15                  MR. GARDNER: On that note, we do need to --  
16 and I talked to Will about it the other day a  
17 little bit -- we do need to maybe get a committee  
18 meeting going on choosing an insurance. Those  
19 plans -- we never picked a plan on that. We're  
20 not going to be able to make the deadline to pick  
21 the plan.

22                  So what our process is going to be is we're  
23 going to go ahead, for this month, keep our  
24 current insurance, and then hopefully get a  
25 committee together and look at the available plans

1 and come up with something.

2 MR. LYNCHARD: We're not required to change  
3 insurance at this point?

4 MR. GARDNER: No. We can keep ours.

5 MR. GOULET: Our insurance is good until  
6 October, correct?

7 MR. GARDNER: Yeah, we can keep that.  
8 That's what we need to look at, keeping ours  
9 versus taking theirs and stuff like that.

10 MR. LYNCHARD: Okay.

11 MR. CALKINS: I would like to say that I  
12 think we need to talk more about insurance, but  
13 from what I'm gathering, is our employees love the  
14 current insurance and it would, unless -- I think  
15 we should get the employees together to make sure  
16 that if we're going to make any changes, that  
17 they're okay with it, because from what I have  
18 been hearing, they're pretty happy with it.

19 MR. LYNCHARD: I believe we need to get  
20 together and make sure that it's all the same,  
21 that the coverages are the same and everybody is  
22 happy with the coverages.

23 But if it's going to save us in excess of  
24 \$100,000 a year, I think it's something that's  
25 worth looking at, especially if the coverages and

1 deductibles and everything are going to be the  
2 same.

3 MR. GARDNER: And that's why we need to get  
4 together and everybody get on the same page so  
5 everybody is looking at the same numbers.

6 MR. CALKINS: Ms. Gunnoe?

7 MS. GUNNOE: In their presentation, I  
8 thought that part of the insurance, and I can go  
9 back and look for sure, but I thought what was  
10 said was that they can offer any of those  
11 insurance plans that they had.

12 An employee can pick and choose which one  
13 they want because they may want to go with this  
14 plan where we're paying up to a certain point and  
15 they will pay beyond what we would normally pay.

16 MR. LYNCHARD: And that's what I gathered  
17 from their presentation also.

18 MS. GUNNOE: I didn't understand that we  
19 were going with a one-size-fits-all. I thought we  
20 were going with a plan that --

21 MR. GARDNER: That's why we need to sit down  
22 and decide is what I'm saying. We can stay with  
23 our insurance and we can get a committee with the  
24 employees and Board members on there and look at  
25 what we've got and maybe offer up something like

1           that to the employees. That's why I just don't  
2           want to rush into taking theirs.

3           And the savings, the way we've looked at the  
4           savings, just kind of glanced over and looked at  
5           the savings, is not what we thought it was going  
6           to be by going with Landrum, so we might be better  
7           keeping our insurance.

8           MR. GOULET: My recommendation would be form  
9           a committee with all the managers and any Board  
10          members that would like to sit on an insurance  
11          committee and meet. Before, in the past, we used  
12          to have an insurance committee.

13          MR. LYNCHARD: We haven't even gotten good  
14          into this thing yet, and we are at a point now  
15          where that \$100,000 we said we were going to save,  
16          we figured out we're not going to save it.

17          MR. GARDNER: I don't know that we can say  
18          that for sure or not.

19          MR. LYNCHARD: We are not even a week into  
20          this thing yet, it's already there. I mean...

21          MR. DESANTIS: Am I correct to make the  
22          assumption that the current coverage is good until  
23          October?

24          MR. GARDNER: Yes, it is.

25          MR. DESANTIS: So I can also further assume



1           that we have time to exercise due diligence and  
2           look into this further?

3           MR. GARDNER: And that's what I'm suggesting  
4           we do.

5           MR. GOULET: Generally the insurance  
6           providers can't give you a quote until a month  
7           prior to your insurance lapses anyhow.

8           MR. GARDNER: Nobody is going to give you  
9           any numbers until about September.

10          MS. GUNNOE: I have another question.

11          MR. CALKINS: Mr. Mayer?

12          MR. MAYER: Who do we have that knows  
13          anything about insurance?

14          MR. CALKINS: I think our employees --

15          MR. MAYER: I think insurance is as  
16          confusing as IRS regulations.

17          MR. GOULET: In the past, we've normally had  
18          insurance companies, three insurance companies  
19          come in and bid the contract and we generally used  
20          to choose. That's what we normally do.

21          MR. MAYER: Landrum doesn't do the  
22          insurance, they have that broker with them, that's  
23          his insurance, that's the guy we need to talk to.

24          MS. GUNNOE: Right.

25          MR. MAYER: Landrum doesn't have anything to

1 do with it, they get a commission.

2 MR. DESANTIS: That was a last minute add  
3 on.

4 MR. CALKINS: Debbie?

5 MR. GARDNER: And that's something we can  
6 make happen. We can get their guy over here and  
7 talk to them; we can get our current people over  
8 here and talk to them.

9 MR. MAYER: He's already told you that HSA  
10 was the way to go, but talk to him again.

11 MR. CALKINS: Hold on. Debbie?

12 MS. GUNNOE: Open enrollment starts on the  
13 first of May. Are you saying we can't meet that  
14 open enrollment for them to look at what we would  
15 be doing with Landrum?

16 MR. GARDNER: We could meet that, but I  
17 would hate to put the Board in that kind of bind  
18 to make a decision that quick.

19 MS. GUNNOE: Well, since theirs is 1 May and  
20 our goes until October, would we be able to switch  
21 over to what Landrum was offering us at that  
22 meeting in October, because now that open  
23 enrollment is gone?

24 MR. GARDNER: No. You could -- we would  
25 have -- I believe their -- well, I can't answer

1           that question. I would have to get you their  
2           expert out here to answer that. But the way I  
3           understood it is we can switch over to theirs  
4           anytime.

5           MS. GUNNOE: I thought that the reason why  
6           we were rushing through all that with Landrum was  
7           to meet their 1 May open enrollment date.

8           MR. LYNCHARD: No, that's not an open  
9           enrollment date for Landrum. That was the date  
10          that they wanted to start because we are without  
11          an HR person, which means that we are subject to  
12          get sued at any moment by one of our employees and  
13          we have nobody to protect us.

14          MR. GARDNER: I think that date was more to  
15          get employees enrolled and be covered by HR and  
16          get everything going by the 1st of May or 2nd of  
17          May.

18          MS. GUNNOE: I have in my notes open  
19          enrollment is at 1 May is what they told us at  
20          that meeting, and I have it in my notes right  
21          here.

22          MR. LYNCHARD: Can we schedule a first of  
23          the month personnel committee meeting for  
24          Wednesday April the 25th at 8:00 a.m. in the  
25          morning to go over this further, rather than take

1 up time tonight?

2 MR. DESANTIS: What date?

3 MR. LYNCHARD: April 25th, next Wednesday,  
4 8:00 a.m.

5 MR. DESANTIS: April 25th, I have something  
6 going on that day.

7 MR. LYNCHARD: What day would be good for  
8 you?

9 MR. DESANTIS: I'd have to get back with  
10 you. But I would like to say something just to  
11 clarify something about this. Hopefully, it  
12 clarifies and removes any confusion.

13 We initially started out looking for HR  
14 services, correct me if I'm wrong, so we looked to  
15 HR Landrum. And as we proceeded looking for that,  
16 the health coverage was an add-on that came in  
17 addition to it, and when we went into the  
18 discussion of it, that's where the date May 1st  
19 came about. If we're going to do this, we'll add  
20 that on.

21 MR. GARDNER: Ricki, I don't think the May  
22 1st was the date for insurance only.

23 MR. DESANTIS: Agreed.

24 MR. GARDNER: It was for the whole  
25 on-boarding of Holley-Navarre.

1 MR. DESANTIS: Agreed, but we don't have to  
2 do it on that date.

3 MR. GARDNER: No.

4 MR. DESANTIS: That's all I'm trying to  
5 clarify.

6 MR. GARDNER: No, we don't have to.

7 MR. DESANTIS: That's it.

8 MR. GARDNER: We don't even have to do it.  
9 We can keep our own policy as long as we want.

10 MR. DESANTIS: That's all I'm trying to  
11 clarify.

12 MS. GUNNOE: I'm trying to get a  
13 clarification as far as what we've agreed by both  
14 Landrum and the gentleman that was here with  
15 Landrum that was talking insurance that the  
16 purpose for moving forward and being in place by 1  
17 May was so that they would have their support  
18 personnel here within HN-WS to help with the open  
19 enrollment that would start on the 1st of May.  
20 That was my understanding.

21 MR. GARDNER: Well, they're going to be here  
22 anyway. They have to be here to do the enrollment  
23 of all the other employees, whether we do the  
24 insurance or not.

25 The insurance just happened to be they could

1 do it all the same day. Whether we do the  
2 insurance or not, we still, tomorrow morning, we  
3 start doing enrollment for all the employees.

4 MS. GUNNOE: That's for the HR part of it?

5 MR. GARDNER: Yes.

6 MS. GUNNOE: I just wanted the  
7 clarification, because like I said, I've got it in  
8 my notes from that meeting. And that was my  
9 understanding for us to push forward as quickly as  
10 we did, so that if we chose to go with their  
11 insurance, that open enrollment started on 1 May  
12 so that --

13 MR. GARDNER: I don't think it was ever --

14 MS. GUNNOE: -- she can offer up those  
15 insurance plans.

16 MR. GARDNER: I don't think the insurance  
17 was ever the main reason for pushing forward. It  
18 was like Daryl said, we are hanging out in the  
19 breeze with no HR and I think that was the main  
20 thing.

21 MS. GUNNOE: All right.

22 MR. CALKINS: Okay. Any further discussion?

23 (No response.)

24 MR. CALKINS: Okay. We are going to move to  
25 unfinished business now.

1                   Number One: 2017 Annual Audit presentation  
2                   by Warren Averett. Kristen McAllister.

3                   You may come to the podium or wherever the  
4                   court reporter likes.

5                   COURT REPORTER: That's fine.

6                   MR. CALKINS: Just go up to the podium.

7                   MS. MCALLISTER: Good evening everyone. I'm  
8                   Kristen McAllister, I'm a partner with Warren  
9                   Averett. And we were in the field working on the  
10                  audit the third week in February. We have given a  
11                  draft to management and you should have it in your  
12                  packets for your review tonight.

13                  Overall, we did show a clean opinion on the  
14                  financial statement. We have no findings or  
15                  management recommendations. We had minimal audit  
16                  entries. We always have good cooperation from  
17                  your team.

18                  Overall, when you look at the financial  
19                  statement, if you want to turn to page three, you  
20                  did have an approximate three million dollar  
21                  increase in your total assets, most of which was  
22                  actual cash increase related to your net income  
23                  during the year. You did have addition to  
24                  utilities, plants and service related to the  
25                  panhandle's trail relocation and the Greskovich

1 RIB project.

2 The most significant changes are going to be  
3 on page four related to your liabilities. There  
4 was a significant increase in your pension's  
5 obligation during the year related to some of the  
6 actuarial assumptions that were changed. We'll  
7 talk about that in a second. We have a whole note  
8 seven and we'll go through all of your actuarial  
9 assumptions.

10 And then also you obtained a new note from  
11 Regions during the year to finance the rest of the  
12 flex net meters. So those two changes increased  
13 your liabilities significantly during the year,  
14 around five million dollars.

15 When you look at your income statement on  
16 page five, you did have an approximate one million  
17 dollar increase in your income from operations  
18 year over year.

19 The significant changes are really below the  
20 line, not operational which relate to a loss of  
21 some disposal of system assets, which mainly  
22 relates to disposal of old meters in exchange for  
23 the new flex net meters. Those were depreciated  
24 for a different life, and therefore weren't  
25 totally depreciated when they were disposed of.



1                   And the final item there, the net deferred  
2                   pension related loss of approximate 3.8 million,  
3                   that is non cash unrelated to actuarial assumption  
4                   changes that we are about to talk about.

5                   If you will turn to note seven on page -- it  
6                   starts on page 15. The overall pension, net  
7                   pension obligation is about 8.8 million this year.  
8                   It did increase from 5.2. That is the net. You  
9                   have a total liability of 15.5 million for your  
10                  obligation, and you had plan assets set aside of  
11                  6.7, which results in the 8.8 during the year.

12                  Through a review of your actuarial  
13                  assumptions, that is not something that we control  
14                  as an auditor. That is something that management  
15                  controls with the actuary. There were two  
16                  significant changes.

17                  Your discount rate was decreased from 4.25  
18                  to 3.75 during the year, and then also you made a  
19                  change with the assumption in your increase, your  
20                  rate of compensation increase, which was flat in  
21                  prior years and increased this year to 2.5.

22                  Those two key changes overall increased your  
23                  pension liability of 5.1 million. That is the  
24                  most significant estimate in your financials and  
25                  the most significant change within the financials

1           during the year.

2           Otherwise, there was no other accounting  
3           changes, accounting regulations, new standards or  
4           any other regulations that would have impacted  
5           your financials year over year.

6           I do welcome any questions you may have at  
7           this time.

8           MR. DESANTIS: With regards to the old  
9           meters, in fact, there wasn't a change in  
10          depreciation method; it was actually an error and  
11          correction involving meters that were amortized  
12          over forty years instead of depreciated as quick  
13          and properly, and that change caused that large,  
14          significant write-off amount, correct?

15          MS. MCALLISTER: Correct. They were being  
16          depreciated over 40 years, too long of a life for  
17          those meters.

18          MR. MAYER: Have our other depreciation  
19          schedules been verified as appropriate?

20          MS. MCALLISTER: Correct. The new meters, I  
21          believe, have a 20-year life.

22          MR. GARDNER: They have a 20-year warranty.

23          MR. MAYER: Any other items that are  
24          depreciated?

25          MS. MCALLISTER: Not that I'm aware of.

1                   MR. MAYER: Okay. We don't want anymore  
2 surprises.

3                   MR. GOULET: Are we currently meeting our  
4 pension obligations?

5                   MS. MCALLISTER: Correct. You are currently  
6 funding at the required rate. The rate did  
7 increase this year, obviously, with the change in  
8 the obligation.

9                   MR. GOULET: Thank you.

10                  MR. CALKINS: Okay. Any more questions by  
11 the Board?

12                  MR. MAYER: I have a question. No  
13 management issues, no management letter or  
14 anything of that nature?

15                  MS. McALLISTER: There's not a management  
16 letter. Like I said, you had minimal audit  
17 entries. You had a total of five entries. Those  
18 were all related to normal adjusting of  
19 depreciations, because we maintain a depreciation  
20 schedule in our software. Barbara does an  
21 estimate each month.

22                  So there was three entries related to that,  
23 one related to the amortization, which is also a  
24 calculation that Barbara estimates, and we true up  
25 to actual year end. And then the final one was

1 related to the pension plan. Because the actuary  
2 sends the census report about the end of February,  
3 and so that adjustment is done after she closes  
4 her books.

5 MR. MAYER: Are there any reports on  
6 subsidiary companies?

7 MS. McALLISTER: Correct. This is the  
8 consolidated financial. There are consolidated  
9 schedules for the club and municipal included.

10 MR. CALKINS: Anymore questions from the  
11 Board?

12 MR. MAYER: I have a question. 1099s.

13 MR. CALKINS: That's -- okay. Go on.

14 MS. McALLISTER: We do not prepare your  
15 1099s.

16 MR. MAYER: Who does?

17 MS. CARAWAN: The 1099s, we do those  
18 in-house.

19 MR. MAYER: Okay.

20 MS. McALLISTER: We do prepare the tax  
21 returns. The tax returns are due May 15th. We  
22 are working towards that date. If the financials  
23 are approved today, then our tax department can  
24 begin working on those. As of right now, we plan  
25 to accept them on May 15th and have them ready for

1 your June meeting.

2 MR. CALKINS: Anymore questions?

3 MR. DESANTIS: With regards to pension, what  
4 is the percentage of funding of that obligation at  
5 this time, and is it in line with the ERISA?

6 MS. McALLISTER: It is in compliance with  
7 ERISA. I don't have the funding percentage  
8 calculated.

9 MR. DESANTIS: I would like that.

10 MS. McALLISTER: I can provide that.

11 MR. DESANTIS: Thank you.

12 MR. MAYER: Kristen, it's nice to have you  
13 as our partner. What happened to Kathleen?

14 MS. McALLISTER: Kathleen has chosen to go  
15 into a private industry. She actually works for  
16 -- has transitioned into an executive director  
17 role for a construction CPA industry.

18 MR. MAYER: Nice to have you with us.

19 MS. McALLISTER: I've been working with the  
20 system for several years, actually under Marvin  
21 Beasley before this. So I've worked with the  
22 system for about five years.

23 MR. MAYER: Thank you.

24 MR. CALKINS: Thank you. Anymore questions  
25 from the Board?

1 (No response.)

