

HOLLEY-NAVARRE WATER SYSTEM, INC.

BOARD MEETING

FEBRUARY 20, 2018

6:00 P.M. - 7:50 P.M.

PRESENT AT MEETING:

JAMES CALKINS, PRESIDENT

WILL GOULET, VICE PRESIDENT

DARYL LYNCHARD, DIRECTOR

RICKI DESANTIS, DIRECTOR

MARK MILLER, DIRECTOR

DOUG LARSON, SECRETARY-TREASURER

BARBARA CARAWAN, OFFICE MANAGER

PAUL GARDNER, GM, HNWS

CLINTON WELLS, HNWS

DANNY HAWKINS, HNWS

ZACK LEWIS, HNWS

TORIN BRAND, HNWS IT

PHIL PHILLIPS, MESI

CORY SNYDER, MESI

DALE LONG, MESI

ALSO PRESENT:

KEITH KILPATRICK, ESQUIRE

DEBORAH KHARUF, COURT REPORTER

BOB COLE, COMMISSIONER; GEO MAYER,

SANDY KEMP, NAVARRE PRESS

ROMI WHITE, SOUTH SANTA ROSA NEWS

KEN WALTERS, HEATHER SCRUGGS, DANIEL SCRUGGS

1 P-R-O-C-E-E-D-I-N-G-S

2 MR. CALKINS: Okay. I am going to call  
3 this meeting to order. Okay. We would like to invite  
4 Commissioner Bob Cole to say the prayer.

5 (INVOCATION GIVEN BY COUNTY COMMISSIONER BOB COLE.)

6 MR. CALKINS: Amen. And I would like  
7 Danny Hawkins to lead us in the pledge.

8 (PLEDGE OF ALLEGIANCE.)

9 MR. CALKINS: Thank you. Okay. Audio and  
10 video recordings are in use. Please silence all cell  
11 phones.

12 We are going to go to approval of January  
13 and February Board meeting minutes. Do we have a motion  
14 to approve the Board meeting minutes?

15 MR. DESANTIS: If I could --

16 MR. CALKINS: Director Ricki?

17 MR. DESANTIS: I would make that motion,  
18 Mr. President, to approve the January and February Board  
19 minutes.

20 MR. MILLER: We need to make a correction  
21 before we do that.

22 MR. CALKINS: Hold on. We have a motion  
23 to approve the January and February Board minutes. Do we  
24 have a second?

25 MR. LYNCHARD: Can we -- do we need to --

1 Mr. President, do we need to approve the December Special  
2 Meeting minutes, also?

3 MR. CALKINS: It is my opinion not at this  
4 time. There were some mistakes in the December Board  
5 minutes, and I would like to wait for next month to  
6 discuss that, so --

7 MR. LYNCHARD: Okay. We will move on the  
8 next -- then, I will second it for discussion.

9 MR. CALKINS: Okay. We have a motion and  
10 a second. Ricki Desantis?

11 MR. MILLER: I have discussion --

12 MR. CALKINS: Okay.

13 MR. MILLER: We don't have any February  
14 minutes. This was our first meeting in February.

15 MR. DESANTIS: No. There was a Board  
16 meeting that did occur. It was a Special Meeting in  
17 February. It is a Board meeting, and that is the Board  
18 meeting that it is referring to.

19 The Board meeting that occurred on  
20 February 4th and the January Board meetings, also.

21 MR. MILLER: So you are referring to the  
22 Special Meeting on -- okay, the Special Meeting on  
23 February 4th, but we are not approving tonight's minutes  
24 or any other minutes?

25 MR. LYNCHARD: No.

1 MR. DESANTIS: Tonight's minutes have not  
2 occurred yet.

3 MR. MILLER: I had a correction to those  
4 minutes that I emailed out to everyone. Did everyone see  
5 that?

6 MR. LYNCHARD: Is that the one that I  
7 agreed to?

8 MR. MILLER: Yes.

9 MR. LYNCHARD: Actually, they are not  
10 going to -- that's the --

11 MR. DESANTIS: Mr. President, if I may --

12 MR. CALKINS: Yeah.

13 MR. DESANTIS: That was an executive  
14 session and that was a Special Board Meeting and  
15 propriety in nature, confidential.

16 MR. LYNCHARD: Can we be -- let's make  
17 this a little easier. Can we be specific with the  
18 meeting minutes we are approving? The January --

19 MR. DESANTIS: 16th, I think it was, the  
20 election.

21 MR. LYNCHARD: We have got the December  
22 15th Board minutes here. We have go the December 27th  
23 Special Board meeting here.

24 MR. CALKINS: Since there is still  
25 discussion about the Executive Session, I think we should

1 just hold off on that particular one and then --

2 MR. DESANTIS: I think we had agreed on  
3 that.

4 MR. LYNCHARD: We have got a December 19th  
5 minutes here. Are we approving these? Or --

6 MR. DESANTIS: Again, on the table, sir, I  
7 made the motion for the approval of the January and  
8 February Board minutes.

9 MR. CALKINS: Okay. We have got a  
10 motion --

11 MR. LYNCHARD: And I withdraw my second.

12 MR. CALKINS: Okay. Daryl, is there a --  
13 is there a -- would you want to take off that last part?

14 MR. LYNCHARD: No. I wasn't --

15 MR. CALKINS: -- because there wasn't --

16 MR. LYNCHARD: No. I would like for us to  
17 be specific and say the January -- what date it was --

18 MR. DESANTIS: 16th.

19 MR. LYNCHARD: -- January 16th Board  
20 minutes.

21 MR. DESANTIS: Yes.

22 MR. LYNCHARD: And the February --

23 MR. DESANTIS: 4th, I apologize.

24 MR. LYNCHARD: -- Special Board meeting  
25 minutes.

1 MR. DESANTIS: That is better.

2 MR. LYNCHARD: And I will second that.

3 MR. CALKINS: Okay. And we are going to  
4 hold off on the other ones because the other ones are  
5 still in debate on it, so that's what it is.

6 MR. DESANTIS: Could we -- would it be  
7 possible to have Daryl make that motion, then, since he  
8 did correct it and correct it properly? And I thank him  
9 for that, and I will second that.

10 MR. CALKINS: Okay. Daryl, can you please  
11 state the motion?

12 MR. LYNCHARD: So I am --

13 MR. CALKINS: And, Ricki, you have to  
14 withdraw your motion?

15 MR. DESANTIS: Yes, I do.

16 MR. CALKINS: Okay.

17 MR. LYNCHARD: Let me get this right.

18 January 4th?

19 MR. DESANTIS: 16th.

20 MR. LYNCHARD: January 16th and February  
21 4th?

22 MR. DESANTIS: That is correct.

23 MR. LYNCHARD: Okay. I make a motion that  
24 we approve the minutes from the --

25 MR. DESANTIS: 16th of January.

1 MR. LYNCHARD: January 16th-- was that the  
2 membership --

3 MR. DESANTIS: Election. Yes.  
4 Membership. correct.

5 MS. CARAWAN: It was the Annual Meeting.

6 MR. LYNCHARD: That's a members' meeting  
7 and we will not -- we cannot approve the members' meeting  
8 minutes at a regular Board meeting.

9 MS. CARAWAN: That's right.

10 MR. LYNCHARD: So --

11 MR. GOULET: That's held at the Annual  
12 Meeting.

13 MR. LYNCHARD: -- I make a motion that we  
14 approve the February 4th --

15 MR. DESANTIS: Excellent.

16 MR. LYNCHARD: -- Special Board Meeting  
17 minutes.

18 MR. CALKINS: Okay. We got a motion. Do  
19 we got a second?

20 MR. DESANTIS: I will second that motion.

21 MR. CALKINS: Okay. Any more discussion?

22 MR. MILLER: Yes. Those minutes are not  
23 accurate. There was a change made to them in what was  
24 sent out to me.

25 MR. CALKINS: No. Those are -- we are not

1 talking about those minutes. Those minutes aren't  
2 included in this.

3 MR. MILLER: That was the February 4th  
4 meeting, though; right?

5 MR. CALKINS: Does anybody have any --  
6 (MARK MILLER SAID SOMETHING.)

7 MR. LYNCHARD: Okay. Which?

8 MR. LARSON: No. That was the one at  
9 Keith's office and they are talking about when we had the  
10 original meeting out here.

11 MR. MILLER: Okay. And what was the date  
12 of that meeting?

13 MR. LARSON: February 4th?

14 MR. MILLER: January 31st?

15 MR. LARSON: 27th or 31st?

16 MR. MILLER: There was a January 31st  
17 meeting.

18 MR. LARSON: I think that was it.

19 MR. LYNCHARD: I believe we should get a  
20 list of all the meetings we have had, put it --

21 MR. CALKINS: What we can do if it was in  
22 January, we can just approve January's minutes and  
23 discuss February's at the next Board.

24 MR. LYNCHARD: January 31st. Then, I  
25 change my motion. We -- I make a motion we approve the



1 January 31st Special Meeting minutes.

2 MR. CALKINS: Okay. We got a motion. Do  
3 we got a second?

4 MR. GOULET: Second it.

5 MR. CALKINS: Okay. Any more discussion?

6 MR. MILLER: Give me just one minute to  
7 look back over these to make sure I am looking at the  
8 right meeting. Did we have a reporter at that meeting or  
9 not?

10 MR. LYNCHARD: No. Not to my knowledge,  
11 we didn't have a court reporter.

12 MR. MILLER: And we adjourned in private  
13 session at that meeting?

14 MR. LYNCHARD: Uh-huh.

15 MR. MILLER: Is that in these minutes? I  
16 am just looking for it. I can't find it. Is it in some  
17 kind of chronological order?

18 I don't remember seeing this version of  
19 the minutes that's in the book for January 31st.

20 MR. CALKINS: Okay. We have a motion --

21 MR. GOULET: I think what we need to do is  
22 probably table that motion until next month and we will  
23 deal with it next month. We will have everything  
24 identified and spelled out properly.

25 MR. MILLER: Thank you.

1 MR. LYNCHARD: That will work. Yes.

2 MR. CALKINS: Sounds good. Thank you. We  
3 are now going to move into reports of committees for  
4 financials. Our General Manager, Mr. Paul Gardner.

5 MR. GARDNER: All right. For the month of  
6 January, we had a revenue of \$887,613.32. We have total  
7 expenses of \$127,000 -- I am sorry -- total expenses of  
8 \$763,092, which left us with an operating income of  
9 \$124,521.32.

10 Revenue was up and expenses were down and  
11 we are up 150 percent over last month. Taps, we had 41  
12 water taps, 23 sewer taps. We sent out 324 new  
13 certificates and cancelled 251 certificates for the month  
14 of January.

15 MR. DESANTIS: Like a positive net effect  
16 of how many? What were the numbers?

17 MR. GARDNER: For the cancellations and  
18 the --

19 MR. DESANTIS: Yes, please.

20 MR. GARDNER: We sent out 324. Cancelled  
21 251.

22 MR. DESANTIS: Okay. Thank you.

23 MR. GARDNER: You are welcome.

24 MR. CALKINS: Do we have any more  
25 questions from the Board?

1 MR. GOULET: I make a motion to approve as  
2 presented.

3 MR. CALKINS: We have a motion. Do we  
4 have a second?

5 MR. MILLER: Second.

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

8 (NO AUDIBLE RESPONSE.)

9 MR. CALKINS: All those in favor say,  
10 "Aye"?

11 MR. GOULET: Aye.

12 MR. LYNCHARD: Aye.

13 MR. MILLER: Aye.

14 MR. CALKINS: Motion passes.

15 MR. DESANTIS: Aye.

16 MR. CALKINS: Okay. We are going to go  
17 into personnel. Director Daryl Lynchard?

18 MR. LYNCHARD: We did not have a Personnel  
19 Committee meeting this past month. We are going to have  
20 one as soon as we need one.

21 MR. CALKINS: Okay. Thank you. And we  
22 are going to go into unfinished business prior to the  
23 January 16, 2018, Board meeting.

24 Agenda Number 9, January 16, 2018, Board  
25 meeting motion issued by Board of Director Ricki

1 Desantis.

2 MR. GOULET: Mr. President, since that was  
3 held at an annual meeting, I would recommend to wait  
4 until the annual meeting in January to address Agenda 9.

5 MR. CALKINS: Okay. Thank you. And we  
6 will move on to the next item and these will be --

7 MR. GOULET: 2019. Specify 2019. Sorry.

8 MR. CALKINS: Okay. We will move that to  
9 2019, then, to be discussed in 2019.

10 Okay. Thank you, Mr. Vice President. I  
11 would like to go to approval of the following new  
12 business agenda items: Approval of the new  
13 organizational chart and wages of Holley Navarre Water  
14 System, Inc., reorganization of Holley Navarre Water  
15 System, Inc.

16 Director Goulet?

17 MR. MILLER: James, before we move into  
18 this, can we -- under the reports of the committees,  
19 aren't we supposed to approve the new member  
20 certificates?

21 MR. GOULET: We already did.

22 MR. CALKINS: We are going to go to this,  
23 but we already --

24 MR. GOULET: We didn't do that yet?

25 MR. CALKINS: Okay. All right. Mr.

1 Secretary --

2 MR. GOULET: I was under the understanding  
3 that we did it when Paul -- I may be wrong on this. Go  
4 ahead, Doug. Sorry.

5 MR. CALKINS: We are going to go into new  
6 membership certificates. Secretary Larson?

7 MR. LARSON: For November-December, we  
8 have got 614 memberships requiring approval. And for  
9 January, we have got another 324.