2 MR. CALKINS: We're going to move into A,  
3 filing date for the 2017 taxes.

4 Thank you very much.

5 MR. LYNCHARD: Mr. President?

6 MR. CALKINS: Yes.

7 MR. LYNCHARD: Does anyone else have anymore  
8 questions about the financials or are we ready to  
9 approve these?

10 MR. CALKINS: Yes.

11 MR. LYNCHARD: That's what she asked, if you  
12 need to approve them so they could move forward.

13 MR. CALKINS: Okay.

14 MR. LYNCHARD: I make the motion that we  
15 approve the draft copy of the audit and financial  
16 statements.

17 MR. GOULET: I second that motion.

18 MR. CALKINS: Okay. We've got a motion and  
19 a second. Hold on a minute, another director is  
20 coming in the door. We'll wait until he gets  
21 here.

22 There is a motion and a second on the floor  
23 regarding the 2017 annual audit presentation.

24 Can you restate your motion for Mr. Miller?  
25 I'm going to go to Ricki and then we'll restate

1           your motion.

2           MR. DESANTIS: Are we going to have  
3           discussion?

4           MR. CALKINS: No. Let go to Will. Will,  
5           will you restate your motion and then -- or Daryl.  
6           I apologize.

7           MR. LYNCHARD: I make a motion we approve  
8           the audit financial statements presented to us.

9           MR. CALKINS: Okay.

10          MR. GOULET: Second.

11          MR. CALKINS: Okay. We've got a motion and  
12          we've got a second. Now we are going to go to  
13          discussion. Mr. Desantis.

14          MR. DESANTIS: I personally would like to  
15          have more time to review this draft. I received  
16          it today, the day before. And I would like to  
17          have more time to review these. I would like to  
18          have that percentage number before I would move to  
19          approve the drafts.

20          MR. LYNCHARD: Mr. President, I would like  
21          to withdraw my motion.

22          MR. CALKINS: Okay. Thank you. Is there a  
23          consensus to --

24          MR. MAYER: I believe she told us we are  
25          looking at a June date. Correct?

1 MS. McALLISTER: If they were approved today  
2 so they could get started on them, but otherwise,  
3 we can continue to hold them.

4 MR. MAYER: How long of an extension would  
5 you care to have, Ricki, do you have any idea?

6 MR. DESANTIS: I can get back to you in a  
7 week. Is that enough time?

8 MR. MAYER: Sure.

9 MR. CALKINS: Okay. We're going to go to  
10 now -- are we done discussing?

11 MR. DESANTIS: Yes.

12 MR. CALKINS: We are going to now go to the  
13 filing date of the 2017 tax return.

14 MR. LYNCHARD: I believe, Mr. President,  
15 that's what we were just kind of discussing, so  
16 it's going to be extended. It's a moot point.

17 MR. CALKINS: Okay. Got it. Draft federal  
18 Form 990, is that also a moot point?

19 MR. MAYER: Do we do it in-house?

20 MS. McALLISTER: We will be able to begin  
21 the returns once the audit is approved.

22 MR. MAYER: The 990, is that what you mean?  
23 Where do we get the 990?

24 MR. CALKINS: Okay. So I'm on Item B.

25 MS. McALLISTER: No. We do the 990, we file



1 the 990s.

2 MR. MAYER: I misspoke. Did I say 1099?

3 MS. McALLISTER: Correct. We file the 990.

4 MR. MAYER: Okay. When do we get it?

5 MS. McALLISTER: We can begin that, we can't  
6 begin the work until the audit is finalized.

7 MR. DESANTIS: You wait for our approval of  
8 the draft audit, then you proceed with going  
9 forward with the 990s, correct?

10 MS. McALLISTER: Correct.

11 MR. CALKINS: Okay. Any further discussions  
12 on the 2017 annual audit?

13 (No response.)

14 MR. CALKINS: Seeing no further discussion,  
15 we're going to move to Item Number Two, approve  
16 December 2017 minutes.

17 Now, on this we were supposed to meet and we  
18 didn't get to meet, and I recommend just approval  
19 of it personally, but...

20 MR. MILLER: We have all had a chance to see  
21 those minutes and review them and see the  
22 transcripts, so I'm going to make a motion that we  
23 approve the four sets of minutes from the four  
24 meetings in December.

25 Do we need to split those out or can we

1 approve them all at once?

2 MR. CALKINS: We can approve them all at  
3 once.

4 MR. MILLER: I make a motion that we  
5 approval all four December meeting minutes as  
6 presented.

7 MR. DESANTIS: I'll second his motion.

8 MR. CALKINS: We have a motion and second.  
9 Any further discussion?

10 (No response.)

11 MR. CALKINS: Seeing no further discussion,  
12 all those in favor, say aye.

13 MR. MILLER: Aye.

14 MR. DESANTIS: Aye.

15 MS. GUNNOE: I'm going to abstain since I  
16 wasn't there.

17 MR. GOULET: I'll abstain.

18 MR. LYNCHARD: I abstain.

19 MR. CALKINS: Okay.

20 MR. MILLER: So Ricki, did you vote aye?

21 MR. DESANTIS: Yes. Aye.

22 MR. CALKINS: Okay. Motion passes.

23 (Motion passes.)

24 MR. CALKINS: We are now going to go to item  
25 number three, updates on talks with Santa Rosa

1 County to obtain right of way on Janet Street,  
2 possible other solutions. Mr. Clinton Wells.

3 MR. WELLS: Cory touched base with the  
4 County and there is no descriptive right of way  
5 down there wherein to put the sewer lines, but I  
6 have spoke with Doug Russell, he's the owner of  
7 R-Squared Construction, and actually, I spoke to  
8 him about an hour before I got here.

9 And all he's concerned about, he's collected  
10 all the easements except for one and he's bought  
11 the tax deed on that, so he was really just  
12 concerned, once he goes through all these hoops,  
13 will we help him get sewer? And I told him  
14 absolutely we would. We've already prepared a  
15 basic cost to get it there for him.

16 He's got the proposal for cost share and  
17 he's happy with that. He said, I just want to  
18 make sure that once I do this, we're good.

19 MR. GOULET: Do you have the cost share  
20 amount?

21 MR. WELLS: It's probably in Cory's tablet  
22 there.

23 MR. GOULET: The only thing is if we can  
24 make a motion to get that approved based on your  
25 numbers, based on him getting authorization.

1 (Unintelligible multiple speakers.)

2 MR. GARDNER: You don't have to approve  
3 that, they go to cost share and they -- that's  
4 just how it works.

5 MR. GOULET: I just want to make sure we  
6 don't hold him up.

7 MR. WELLS: We won't hold him up. He gets  
8 that going, we'll be on it.

9 MR. MAYER: Will, is this that dude you were  
10 talking about?

11 MR. GOULET: This is the gentleman that,  
12 yeah, he bought the taxes on the one so he could  
13 get the easement on it, and we're still waiting.

14 MR. CALKINS: Okay. Sounds good. Any  
15 further discussion on this item?

16 (No response.)

17 MR. CALKINS: Seeing no further discussion,  
18 we're going to move to the next item, which is  
19 item number 4, update on GPS and insurance  
20 discount. Paul?

21 MR. GARDNER: I misspoke. There is no  
22 discount on the insurance part of it. I have done  
23 what I said I would do at the last meeting, I  
24 turned off all of the reports on the driving  
25 habits. And I guess, Keith, you're looking at the

1 contract.

2 MR. KILPATRICK: Yes. You forwarded it  
3 over, I haven't finished looking at it, it's kind  
4 of lengthy, but I think that Will's concern was  
5 the liability of having the GPS with the  
6 speedometer; was that the area?

7 MR. GOULET: Well, you have an accelerometer  
8 and a decelerometer and speed and everything like  
9 that, that's what I was concerned with.

10 MR. GARDNER: I have disabled all of that  
11 stuff.

12 MR. DESANTIS: Paul, if I may?

13 MR. GARDNER: Yes, sir.

14 MR. DESANTIS: Have we looked into, one, can  
15 we cancel the contract? Two, if so, is there a  
16 cost associated with canceling and what would that  
17 cost be if we chose to cancel?

18 MR. GARDNER: That's what Keith is looking  
19 at. In my opinion, there is a cost, from what I  
20 read of it. I'm not an attorney, but what I read  
21 of it, yes, there is a cost associated with it,  
22 I'm not sure what it is.

23 MR. DESANTIS: Okay. So it's still pending?

24 MR. GARDNER: Yes.

25 MR. MAYER: In support of Will's original

1 concern, in the golf industry, because of these  
2 problems, golf courses are taking down their  
3 lightning alert systems because of liability posed  
4 by having that, and if it doesn't function  
5 properly, you're liable, and that's a very  
6 prevalent thing now. So I presume -- I don't know  
7 what this subject is, but I think it's the same  
8 concern.

9 MR. GARDNER: I would like for the Board to  
10 look at the inventory part of it, the maintenance  
11 part of it and stuff before we cancel it, but I'll  
12 do whatever you guys want me to do.

13 MR. GOULET: My recommendation to the Board  
14 would be to wait till we hear back from Keith.

15 Keith, do you think you could have a  
16 decision by the next Board meeting, if possible?

17 MR. KILPATRICK: Yes, sir, no problem.

18 MR. CALKINS: Any objection to Mr. Will's  
19 recommendation?

20 (No response.)

21 MR. CALKINS: Any further discussion on this  
22 item?

23 MR. GOULET: Do you guys want to put that to  
24 a vote or do you want us to make a motion on that  
25 to wait until Keith's findings on the GPS before

1 we vote?

2 MR. MILLER: I don't think there's any  
3 action we need to do now. Do we need to make a  
4 motion on that?

5 MR. GARDNER: Just table it.

6 MR. MILLER: I think we just don't do it.

7 MR. GOULET: That's fine. I just wanted to  
8 know --

9 MR. CALKINS: Any further discussion?

10 (No response.)

11 MR. CALKINS: We're now going to move to the  
12 next item, Item Number Five, discussion of website  
13 RFP.

14 Torin?

15 MR. BRAND: It was at the, I believe, the  
16 beginning of March we put out an RFP to the two  
17 local newspapers to start getting proposals in for  
18 a renovation of our website, well, actually  
19 building a new website for us.

20 So you will find all those proposals and a  
21 summary of them in the manilla file folder next to  
22 you guys. I've kind of summarized all of the  
23 proposals that we've received thus far in the  
24 large document on top.

25 MR. CALKINS: I have a quick question. When

1           you advertised, what were the areas you advertised  
2           to get these bids from? Did you advertise  
3           nationwide or?

4           MR. BRAND: I believe they were sent to  
5           South Santa Rosa News and Navarre Press.

6           MR. GARDNER: I believe there's some other  
7           journals. Didn't we get one from Indiana or  
8           something? I think some trade journals picked it  
9           up, and I think it went nationwide.

10          MR. BRAND: So we had two from Navarre, one  
11          from Pensacola, one from Tallahassee and two from  
12          out of state.

13          MR. GOULET: Do you have your  
14          recommendations anywhere on this form?

15          MR. DESANTIS: Torin?

16          MR. CALKINS: Ricki?

17          MR. DESANTIS: Yes, I want to thank Torin.  
18          This is a very nice spreadsheet that you put  
19          together here. And I certainly would like to  
20          review this and these materials I was also  
21          provided today.

22          I noticed that there's one vendor I don't  
23          see on here, one that did the marketing for Santa  
24          Rosa County; what was the name of that, Paradise  
25          or something to that nature I think it was? I



1 don't see that on there.

2 MR. CALKINS: Paradise Marketing.

3 MR. DESANTIS: Okay.

4 MR. BRAND: We did not receive a proposal  
5 from them.

6 MR. DESANTIS: We haven't?

7 MR. BRAND: We have not.

8 MR. DESANTIS: I would like to see us reach  
9 out to them also. They did a fine job for Santa  
10 Rosa, and their approach is from a larger  
11 perspective.

12 MR. BRAND: Okay.

13 MR. DESANTIS: I want to look at the  
14 discussion of intellectual property among each of  
15 these vendors and how some may see it. Do we  
16 retain that intellectual property that they create  
17 on our behalf which could betray more copyright  
18 issues, or do they take any artwork that they  
19 create and retain that intellectual property right  
20 to it?

21 So I want to spend the time with that and  
22 also have you to refer to Keith on certain issues  
23 such as intellectual property with us.

24 MR. KILPATRICK: That actually takes a  
25 specific degree to do patent law, but I could

1 definitely find an attorney that would be local to  
2 look at it and then advise the Board, but, yeah.

3 MR. DESANTIS: Yeah, because the use of  
4 anything with our trademark or copyright or  
5 whatever, we certainly can't give up that  
6 intellectual property.

7 MR. KILPATRICK: I agree.

8 MR. DESANTIS: So that's why I want to look  
9 into this more. I would like to see them give a  
10 presentation, that's all, a presentation done  
11 before the commission, as a matter of fact, by  
12 Paradise.

13 MR. CALKINS: Yeah.

14 MR. DESANTIS: So I would like to meet these  
15 people. Is anybody tonight here that's on this  
16 chart that's put forward a proposal?

17 MR. MAYER: What's the question, please?

18 MR. DESANTIS: Any of the vendors on this  
19 worksheet that's put forward a proposal?

20 MR. CALKINS: Are they here in the audience?

21 MR. DESANTIS: Are they here tonight?

22 MR. CALKINS: I think what Ricki is getting  
23 at, and I kind of see his point, at the County  
24 level, they have people that would give their  
25 proposals and show their diagrams.

1                   MR. GOULET: The County spent \$700,000,  
2                   we're talking \$15,000.

3                   MR. LYNCHARD: We ask for a request for a  
4                   proposal. We didn't ask them to come do  
5                   presentations for marketing houses.

6                   MR. CALKINS: I guess we need -- it's just  
7                   my opinion, we can do this, but I think we can  
8                   possibly give a little time on this one.

9                   MR. DESANTIS: I would like to look it over.  
10                  There's a lot of material in here, it really looks  
11                  fabulous and I would like to look at it all. They  
12                  did a fabulous job with the materials if you look  
13                  at this.

14                  MR. CALKINS: Mr. Miller?

15                  MR. MILLER: One of the concerns with the  
16                  website is, under content platform, I see that  
17                  four out of the seven use Word Press, and I happen  
18                  to know that -- I'm not an expert on it, but I  
19                  happen to know that Word Press has some issues as  
20                  far as being able to be hacked a little easier. I  
21                  don't know anything about these other four  
22                  platforms that they're using, but that's a  
23                  concern. We've got upfront costs and ongoing  
24                  costs.

25                  So I really do think before we jump into

1           this, we do want to kind of have a little more of  
2           an opportunity to look over it, consider it and do  
3           some research on this, and also possibly get a  
4           proposal from this Paradise company.

5           MR. CALKINS:   Okay.

6           MR. GOULET:   Then we probably need to put it  
7           out to bid again, because if we selectively just  
8           go after one company we're not doing the other  
9           suitors justice by going after one company,  
10          because there could be another company from  
11          Pensacola that feels they weren't justly marketed  
12          to do the website also.   I just put that out  
13          there.

14          MR. CALKINS:   I agree with Will.   I think we  
15          should just put it out for bid again.

16          MR. DESANTIS:   Yeah, at least extend it, but  
17          I would love to have the time to go over these  
18          materials.   There's a lot here and there's very  
19          important issues from Word Press as to integrity,  
20          security, intellectual properties.   We need to put  
21          the time and due diligence towards making this  
22          decision, in my opinion.

23          MR. CALKINS:   Absolutely.   Do we have a  
24          possible motion to put it up again?

25          MR. DESANTIS:   I would make that motion to

1           either extend or put the bid up again --

2           MR. CALKINS: Do we have a deadline?

3           MR. DESANTIS: -- to accept additional  
4 proposals.

5           MR. CALKINS: We have a motion. Do we have  
6 a second?

7           MS. GUNNOE: I'll second.

8           MR. MILLER: I would like to clarify. If we  
9 are going to put it back out for an RFP, where  
10 would we put it out? I like that we put it in  
11 local papers, but should we put this in some kind  
12 of national search because there's a lot of  
13 national companies out there, or the Pensacola  
14 News Journal, somewhere that's maybe a little bit  
15 larger place to advertise?

16          MR. MAYER: I agree.

17          MR. GOULET: Torin, what's your  
18 recommendation? So when we have a problem, the  
19 website crashes and you've got to call somebody in  
20 Atlanta to help you fix their problem with their  
21 software? What do you recommend, Torin?

22          MR. BRAND: Well, since most of the stuff,  
23 most of the content is hosted online, it can be  
24 done from a distance. So we don't necessarily  
25 have to use someone locally, but it does help to

1 be able to call the same person.

2 I know that both of the local vendors that  
3 we had submit a proposal, we actually know who  
4 we're calling, so that is something to help us.  
5 But any of the -- it can be done from a distance.