10 MR. LARSON: I would like the Board to  
11 make a motion to approve them.

12 MR. CALKINS: Okay.

13 MR. GOULET: I make a motion to approve as  
14 presented.

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

17 MR. LYNCHARD: I will second it.

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

20 MR. DESANTIS: Yes --

21 MR. CALKINS: All those in favor -- yeah?

22 MR. DESANTIS: What is the total on those  
23 new membership certificates, please?

24 MR. LARSON: For November-December, you  
25 have got 614. For January, you have got 324.

1 MR. DESANTIS: So for the period November  
2 through January, it's 938; correct?

3 MR. LARSON: Yes.

4 MR. DESANTIS: And then, we had the  
5 cancellations of 251. Okay. Thank you.

6 MR. CALKINS: Thank you, Secretary Larson.  
7 Okay. We got a motion and a second. All those in favor  
8 say "Aye"?

9 MR. GOULET: Aye.

10 MR. DESANTIS: Aye.

11 MR. LYNCHARD: Aye.

12 MR. MILLER: Aye.

13 MR. CALKINS: Motion passes. Okay. We  
14 are going to go to the approval of new organizational  
15 chart and wages, Holley Navarre Water System, Inc.,  
16 reorganization of Holley Navarre Water System, Inc.

17 Director Goulet?

18 MR. GOULET: The restructure of Holley  
19 Navarre Water System employees will first and foremost  
20 set us up to hire a CEO, CFO to better manage our  
21 financial dealings, improve financial reporting to the  
22 Board and our members and position the Holley Navarre  
23 Water System for future growth of Navarre, insuring that  
24 our organization is financially strong for decades to  
25 come.

1           The restructuring plan achieves several  
2 other important goals: First, it creates a management  
3 hierarchy that will improve communications and  
4 accountability within the ranks and at the managers'  
5 level with this Board.

6           We will have increased accountability at  
7 each level to insure that Holley Navarre Water System is  
8 well-run and in compliance with all local, State, and  
9 Federal regulations.

10           Secondly, by breaking the administrative  
11 support and customer service staff into two groups, we  
12 will improve our customer service for our members and  
13 prepare the administration staff for future changes.

14           Third, by having the golf course,  
15 engineering company, and IT Director report directly to  
16 the Board of Directors, we will have better control over  
17 each group and reduce the burden on the Water System's  
18 GM Paul Gardner. The GM position was never designed to  
19 oversee multiple diverse companies.

20           And, lastly, the restructuring plan brings  
21 equity and fairness to our compensation and places limits  
22 on compensation for all positions with the company to  
23 help control long-term costs.

24           I make a motion that the Board approve  
25 this restructure plan as outlined in the employee flow

1 chart and the wage guideline as presented. And direct  
2 Paul Gardner to implement these position and title  
3 changes effective immediately and payroll changes to take  
4 effect at the start of the next payroll cycle.

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

7 MR. LYNCHARD: I will second it for  
8 discussion.

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

11 MR. MILLER: I would like to start.

12 MR. CALKINS: Okay.

13 MR. MILLER: The role of us as a Board of  
14 Directors is to provide guidance and direction and  
15 oversight to the management of this organization.

16 Our role is not to come in to a company  
17 that's working well and change people's positions,  
18 promote people into new job descriptions and new pay  
19 rates. That should be left up to management. I don't  
20 know of any organization out there where the Board of  
21 Directors runs the company.

22 They give direction and oversight, but we  
23 should not be involved in the day-to-day operations.  
24 We -- we are in here for short period of time. These  
25 folks have dedicated their lives to work for this



1 company. And for us to come in and impose a new  
2 organizational chart on their operation, it's not our  
3 role to do that. We are overstepping our bounds if we do  
4 this.

5 MR. CALKINS: Thank you, Mark. Any  
6 further discussion?

7 MR. MILLER: I also would like to know,  
8 there is some specific promotions within this new  
9 organizational chart that, you know, I would like to  
10 know -- how did we arrive? I didn't have any part in it.  
11 And I don't think the General manager was consulted in  
12 these promotions.

13 How did we arrive at who is going to be  
14 promoted into a new position? Why was that job not  
15 posted and offered to people within and without the  
16 organization to make sure that the most qualified person  
17 is being put into that job?

18 It's not our job as a Board of Directors.  
19 We don't work with all of the employees of this company  
20 day in, day out. It is not our job to promote people  
21 into new positions. How were those decided? Who decided  
22 who was going to get promoted?

23 MR. CALKINS: Thank you, Mark. Any  
24 further discussion?

25 MR. MILLER: I have a question.

1 MR. LYNCHARD: I don't believe there was  
2 any -- I'm not sure, but I don't believe there was any  
3 real promotion. It was a change in the structure. The  
4 people that are leading up those various areas are still  
5 leading up their areas.

6 MR. MILLER: There are several individuals  
7 who are being promoted into managerial positions and  
8 receiving significant pay increases due to that promotion  
9 and those jobs were not posted and offered to other  
10 members of the organization to apply for.

11 How is that going to affect the workplace  
12 morale if all of a sudden we as a Board of Directors come  
13 in and promote someone? I mean, we don't work here day  
14 in and day out. The management works here day in and day  
15 out.

16 They are the ones that know these people,  
17 know what their qualifications are. And why would we  
18 even want to put someone in a job without them  
19 interviewing for it and evaluating their qualifications?  
20 Even if we were going to take on that role as a Board of  
21 Directors, which we shouldn't be doing, why would we even  
22 be doing that?

23 MR. CALKINS: Thank you, Mark. Any  
24 further discussion?

25 MR. MILLER: I would also like to ask --

1 one of the individuals who is being promoted, I have --  
2 and full disclosure, I have a prior business arrangement  
3 with them. It has been many years ago. But one of the  
4 individuals did some work for a customer of mine.

5 I did not have anything to do with their  
6 getting paid. I did not pay them. They were paid by a  
7 customer. But I do have a relationship with one of the  
8 individuals. And I would like to know if any of our  
9 current Directors have any business or personal  
10 relationships with any of the people who are being --  
11 getting an increase in pay or getting a promotion, either  
12 with them or their families?

13 MR. CALKINS: Any further discussion?

14 MR. LYNCHARD: Well, I mean, I know a  
15 whole lot of people in this company.

16 MR. CALKINS: And I have to say, yeah, I  
17 know a lot of people.

18 MR. LYNCHARD: But that doesn't have  
19 anything to do with --

20 MR. MILLER: Has anyone ever worked for  
21 you? Gotten paid by you?

22 MR. CALKINS: Nope.

23 MR. MILLER: Did any of these people work  
24 on your campaign to get elected?

25 MR. CALKINS: No.

1 MR. MILLER: I mean, it needs to be  
2 disclosed.

3 MR. LYNCHARD: No.

4 MR. CALKINS: Absolutely not.

5 MR. LYNCHARD: Matter of fact, I can tell  
6 you none of them did.

7 MR. CALKINS: Yeah.

8 MR. MILLER: None of their family members  
9 did?

10 MR. LYNCHARD: I don't know their family  
11 members, to be quite honest with you.

12 MR. MILLER: All right.

13 MR. CALKINS: Okay. Any further  
14 discussion?

15 (NO AUDIBLE RESPONSE.)

16 MR. CALKINS: Okay. All those in favor  
17 say "Aye"?

18 MR. GOULET: Aye.

19 MR. DESANTIS: Aye.

20 MR. LYNCHARD: Aye.

21 MR. MILLER: Nay.

22 MR. CALKINS: Motion passes.

23 MR. MILLER: Nay.

24 MR. CALKINS: Okay. Thank you. I believe  
25 this will be a great thing for our company. We will have

1 five managers and I think it will be -- this is bringing  
2 order to Holley Navarre Water System. This is one of the  
3 best things that we are able to do.

4 But let's go to the next item --

5 MR. MILLER: Mr. President --

6 MR. CALKINS: We are going to go to the  
7 next item.

8 MR. MILLER: We had discussed allowing the  
9 members of the public to make comments before we go to  
10 vote on things.

11 MR. CALKINS: That's not in here at the  
12 moment. You should have brought that up earlier.

13 MR. MILLER: You called the vote.

14 MR. CALKINS: We are going to go to the  
15 next approval item and that's discussion of HNWS tap  
16 fees.

17 MR. GOULET: I got something to add to  
18 that, Daryl, if you would like.

19 MR. LYNCHARD: Yeah. This is a work in  
20 progress --

21 MR. GOULET: The question -- the question  
22 I had, I guess this would be -- I know Paul -- if we  
23 could get the Board up to speed on -- as far as how  
24 residential tap fees are figured and commercial tap fees  
25 are figured as far as -- do we have that written down on

1 how we base it?

2 MR. GARDNER: Yes, sir.

3 MR. GOULET: Okay. If -- let's just say  
4 in the next week or so, if we could have all the Board  
5 members copies of that so we'd understand how the tap  
6 fees are calculated and if there has been any changes in  
7 the last five years, because I think there's been some  
8 changes as far as possibly --

9 MR. GARDNER: I would have to go back and  
10 look. I think that --

11 MR. GOULET: I was under the impression  
12 that we are counting for square footage of garages and  
13 porches figured in the tap fee; is that correct?

14 MR. WELLS: Just garages.

15 MR. GOULET: So we are counting garages as  
16 square footage? Okay. But if you could come up with how  
17 we are calculating the tap fees for water and sewer for  
18 commercial and residential, I think that would be helpful  
19 to the Board. I think that's what we trying to figure  
20 out on this question.

21 MR. LYNCHARD: Basically trying to figure  
22 out why -- basically trying to figure out why a house --  
23 if you have as many bathrooms, bedrooms, water outlets,  
24 water inlets, what difference does it make as far as the  
25 square footage of the house? That's what we are trying

1 to figure out.

2 MR. GARDNER: I will get you that stuff.

3 MR. GOULET: Thank you, Paul. I think  
4 that doesn't require a vote or anything as far as --

5 MR. LYNCHARD: No. I think that's just  
6 a --

7 MR. GOULET: Just for information  
8 purposes.

9 MR. CALKINS: Okay. So are we done with  
10 tap fees?

11 MR. GOULET: That's fine.

12 MR. MILLER: Actually, I have a -- I would  
13 like to make a motion -- and this is going back to a  
14 prior Board meeting when we tabled this item, but first  
15 of all, a little background before I make a motion -- the  
16 current situation, if someone has pre-paid for a tap fee  
17 for a particular property. They have invested in the  
18 water company by pre-paying for that, the current  
19 situation or current policy and procedure is that when  
20 they sell that property, they have to actually get  
21 approval from the Board of Directors to transfer that to  
22 the new owner of the property.

23 And I would like to make a motion that we  
24 allow management to approve the transfer of that tap fee.

25 MR. GOULET: What -- I'm just saying in

1 the past --

2 MR. LYNCHARD: I will second it for  
3 discussion.

4 MR. GOULET: Okay. Okay.

5 MR. CALKINS: Okay. We have a motion and  
6 a second.

7 MR. GOULET: In the past, I think the  
8 reason why they had the Board approve it -- we've never  
9 denied it, of course, but the reason why, I think, in the  
10 past the Board approved it was just to make sure there  
11 was checks and balance that someone said, "I am going to  
12 transfer it to this person." It was done.

13 At least it was noted on record and the  
14 Board did. I think that's the only reason behind it.  
15 Honestly, I think that's what it was.

16 MR. MILLER: Can that job of doing the  
17 checks and balances be entrusted to the management to  
18 make sure that they are not transferring a fee that  
19 hadn't been fully paid for? I mean, here's the problem.

20 MR. GOULET: Paul, would you rather, in  
21 your opinion, have the Board do it still? Or would that  
22 be something you would want to be responsible for?

23 MR. GARDNER: I think it is something we  
24 can take off of the Board. In the past, we have always  
25 just brought it to the Board, just more for information.



1 MR. GOULET: Okay.

2 MR. GARDNER: We keep track of all that  
3 stuff anyway, so we could actually keep track and put  
4 that in a report -- on a report every month so you guys  
5 can see one was transferred.

6 MR. GOULET: I guess the best way to do it  
7 would -- with management discretion, approval, but yet  
8 notify the Board each month if that happens.

9 MR. MILLER: Right. Right.

10 MR. GOULET: For public record.

11 MR. MILLER: It doesn't happen all the  
12 time.

13 MR. GOULET: I know it doesn't happen all  
14 the time, but when it does happen, they have to wait a  
15 month until the next Board meeting. It can be -- they  
16 can't build their house yet. I understand. I would be  
17 fine with that.

18 MR. CALKINS: Yeah. I agree with that,  
19 also.

20 MR. GOULET: So we have got a motion and a  
21 second.

22 MR. CALKINS: We have a motion.

23 MR. GOULET: Do you want to restate your  
24 motion, just to clarify?

25 MR. MILLER: Just the motion is that we

1 allow management to do the research and verify that that  
2 is a paid tap fee and authorize the transfer and then  
3 bring a report to the Board at the following meeting that  
4 that transfer was made.

5 MR. LYNCHARD: I will second it.

6 MR. CALKINS: All right. We have got a  
7 motion and a second. Any further discussion?

8 (NO AUDIBLE RESPONSE.)

9 MR. CALKINS: All those in favor say  
10 "Aye"?

11 MR. LYNCHARD: Aye.

12 MR. DESANTIS: Aye.

13 MR. GOULET: Aye.

14 MR. MILLER: Aye.

15 MR. CALKINS: Motion passes.

16 Okay. Thank you. Okay. We are now going  
17 to go to the Greskovich project. Additional \$120,000  
18 work order, detailed breakdown. Phil Phillips' report,  
19 accounting detail and explanation of expenditures in  
20 detail with vendors and amounts awarded in bid contracts  
21 and work performed, according to motion agreement of  
22 approval.

23 MR. DESANTIS: If I may?

24 MR. CALKINS: Director Desantis?

25 MR. DESANTIS: To refresh everybody's

1 memory, it was an email approval, motion. And part of  
2 the agreement for my approval was that we would receive a  
3 full accounting because it was an additional work order  
4 of \$120,000 for the project. And you were present, Paul.

5 MR. GARDNER: Yes. It was a Board action  
6 -- actually, a Board action without a meeting.

7 MR. DESANTIS: Thank you. And was built  
8 into the agreement. It was very simple and  
9 straightforward. An accounting of that additional  
10 \$120,000 in detailed form for those expenditures and  
11 simply provide that to the Board so it has an accounting  
12 of the additional \$120,000 that it approved to be spent  
13 on the project.

14 And, quite simply, it would just require a  
15 report on that expenditure broken down, expenditures, who  
16 the vendor was.