6 MR. CALKINS: So we've got a motion on the  
7 floor. Did we get a second?

8 MS. GUNNOE: I seconded.

9 MS. CARAWAN: Debbie.

10 MR. CALKINS: So we got a second. Any  
11 further discussion?

12 MR. LYNCHARD: Yes. How many do we need or  
13 do we have a time limit on this one or how many  
14 proposals do we need before we can proceed to look  
15 at each individual's proposal and make a decision?

16 MR. DESANTIS: Could we be comfortable with  
17 extending it another month to accept more  
18 proposals and put the time in to reading these  
19 materials here before the next Board meeting?

20 MR. GOULET: Here's the problem: They were  
21 supposed to be sealed bids, now anybody else can  
22 bid against these contractors that the bids are  
23 out now. So it's kind of an unfair advantage. So  
24 these people are probably going to want to rebid  
25 it after seeing what somebody else bid.

1 MR. DESANTIS: How are they going to see  
2 these? Who has them?

3 MR. CALKINS: Good question. This is  
4 confidential. As far as I know, these bids are  
5 something we protect. So the only people that  
6 would see these bids is the Board.

7 MR. DESANTIS: That should be made sure that  
8 that is all.

9 MR. CALKINS: We should get this issue  
10 solved and just make a commitment to the public to  
11 get this solved by next month so we don't keep  
12 kicking it down the road.

13 MR. DESANTIS: Next Board meeting.

14 MR. CALKINS: Next Board meeting. So we  
15 should have them a week before the Board meeting?  
16 Torin?

17 Ricki, is that part of your motion or what  
18 was your --

19 MR. DESANTIS: Mark continued on with it. I  
20 yield to Mark. A month?

21 MR. MILLER: Yeah, I think a month is plenty  
22 of time. I would like to maybe clarify the motion  
23 as far as where we're going to RFP. What source  
24 are we going to use to try to obtain additional  
25 bids so that we're clear on that before I vote on

1           it?

2           MR. CALKINS:   Okay.

3           MR. MILLER:   Does anybody have any  
4           discussion on that?   Torin, do you know of another  
5           place that would reach out to more national  
6           website firms?

7           MR. BRAND:   There's places online, but it's  
8           usually individual companies that you're reaching  
9           out to them directly whenever you're asking for  
10          that.   There are top ten lists that we can go to  
11          and get other people's opinions.   But as far as  
12          that goes, we could extend our reach as far as  
13          newspapers again.   Aside from that...

14          MR. MILLER:   What about the News Journal,  
15          Pensacola New Journal, would it have a little more  
16          exposure, I guess?   I don't know.

17          MS. GUNNOE:   Do you have any idea how the  
18          two out of state companies heard about us?   Did  
19          they give any response?

20          MR. BRAND:   I believe that Navarre Press  
21          actually has a bulletin that they put out or some  
22          type of page that they have that's accessible  
23          nationwide, so I believe both of those leads came  
24          from Navarre Press.

25          MS. GUNNOE:   Okay.



1                   MR. CALKINS: Thank you. Debbie, Torin, any  
2 further discussions? Mark? Can we just put it  
3 out in the southeast? That would be kind of close  
4 to the big cities.

5                   MR. MAYER: Our requirement -- in that  
6 industry, that business, our requirement is small  
7 potatoes, it's miniscule. This is not the  
8 Department of Defense. You know? You pick  
9 someone you trust, that you've done business with  
10 and you hire them. I don't think we're looking at  
11 more than 25, \$30,000.

12                  MR. CALKINS: Yeah. I think what the Board  
13 is trying to do is just get this right  
14 geographically.

15                  MR. MAYER: And furthermore, we are not  
16 giving these people our requirements. They will  
17 give you a price, they will give you a bid on  
18 anything.

19                  MR. GOULET: The original website costs less  
20 than \$700 to build; you know that?

21                  MR. LARSON: How many people hit that  
22 website, 2,000, 3,000, I think.

23                  MR. BRAND: Yeah, not a ton. We don't need  
24 a lot of band width or anything like that. But,  
25 when we're talking about getting new features as

1           being able to put streaming videos on the website,  
2           there's different things to think about as far as  
3           having just a link that will link over to the  
4           streaming.

5           MR. GOULET: Just like U-Tube.

6           MR. MAYER: The Radio Shack store down here  
7           and the Publix will do it for you. I'm feeling  
8           that --

9           MR. CALKINS: We can put those options on  
10          the --

11          MR. BRAND: Well, if there's quite a few  
12          opinions as far as which way we need to go as far  
13          as a content platform and what price point we need  
14          to hit, then --

15          MR. MAYER: That's us.

16          MR. BRAND: -- we need to discuss what we  
17          actually want.

18          MR. CALKINS: Okay. Any further discussion  
19          on this item? I suggest we just -- we get this  
20          passed, for instance, and give him, any of the  
21          board members just send Torin their ideas, get  
22          that done within a week and then put it out.

23          And they will have a couple weeks to get  
24          them in right before the Board meeting. Then  
25          we'll have another week where we can go over what

1 we want. And then at the Board meeting, we can  
2 decide.

3 I know the public is anxious to get this to  
4 the Board so we can get this done, we just want to  
5 do it right. I see that kind of coming from the  
6 Board.

7 MR. MILLER: We have a functional website,  
8 so this is just, it's going to improve on what  
9 we're offering to our water customers, and we do  
10 want to get it right. Once we spend \$15,000 to  
11 build one, we want it to be a nice website and we  
12 want it to be a secure website.

13 Because I can tell you that I know personal  
14 firsthand of websites that have had issues and  
15 gotten hacked and the next thing you know is  
16 you've got ads for Canadian pharmacies on there  
17 and other stuff, so we want to avoid that for  
18 sure.

19 MR. CALKINS: So, Ricki, timewise, one week  
20 to get all --

21 MR. DESANTIS: Mark touched on it. I think  
22 he was going to go with a motion one week to get  
23 more input in from whoever would like to. We are  
24 looking at the next Board meeting to hopefully  
25 make this decision.

1 I think Mark pointed out, and I agree with  
2 him, we currently have a website that's  
3 functional. So it's not an emergency. And I  
4 agree with Mark that, take our time, let's get it  
5 right the first time.

6 MR. BRAND: Would we be able to meet  
7 together for a committee meeting after one of the  
8 next committee meetings so we can get all of the  
9 ideas in one place?

10 MR. DESANTIS: Then present them. That's a  
11 good idea, Torin. I like that.

12 MR. LYNCHARD: I think a big part of us  
13 getting it right the first time is for us to come  
14 up with our own ideas of what we think. Give them  
15 all to Torin, let Torin review all of the  
16 proposals that were given, let Torin pick his top  
17 choices, give us the pros and cons of each one of  
18 them, and then we will make the decision based on  
19 that. And that's how we can get it right the  
20 first time because he knows about websites and so  
21 we don't need to be doing the technical side of  
22 it.

23 MR. CALKINS: Yeah.

24 MS. GUNNOE: I agree.

25 MR. BRAND: A big part of it is cost. If we

1 want to be secure, obviously, the more secure we  
2 are, the more features we have on the website,  
3 it's going to cost more. So if we have a target  
4 price point that we're looking to give, it's kind  
5 of a give and take as far as features go, but...

6 MR. DESANTIS: I want to point out two  
7 intellectual property rights, which I spoke to,  
8 the trade right, copyright, we don't want  
9 infringement, security, stream videoing, user  
10 friendly, those are all important issues right out  
11 of the gate.

12 MR. CALKINS: Okay. We've got a motion and  
13 a second. Mark, have we clarified everything  
14 we've needed?

15 MR. MILLER: Yes.

16 MR. CALKINS: Anything else from the Board?  
17 Everybody okay? We've got a motion and a second.  
18 Any further discussion?

19 (No response.)

20 MR. CALKINS: All those in favor, say aye.

21 (Board members collectively say aye.)

22 MR. CALKINS: Motion passes. Thank you.

23 (Motion unanimously passes.)

24 MR. CALKINS: We're going to now move to  
25 Item Number Six, review process for signing

1 membership certificates.

2 And what this has to do with is, basically,  
3 me and Doug, we have to sign all these, and we  
4 came up with an idea on having a computer do it.  
5 I would like to defer to Paul and Torin to tell me  
6 what y'all came up with on this issue.

7 MR. GARDNER: Well, I know we checked it out  
8 when we first started giving certificates again.  
9 The Board can do an auto sign or they can give it  
10 to an employee or something, but whatever you do,  
11 the Board has to do it in the form of a  
12 resolution, so it's on record that the Board, that  
13 the whole Board agreed to do it like that.

14 MR. CALKINS: Okay, so basically what you  
15 need is a motion to make a resolution to  
16 authorize?

17 MR. GARDNER: And I mean that was from the  
18 former attorney, so we can defer to Mr.  
19 Kilpatrick.

20 MR. KILPATRICK: That's exactly how you do  
21 it.

22 MR. BRAND: What we can do is just -- the  
23 form that we usually print and fill all the  
24 certificates out with can just be populated with  
25 the signatures beforehand so they actually print

1 on the form, they're being mailed and -- well,  
2 actually generated in Mail Merge.

3 MR. CALKINS: So we need a motion for that?

4 MR. GARDNER: The Board still has to approve  
5 them every month.

6 MR. CALKINS: Okay. And this is to get --

7 MR. MILLER: Before they're electronically  
8 signed, the Board will approve them?

9 MR. GARDNER: No, you can sign them -- like  
10 they do now, they sign them before the Board  
11 approves them here.

12 MR. LARSON: No, we sign after them. The  
13 Board approves them, and then we sign them.

14 MR. LYNCHARD: I personally think it's part  
15 of our duty as Board members that one of the  
16 things that we're supposed to do is sign these  
17 things. And I think that that's probably part of  
18 the reason that we're where we are right now  
19 signing 700 or 800 a month.

20 MR. LARSON: It's only about 400.

21 MR. LYNCHARD: Well, that was a couple  
22 months ago.

23 MR. LARSON: Well, that was a couple months  
24 put together. On average, it's about 400.

25 MR. LYNCHARD: If we do this by allowing

1 electronic or other means to take away somebody's  
2 personal signature, we're just going to get  
3 ourself back in this boat again ten years from  
4 now.

5 MR. GARDNER: I wouldn't allow my signature  
6 on it.

7 MR. LYNCHARD: No, and I definitely wouldn't  
8 feel comfortable as a Board member saying that  
9 this is us that's doing this when it's a computer  
10 and we have no control over it.

11 MR. CALKINS: Mr. DeSantis?

12 MR. DESANTIS: I certainly agree with  
13 Daryl's concerns with fraud and things of that  
14 nature. So with that said, is it possible to get  
15 a certified stamp with your signature so the  
16 person isn't sitting there with their hand doing  
17 it, they could just sit there and stamp them to  
18 speed it up if you want to do it manually?

19 MR. CALKINS: Is there some kind of stamp?

20 MR. DESANTIS: Like the corporates do?

21 MR. BRAND: There's a signature stamp.

22 MR. GARDNER: We have signature stamps, but  
23 we've been advised by people not to use them.

24 MR. CALKINS: Same situation.

25 MR. GARDNER: Of course, that's up to y'all.



1 I don't use mine anymore.

2 MR. LYNCHARD: As far as Im concerned, it's  
3 just as good as a computer.

4 MS. GUNNOE: As far as the signature stamp,  
5 you could leave that with the person that is  
6 actually signing. They could have their own stamp  
7 and stamp rather than hand sign each one; could  
8 they not, if they maintain their own stamp?

9 MR. GARDNER: It's a signature facsimile.  
10 It's recorded at the bank. You can do that, but  
11 we've been told by people in the security part of  
12 the business that that's not a good idea, but, I  
13 mean, that's not saying you can't do it.

14 MS. GUNNOE: Is that because a stamp can be  
15 duplicated?

16 MR. GARDNER: Because your stamp can come up  
17 missing.

18 MR. LARSON: Considering where my stamp  
19 could be used at, no, I would not, I would still  
20 sign.

21 MR. CALKINS: Okay. Is that the consensus  
22 of the Board? I've signed these. I personally  
23 don't have a problem. It's easy. In the first  
24 part, it was a lot of them, but now it's a couple  
25 hundred a month. So we'll just continue to do

1                   what we're doing unless anybody --

2                   Any more comments from the Board about this  
3                   item or issue?

4                   (No response.)

5                   MR. CALKINS: Seeing no further comments  
6                   from the Board --

7                   MS. GUNNOE: I do have one.

8                   We're worried about the security of a  
9                   signature stamp, that the person who would be  
10                  signing manually controls and has possession of.  
11                  I don't understand where that's a security issue,  
12                  other than possibly somebody -- and if that person  
13                  loses it, then shame on them.

14                  MR. GARDNER: It might not be such a  
15                  security issue on signing something like one of  
16                  these certificates, but when you have my signature  
17                  and a book full of blank checks in there, I don't  
18                  think it's a good idea.

19                  MR. CALKINS: I think what --

20                  MS. GUNNOE: Well, I can understand it with  
21                  finance --

22                  (Unintelligible interruption.)

23                  MS. GUNNOE: -- that if I were the one  
24                  signing them, and I'm not, obviously, but if I  
25                  were the one signing them, and instead of signing

1           -- what was it, 343 of them that are going to have  
2           to be signed manually -- if I myself had a stamp  
3           developed that I maintained and instead of  
4           manually signing them, I just hit a stamp pad and  
5           stamped them myself, we don't need a resolution  
6           for that, correct?

7           MR. CALKINS: No. We could do that with our  
8           own stamp.

9           MR. GARDNER: No.

10          MS. GUNNOE: We only need a resolution if we  
11          decided to go forward with --

12          MR. GARDNER: To do the stamp, you just have  
13          to have that facsimile registered at the bank so  
14          they can tell that that's your signature.

15          MR. DESANTIS: Signature card?

16          MS. GUNNOE: Yeah.

17          MR. GARDNER: Well, it's not a -- it's a  
18          stamp. It's just a copy of your stamp so they can  
19          tell the difference, because a stamp stamps  
20          perfect every time, a signature is different.  
21          It's a personal --

22          MS. GUNNOE: So they would want a copy with  
23          an actual signature at the bank?

24          MR. GARDNER: And a facsimile of the stamp.  
25          It's a personal --

1 MS. GUNNOE: (Inaudible interruption.)

2 MR. GARDNER: It's a personal preference. I  
3 don't want the responsibility.

4 MS. GUNNOE: (Inaudible interruption.)

5 MR. GARDNER: I sign hundreds of checks a  
6 week and I would much rather do it by hand than  
7 worry about --

8 MS. GUNNOE: (Inaudible interruption.)

9 MR. GARDNER: -- where my stamp is at.

10 MS. GUNNOE: Yeah, when it comes to checks,  
11 obviously. But anybody can go out there. I could  
12 sign something here tonight, somehow that  
13 signature gets into somebody's hand, they can scan  
14 that in, they can get my signature any day of the  
15 week, make a pdf file out of it and now they're  
16 slamming my signature in on all kinds of  
17 documents.

18 But -- so there are ways -- if people are  
19 going to be fraudulent, they're going to be  
20 fraudulent, they're going to go around it, but I  
21 would think if somebody signing the certificates  
22 took it upon themselves to do a stamp, that that  
23 would be easier for them and they just maintain  
24 that stamp.

25 But you're saying if they decided to do

1           that, we need to go register that stamp with the  
2           bank; is that correct?

3           MR. GARDNER: I think. I'm not sure if we  
4           even have to do that or not. I know that on the  
5           signature cards, there is a place for the stamp.

6           MR. LYNCHARD: I think if we're going to do  
7           that, we need to make a motion to the Board to  
8           allow it.

9           MR. CALKINS: Allow stamps?

10          MR. LYNCHARD: Yes.

11          MR. CALKINS: Do we have a motion to allow  
12          stamps?

13          MS. GUNNOE: I'll make a motion that for  
14          signing the certificates, the membership  
15          certificates, that if someone chooses to have  
16          their own stamps for that, that they're able to do  
17          that.

18          MR. CALKINS: Great. We've got a motion.  
19          Do we have a second?

20          MR. DESANTIS: I want to ask a question.  
21          These are just for the membership certificates,  
22          right?

23          MR. CALKINS: Yes.

24          MR. DESANTIS: So there is no need for  
25          registering with the bank or anything like that.

1           The person signing the certificates isn't signing  
2           checks, correct?

3           MR. CALKINS: The motion is just to help  
4           out, like Doug or whoever is doing this, then they  
5           can go to the bank and they can get their stamp.

6           MR. DESANTIS: No. No. That's what I was  
7           saying --

8           (Unintelligible multiple speakers.)

9           MR. LARSON: I'm not going to get a stamp,  
10          so there is no need to make a motion unless James  
11          is going to get one.