17 MR. PHILLIPS: That's what you have.

18 MR. DESANTIS: And so forth. And that's  
19 it.

20 MR. PHILLIPS: It was done, of course, as  
21 a change order. While Dale handles that, hands that out,  
22 we will give you a little bit more background for the  
23 guys that weren't here when Greskovich was done.

24 MR. DESANTIS: Thank you, Phil.

25 MR. PHILLIPS: When we constructed the

1 Greskovich project, the north pond and the south pond are  
2 like brothers that don't look anything like each other.

3           The south pond is a thing of beauty and  
4 the north pond had a lot of bad soil in it. When we --  
5 after we created the ponds, we did a little bit of an  
6 experiment in one corner of the pond, pulling some dirt  
7 out, see how it would react. It went real well.

8           So after talking to the geo-tech and all,  
9 we came up with a plan whereby we were going to pull a  
10 bunch more of the bad soil out to make sure we get the  
11 capacity that we want. And that is the change order that  
12 you are looking at, which essentially removed and  
13 replaced 4400, 4500 cubic yards of bad soil.

14           MR. DESANTIS: So the majority of the cost  
15 was the removal, the excavation and removal of the dirt?

16           MR. PHILLIPS: That's all of the cost.

17           MR. GARDNER: And replacement.

18           MR. PHILLIPS: Yes.

19           MR. DESANTIS: Oh, replacement?

20           MR. PHILLIPS: We had to pay a  
21 remobilization cost, I would assume, on that huge piece  
22 of equipment that they had us --

23           MR. CALKINS: \$5,000 an hour.

24           MR. DESANTIS: Yeah. I see that.

25           MR. PHILLIPS: They borrowed the -- or

1 rented or leased that massive dirt hauler that they are  
2 using on 87.

3 MR. GOULET: This is Robinson Development.  
4 They are a stand-up company in Santa Rosa.

5 MR. DESANTIS: Yeah. I am familiar with  
6 them. Oh, yeah, I am familiar with them. This is it.  
7 Very simple.

8 MR. GOULET: Thank you.

9 MR. DESANTIS: Thank you very much, Paul.  
10 And thank you very much, Phil.

11 MR. CALKINS: Thank you, Phil. Thank you,  
12 Paul.

13 MR. PHILLIPS: That's really these guys, I  
14 report on it, but that's Dale's project.

15 MR. DESANTIS: Thanks, guys.

16 MR. CALKINS: And thank you, Dale.

17 MR. PHILLIPS: I will take his credit,  
18 though.

19 MR. CALKINS: Any more questions about  
20 that item by the Board?

21 (NO AUDIBLE RESPONSE.)

22 MR. CALKINS: Okay. We are going to move  
23 on to the next item and the next item is discussion of  
24 Pak N Fax sewer connection. See hand-out. We have a  
25 hand-out.

1                   And then, Number A, correct the problem  
2 ourselves. HNWS absorb cost. Or, B, disconnect Pak N  
3 Fax Service until she corrects the problem at her cost.

4                   MR. GARDNER: We don't want to do that.  
5 She is --

6                   MR. CALKINS: So that's the two. Okay.

7                   MR. GARDNER: She has worked with us in  
8 the past. And I got a phone call late this afternoon.  
9 And I haven't been able to return her call yet. And  
10 that's all we are wanting is her to work with us.

11                   The deal is -- is, you know, Ken Walker  
12 approved it being hooked up the way it is now. But it  
13 was only approved on the first set of buildings.

14                   When the second set came in, you know,  
15 that added more to it. Well, we talked -- she paid all  
16 of her tap fees up. We figured out all the stuff with  
17 the water. And all that thing is fine, but we still have  
18 that two-inch line that runs back there.

19                   And we have to get a sanitary survey every  
20 year and DEP dings Holley Navarre Water System because  
21 that line is not certified. So we just need to get that  
22 line certified somehow.

23                   MR. GOULET: I have got a question for  
24 you.

25                   MR. GARDNER: Yes, sir.

1 MR. GOULET: There is a piece of property  
2 directly behind her that I seen a water tap and a  
3 foundation but I don't see a building permit sign going  
4 on there. Are we giving them sewer? Is that in addition  
5 to their current property? Because I see there is a  
6 water tap. Do you know which house I am talking about?

7 MR. WELLS: I saw it the other day.

8 MR. GOULET: They have got a water tap  
9 there. They have got footings in the ground. And it's  
10 directly behind her building. And if they think they can  
11 tap into that line, then we are going to have an issue  
12 with that; aren't we?

13 MR. WELLS: That's correct.

14 MR. GARDNER: Yeah. But we have got a  
15 line across the road for residential. When they made  
16 that tap, they needed to bore over to the three-inch  
17 where you install on the other side.

18 MR. GOULET: I think on the --

19 MR. GARDNER: That line is not certified.

20 MR. GOULET: That's why I was concerned  
21 why they were going to tap into that line. Has she came  
22 with any ideas on how to remedy this problem, Paul? Or  
23 have you came up with any ideas that are going to be a  
24 problem?

25 MR. GARDNER: I know it wasn't her fault.

1 She was kind of -- in my opinion, the fault falls back on  
2 the contractor because he didn't do it the way the plan  
3 said it was. I know she is just -- she is running her  
4 business and trying to --

5 MR. GOULET: I think what I would like to  
6 make a recommendation -- I will make a motion to the  
7 Board that to be a good neighbor -- and because of  
8 uncontrolled circumstances, I think the Water System, I  
9 think it's, what, less than \$15,000 to fix it?

10 MR. GARDNER: I don't know.

11 MR. GOULET: I mean, we are talking about  
12 the Board and the connection.

13 MR. GARDNER: Boring is going to be the  
14 most expensive thing.

15 MR. GOULET: I think the biggest thing is  
16 if --

17 MR. GARDNER: No. There's going to be  
18 some plumbing on her side now, we could help with that,  
19 too.

20 MR. GOULET: If we took care of the bore  
21 and she took care of the plumbing on her side, I think  
22 that would be more than adequate and fair. Because I  
23 think the permit for the bore has already been  
24 established; is that correct? Or no?

25 MR. GARDNER: The permit for the bore?



1 Yeah. It's under her name. We can -- I think it expires  
2 this month, but I think we can engineer that pretty  
3 quick.

4 MR. GOULET: Do you see an issue if  
5 that --

6 MR. WELLS: Is that a DOT permit?

7 MR. PHILLIPS: Yeah. He can probably  
8 transfer the permit.

9 MR. GOULET: Do you see an issue with --

10 MR. SNYDER: It's still under the UA  
11 number.

12 MR. GOULET: Do you see an issue with  
13 this? I mean, as far as -- if we take care of the bore,  
14 and she takes care of her connection to make it right, it  
15 is something we can put 60 days on. Is 60 days enough to  
16 get this accomplished? I mean, I don't know.

17 MR. WELLS: It depends on the bore  
18 contractor.

19 MR. GARDNER: As long as we have got some  
20 movement, where the next thing I can tell DEP that that  
21 line has been disconnected.

22 MR. GOULET: Let me enhance my motion  
23 here. I make a motion that Holley Navarre Water System  
24 take responsibility for the bore. The folks at Pak N Fax  
25 take care of the responsibility of connecting to the bore

1 to their facility and have it done before December 31st,  
2 2018.