12          MR. CALKINS: Yeah. I'm fine with -- we've  
13          got a motion. Do we have a second?

14          MR. DESANTIS: Who is going to be  
15          responsible for maintaining the stamp?

16          MS. GUNNOE: The person themselves. So if  
17          James changes his mind and he wants to get a stamp  
18          or Doug changes his mind and he wants to get a  
19          stamp --

20          MR. CALKINS: I think it's good for the  
21          future.

22          MS. GUNNOE: -- they have that opportunity  
23          to do so.

24          MR. DESANTIS: I will second the motion.

25          MR. CALKINS: Okay. We've got a motion and

1 a second. Any further discussion?

2 MR. MILLER: Yeah. I would like to know  
3 what specifically does the bylaws say has to  
4 happen on those member certificates? Does it say  
5 they will be signed by -- Keith, would you read  
6 that section?

7 MR. KILPATRICK: Yes, I am looking at that  
8 right now.

9 MR. LARSON: Is it considered a legal  
10 document? Then I'm going to sign it.

11 MR. GOULET: I've got my certificate framed.  
12 After 17 years, I finally got one. I framed mine  
13 in my office if you want to come down and see it.  
14 It's got a signature on it. It makes me proud  
15 that I have one.

16 MR. LARSON: My mother was excited. She got  
17 hers and it had my signature on it.

18 MR. GOULET: See. That's what I'm saying.  
19 I think it's awesome.

20 MR. LARSON: Of course, you can't read my  
21 signature. She knows that scribble.

22 MR. KILPATRICK: It looks to me that all it  
23 says is that you can omit someone's membership  
24 upon subscribing for or otherwise acquiring a  
25 membership certificate.

1                   So as far as how they're going to define  
2                   what subscribing is, that could be, in my opinion,  
3                   written or stamped.

4                   MR. MILLER: Actually, it says in there that  
5                   the membership certificates will be signed by the  
6                   secretary and the president. It may be in the  
7                   Articles of Incorporation. But it's in one of  
8                   those two documents.

9                   MR. CALKINS: Can sign be interpreted as a  
10                  stamp? Because if you know, there's governors  
11                  that have to sign millions of stuff and they have  
12                  computers that do all that.

13                  MS. GUNNOE: They have computerized auto  
14                  pens all over the place that people have to sign  
15                  letters and everything else with; of course, we're  
16                  not at that level.

17                  MR. LARSON: James, are you planning on  
18                  getting a stamp?

19                  MR. CALKINS: No, I --

20                  MR. LARSON: Well, I'm not going to get a  
21                  stamp, so why don't we just table it? If it comes  
22                  up that somebody wants to get a stamp later, we'll  
23                  just bring it up at another time.

24                  MR. CALKINS: Okay. We have a motion and a  
25                  second on the floor currently, so...



1 MS. GUNNOE: I'll withdraw it if you want.

2 MR. CALKINS: Would you like to withdraw  
3 your motion?

4 MS. GUNNOE: I withdraw my motion.

5 MR. CALKINS: Motion is now withdrawn. Any  
6 more further discussion about this item?

7 (No response.)

8 MR. CALKINS: Seeing no further discussion,  
9 we're going to move to the next item, and that is  
10 Item Number Seven, Update on Gulf Breeze Reuse.

11 MR. PHILLIPS: It is entirely in your hands.  
12 Unless you interpret literally what Keith said in  
13 the February meeting, in which case it might be in  
14 Keith's hands to talk to Beggs and Lane, so...

15 MR. CALKINS: I'm interested in knowing, and  
16 I'm sure a lot of people in the public are  
17 interested in knowing, what is the status with the  
18 reuse with getting our effluent situation solved?

19 I know there's lots of ideas. I have people  
20 asking me; I don't have the answers, and so that's  
21 what I want some answers on.

22 MR. PHILLIPS: You want a synopsis of what  
23 was presented at the February Board meeting?  
24 That's where it kind of fell into the Board's  
25 hands.

1                   So when we got the conditional use for the  
2                   Greskovich project, as part of that process, Gulf  
3                   Breeze said we've got capacity for you, we'll help  
4                   you out. It took about a year-and-a-half for them  
5                   to finally make a formal offer to Holley-Navarre  
6                   Water System.

7                   It came in the form of a letter that said,  
8                   we know we have some capacity. We want some  
9                   buy-in from Holley-Navarre in the form of up to  
10                  \$100,000 to do some geotechnical work and some  
11                  legal work to prepare an agreement, a formal  
12                  agreement, to hand to Holley-Navarre.

13                 Our attorneys prepared, took that letter and  
14                 prepared a pretty simple two- or three-page  
15                 agreement that was to go to the City with the  
16                 \$100,000 that included -- really, the two primary  
17                 stipulations of the agreement was that in exchange  
18                 for this \$100,000, you're going to do certain  
19                 things, and those certain things were the geotech  
20                 work, which would end result in a definitive  
21                 amount of reuse capacity they would provide us and  
22                 a definitive price for that capacity and a  
23                 definitive terms of the agreement, any  
24                 operational-related terms.

25                 That agreement was voted on by the

1           Holley-Navarre Board; it went to the City of Gulf  
2           Breeze, they butchered it. They sent back what  
3           you saw in February, which you didn't have to get  
4           past the first paragraph to know that it would not  
5           be acceptable.

6           MR. CALKINS: Okay.

7           MR. PHILLIPS: That was what was presented  
8           in February along with the recommendation that if  
9           you wanted to move forward, essentially, the  
10          attorney's recommendation and ours too, really, is  
11          that you just tell Gulf Breeze no, we want to use  
12          the original agreement. That seemed like the  
13          simplest way to move forward at that point in  
14          time. So that's what occurred in the February  
15          meeting.

16          In that meeting, Keith did say -- well,  
17          there was some discussion about Keith speaking or  
18          coordinating with Beggs and Lane and that attorney  
19          team, which it was just Beggs and Lane, they're  
20          the lead, to look at that agreement, I guess, to  
21          decide where to go from there. So that's where we  
22          are.

23          MR. CALKINS: I would like to go to Keith.

24          MR. KILPATRICK: I did speak with Beggs and  
25          Lane. They're still in negotiations trying to get

1 back to the original agreement with Gulf Breeze.  
2 There was some other issues that I guess came up,  
3 too, that I've been kind of familiarizing myself  
4 with these franchise agreements.

5 One of the things that I kind of thought is  
6 that Gulf Breeze is going to initially own this  
7 land and we would pay them for it over a series of  
8 time and stuff like that.

9 I've talked with the County Attorney Roy  
10 Andrews and tried to get ahold of Gulf Breeze's  
11 franchise, and that's kind of where I'm at right  
12 now, Mr. President, is I'm trying to -- no one had  
13 this agreement for some reason or another.

14 When Gulf Breeze was formed, it actually had  
15 a private water company and then it became Gulf  
16 Breeze, their own water company. And so there is  
17 an agreement out there. I've got ahold of, I  
18 guess, our agreement, Santa Rosa County's, as far  
19 as our section, but the land, I guess we have some  
20 federal options, we can go to federal, but that's  
21 like ten million dollars or something --

22 MR. DESANTIS: Twelve.

23 MR. KILPATRICK: -- or twelve million. But  
24 there's some other lands that we can kind of brush  
25 over. And so in our agreement from reading the

1 Santa Rosa water district, it says that no one is  
2 allowed to bring the water and dispose of it. And  
3 if Gulf Breeze's franchise agreement says that,  
4 then we cannot go onto their land and distribute  
5 or even dump water, as far as that goes. So it  
6 may be inevitable that we have to go and form this  
7 contract with Gulf Breeze.

8 But at this point, I was just trying to  
9 bring the Board options. I've talked with Phil  
10 about getting that agreement. He's had a couple  
11 ideas of where he could get it, but we haven't  
12 really got hooked back up, if you will.

13 And I don't know if you've been fortunate  
14 enough to grab that agreement yet.

15 MR. PHILLIPS: No, I'm in the same situation  
16 you are. And of course, Roger Blaylock is out for  
17 six weeks, so that's who you would expect to have  
18 access, or immediate access to that. But no one  
19 else that I've spoken to has it.

20 MR. DESANTIS: If I may?

21 MR. CALKINS: Hold on. Geo, then we'll go  
22 to you.

23 MR. MAYER: Three questions please, Phil.

24 What land parcel are we talking about on  
25 this agreement?

1                   MR. PHILLIPS: Geo, the simple answer to  
2                   that is I believe we are talking about the flea  
3                   market property. Originally, when they sent the  
4                   formal letter of the Holley-Navarre, they were not  
5                   specific. And we do know that they have taken  
6                   some steps and done some work and converted some  
7                   other property to RIBS.

8                   MR. MAYER: Right. That's been in the  
9                   papers?

10                  MR. PHILLIPS: That's correct. So we don't  
11                  know exactly, but we do know that they have talked  
12                  to the owner of the flea market property.

13                  MR. MAYER: We are not talking to them about  
14                  property they own?

15                  MR. PHILLIPS: No, that's correct.

16                  MR. MAYER: Have we given them the 100,000?

17                  MR. PHILLIPS: No, because we can't get to  
18                  the point where we agree on how we're going to  
19                  give it to them.

20                  MR. MAYER: Right. And my last question  
21                  is -- I'm the new kid on the block -- in recent  
22                  dealings with Gulf Breeze, haven't they trashed us  
23                  every time we've tried to deal with them?

24                  MR. PHILLIPS: I don't know what we've dealt  
25                  with them lately on.

1                   MR. DESANTIS: The last contract they did a  
2 switch on us. Only one time.

3                   MR. MAYER: You start off in good faith, and  
4 the next thing you know, we're back to ground  
5 zero? It took them a year-and-a-half to do that?

6                   MR. PHILLIPS: It is true that their --  
7 undoubtedly, what happened, Geo, is when we sent  
8 back to the City the agreement to give them  
9 \$100,000, they gave it to their attorney who had  
10 no knowledge of -- it's apparent, that they had no  
11 knowledge of even the letter that was given to  
12 Holley-Navarre, so they just changed the terms of  
13 the agreement. They didn't even read like the  
14 letter, so that part is true. Absolutely.

15                  MR. DESANTIS: If I may, Phil? A couple  
16 questions I just want to bring forward. One, part  
17 of that 100,000 was supposed to provide a  
18 feasibility study included in that, correct?

19                  MR. PHILLIPS: The feasibility study, we  
20 only want the end result.

21                  MR. DESANTIS: Exactly.

22                  MR. PHILLIPS: We want to know what the  
23 capacity is that they're going to give us, what  
24 the cost is, and any operational limitations to  
25 give them that capacity.

1 MR. DESANTIS: Was the number 1.96 million  
2 thrown out for capacity potential?

3 MR. PHILLIPS: Two million gallon a day is  
4 what they were talking about.

5 MR. DESANTIS: Do I understand this  
6 correctly, that if the property is in Gulf  
7 Breeze's franchise, we are not allowed to buy  
8 property ourselves, we have to lease it and do the  
9 infrastructure?

10 MR. KILPATRICK: I haven't figured that  
11 question out because I can't get ahold of their  
12 franchise agreement.

13 MR. DESANTIS: Got it. So it may not exist  
14 and we could actually possibly buy the property  
15 and not have to go through them if this franchise  
16 does not exist, this legal contract, correct, in  
17 your research?

18 MR. KILPATRICK: That's correct.

19 MR. DESANTIS: So we should do our due  
20 diligence then, because if it doesn't exist, we  
21 could go buy Navarre Flea Market outright,  
22 correct?

23 MR. PHILLIPS: Possibly, yes.

24 MR. DESANTIS: That's all I wanted to know.

25 MR. CALKINS: Thank you. We're going to go



1 to Mark and then we'll go to Debbie.

2 MR. MILLER: I have a question from -- and  
3 this is just an impression I'm getting from the  
4 articles that are coming up in the press. It  
5 appears to me that they're planning to move  
6 forward with this sewer expansion with or without  
7 us; is that kind of the...

8 MR. PHILLIPS: I don't believe that has a  
9 thing to do with Holley-Navarre, Mark. That is  
10 related to a consent order they have from way back  
11 when on how they have to expand their plant  
12 capacity.

13 What we're doing with them, this agreement  
14 has nothing to do with the capacity of that plant.  
15 The money, the newspaper articles that have come  
16 out, and included in -- I think the last note I  
17 saw was 17.6 million they were going to borrow,  
18 implied that they were going to use some of that  
19 money for reuse type projects, but primarily, the  
20 money is for the plant deal is my understanding.

21 MR. MAYER: The way they broke down the bond  
22 financing. It looked very much like the  
23 renegotiation on the little Fairpoint they wanted  
24 to do with us, it's just all Chinese crap.

25 MR. CALKINS: We're going to go to Debbie

1           now.

2           MS. GUNNOE: Probably the question goes to  
3           you. I know you're researching that agreement,  
4           but who established the boundaries; is that what  
5           you're checking on? You're checking to find out  
6           who established the boundaries; was it the County  
7           that established the boundaries?

8           MR. GARDNER: It was Santa Rosa County.

9           MS. GUNNOE: So the County. Is there any  
10          way of going to the County to ask for a variance  
11          to that line so that we can go directly and...

12          MR. GOULET: You have to have original copy  
13          of the agreement before you can do anything.

14          MR. KILPATRICK: I talked with the County  
15          Attorney Roy.

16          MS. GUNNOE: Yeah.

17          MR. KILPATRICK: And he really didn't give  
18          me a clear answer on that, because these were just  
19          ideas and stuff. Nothing has really been formed  
20          of it. We're still working with Beggs and Lane to  
21          find out what options we can get with them to  
22          negotiate those terms and conditions, but that's  
23          just it.

24          MS. GUNNOE: So basically, if there's an  
25          agreement with Gulf Breeze that starts with the

1 private, that's now a franchise, if there was an  
2 agreement with them that said they would for  
3 perpetuity have control of all of the land for  
4 sewage down to Edge Wood, then we have no recourse  
5 other than to work with Gulf Breeze; is that  
6 correct?

7 MR. KILPATRICK: If the contract specifies  
8 that there's no dumping on that. You know,  
9 because in our franchise agreement, because we  
10 have similar boundaries, if you will, and our  
11 franchise says no other water company can come in.

12 MS. GUNNOE: Right.

13 MR. KILPATRICK: And so our agreement with  
14 the County is that we have this franchise  
15 agreement that no one can come in and dump on us  
16 and use our land. But we don't know if it's in  
17 theirs. And it may not be, because it's not the  
18 same agreement.

19 MS. GUNNOE: So we just need to get back --  
20 we need to find that agreement is basically what  
21 you're saying?

22 MR. KILPATRICK: Roy told me that he knows  
23 that -- he believes that there is an agreement out  
24 there, he just did not have it. I don't know why  
25 a County Attorney wouldn't have that. You would

1 think they would.

2 MR. DESANTIS: If there is an agreement  
3 between these two said parties back in the day.

4 MR. KILPATRICK: No, the County. The County  
5 is what we're talking about. The County is the  
6 one that formed these franchises, an agreement  
7 with the County.

8 MR. DESANTIS: Okay. So it should be public  
9 record, they just haven't located it.

10 MR. KILPATRICK: So I told Roy, this was  
11 just about a week or so ago, that I wanted to get  
12 a copy. He said he was going to look for me,  
13 because we are friends.

14 MR. DESANTIS: Oh, good. Thank God.

15 MR. CALKINS: Are there anymore questions by  
16 the Board about this item?

17 MR. MILLER: Any update on Eglin projects,  
18 anything going on there?

19 MR. PHILLIPS: The County, obviously, has  
20 hired CH2M, and they are very active. From what I  
21 understand in our meeting with them, they're very  
22 close to finalizing the report, presentation,  
23 whatever form they have to present that data in to  
24 the County.

25 He mentioned a -- didn't he mention a date

1 the other day, June, I think, or something on that  
2 timeline, Mark?

3 MR. MILLER: It's coming up?

4 MR. PHILLIPS: Yes.

5 MR. CALKINS: Thank you, Mark. Is there  
6 anymore discussion on this item?

7 (No response.)

8 MR. CALKINS: Seeing no further discussion,  
9 we're going to move on to new business now.

10 And Item Number One is, request from  
11 customer to finance sewer extension costs. Paul?

12 MR. GARDNER: We have a request from a  
13 customer to finance the cost, their share of the  
14 cost share-in with Holley-Navarre to get sewer to  
15 their property. The limit, I think -- Barbara,  
16 correct me if I'm wrong, I think is 50, 60 --

17 MS. CARAWAN: Sixty-five hundred.

18 MR. GARDNER: Sixty-five hundred dollars.  
19 So we've been approved to do the financing for the  
20 tap fee, but this is kind of a new situation. So  
21 if we do the tap fee and the extension, then it's  
22 going to be over our limit to finance without  
23 Board approval.

24 I don't know -- Barbara, do we have the  
25 specifics on this, how much they're wanting to

1 finance?