3 MR. CALKINS: Okay. We have got a motion.  
4 Do we have a second?

5 MR. LYNCHARD: I will second.

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

8 MR. DESANTIS: I would just like to ask a  
9 question --

10 MR. MILLER: Yeah. I would like to know  
11 the cost of the --

12 MR. DESANTIS: Have you been in discussion  
13 with her, Paul?

14 MR. GARDNER: Yes.

15 MR. DESANTIS: And communicating? So it's  
16 amicable and it's being negotiated and you are working  
17 together on this?

18 MR. GARDNER: Yeah. I just -- and I  
19 haven't sent out another letter. I didn't want to do  
20 that. I just wanted to get the Board -- and that's where  
21 we were heading -- I think I was heading. Let's just  
22 make it go away.

23 MR. GOULET: Just make it right. We will  
24 just make it right, you know, be a good neighbor.

25 MR. CALKINS: Director Miller?

1 MR. MILLER: I would prefer that we get  
2 some actual costs of what that actual bore is going to  
3 be, because right in that location, they had some pretty  
4 serious drainage issues that they -- I mean, that road  
5 was tore up for a year.

6 MR. LYNCHARD: Uh-huh.

7 MR. MILLER: And before we commit to  
8 paying for this, I think we need to know what the actual  
9 costs are. We are not under any time pressure that this  
10 be done at this meeting; are we?

11 MR. GARDNER: I'd like to get it done  
12 before our next DEP.

13 MR. MILLER: I am in favor of that, but I  
14 would like to know what the cost of the bore was before  
15 we --

16 MR. GOULET: I was under the -- I was  
17 under the impression the bore is going to be less than  
18 \$10,000. That's what I was under the impression, but  
19 talking to Clint, I guess maybe -- I guess I will amend  
20 my motion to -- let's go forth and get an estimate first  
21 what the bore costs and see what costs it will cost  
22 Holley Navarre Water System in order to acclimate this  
23 for her.

24 MR. DESANTIS: Paul, when is the next DEP  
25 sanitary --

1 MR. GARDNER: We just had it so it's  
2 probably April.

3 MR. WELLS: There is really no timeframe  
4 on it. It's random. They could come and --

5 MR. DESANTIS: Because I don't want it  
6 sneaking up on us.

7 MR. WELLS: Yeah. They could come at any  
8 time.

9 MR. DESANTIS: Okay.

10 MR. WELLS: You have just got to be ready  
11 for them.

12 MR. GOULET: So that's my new motion.

13 MR. GARDNER: Do you want like a cap on  
14 the expenses?

15 MR. GOULET: I think that would be good.

16 MR. LYNCHARD: Yeah. \$15,000, I think, is  
17 what they said. Or \$10,000?

18 MR. GOULET: They were saying \$15,000  
19 total, so that's why I figure the bore is \$10,000, so --

20 MR. GARDNER: Well, if it over \$15,000, we  
21 will come back to the Board. Or I will go back to the  
22 Board with a Board action with a meeting or something.

23 MR. CALKINS: Okay.

24 MR. GARDNER: Whatever you guys want me to  
25 do.

1 MR. GOULET: You know, I would feel  
2 comfortable keeping it under \$10,000 on our part. I  
3 think that's more than fair, you know.

4 MR. GARDNER: I don't know if we are going  
5 to be able to do that with that bore under \$10,000,  
6 though.

7 MR. GOULET: Well, I think the best thing  
8 to do is just don't put the cart in front of the horse.  
9 Let's just -- I make a motion to get a bid on doing the  
10 bore and for her to figure out what it is going to cost  
11 for her to connect to the bore and get back to the Board  
12 the next Board meeting. That would be my motion.

13 MR. CALKINS: Okay. We have got a motion.  
14 Do we got a second?

15 MR. LYNCHARD: I will second it.

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

18 MR. MILLER: Are there any other options  
19 other than boring under 87 to recertify that line that  
20 she has?

21 MR. GOULET: No.

22 MR. GARDNER: No. Because the line that  
23 is going into it now, it's going into a line that's  
24 designed for residential. And if we put commercial on  
25 there, we are taking away the space for somebody to have

1 residential service back there, so --

2 MR. GOULET: And, also, I think the line  
3 was installed too close to a water line, also, wasn't it?  
4 Or at all?

5 MR. GARDNER: It was designed to -- it was  
6 designed -- engineered to go across the road and --

7 MR. MILLER: I agree that's the best  
8 long-term solution, but I didn't know if there were any  
9 other options.

10 MR. GOULET: No.

11 MR. MILLER: No further discussion from  
12 me.

13 MR. CALKINS: Okay. Any other Board  
14 members that want discussion?

15 (NO AUDIBLE RESPONSE.)

16 MR. CALKINS: Okay. All those in favor  
17 say "Aye"?

18 MR. GOULET: Aye.

19 MR. MILLER: Aye.

20 MR. DESANTIS: Aye.

21 MR. LYNCHARD: Aye.

22 MR. CALKINS: Okay. Motion passes. Thank  
23 you. We are going to go to -- next on the agenda is  
24 discussion and direction on the Gulf Breeze reuse issue.  
25 See agreement draft provided by Paul Gardner.

1 MR. GARDNER: I have passed that out  
2 there, but what I passed out is kind of like a timeline  
3 of when this thing all started until -- on the back is  
4 the latest contract they sent back to us.

5 But if you read the whole memo, it tells  
6 you how the conversation started with Gulf Breeze and  
7 it's kind of just -- it makes the timeline until the  
8 present day.

9 MR. LYNCHARD: This is the same contract  
10 we got last month, correct, that was marked out?

11 MR. GARDNER: The one I sent out --

12 MR. LYNCHARD: Yeah. The one you sent  
13 out.

14 MR. GARDNER: -- after the last meeting.

15 MR. LYNCHARD: Yeah. Okay.

16 MR. GARDNER: Yeah.

17 MR. LYNCHARD: Okay. All right.

18 MR. GOULET: Mr. Kilpatrick, have you  
19 looked at this one yet?

20 MR. KILPATRICK: I just breezed through it  
21 last time when we had our meeting here.

22 MR. GOULET: Okay.

23 MR. KILPATRICK: But I believe that this  
24 is the one that we all agreed that Beggs and Lane were  
25 going to continue to negotiate and I was going to work

1 with Beggs and Lane --

2 MR. GOULET: Okay.

3 MR. KILPATRICK: -- to kind of inform the  
4 Board what's going on.

5 MR. GOULET: Okay. I just wanted that put  
6 on the record so they know we are looking at it.

7 MR. CALKINS: Okay.

8 MR. GOULET: Thank you, sir.

9 MR. CALKINS: Any further discussion on  
10 this item?

11 MR. MILLER: Did anyone make a motion?

12 MR. LYNCHARD: Do we need to take any  
13 action on it at this time?

14 MR. PHILLIPS: You know, no. The simple  
15 answer is no. You are not in any rush to do that. I  
16 kind of think this thing has become more complicated than  
17 it needs to be.