2 MS. CARAWAN: They're cost-sharing, they  
3 would owe \$2,325.

4 MR. GARDNER: But they didn't say whether  
5 they'd pay the -- they were going to finance the  
6 tap fee, too.

7 MR. PHILLIPS: You don't know what their tap  
8 fee is yet because we don't think we know what  
9 size house they're going to build.

10 MR. GARDNER: This is just something we --  
11 it's just never came up before.

12 MR. GOULET: My recommendation to the Board  
13 would be: We'll do one or the other, we'll  
14 finance the tap fee or we'll finance the line  
15 extension.

16 MR. GARDNER: This is an individual  
17 homeowner. This isn't a contractor. I don't have  
18 a problem with doing it for an individual  
19 homeowner. A contractor is a different, in a  
20 different --

21 MR. GOULET: My problem is you allow a  
22 precedent for one person -- we've fell in those  
23 traps before. My recommendation is do the tap fee  
24 or do the line extension for the financing. That  
25 would be my recommendation. It won't be both.

1 MR. LYNCHARD: I will second that.

2 MR. DESANTIS: Paul --

3 MR. KILPATRICK: Do we -- I'm sorry.

4 MR. DESANTIS: Go ahead, Keith.

5 MR. KILPATRICK: Do we put a lien on the  
6 property? How do we make sure that we -- do they  
7 put collateral up?

8 MR. GARDNER: No. We just shut their water  
9 off if they don't pay it.

10 MR. DESANTIS: What if we collateralize  
11 these loans? Then I don't see a problem with the  
12 limit. I was just throwing that out there.

13 MR. GARDNER: What would you use as  
14 collateral?

15 MR. DESANTIS: Do we want to get into this?

16 MR. CALKINS: Okay. We've got a motion and  
17 a second. This is for the record. Debbie?

18 MS. GUNNOE: So the limit that we can allow,  
19 that we can work with a customer, the limit that  
20 we have is \$6,500?

21 MR. GARDNER: Uh-huh.

22 MS. GUNNOE: We don't know right now what  
23 the tap fee will be because we don't know the size  
24 of the house, but is there a guess?

25 MR. GARDNER: Well, just say --

1 MS. GUNNOE: If you figure the house is --

2 MR. GARDNER: -- a good-size house is, that  
3 would be what, \$4,200?

4 MR. SNYDER: It's going to be smaller, it  
5 will be one tier under that.

6 MR. PHILLIPS: As a point of clarification,  
7 though, for Ms. Gunnoe, the authorization  
8 currently authorizes the general manager to  
9 finance up to 6,500 for the tap fee. There's  
10 never been any authorization for --

11 MS. GUNNOE: For the tap fee alone? Okay.

12 MR. PHILLIPS: -- this cost-share part, so I  
13 think the point might be moot at this point in  
14 time.

15 MS. GUNNOE: Yeah, so that 6,500 is the tap  
16 fee only?

17 MR. PHILLIPS: That's correct.

18 MS. GUNNOE: It's to help any like small  
19 business or somebody like that to help them?

20 MR. PHILLIPS: No. I don't think we do  
21 commercial, it's just --

22 MS. GUNNOE: It's just for individuals?  
23 (Unintelligible multiple speakers.)

24 MR. PHILLIPS: Is commercial there?

25 MS. CARAWAN: We finance commercial, too.



1 MS. GUNNOE: Only for individuals? Okay.  
2 And so basically what we would tell them is that  
3 we could help them out with the tap fee in  
4 financing that, because it sounds like there's  
5 precedence for that, we've got it, a limit, but  
6 when it comes to the sewage part of it, he's going  
7 to have to go get a loan or figure out how he pays  
8 for that part?

9 MR. GARDNER: How about in a case where it  
10 comes in under, both of them come under the 65,  
11 would we be able to work with them on that?

12 MR. DESANTIS: Can I make a suggestion? Why  
13 don't you just go with your set amount for 6,500,  
14 and if there are situations where it's less than  
15 that, why should that interfere, unless the Board  
16 goes against it; why not make 6,500 the amount?

17 MS. GUNNOE: Finance the 6,500. If it goes  
18 over the 6,500, then that's on him.

19 MR. MAYER: Do we sell the paper?

20 (Unintelligible multiple speakers.)

21 MR. MAYER: Somebody said we should do a  
22 collateralized bondage.

23 MR. DESANTIS: It's only 6,500, right?

24 MR. GARDNER: Well, we just wanted to get  
25 clarification on that. Like I say, we try to do

1 things by the book.

2 MR. CALKINS: Vice president, can you repeat  
3 the motion?

4 MR. GOULET: I'll rescind my motion. You  
5 guys can do whatever you want.

6 MR. CALKINS: Okay. Thank you, Mr. Vice  
7 President. We are going to go to -- anymore  
8 discussion on this item?

9 MS. GUNNOE: Do we need to do a separate  
10 motion to allow him to go up to -- I'll make a  
11 motion, that Mr. Gardner is able to go up to the  
12 \$6,500 limit to help this individual out and  
13 anything above \$6,500 is on him.

14 MR. CALKINS: Okay. We've got a motion. Do  
15 we have a second?

16 MR. DESANTIS: I would like to second it but  
17 add something. It shouldn't segregate between tap  
18 or sewage, it's just based on the amount; does  
19 that make sense?

20 MR. CALKINS: Okay.

21 MS. GUNNOE: Yeah. So we're going to allow  
22 him to finance with us up to \$6,500.

23 MR. GARDNER: Oh, yeah. That makes sense,  
24 yes.

25 MR. DESANTIS: So does that accommodate what

1                   you want?

2                   MR. GARDNER: Yes.

3                   MS. GUNNOE: If the two combined comes to  
4                   6,500, he's covered. If the two combined come to  
5                   7,300, then he's got 800 he's got to worry about.

6                   MR. GARDNER: That works for me.

7                   MR. CALKINS: We've got a motion and a  
8                   second. Any further discussion?

9                   MR. LYNCHARD: Is it just for this one, or  
10                  is it for all of them going forward?

11                  MR. GARDNER: Well, I'd like for all of them  
12                  going forward.

13                  MR. LYNCHARD: You just said him.

14                  MR. DESANTIS: I would go forward, but  
15                  that's up to the Board.

16                  MR. LYNCHARD: Him or all?

17                  MS. GUNNOE: My motion -- you can repeat my  
18                  motion back to me if you want to, but I basically  
19                  said that Mr. Gardner has the ability to work with  
20                  an individual, with a customer, to finance their  
21                  cost up to \$6,500.

22                  MR. CALKINS: Okay. We've got a motion. Do  
23                  we have a second?

24                  MR. DESANTIS: Second.

25                  MR. CALKINS: We've got a motion and second.

1 Any further discussion?

2 MR. MILLER: Yeah. And we're going to be  
3 setting precedence now that we haven't done before  
4 as far as financing line extensions included in  
5 that tap, so, yeah --

6 MR. DESANTIS: We've got to do credit  
7 checks.

8 MR. MILLER: -- that's what we have.

9 MR. CALKINS: Okay. Any further discussion?

10 MR. DESANTIS: Well, I can't help myself.  
11 There's got to be some discretion here on a credit  
12 check. You're going to go give \$6,500 extension  
13 of credit to somebody that's bankrupt? You've got  
14 to have something in place to assure payment of  
15 that debt. I don't want to beat a dead horse.

16 MR. GARDNER: We can just tell them no.  
17 That works for me, too.

18 MR. CALKINS: Okay. Okay. Okay.

19 Any further discussion?

20 (No response.)

21 MR. CALKINS: All those in favor, say aye?

22 MS. GUNNOE: Aye.

23 MR. CALKINS: Ricki? Geo?

24 MR. DESANTIS: No.

25 MR. MILLER: I'm a no.

1 MR. MAYER: No.

2 MR. GOULET: No.

3 MR. MILLER: I think we should continue to  
4 finance the taps but not the line extensions.

5 MR. CALKINS: Okay. Motion fails. Any  
6 further discussion before we move into the next  
7 item by the Board?

8 (No response.)

9 MR. CALKINS: Seeing no further discussion,  
10 we're going to move into the next item, and that's  
11 the request for approval of revised organizational  
12 chart. Mr. Gardner.

13 MR. GARDNER: I think everybody got their  
14 copy of the new chart. Every manager here worked  
15 on this for, what, the past three weeks, a couple  
16 hours a week. Basically, didn't change anything  
17 except for where a few people worked underneath  
18 other people. And like I say, those people that  
19 we moved them from signed off on it, people we  
20 moved them to signed off on it.

21 We did put our Board approved vacant boxes  
22 back on, and these are the boxes that were  
23 approved originally by the Board, and we're still  
24 under the head count freeze, so I think we've got,  
25 what, bought three of them that we can use under

1 the head count? How many we got all together?

2 We've got --

3 MS. CARAWAN: There's ten vacant.

4 MR. GARDNER: There's ten vacant that can be  
5 used but that would -- we could only use all ten  
6 of them if you guys lifted the head count freeze.

7 MR. GOULET: I will make a motion to approve  
8 as presented, Paul.

9 MR. LYNCHARD: Second.

10 MR. CALKINS: We've got a motion and a  
11 second. Discussion, Daryl? Do we have anymore  
12 discussion?

13 MR. MILLER: My discussion would be that  
14 this is something that management worked on and  
15 gave input on, and so I'm going to be in favor of  
16 approving it since all of the managers have signed  
17 off on it and thought it was a good idea.

18 I would much rather it happen this way than  
19 the Board of Directors developing an  
20 organizational chart and telling management that  
21 we're going to use the Board of Directors'  
22 organizational chart. So that's my discussion.  
23 I'm in favor of it.

24 MR. GARDNER: I would like to clarify one  
25 thing. I don't see it as a separate item on the

1 agenda, but we did present this with a request for  
2 two rate increases.

3 MR. MILLER: I think we're going to discuss  
4 those in a personnel meeting separately.

5 MR. GARDNER: Okay.

6 MR. MAYER: This head count you referred to,  
7 does that go back to the original Obamacare  
8 stipulations? They're gone?

9 MR. GARDNER: No. This was a Board imposed  
10 head count freeze.

11 MR. GOULET: This was a Board imposed head  
12 count for a freeze so they didn't hire so many  
13 employees.

14 MR. MAYER: That had nothing to do with the  
15 original Obamacare?

16 MR. GARDNER: No.

17 MR. GOULET: I don't think so, no.

18 MR. CALKINS: Any further discussions with  
19 the flow chart here?

20 (No response.)

21 MR. CALKINS: I would like to thank the  
22 managers. I believe y'all did an excellent job on  
23 coming up together with this. It's very  
24 impressive and -- very impressive. I would like  
25 to move for a vote. All those in favor, say aye.

1 (Board members collectively say aye.)

2 MR. CALKINS: Motion passes.

3 Thank you, Paul.

4 MR. GARDNER: Thank you.

5 (Motion unanimously passes.)

6 MR. CALKINS: We're going to now move into  
7 Item Number Three, request to create a new  
8 mechanic position. Mr. Danny Hawkins.

9 MR. HAWKINS: We've all noticed the rising  
10 cost of repairs on our specialty equipment. Most  
11 of our equipment has to be worked on by the  
12 dealers that sold us the equipment. So it's very  
13 costly and very time-consuming, which puts us in a  
14 bind a lot of times. We think our only recourse  
15 is to hire an in-house mechanic. This mechanic  
16 needs to be a jack of all trades, also needs a  
17 CDL.

18 Because we have such a wide array of  
19 equipment, we've got compressors, generators  
20 multiple tractors and trailers, bypass pumps, lawn  
21 equipment, pump trucks and cranes, and we are  
22 continuously having to get them worked on all of  
23 the time. So you can see where we can save money  
24 by having an in-house mechanic work on these  
25 instead of sending them off.



1           We would like to request a new hire for this  
2           position and create a new slot for an in-house  
3           mechanic. And we would also like to interview  
4           them ourselves, because we don't think Landrum  
5           would know what we need out of that in-house  
6           mechanic. They would probably just go broad-based  
7           mechanic and it's not really what we need.

8           MR. GARDNER: Let me tell you something.  
9           When Landrum, they bring them on, we interview  
10          them anyway. They just do the drug screening and  
11          on-boarding.

12          MR. HAWKINS: Right. I mean as far as the  
13          overall interview, to where we can look for what  
14          we're expecting out of an in-house mechanic.

15          MR. CALKINS: I agree with that. Mr.  
16          DeSantis?

17          MR. DESANTIS: One, do we have the garage  
18          and the tools to provide the mechanic to do the  
19          work that you're going to expect?

20          MR. HAWKINS: We've got several  
21          opportunities for garages. We have this one next  
22          door, we have a place down at the plant that can  
23          be converted into a garage.

24          As far as tools, there may be a little bit  
25          of cost to what we may have to get them to work on

1 the equipment. And that would probably be a  
2 building process. As they work on the equipment,  
3 I'm sure they would have to get specific tools to  
4 work on that type of equipment.

5 MR. DESANTIS: And then the second thing  
6 would be very simply, he will be doing work  
7 outside warranty work, right, so it doesn't void  
8 any warranty work?

9 MR. HAWKINS: Right. Any warranty work,  
10 we're glad to take it back to the dealers as long  
11 as they don't stick us, you know, so, and the  
12 whole thing with the equipment that we've had.

13 MR. GOULET: Most people bring their own  
14 tools.

15 MR. MAYER: Is this going to take one of the  
16 open positions we have?

17 MR. HAWKINS: No, this would actually be a  
18 new position, because we really don't have a  
19 vacancy for -- we never had a slot for an in-house  
20 mechanic.

21 MR. CALKINS: Daryl?

22 MR. LYNCHARD: Mr. Goulet, in your opinion,  
23 since this is your line of work to a certain  
24 extent, is there one person that can fix all of  
25 the equipment that we have here?

1                   MR. GOULET: There's probably somebody that  
2 would have a broad spectrum to be able to  
3 maintenance it and make small repairs, but  
4 anything that may be beyond their ability, we are  
5 still going to have to take it to the manufacturer  
6 or dealer on it.

7                   There is a lot of maintenance stuff that I  
8 think if we had somebody knowledgeable enough, we  
9 could save a lot of money on repairs.

10                  MR. DESANTIS: I agree.

11                  MR. CALKINS: I think this is a no-brainer  
12 and it will save us a lot of money. I appreciate  
13 you bringing this up to us, because this is a way  
14 to save the company money.

15                  MR. MILLER: I have two questions. One, is  
16 there enough work for this to be a full-time  
17 position?

18                  MR. HAWKINS: You just about could put one  
19 just down at the plant.

20                  MR. GOULET: The biggest thing right now,  
21 Mark, what I've seen and what I've heard a lot of  
22 times the guys will jump in and fix stuff  
23 themselves taking them away from their assigned  
24 jobs.

25                  MR. MILLER: Oh, I know.

1 MR. GOULET: That's what they tell me.

2 MR. MILLER: Doing what they've got to do.

3 And my next question is: Where would that  
4 person fit in on the organization chart? Who  
5 would they report to?

6 MR. HAWKINS: I guess we would have to, as  
7 managers, figure out where we would put them, as  
8 far as -- I mean, we could put them under any of  
9 us, really, as far as the managers go.

10 MR. LYNCHARD: Okay. Do we have a motion?

11 MR. CALKINS: Do we have a motion to approve  
12 Mr. Hawkins' request?

13 MR. DESANTIS: I'll make a motion to approve  
14 his request for equipment mechanic for HNWS.

15 MR. CALKINS: We have a motion. Do we have  
16 a second?

17 MS. GUNNOE: I will second.

18 MR. CALKINS: Okay. And then we're going to  
19 go to discussion, and Mr. Goulet.

20 MR. GOULET: Daryl, with personnel regards,  
21 you've got a job scope there, I can see that.  
22 Assigning a dollar value to that is probably  
23 something you'll have to come up with.

24 My opinion, something for that is probably  
25 anywhere between \$18 to \$22 an hour because they

1 have a CDL. That's my opinion for a starting  
2 wage.

3 MR. GARDNER: I think Landrum can do the  
4 regional comparisons and stuff and give us an idea  
5 of what the rate will be for a mechanic in the  
6 southeast in this area.

7 MR. CALKINS: Okay. Yeah. These items  
8 should be for personnel due to the fact that it's  
9 wages.

10 MR. GOULET: That's my opinion.

11 MR. MILLER: One other concern is with the  
12 head count freeze, how would that affect the other  
13 vacant positions that are there, or are we  
14 authorizing an additional position?

15 MR. LYNCHARD: I think we are creating a new  
16 position.

17 MR. GOULET: We are creating a new position.

18 MR. HAWKINS: Yeah, that was the hope to  
19 create a new position.

20 MR. MILLER: Okay. I wanted to clarify that  
21 and make sure that's what we're agreeing that  
22 we're doing.

23 MR. GOULET: I believe that's the intent.

24 MR. MILLER: Okay.

25 MR. CALKINS: Any further discussion?

1 (No response.)