18 The original agreement that was prepared  
19 by Beggs and Lane, it went to them, was based on their  
20 letter offer to us. The only thing we did was  
21 clarify what Holley Navarre wanted as part of that fee to  
22 give them.

23 Seems like the easy thing to do is say,  
24 "Accept the original letter and let's move on."

25 MR. GOULET: Has any money changed hands



1 with that \$100,000?

2 MR. PHILLIPS: No. Huh-huh.

3 MR. GOULET: I am just -- I just wanted to  
4 ask.

5 MR. PHILLIPS: No.

6 MR. GOULET: I just wanted to make sure.

7 MR. CALKINS: Okay. Do we need a motion  
8 on this side of it? Or are we good to go?

9 MR. LYNCHARD: No. We are good.

10 MR. GOULET: We are not really doing  
11 nothing.

12 MR. CALKINS: All right. Thank you. We  
13 are going to go to the next item. Next item is request  
14 from Van Camp Engineering to install low pressure  
15 sewer systems in Stephens Landing Subdivision, 16 lots.

16 MR. GOULET: All right. Here we go --

17 MR. CALKINS: Mr. Goulet?

18 MR. GOULET: I know this was put on the  
19 agenda that -- I guess that -- has everybody got a copy  
20 -- a copy of that?

21 MR. LYNCHARD: I guess everybody has got a  
22 copy.

23 MR. MILLER: Oh, here we go.

24 MR. GOULET: I am going to go draw on the  
25 board. I am visual.

1 (MR. GOULET DEMONSTRATING ON BOARD.)

2 (OFF RECORD COMMENTS.)

3 MR. GOULET: All right. So what we have  
4 here -- I'm not an artist -- there was a line that was  
5 allowed to be installed over here.

6 Here's 87. And six-inch bore, correct;  
7 guys?

8 MR. GARDNER: I don't know.

9 MR. WELLS: Across 87.

10 MR. GOULET: There's a six-inch bore;  
11 correct?

12 MR. WELLS: Yeah.

13 MR. GOULET: Six-inch. This is a six-inch  
14 bore that is already there that the person already paid  
15 for.

16 All right. They ran this. They choked it  
17 down to two-inch, ran it over here, ran it to these  
18 houses right here. Okay. And it stopped right here.

19 They put another piece in here, which is  
20 going to be -- this had two, four, six, eight, ten,  
21 twelve. This was 12.

22 All right. Two-inch line -- six-inch  
23 line, choked it down. All right. Okay. I'm not an  
24 expert on engineer hydraulics, but I can probably figure  
25 this one out.

1                   So if we were to allow them to do a  
2 four-inch line here, four-inch line here, and come  
3 through here, and run it up to -- is that Nelson Street?  
4 Nelson Street?

5                   MR. GARDNER: Yeah.

6                   MR. GOULET: We can run that four-inch  
7 line up Nelson Street and pick up any other houses along  
8 that way. We are in the business of selling sewer.  
9 Okay.

10                   I think it's something of a necessity that  
11 we need to make money. We allowed the person to do 12  
12 here. I think we should allow them to do 16 here. And  
13 they are willing to pay for installing the line and  
14 making the connection here. So that would be my motion  
15 to the Board to have this come in.

16                   MR. CALKINS: Yeah.

17                   MR. GOULET: The engineers agree with this  
18 one. And they have logic of mind it will work.

19                   MR. CALKINS: Thank you.

20                   MR. PHILLIPS: Yeah. I am not familiar  
21 with --

22                   MR. WELLS: So four-inch there?

23                   MR. GOULET: Huh?

24                   MR. WELLS: I haven't seen the deal with a  
25 four-inch coming down through the middle of --

1 MR. GOULET: No. No. I am saying if we  
2 were to run a four-inch down the middle down to Nelson  
3 and the contractor that owns property paid for the  
4 connection into the six, run it down through the  
5 subdevelopment to Nelson, and they pay all the way to  
6 Nelson.

7 Then, we take it from Nelson and go  
8 through wherever we are going to go through with Holley  
9 with it so we can provide sewer to people in Holley.

10 MR. DESANTIS: Will it meet the capacity  
11 requirement?

12 MR. GARDNER: I think that was for you,  
13 Phil.

14 MR. PHILLIPS: Oh, I'm sorry. What was  
15 that, Ricki?

16 MR. DESANTIS: Will it meet the capacity  
17 requirement?

18 MR. PHILLIPS: A four-inch will handle a  
19 lot of flow. I don't know exactly how many houses it  
20 will handle. It will certainly handle the 16. Is this  
21 the subdivision right here.

22 MR. GOULET: Yeah. Well, that one -- the  
23 one we currently have on that picture is a two-inch line  
24 handling 12, so I figure four-inch can probably handle  
25 16, but --

1 MR. PHILLIPS: Yeah. I mean, they can --  
2 they can certainly -- we would make their engineer prove  
3 that it would work, but I don't see anything right  
4 offhand why a four-inch wouldn't serve the 16 lines.

5 MR. SNYDER: Especially if it is low  
6 pressure instead of gravity.

7 MR. PHILLIPS: Yeah. I mean, you -- I  
8 think the politics of where does low pressure end and  
9 where does gravity begin as a requirement in the Water  
10 System. I mean, how many lots -- how many lots in a  
11 subdivision do you have to have before --

12 MR. GOULET: Well, the only thing is the  
13 Board has already set precedence when they allowed the  
14 six-inch bore and a two-inch line to 12 units.

15 Okay. They set precedent already, so in  
16 order to keep with the current precedence that was set,  
17 they are putting 16 houses in. They are willing to make  
18 a four-inch connection, run it all the way through the  
19 subdivision, and they are paying for it to Nelson Street,  
20 which is going to allow us to go to Nelson Street and  
21 pick up the other houses in Nelson Street.

22 It makes sense to me because if we don't  
23 run sewer down Nelson Street, they are going to put more  
24 septic tanks in Holley.

25 MR. GARDNER: Right.

1 MR. GOULET: In fact, you know, Holley is  
2 pretty low. I think we have a nice sewer treatment plant  
3 in Holley I would like them to connect to so we can make  
4 sure we stay in business. That's my opinion.

5 MR. CALKINS: Absolutely.

6 MR. WELLS: The only issue is what kind of  
7 development do you think you will get down Nelson Street  
8 to connect to the four-inch?

9 MR. GOULET: Well, they are not making no  
10 more dirt, brother. I have said -- there's going to be a  
11 lot of houses built back in Holley. I am just saying --  
12 even -- you know, we have got line crews. And if there  
13 is not a utilities there, or if we don't have to do any  
14 bores, it's pretty straight up. But I am just saying  
15 there's other options that go through Holley, too. We  
16 know that.

17 There's other people that -- Holley is  
18 going to keep expanding. That's the next growth in  
19 Navarre is Holley. And we all agree on that.

20 MR. WELLS: Yeah.

21 MR. MILLER: There are a couple of large  
22 pieces of property off of Nelson Street that are able to  
23 be developed, so, you know, if this would allow us to  
24 expand it further, I would be in favor of it unless --  
25 are there any negatives to doing this that y'all can see

1 or foresee?