2 MR. CALKINS: All those in favor, say aye.

3 (Board members collectively say aye.)

4 MR. CALKINS: Motion passes. Thank you very  
5 much, Danny.

6 (Motion unanimously passes.)

7 MR. CALKINS: We are going to next go to  
8 Item Number Four is discussion of construction of  
9 Board packets.

10 Mr. Mark Miller.

11 MR. MILLER: I will take this one. This is  
12 this month, it's not that bad. We've had some  
13 more packets that are this thick -- yeah, Doug is  
14 holding up one there -- and those are all  
15 disseminated electronically to the Board.

16 The biggest portion of those when they're  
17 that thick is the transcripts that are done from  
18 the meetings. And I personally would be fine with  
19 getting my transcript electronically and not in a  
20 full packet. I think that would save time and  
21 money.

22 Jason told me if it's a big, thick packet  
23 like that, it could take him three hours to  
24 assemble all the packets, and the cost could range  
25 from three or four dollars probably for a big

1 thick one to a lot more than that per Board member  
2 and for management.

3 So I would like us to consider if any Board  
4 members feel like they would like a full packet  
5 with the transcripts included, could still have  
6 one. But I would like that to be on a  
7 case-by-case basis, and I personally would -- I  
8 want the agenda and I want the financials, but I  
9 don't need all the transcripts in a paper bound  
10 book.

11 MR. LARSON: As secretary, I would just as  
12 soon have just the minutes and the transcripts  
13 upon request.

14 MR. MILLER: Well, electronically. I've got  
15 them electronically on my laptop and can get to  
16 them from my phone. That's fine with me.

17 MR. LYNCHARD: I'll make a motion that we  
18 omit the transcripts from our printed Board  
19 package as long as we get those transcripts in an  
20 e-mail prior to the Board meeting.

21 MR. MILLER: Second.

22 MR. GOULET: We have a motion and a second.  
23 Is there any further discussion?

24 MR. MAYER: Those directors that wish to  
25 have transcripts, would that be possible?

1 MR. LYNCHARD: Yeah, if you want to print  
2 it.

3 MR. MAYER: Yes.

4 MR. DESANTIS: I want to be clear on this.  
5 If you still want it as it is now with the  
6 transcript or what have you, you can request it  
7 and you will be given them?

8 MR. MILLER: Jason could assemble that  
9 separately for however many Board members wanted a  
10 copy of the transcripts.

11 MR. DESANTIS: So basically it's a motion to  
12 accommodate those that don't want to receive the  
13 books, they'll just take an electronic copy; is  
14 that correct?

15 MR. MILLER: Right. Yes.

16 MR. LYNCHARD: To assist in saving trees  
17 every month and time to our staff to print out  
18 hundreds of pages that can easily be gone over on  
19 a computer screen.

20 MR. MILLER: We have a motion and a second?

21 MR. CALKINS: We have a motion and a second.  
22 Any further discussion?

23 (No response.)

24 MR. CALKINS: All those in favor, say aye.

25 (Board members collectively say aye.)



1 MR. CALKINS: Motion passes. Thank you.

2 (Motion unanimously passes.)

3 MR. CALKINS: We are going to now move to --  
4 we're going to go to Item Number Five.

5 MS. CARAWAN: Mr. President?

6 MR. CALKINS: Yes.

7 MS. CARAWAN: Can you clarify that, because  
8 Ricki kind of confused me a little bit. Would it  
9 only be upon request that Board members would get  
10 them?

11 MR. LYNCHARD: That's right. Upon request  
12 you will print out of the package to the Board  
13 members. Print out the transcript.

14 MR. DESANTIS: I thought it was the other  
15 way around. What I had said the motion was if you  
16 don't want them, you request and just have them  
17 sent electronically.

18 MR. LYNCHARD: I made the motion.

19 MR. CALKINS: Okay. Do you need any  
20 clarification?

21 We are going to move to the next item, Item  
22 Number Five is the Pension Trustee Report. Report  
23 from the two trustees and those are -- who are the  
24 pension trustees?

25 MR. MILLER: I'm one of them.

1 MR. CALKINS: Mark and Will.

2 MR. GOULET: I don't think there's anything  
3 to report.

4 MR. MILLER: There's nothing to report.  
5 Well, I guess there is something to report. We  
6 can report that we were going to advance money or  
7 go ahead and invest money all in one lump sum.

8 MR. GARDNER: Well, we were going to pay the  
9 lump sum. Jeff is the one who -- Wells Fargo is  
10 the ones who invest it.

11 MR. DESANTIS: Six hundred thousand it was.

12 MR. MILLER: And the volatility of the  
13 market, I believe the figure was 150,000 was  
14 invested and the rest was held back and not put  
15 into specific investments right away just because  
16 the market is real volatile right now.

17 MR. GARDNER: He thinks there's a market  
18 correction coming and he didn't want to put --

19 MR. MAYER: Market tanked two days after.

20 MR. GARDNER: He didn't want to put all that  
21 money in there, so...

22 MR. MILLER: Correct. So that was a real  
23 smart advisement and we did agree to accept that  
24 advisement. So anyway, that's the only thing that  
25 really needs to be reported.

1 MR. CALKINS: Great. Thank you.

2 MR. LYNCHARD: Just to clarify,  
3 Holley-Navarre Water System didn't write a check  
4 to the pension in the amount that we agreed to and  
5 they just haven't invested, they haven't invested  
6 it yet?

7 MR. GARDNER: Well, actually, we didn't  
8 write the check to the amount agreed to. It was  
9 actually --

10 MR. PHILLIPS: We saved some money.

11 MR. GARDNER: -- it was actually less  
12 because the assumptions that were made made the  
13 payment less.

14 MR. MILLER: Okay.

15 MR. MAYER: We were talking about 600,000  
16 plus being transferred, the actual check was 480  
17 something.

18 MR. CALKINS: Anymore comments from the  
19 trustees?

20 (No response.)

21 MR. CALKINS: Seeing no further comment, we  
22 are now going to move to Item Number Six, Legal  
23 Counsel Activity Report. Mr. Kilpatrick.

24 MR. KILPATRICK: Yes, Mr. President. Other  
25 than what we've talked about already this evening,

1           there's not anything else that I need to report.

2           MR. CALKINS: Any questions from the Board  
3           for Mr. Kilpatrick?

4           (No response.)

5           MR. CALKINS: Seeing no questions for Mr.  
6           Kilpatrick, we are going to move on to the next  
7           item, which is Item Number Seven, Clarification of  
8           Dry Reuse Resolution, see attachment.

9           Mr. Gardner.

10          MR. GARDNER: The attachment that I ask you  
11          to see is actually a resolution, a Board  
12          resolution from April 18th, 2006. And the Board  
13          decided to require contractors and developers to  
14          install a dry reuse line in the subdivisions  
15          whether the water was available there or not.

16          For some reason, management stopped doing  
17          it. We've been reviewing the specs and  
18          everything, so we started putting it back in, now  
19          our wording is getting challenged for good reason,  
20          because half the people in this room are going to  
21          read two different things if you read the memo, I  
22          mean, the resolution, and it's because, basically  
23          a comma is left out in the wrong spot.

24          So I've got people, contractors that are  
25          calling me saying where the water is not available

1 to the subdivision. So I just need -- I've got  
2 contractors calling me up.

3 MR. LYNCHARD: Here is the point. Ever  
4 since I got on this Board originally I have been  
5 told that we have put -- that for the past 20  
6 years, dry reuse lines has to be put in every new  
7 development that goes in. They're in all those  
8 developments, they just have never been hooked up.

9 Last week I find out that if there are any  
10 in the south end of Santa Rosa County, it may be  
11 one or two.

12 MR. GARDNER: There is maybe three.

13 MR. LYNCHARD: Which made the whole point of  
14 this useless. This should have been being done  
15 for the past 20 years. Now it's pointless to do  
16 this.

17 MR. GARDNER: I agree.

18 MR. LYNCHARD: We have ruined our chances of  
19 ever being able to use the dry reuse lines.

20 MR. GARDNER: Well, I'm trying to make  
21 things right. It wasn't my decision to stop doing  
22 it.

23 MR. LYNCHARD: But somebody should have  
24 mentioned it to the Board. Like I said, I've been  
25 talking about this for the past, better part of

1 five or six years now and nobody has ever  
2 mentioned it. Everybody has always said yep,  
3 every new subdivision that comes in, they've got  
4 those lines in them.

5 MR. GARDNER: Well --

6 MR. LYNCHARD: And every time somebody told  
7 me or this Board that, they were lying.

8 MR. GARDNER: Yes, it was because it hasn't  
9 been being done.

10 MR. LYNCHARD: Yes. So at this point, I  
11 don't know that it's even worth it.

12 MR. GARDNER: That's what I want, just  
13 clarification. If we're going to keep it in  
14 there, we need to make some clarifications on it.  
15 If not, whatever the Board wants to do. We're  
16 trying to review these things and make them right.

17 MR. MILLER: Where does that requirement --  
18 what is the checks and balances on that  
19 requirement?

20 MR. GARDNER: It's in our specifications,  
21 guidelines and specifications. The contractor  
22 gets that. Everybody gets that and it's been in  
23 there for -- well, I think these things -- well,  
24 it actually went in in 2006.

25 MR. MILLER: So when these new developments

1 had come on, these contractors were just kind of,  
2 oh, yeah, we don't have to do that because it's  
3 not being required right now.

4 MR. GARDNER: I can tell you for a fact that  
5 I know for a fact when they first started doing  
6 that, the sitting Boards at the time and  
7 management at the time, would -- if a contractor  
8 came in here and said they didn't feel like they  
9 had to do it, they didn't make them do it, just  
10 like a lot of the other things we have around  
11 here. Backflow is the perfect thing. Same  
12 situation. Some people get a pass, some people  
13 don't.

14 MR. MILLER: So it comes down to -- we can't  
15 change the past, obviously the subdivisions are  
16 out there, but going forward, is that something  
17 that would be of any benefit, or...

18 MR. LYNCHARD: You're in the real estate  
19 business. Do you see enough land for development  
20 around here where it's ever going to be worth it  
21 for us to connect the dry reuse lines?

22 MR. MILLER: Probably at this point, there's  
23 probably not enough that it's going to make a big  
24 difference, but would it still make a difference?  
25 I don't know. And I think long range, anything we

1 can do to expand our capacity by using irrigation  
2 and other types of reuse, then we're laying the  
3 groundwork for that.

4 MR. GARDNER: I can just about guarantee you  
5 that in our lifetimes here at the water system, we  
6 won't see reuse lines get all of the way to the  
7 County line and stuff. That's how far out it's  
8 probably going to be before we can come up with  
9 that kind of money.

10 MR. MILLER: So 20 years from now would we  
11 wish that we had started enforcing it now?

12 MR. GARDNER: Well, sure. Yeah.

13 MR. LYNCHARD: I think it's a good idea. I  
14 think it's something that we need to do.

15 MR. DESANTIS: Yeah, we were supposed to  
16 have been doing it.

17 MR. GARDNER: And that's what we're trying  
18 to do, we're going over all our guidelines and  
19 specifications trying to figure out what's being  
20 done and what's not being done, and that's why  
21 we're trying to go over these things and correct  
22 all this stuff.

23 And that's why I'm here asking you guys  
24 tonight. I'm admitting it hasn't been enforced,  
25 but it was no fault of the people sitting at this



1 table, we're trying to make it right.

2 MR. DESANTIS: Paul, is there anybody that  
3 monitors or oversees this?

4 MR. GARDNER: Sure.

5 MR. DESANTIS: I agree with Daryl with what  
6 he's saying. We have many more divisions than we  
7 ought to. Is there anybody -- is there a  
8 monitoring or a policy?

9 MR. GARDNER: There is now that we have an  
10 engineer we just sought that will make them do  
11 this stuff. And that's what's going on. Cory  
12 goes over the specifications and guidelines and he  
13 puts them in there, whether the contractors like  
14 it or not.

15 We are on the phone most of the day arguing  
16 with contractors that don't want to do what we  
17 require them to do, but we are enforcing it.

18 MR. MILLER: Do you have any kind of idea  
19 what this, what the cost of doing this may be per  
20 lot or per household? I know it depends on the  
21 size of the development and everything, but is  
22 there any kind of ballpark of what that amounts  
23 to?

24 MR. DESANTIS: Inexpensive.

25 MR. SNYDER: It's usually a two-inch pipe,

1           minimal values, it's nothing.

2           MR. MILLER: And there's no ongoing  
3 maintenance really with it.

4           MR. GARDNER: All the only maintenance is  
5 just keeping the lines located so they're in good  
6 shape when you do ever get water there, they're  
7 not tore up.

8           MR. LYNCHARD: So the cost is nil when the  
9 development is going in. If you tried to run it  
10 today...

11          MR. GOULET: Do other current water systems  
12 require this?

13          MR. PHILLIPS: Yes. This is not an uncommon  
14 thing.

15          MR. GOULET: So it's not like we are doing  
16 something out of the norm by doing this?

17          MR. GARDNER: Oh, no. We're ready to  
18 enforce it.

19          MR. GOULET: Does Midway Water require this?

20          MR. GARDNER: No. Midway is not sewer.

21          MR. PHILLIPS: Santa Rosa is active. They  
22 actually have a reuse program.

23          MR. GOULET: So our neighbors -- our  
24 neighbors this way?

25          MR. PHILLIPS: I don't know, Will. I think

1 a better example would be Pace Water System. I  
2 know for a while Pace Water System was requiring  
3 this to be done in advance of them extending sewer  
4 in some locations. But I know there's other  
5 utilities that do it, too, it's talked about.

6 MR. GOULET: So, realistically, I guess this  
7 would be a question next, I hate to call Zach out,  
8 but Holley, for instance, Holley is going to have  
9 minimal growth as far as Holley can grow. Do you  
10 ever think a reuse in Holley should ever be  
11 required? I mean, is there enough sewer in Holley  
12 to get a reuse program together?

13 MR. LEWIS: I don't know that we would ever  
14 have enough flow from Holley community to charge  
15 up a reuse system. My personal opinion.

16 MR. GOULET: So if we were to enact this, I  
17 mean, as far as getting anything south of Holley  
18 enacted, because there is still enough parcels  
19 they could put this in, but I'm just saying I  
20 don't see how they could use it for Holley. I  
21 don't know. I'm just asking.

22 MR. MILLER: At some point sewer lines may  
23 get run throughout Holley, and at that point,  
24 there might be.

25 MR. GOULET: The plant in Holley, the

1 capacity, the capacity level, the plant is not  
2 being used to its potential where you wouldn't  
3 have any reuse available.

4 MR. CALKINS: What about East Milton Water  
5 Utility? That's kind of a rural area. That might  
6 be one to find out what they do.

7 MR. PHILLIPS: I don't know what they do,  
8 James. I kind of doubt that they have a program  
9 like this. They're not really the equivalent of  
10 Holley-Navarre Water System way out in East  
11 Milton. The City of Milton might be more  
12 applicable.

13 But I don't know specifically who does and  
14 who doesn't do it right now. I know it's not an  
15 uncommon thing, I can tell you that.

16 MR. MAYER: There's some states that require  
17 it.

18 MR. GARDNER: I didn't bring this up to ask  
19 you to change the rule tonight. All I wanted was  
20 some verbiage clarified. I'm not asking you to  
21 stop it. I'm all for it.

22 MS. GUNNOE: Where is the comma missing?

23 MR. GARDNER: If you read down there where  
24 it says water lines to be used for irrigation when  
25 reclaimed water is available to that development.

1           So that kind of -- some people read it to say that  
2           if it's available, when it's available you have to  
3           put the lines in.

4           What it's supposed to say is you putting the  
5           lines in in advance for the expectation of water  
6           being available later.

7           MR. LYNCHARD: I'll make a motion that we  
8           require all new developments south of East River,  
9           require them to put in the dry reuse lines from  
10          this point forward with no exceptions.

11          MR. GOULET: I'll second that motion.

12          MR. CALKINS: Okay. We've got a motion and  
13          a second on the floor.

14          MR. GARDNER: Can we do something with the  
15          verbiage?

16          MR. LYNCHARD: That's the new verbiage.  
17          That's a new rule.

18          MR. DESANTIS: New rule.

19          MR. PHILLIPS: You just write it down like  
20          that.

21          MR. LYNCHARD: Dry reuse lines? Maybe I  
22          misunderstood it wrong.

23          MR. LYNCHARD: Did I say the wrong thing,  
24          dry reuse lines?

25          MR. GARDNER: Dry reuse is right, but I

1 mean, I want to spell out the reason that we're  
2 putting the dry reuse line in for when the water  
3 is available.

4 MR. LYNCHARD: No. It's just required.

5 MR. PHILLIPS: Period.

6 MR. LYNCHARD: There is no verbiage that  
7 says if or when.

8 MR. GARDNER: No explanation. Okay.

9 MR. PHILLIPS: Don't worry about the part  
10 that --

11 MR. GARDNER: I got it.

12 MR. LYNCHARD: Don't worry about the part  
13 that will get you in trouble.

14 MR. GARDNER: I got it.

15 MS. GUNNOE: I have a question for our  
16 attorney. Do we need to reaccomplish a new  
17 resolution?

18 MR. KILPATRICK: I think it would be prudent  
19 to do so. Go ahead, and as long as, I believe  
20 it's unanimous with the Board, then I could  
21 actually essentially retype this, redate it, and  
22 then have the secretary-treasurer and the  
23 president sign it, and then just have it passed  
24 tonight.

25 And for clarification, it would be the

1 policy begins today, and then all residential,  
2 commercial developments within Holley-Navarre  
3 Water System franchise area are required to  
4 provide and install reclaimed waterlines.

5 MR. GOULET: I think it said south. It's  
6 south of East River. And it's just residential.  
7 I think you threw commercial in there, Keith, and  
8 we don't...

9 MR. DESANTIS: Residential?

10 (Unintelligible multiple speakers).

11 MS. GUNNOE: Why would you not want to put  
12 it in commercial?

13 MR. PHILLIPS: Where would you put it?

14 MS. GUNNOE: I mean, they can use it if  
15 they're going to have green spaces that they can  
16 use.

17 MR. PHILLIPS: Well, the equivalent -- let  
18 me tell you where I'm coming from. We've got a  
19 reuse line running down Highway 98. Someone  
20 builds a house on Highway 98, their sprinkler  
21 system on their yard, whether they're on 98 or in  
22 a subdivision, that's theirs to build, right, how  
23 they need to build it to irrigate?

24 The McDonald's builds on 98. If he builds  
25 an irrigation system on his own private property

1           there, that's not -- that doesn't end up in public  
2           right-of-way. So are we forcing commercials to  
3           build the on-site irrigation? I know legally we  
4           can't require homeowners to build an irrigation.  
5           I would think that we might be having a problem on  
6           the commercial side here, too.

7                     Do you see where I'm going with that? We  
8           are not telling a homeowner to build an irrigation  
9           system, so it's hard for me to imagine how we can  
10          tell the McDonald's to build an irrigation system.

11                    MR. MILLER: But it's a commercial  
12          development, it would be more than one commercial  
13          parcel.

14                    MR. PHILLIPS: A commercial subdivision, I  
15          get that, and maybe even an apartment complex  
16          maybe, but Keith knows where I'm going with that.

17                    MR. KILPATRICK: Yeah, I understand when you  
18          get into franchises.

19                    MS. GUNNOE: I don't think we are forcing  
20          them to do an irrigation system, we are forcing  
21          them put in the pipe so that at some point in the  
22          future we can make the offer to our customers to  
23          tie into the reuse line for their irrigation at  
24          some benefit to them.

25                    MR. PHILLIPS: I think as long as everybody



1 is clear that a commercial project, the equivalent  
2 of a residential lot, we're not requiring them to  
3 put an irrigation system in, only where there's  
4 potential within the right-of-way to provide  
5 service.

6 MR. LYNCHARD: So it's a development, not an  
7 individual project.

8 MR. PHILLIPS: Right. As long as we are all  
9 clear on that, I just could see there being an  
10 interpretation problem there.

11 MR. KILPATRICK: But Phil, if they put in  
12 all residential and commercial development within  
13 the Holley-Navarre Water System franchise area,  
14 are required to provide and install reclaimed  
15 waterlines to be used for irrigation when  
16 reclaimed water is available to that development?

17 MR. LYNCHARD: Leave out that last sentence.

18 MR. KILPATRICK: Are you okay with that  
19 language?

20 MR. PHILLIPS: I think if it said commercial  
21 subdivision or just subdivisions, whether they're  
22 residence or commercial. I can just see the seven  
23 of y'all are gone and seven more people are  
24 sitting up there, and commercial development, a  
25 McDonald's is a commercial development, we can't

1 make them put that in there, guys, I don't  
2 believe.

3 MR. CALKINS: Okay.

4 MR. PHILLIPS: If that's the intent...

5 MR. LYNCHARD: No, that's not the intent.  
6 There are some big commercial developments that  
7 may or may not come to town soon.

8 MR. PHILLIPS: Absolutely, like an apartment  
9 complex.

10 MR. LYNCHARD: And it would be nice if we  
11 required them to put those lines in there.

12 MR. PHILLIPS: So would commercial  
13 subdivision be a better...

14 MR. LYNCHARD: Commercial multi-use  
15 development or multi-unit development.

16 MR. PHILLIPS: I'm open to anything that  
17 doesn't get --

18 MR. LYNCHARD: How about we let Keith figure  
19 out the verbiage?

20 MR. PHILLIPS: There you go. I'm in  
21 agreement there, as long as we're all in  
22 agreement.

23 MR. MILLER: Something like Harvest Village  
24 where there's multiple --

25 MR. PHILLIPS: Absolutely. Commercial

1 subdivision, put it in.

2 MR. CALKINS: Okay. Anymore discussion by  
3 the Board?

4 (No response.)

5 MR. CALKINS: Okay. Seeing no further  
6 discussion, all those in favor, say aye.

7 (Board members collectively say aye.)

8 MR. CALKINS: Motion passes.

9 (Motion unanimously passes.)

10 MR. GOULET: So Keith, when you get the  
11 resolution written up, all the Board members will  
12 approve that then also?

13 MR. KILPATRICK: Yes.

14 MR. GOULET: So the Board members can read  
15 the verbiage on it.

16 MR. KILPATRICK: Now, do you want it  
17 nunc-pro-tunc to tonight or do you want me to just  
18 do whenever it's signed?

19 MR. GOULET: Just whenever it's signed, I  
20 would think.

21 MR. GARDNER: Well --

22 MR. GOULET: Or tonight?

23 MR. GARDNER: I would much rather do it  
24 tonight because we've got outstanding projects.

25 (Unintelligible multiple speakers.)

1           MR. PHILLIPS: That all has been covered,  
2           though, there's no doubt in my mind, they're  
3           covered. The Board's action, to me, made that  
4           clear.

5           MR. GOULET: Can Keith just e-mail it out  
6           and we can approve it; is that fine?

7           MR. KILPATRICK: That's good.

8           MS. GUNNOE: It's effective tonight since we  
9           just voted on it.

10          MR. CALKINS: Geo?

11          MR. MAYER: Yes.

12          MR. CALKINS: Okay. We're going to go to  
13          the next item on the agenda is request for staff  
14          to research and recommend the fairest and most  
15          convenient way for our stockholders to vote in  
16          annual elections.

17          Mr. Geo Mayer?

18          MR. MAYER: Yes.

19          MR. CALKINS: This was an item put forward  
20          by Geo to have fair and good elections, so...

21          MR. MAYER: We have a tradition in our  
22          company of going by proxy.

23          MR. CALKINS: Yes.

24          MR. MAYER: Excuse me.

25          MR. CALKINS: Go on. I'm sorry.

1           MR. MAYER: And that's been the case for as  
2 long as anyone around here can recall. And proxy  
3 is not a convenient, a fair way to vote, in my  
4 opinion, especially with electronic voting being  
5 available now.

6           And our obligation, in my view, is that we  
7 have to look into what is the easiest and the  
8 fairest that we can have a proper election.

9           MR. CALKINS: Okay. Would you recommend to  
10 the staff to come up with something and then bring  
11 it to us by the next meeting? What is your  
12 recommendation?

13          MR. MAYER: I don't know how long it would  
14 take them, but I would request they look into it  
15 and provide us with a report. And it might be  
16 necessary, you might have to go get a professor of  
17 government at a university or something to write a  
18 report on that.

19          MR. GARDNER: I think you're going to have  
20 to stick with what your bylaws say.

21          MR. MAYER: Bylaws say may be utilized.

22          MR. LYNCHARD: Not required.

23          I guess now is as good a time as any to say  
24 that it would be nice if we could come up with a  
25 better way to vote, but that's going to require us

1 to amend our bylaws and we are going to need to  
2 get signatures, approximately 7,000, 7,500 of our  
3 members in order to allow us to change those  
4 bylaws and fix this problem that we call voting  
5 annually.

6 But it's the only way to do it. We can sit  
7 here tonight and we can change it to what Geo  
8 thinks it should be, and I'm sure that it would be  
9 better. I've got a few ways to make it better  
10 myself and I've tried it in the past, it doesn't  
11 work. It will last as long as I last on the Board  
12 or as long as I've got these three friends on the  
13 Board. But just as soon as that ends, the way you  
14 vote changes, too, so the only way to change the  
15 votes is to amend the bylaws.

16 MR. MAYER: I would respectfully disagree,  
17 because we have a history, we have a long  
18 established history of not paying any attention to  
19 the bylaws or the articles.

20 MR. LYNCHARD: Yeah, when it comes to  
21 voting, they do. They actually went to the State  
22 Supreme Court to defend the proxy voting. How  
23 many years ago was that?

24 MR. GARDNER: That was in --

25 MR. LYNCHARD: About 25 years ago?

1 (Unintelligible multiple speakers.)

2 MR. GARDNER: I don't think it was that long  
3 ago. I thought it was like in -- yeah, it might  
4 have been.

5 MR. MILLER: I think our bylaws say we have  
6 to allow voting by proxy, but we don't have to  
7 make it to where that is the preferred way for  
8 people to vote.

9 We have to allow it and make it available,  
10 but do we have to mail out a proxy to everyone or  
11 can we mail out an absentee ballot to everyone and  
12 say if you want a proxy, you can pick one up at  
13 the water department?

14 MR. GARDNER: The bylaws say that --

15 MR. LYNCHARD: And as soon as me and you are  
16 off the Board, they'll change it back.

17 MR. MILLER: I agree.

18 MR. CALKINS: Okay. Ms. Debbie next.

19 MS. GUNNOE: I'm reading right here in  
20 Article Seven, Section Five, it does not say it's  
21 required. It says voting by proxy shall be  
22 permitted. It doesn't say it's required that we  
23 have to vote by proxy.

24 MR. MILLER: It's permitted, that's what I  
25 say. So we make it available to people if they --

1 MR. MAYER: It's optional.

2 MS. GUNNOE: So we can choose to go another  
3 way to do the elections.

4 MR. DESANTIS: Like a ballot.

5 MS. GUNNOE: Like a ballot, like a real  
6 ballot.

7 MR. LARSON: I think the problem is that  
8 every new Board will change the process and the  
9 members are going to end up being confused because  
10 every two to three years we have a new voting  
11 system. We can change the bylaws and make it  
12 permanent.

13 MR. MAYER: We don't have 600 people that  
14 will vote.

15 MR. CALKINS: I think what Geo is trying to  
16 do is just try to come up with solutions to this.  
17 Bring it up to --

18 MR. DESANTIS: I would assume that members  
19 -- I would assume the members would be part of  
20 this change if there was one.

21 MR. CALKINS: Hold on. So I think that's  
22 where we're getting at. I have heard some great  
23 ideas by Will and Daryl and a few other of the  
24 Board members here about possibly sending out some  
25 kind of way to change bylaws, send them out to all



1           our members and see if they vote a certain way and  
2           send it back and see how many we can get back.

3           There is ideas, but they're ideas that we  
4           need to get the staff to possibly come up with.  
5           We can maybe attend things, but kind of put it in  
6           their court for now, and I think that's what Geo  
7           is referring to.

8           MR. MAYER: I believe that's what it says.

9           MR. LARSON: Yes.

10          MR. GOULET: My recommendation would be to  
11          also see if Tappie would like to voice her opinion  
12          on it also from the County.

13          MR. MAYER: I think that staff would confirm  
14          with a lot of people.

15          MR. GOULET: I think that would work fine.

16          MR. CALKINS: Mr. Miller?

17          MR. MILLER: To kind of piggy-back on that,  
18          can I ask if we can direct Keith to take a look at  
19          the -- there's a conflict between the Articles of  
20          Incorporation and the bylaws as to how the bylaws  
21          can be changed. And the bylaws were last revised  
22          in 1986 or something like that, and so that  
23          revision was after the Articles of Incorporation.

24          So my question to Keith would be if you  
25          would look at that and tell us if it might be

1 possible since the most recent copy of the bylaws  
2 says that they can be amended by a majority vote  
3 of the members present at a meeting called for the  
4 purpose of amending the bylaws.

5 So in other words, if we came up with a  
6 revision to the bylaws and announced these are our  
7 revisions and they will be voted on at our annual  
8 meeting, it's a majority of the members present.  
9 If you read the bylaws, that's what it says in the  
10 most current version of our bylaws. Now, it is in  
11 conflict with the Articles of Incorporation, so I  
12 would like Keith to advise us on that.

13 MR. CALKINS: Is that a motion? I think  
14 that could be.

15 MS. GUNNOE: I have a question, though. It  
16 says, or at any regular meeting of the  
17 corporation, it doesn't say it has to wait to  
18 the --

19 MR. GOULET: Meeting of the corporation's  
20 annual meeting.

21 MR. CALKINS: Okay.

22 MR. LYNCHARD: Since I've been on the Board  
23 --

24 (Inaudible interruption.)

25 MR. CALKINS: Go ahead, Daryl.

1           MR. LYNCHARD: Mr. President, actually, the  
2           question that Mark is asking I have already asked  
3           our attorney four years ago. And the answer to  
4           the question is no, because the state laws says  
5           that if there's a conflict between the bylaws and  
6           the Articles of Incorporation, the Articles of  
7           Incorporation are the governing documents.

8           The bylaws were, you're correct, amended in  
9           1986 improperly, but I was informed whenever I  
10          asked the question four years ago that since it  
11          was done in 1986, and it took me so long to ask  
12          the question as I was the first Board member to  
13          ever ask the question, that we couldn't take out  
14          that change to the 1986 bylaws because they had  
15          been there so long.

16          MR. CALKINS: Before the next question, I  
17          would like to say that that last attorney isn't  
18          here anymore and he was with us for 20 years. We  
19          might could get a different, in my opinion, maybe  
20          get a different opinion from Keith, but if he  
21          comes up with the same opinion...

22          MR. KILPATRICK: I'm going to tell you the  
23          true story. But I will find out whether or not  
24          the Articles of Incorporation would trump the  
25          bylaws as far as that goes. Mark, I don't have a

1                   problem updating. The statute could have changed.

2                   MR. MILLER: Okay. I don't know the answer  
3                   to that, so, yes, if there's a way to do it, I  
4                   would love to see us have that, because it would  
5                   be practically impossible to make any changes to  
6                   our bylaws and these bylaws were done many years  
7                   ago. Our hands are tied with some of the things  
8                   that can be done.

9                   MR. KILPATRICK: Try to fight the United  
10                  States Constitution, it's pretty much equivalent.

11                  MR. CALKINS: Any further comment on this  
12                  item from the Board?

13                  (No response.)

14                  MR. CALKINS: Seeing no further comment, we  
15                  are going to move to Item Number Two, request  
16                  staff to prepare a list of director terms, start  
17                  dates and end dates. I'm sure we have this  
18                  information. I will ask Barb?

19                  MS. CARAWAN: Yes, sir.

20                  MR. CALKINS: Thank you. Any questions by  
21                  the Board about this item?

22                  MR. MAYER: No questions.

23                  MR. CALKINS: No questions? Okay. Seeing  
24                  no discussion or questions, we are going to move  
25                  into the next item, Item Number Three, request for

1 staff to prepare a contact list of Directors.

2 Do y'all have a contact list? Mr. Geo, what  
3 were you requesting in this item?

4 MR. MAYER: Well, I'm a brand new Board  
5 member. I don't even know where people live or  
6 where I send my Christmas cards or invitations.

7 MR. GOULET: Hate mail, whatever.

8 MR. MAYER: If you look at our various  
9 e-mail transmissions, it's very confusing. Some  
10 go through our server here, some go to our  
11 personal service, some go both ways, and I've had  
12 complaints from members of the Board that they  
13 didn't get my message. Well, where do you want me  
14 to send the damn thing? That is just ordinary,  
15 just like the telephone deal, how do get ahold of  
16 people?

17 MR. GOULET: I put an X on the post office  
18 wall for Ricki.

19 (Unintelligible multiple speakers.)

20 MR. CALKINS: Okay. Is there anymore  
21 questions regarding that, anymore discussion on  
22 that?

23 MS. GUNNOE: Does anyone have any objection  
24 to the Board members having the contact  
25 information for the other Board members?

1           MR. MILLER: I would like to suggest that we  
2 all give to Barbara, I guess, a list of our  
3 preferred phone numbers, e-mail addresses, all of  
4 that and that way, you could prepare that list  
5 that we would be able to contact someone.

6           MS. CARAWAN: I do have a list that I  
7 currently go by. Maybe if I hand this out and you  
8 guys can modify it and get it back to me.

9           MR. MILLER: Yeah, that would be awesome, if  
10 you could do that, that would be great.

11          MR. CALKINS: Thank you very much, Barbara,  
12 and thank you, Geo.

13          The next item we're going to move to is  
14 request for staff to provide HNWS telephone  
15 directory or a list. Mr. Geo, you basically --

16          MR. MAYER: I think they have a list. They  
17 showed it to me the other day. No, I mean --

18          MR. CALKINS: Let me just ask. What would  
19 you say to that, Barbara? I mean, we can call the  
20 office, they have all that, the numbers on the --  
21 you press one for Torin or two for Danny.

22          MR. CALKINS: We've got that also, you can  
23 call the office. Is there any specifics that...

24          MS. GUNNOE: Is there a directory when you  
25 call into the -- I haven't called in there yet.

1 Does it go to a directory?

2 MS. CARAWAN: It does go to a directory, but  
3 you can bypass the directory and punch in the  
4 extension and you directly go to that extension.

5 MS. GUNNOE: If you know the extensions?

6 MS. CARAWAN: Yes.

7 MR. CALKINS: So, Barb, do you mind sending  
8 us the directors, like the extensions for the  
9 Board?

10 MS. CARAWAN: I can do that.

11 MR. CALKINS: Thank you. Any discussion on  
12 that item, or are we good?

13 (No response.)

14 MR. CALKINS: Good? Okay. We're going to  
15 move to Item Number Five, report on outstanding  
16 RFPs. This was from Geo. I'm going to ask Paul.

17 MR. GARDNER: I'm not aware of anything  
18 except the --

19 MR. CALKINS: The website, right?

20 MR. GARDNER: -- the website.

21 MR. CALKINS: Okay. Now we are going to go  
22 to the -- we're getting close, y'all -- we're going  
23 to the Engineers' Report. Mr. Phil Phillips.

24 MR. PHILLIPS: Thank you. I think there is  
25 only one construction project over \$50,000.

1 Panhandle Lift Station is the only construction  
2 project we have right now. Of course, the lift  
3 station part is done, we are only fighting with  
4 DOT how to get the old wet well out of the road,  
5 so we'll eventually figure out what they want and  
6 we'll get what we need to get.

7 MR. GARDNER: Without someone going to jail?

8 MR. PHILLIPS: Yeah.

9 MR. CALKINS: Any questions for Phil?

10 MR. MAYER: Phil, last year we bought a  
11 pretty sophisticated piece of software for, I  
12 believe, for line detection?

13 MR. PHILLIPS: A camera, a sewer camera?

14 MR. MAYER: Is that working out well for  
15 you?

16 MR. PHILLIPS: Actually, these guys use it  
17 themselves now, we don't have to be involved in  
18 that.

19 MR. HAWKINS: Very well.

20 MR. MAYER: I was very impressed with the  
21 presentation you made when you bought it. I was  
22 just wanting to know that it's working well.

23 MR. CALKINS: Debbie?

24 MS. GUNNOE: Just a quick question. Are you  
25 going to meet -- I see the sign out there about



1 the detour, and I know a lot of people are going  
2 crazy about the detour. Is it going to be  
3 completed by the, what is it, the 23rd or 24th,  
4 whatever it is that the date's up there, or is  
5 that dependent upon what --

6 MR. WELLS: It's dependent upon DOT.

7 MR. PHILLIPS: If I can read my DOT tea  
8 leaves...

9 MS. GUNNOE: I'm just curious.

10 MR. PHILLIPS: We'll have to open the road  
11 back up if it gets excessive.

12 MR. GOULET: I suspect if it gets --  
13 continues on its current path, it will be mostly  
14 open for --

15 MR. GARDNER: One thing, Holley-Navarre,  
16 we've talked about doing is purchasing some of  
17 those portable signs where we can put road  
18 closures and stuff on them and park them outside  
19 like the construction people use on the highway.

20 MR. LYNCHARD: Can you put one facing that  
21 way -- yards before you get there, because that  
22 way whenever I'm driving home -- people don't stop  
23 and look at the road and say it really is closed,  
24 and see how can we drive around this sign.

25 MR. DESANTIS: How expensive are those?

1                   MR. HAWKINS: We are pricing those right  
2                   now. We're currently trying to get three bids on  
3                   those signs. I guess we'll probably need to get  
4                   two, I would think two of them to cover each  
5                   direction, if you have a big project like that and  
6                   we currently got a guy that's getting us three  
7                   bids on it, and we'll get back to you by the next  
8                   meeting.

9                   MR. DESANTIS: Thank you.

10                  MR. CALKINS: Any further questions for  
11                  Phil?

12                  (No response.)

13                  MR. CALKINS: Seeing no further questions,  
14                  we are going to now move to Public Forum, limit  
15                  five minutes per person. Does anybody in the  
16                  public, would they -- you raised your hand first  
17                  in the back, so we'll go to you and then we'll go  
18                  to this gentleman over here.

19                  MR. STAPLETON: My name is Chris Stapleton.  
20                  I'm a local real estate broker. I've been here  
21                  about 30 years.

22                  MR. MILLER: Chris, would you state your  
23                  address for the record?

24                  MR. STAPLETON: My address, 1700 Sea Lark  
25                  Lane, Navarre.

1 MR. MILLER: Thank you.

2 MR. STAPLETON: I'm here to discuss -- I  
3 actually represent the new owner of the house at  
4 the 2805 Masters Boulevard, which is locally known  
5 as the bull's eye house for the drive range.

6 I know this is not probably the meeting that  
7 I need to be at, I was just informed not too long  
8 ago, but I had already planned to be here, so I  
9 wanted to kind of just set the groundwork for what  
10 hopefully you folks are going to do in regard to  
11 the replacement fence that should have been up  
12 years ago.

13 This same house I almost bought myself about  
14 30 years ago when it was brand new. It had a  
15 fence in front of it for years. I did not  
16 purchase the house but now I've got it again.

17 But it's got a very -- the fence that was  
18 right in front of the berm, and like I say, I've  
19 got -- I don't know how many minutes I've got  
20 left, I've got some pictures.

21 MR. DESANTIS: Thank you.

22 MR. STAPLETON: And actually, here is  
23 another one. This is another overview. This is  
24 better.

25 MR. KILPATRICK: What do you have to drive

1 to actually hit that house?

2 MR. STAPLETON: Actually, about 250, 275,  
3 actually, the top of the roof, I think is about  
4 275.

5 As you can see by these pictures that your  
6 driving range balls have made several holes in the  
7 top of that roof. And I just was going to put  
8 this proposal -- and I understand that you have  
9 talked with the general manager and you have  
10 gotten several bids in regard to fencing that goes  
11 in front of that house all of the way down Masters  
12 Boulevard because of all of the complaints that  
13 you've got from all drive range balls.

14 And this has been a problem for years, and I  
15 think the owners -- well, actually, the owners of  
16 this house passed -- the husband passed away about  
17 ten years ago. His wife actually developed  
18 Alzheimer's.

19 A long story short, before you folks were  
20 even involved with the golf course, her daughter  
21 just took care of her and that house had been  
22 vacant for five years, so that's why nobody has  
23 ever put a thorn in your side about this until  
24 now.

25 So I just wanted to let you know about it

1 and let you know that we expect you folks to do  
2 something. And I've kind of started -- I found  
3 one out of about 20 fence contractors that will  
4 put a fence up across this, across, 150 foot  
5 across the right front on the berm for only  
6 \$15,000, which is quite a bit less than I think  
7 you've gotten several other bids.

8 MR. DESANTIS: Significantly less.

9 MR. STAPLETON: And my proposal to you folks  
10 is to consider putting that fence up on that berm,  
11 and if you're satisfied with that fence, I would  
12 suggest you hire this guy to do all of the way  
13 down Masters like you were from those other bids  
14 that you had received. And I think you will be  
15 quite surprised, it would be quite a bit less.

16 Because, obviously -- I don't know what kind  
17 of insurance you have, but obviously something is  
18 going to happen. We can't even start any kind of  
19 construction because people are getting -- well,  
20 close to being hit right now just for getting  
21 estimates on different construction.

22 MR. CALKINS: Sir, you've got two more  
23 minutes.

24 MR. MAYER: Chris, where was that fence  
25 previously?

1                   MR. STAPLETON: It was right on the top of  
2 the berm there, right on the other side of the  
3 golf cart.

4                   MR. GOULET: What was the fence before?

5                   MR. STAPLETON: Pardon me?

6                   MR. GOULET: What was it, like an eight-foot  
7 fence or was it a net fence, or?

8                   MR. STAPLETON: No, it was like 40-foot  
9 high.

10                  MR. GOULET: It was?

11                  MR. STAPLETON: Oh, yeah. The telephone  
12 pole is 40-foot high.

13                  MR. MAYER: Joe Jeckly (phonetic) told me it  
14 was there for a relatively short period of time,  
15 but it was there.

16                  MR. STAPLETON: Oh, yes, it was definitely  
17 there.

18                  MR. KILPATRICK: What happened to it?

19                  MR. GOULET: Hurricane.

20                  MR. STAPLETON: I used to play in the men's  
21 league every Tuesday for years until my kid got to  
22 the point I had to coach him in T-ball, football,  
23 basketball and all that. So I got out of golfing  
24 until I got roped into doing the real estate  
25 tournament every year, so...

1 MR. GOULET: Geo, I know Jim Morgan made a  
2 suggestion on some of these things, as far as if  
3 we did irons only on the driving range. These new  
4 drivers, for \$500 he can turn an average golfer  
5 into a 300-yard driver.

6 MR. MAYER: That's the ultimate solution.

7 MR. GOULET: That would be the easiest way,  
8 that doesn't cost us anything.

9 MR. MAYER: You might recall, Morgan and his  
10 staff are preparing recommendations to be  
11 presented next week.

12 MR. GOULET: This is being addressed -- not  
13 to make it short, but this is being addressed  
14 right now as possibly making it a driving range  
15 with the irons only so we don't have this problem.

16 MR. STAPLETON: Okay.

17 MR. CALKINS: Anymore comments, sir?

18 MR. STAPLETON: That's it. And your golf  
19 course meeting is next Tuesday; is that correct?

20 MR. MAYER: That is correct.

21 MR. GOULET: If you would like to attend  
22 that, feel free.

23 MR. STAPLETON: Yes, I will.

24 MR. MAYER: Chris, I would like to tell you,  
25 though, frankly, we've ignored this problem for

1           several years. We are now serious. We're going  
2           to do something about it. We are going to be a  
3           good neighbor.

4           MR. CALKINS: Absolutely.

5           MR. STAPLETON: I appreciate it. Thank you.

6           MR. CALKINS: Thank you, sir. And we had  
7           another gentleman. Please state your name and  
8           address and tell us what you think.

9           MR. ROBBINS: My name is Doug Robbins, 2021  
10          Jessica Way in Navarre. I've been building homes  
11          for 35, 38 years, and I don't want to get in  
12          discussion about the reuse, unless you would like  
13          to ask something about it. You signed that new  
14          resolution tonight, effective now?

15          MR. GOULET: Yes.

16          MR. ROBBINS: I just want to clarify this,  
17          because we've been working back and forth with  
18          engineering for four or five months on getting  
19          Hadleigh Hills phase two approved and through.  
20          And there's a lot of issues going on.

21                 So we do or do not? That's all and I'm  
22          done. We do or do not?

23          MR. CALKINS: So you're not done or you are  
24          done?

25          MR. ROBBINS: I'm done talking. No. We've



1           been trying to submit our plans and we have  
2           everything ready, we've been working with Cory,  
3           our engineer has, and we are ready.

4           MR. LYNCHARD: It has been on the books that  
5           they're supposed to put dry reuse lines in there.

6           MR. GARDNER: It's in the specs.

7           MR. LYNCHARD: It's in the specs. Was it in  
8           the specs that you were given?

9           MR. ROBBINS: Pardon me?

10          MR. LYNCHARD: Was it in the specs that you  
11          were given, that you're supposed to use dry reuse?

12          MR. ROBBINS: Oh, I don't know if the  
13          engineer -- I don't know what the specs would have  
14          been.

15          MR. SNYDER: Yes.

16          MR. LYNCHARD: So were you asking -- what  
17          was your question, I guess?

18          MR. ROBBINS: I thought you said it was the  
19          proposition, I guess, that you were doing.

20          MR. LYNCHARD: We are clarifying that it has  
21          to be done and we're not going to allow it to be  
22          skipped anymore.

23          MR. ROBBINS: Right. So is that effective  
24          tonight or is that effective since 2006?

25          MR. LYNCHARD: That's just effective for

1 every new development that goes into the town.

2 MR. MILLER: Anything that's not been  
3 approved yet.

4 MR. LYNCHARD: If it's in your specs, in  
5 other words.

6 MR. ROBBINS: If it's in our specs? I don't  
7 know because the engineer just told me about it  
8 last week, so I don't have a clue.

9 MR. LYNCHARD: And Cory says it is in your  
10 specs --

11 MR. SNYDER: It was definitely in your  
12 specs.

13 MR. LYNCHARD: -- that you have to do that.

14 MR. ROBBINS: Okay. So it's nothing to do  
15 with the new proposition that started tonight?

16 MR. LYNCHARD: No.

17 MR. ROBBINS: Then why did you do one? Just  
18 curious.

19 MR. LYNCHARD: Because of all the  
20 developments that have come into town, there's  
21 maybe three or four of them that have it in there,  
22 even though it's been in everybody's specs up to  
23 this point for the past, what, 15, 20 years.

24 MR. GOULET: Since 2006.

25 MR. LYNCHARD: Since 2006.

1                   MR. ROBBINS: Yes, since 2006, that's how I  
2 read it.

3                   MR. LYNCHARD: So we're just making sure  
4 tonight as a Board that management knows that  
5 we're not going to skip that anymore.

6                   MR. GARDNER: It's in Section 1.5 of the...

7                   MR. ROBBINS: I've got a copy of it. I just  
8 wanted to be clear if it was a mandatory for sure  
9 tonight and everything follows. They've clarified  
10 the wording of the proposition on whether or not  
11 -- like we've been working on it five months now,  
12 and like I said, I just heard about it last week,  
13 so that might be the fault of my engineer.

14                  MR. DESANTIS: I think we're making sure  
15 it's strictly adhered to.

16                  MR. ROBBINS: Pardon me?

17                  MR. DESANTIS: It's to make sure that it's  
18 strictly adhered to. It's in the specs.

19                  MR. ROBBINS: So it may not have to be  
20 adhered to before? I'm confused about that. Why  
21 would we re-adhere it when it's --

22                  MR. KILPATRICK: The thing about it is, is  
23 it's always been in the rules and regulations  
24 since 2006 and tonight we just essentially  
25 clarified it to make sure that there's no

1           confusion that you shall have that from now on in  
2           any project going forward, anything from East  
3           River on.

4           MR. ROBBINS: Yeah. I have never heard -- I  
5           have done three subdivisions over the years and  
6           I've never heard of it until recently. I have on  
7           commercial projects and I love it, I have no  
8           problems with it, but it was there when I did the  
9           commercial and we tied into it and it worked  
10          great.

11          MR. KILPATRICK: Yes, sir.

12          MR. ROBBINS: I will never live to see  
13          reclaimed water be turned on for these projects.  
14          Thank you.

15          MR. CALKINS: Thank you, sir.

16          MR. ROBBINS: Thank you.

17          MR. CALKINS: We appreciate you coming up.  
18          Any other comments from the public?

19          (No response.)

20          MR. CALKINS: Seeing no further comments  
21          from the public, we are going to move into a  
22          meeting recess for nonpublic personnel business  
23          and we're going to have a five-minute restroom  
24          break.

25          (This concludes the HNWS Board of Directors

1 meeting to go into the nonpublic personnel  
2 meeting, after which this Board meeting was  
3 adjourned.)  
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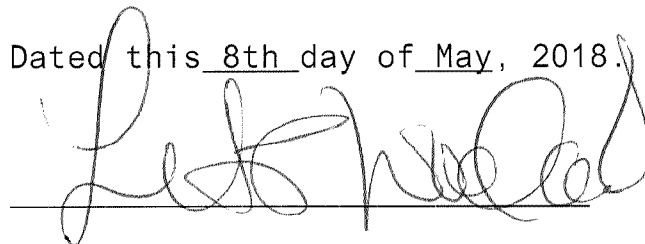
CERTIFICATE OF REPORTER

STATE OF FLORIDA

COUNTY OF SANTA ROSA

I, LETA P. WOOLARD, CCR, do hereby certify that I was authorized to and did stenographically record the foregoing pages of the HNWS Board of Directors meeting proceeding, and that this transcript is a true and complete record of my stenographic shorthand notes.

I further certify that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

Dated this 8th day of May, 2018.A handwritten signature in cursive script, appearing to read 'Leta P. Woolard', written over a horizontal line.

LETA P. WOOLARD, CERTIFIED COURT REPORTER