2 MR. PHILLIPS: I only worry about the  
3 politics of where we require gravity sewer and where we  
4 allow low pressure. That's --

5 MR. WELLS: Because gravity sewer is the  
6 best option that you have.

7 MR. PHILLIPS: Actually, it's the  
8 requirement by regulation short of a reason not to do it.  
9 I mean, I am certain you can justify it. We justify it  
10 all kinds of places, but mostly we justify it because we  
11 send it to places where we have no control over the  
12 developer, such as those 12 lots right there. He can  
13 develop those.

14 The County Code allows him to develop  
15 those lots without sewer, so we made a decision to  
16 provide sewer so it didn't cost as much in the future.  
17 It still boils down to, really, just the political  
18 question of where do you -- where do you allow low  
19 pressure versus where do you require gravity sewer.

20 Both systems work. I mean, both of them  
21 work. It's just a matter of the cost and what liability  
22 Holley Navarre bears in the future for the sewer. So, I  
23 mean, I don't think it's a question of hydraulics.

24 Will it work? Absolutely, it will work.  
25 I think the Board just needs to be absolutely positively

1 clear on where you are going to allow low pressure and  
2 where you are going to allow gravity. Either number of  
3 lots or some other criteria. Because if you allow it for  
4 someone, I am absolutely certain that someone else is  
5 going to be here next month asking for it.

6 MR. GOULET: Well, what I just -- what I  
7 was trying to explain, the Water System already had them  
8 put a six-inch bore under 87 and allowed them to connect  
9 to 12 lots -- it's the same builder -- to do another 16  
10 lots that he has acquired. So that's why I am just  
11 saying, it has kind of just set precedence already in  
12 this particular situation, so --

13 MR. PHILLIPS: I bet there's another  
14 subdivision who has already heard about this and wants to  
15 have a meeting. How are they going to fall into -- I  
16 don't even know where they are. I just know someone  
17 else --

18 MR. GOULET: Well, the biggest thing is I  
19 want everybody in Navarre to know, we are here for  
20 Navarre. Holley Navarre Water System established Winn  
21 Dixie and that's why Navarre is here with the sewer.

22 And we want Navarre to prosper and grow  
23 properly. You know, we have a sewer treatment plant in  
24 Holley that we spend a lot of money on. We should use  
25 it. That's my opinion.



1 MR. CALKINS: Yeah. I 100 percent agree  
2 with you. And we have a motion. Do we have a second?

3 MR. LYNCHARD: I believe I seconded it.

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

6 (NO AUDIBLE RESPONSE.)

7 MR. CALKINS: All those in favor say  
8 "Aye"?

9 MR. LYNCHARD: Aye.

10 MR. GOULET: Aye.

11 MR. MILLER: Aye.

12 MR. DESANTIS: Aye.

13 MR. CALKINS: Motion passes. Thank you  
14 very much. We will go to -- now, we are going to Board  
15 member assignments. Selection of HNWS Pension Trust Fee,  
16 Defined Benefit Pension, 401-K. Do we have any  
17 nomination for the Pension Trustee?

18 MR. GOULET: I nominate Ricki.

19 MR. CALKINS: Okay. Do we have any other  
20 nominees?

21 MR. LYNCHARD: I nominate Will.

22 MR. CALKINS: Okay.

23 MR. LYNCHARD: I did my time on that  
24 Board.

25 MR. GOULET: How many do we need, Barbara?

1 Two?

2 MS. CARAWAN: Three.

3 MR. GOULET: Three.

4 MR. LYNCHARD: Three.

5 MR. GOULET: Mark, do you want to be on  
6 the Pension Board with us?

7 MR. MILLER: The Pension Board?

8 MR. GOULET: Yeah. Basically, it's -- we  
9 have a meeting -- is it --

10 MR. GARDNER: Once a year.

11 MR. GOULET: Once a year.

12 MR. GARDNER: Actually, you are a trustee  
13 for the pension plan. You have to have trustees, so at  
14 least three of the Board members have to be responsible  
15 for --

16 MR. MILLER: I will do that.

17 MR. GOULET: Okay.

18 MR. MILLER: Yeah.

19 MR. GOULET: So I nominate Mark, then.

20 MR. CALKINS: Okay. So we have a --  
21 okay -- all those in favor say "Aye"?

22 MR. GOULET: Aye.

23 MR. MILLER: Aye.

24 MR. DESANTIS: Aye.

25 MR. LYNCHARD: Aye.

1 MR. CALKINS: Motion passes. Okay. We  
2 are going to go selection of additional signatures for  
3 checks with additional alternative. Basically, this is  
4 the check signers. Do we have any motion or nominees for  
5 check signer?

6 MR. GOULET: Are you -- are you still a --

7 MR. CALKINS: I was a check signer. If  
8 anyone else would like to take mine?

9 MR. GOULET: No. You are fine with it.

10 MR. CALKINS: Okay. Does anybody else  
11 want to be a check signer?

12 MR. DESANTIS: I will be glad to help out  
13 if you need it.

14 MR. CALKINS: So we have a nomination for  
15 Ricki Desantis to be one of the check signers.

16 MR. GOULET: And I nominate James Calkins  
17 to be one of the check signers, also.

18 MR. CALKINS: Okay.

19 MR. DESANTIS: I would like to nominate  
20 Daryl as an alternate.

21 MR. GOULET: That's awesome.

22 MR. CALKINS: Okay.

23 MR. LYNCHARD: We can do it. I mean, in  
24 reality, I know he doesn't want to do it, but I think  
25 Will would be the perfect person for it because he is

1 right down the street.

2 MR. GOULET: That's fine.

3 MR. LYNCHARD: Since I am not right down  
4 the street anymore, it makes it a little more difficult  
5 for y'all to drive all the way out to the County line.

6 MR. DESANTIS: But you are going to be an  
7 alternate.

8 MR. GOULET: Yeah. That's fine. I'll be  
9 an alternate.

10 MR. DESANTIS: No. He's alternate. You  
11 are a signer.

12 MR. GOULET: No. No.

13 MR. DESANTIS: Will and I signers. Daryl  
14 alternate.

15 MR. LYNCHARD: All joking aside, what do  
16 we have here?

17 MR. GOULET: James and Ricki will be the  
18 signers and I can be the alternate, Daryl.

19 MR. LYNCHARD: Okay.

20 MR. DESANTIS: I forgot James. I  
21 apologize.

22 MR. CALKINS: All those in favor say  
23 "Aye"?

24 MR. GOULET: Aye.

25 MR. MILLER: Aye.

1 MR. DESANTIS: Aye.

2 MR. LYNCHARD: Aye.

3 MR. CALKINS: Motion passes. Okay. Now,  
4 we are going to go to selection of HNWS, Inc. Treasurer.

5 Do we have a nomination for Treasurer?

6 MR. MILLER: I have a question. Don't the  
7 bylaws say that it will be a Secretary-Treasurer, one  
8 position?

9 MR. CALKINS: No. There actually -- we  
10 just found out there's actually two positions.

11 Ricki, would you like to --

12 MR. GOULET: I will nominate Ricki to be  
13 the Treasurer.

14 MR. CALKINS: Do we have any -- do we have  
15 a second?

16 MR. LYNCHARD: I will second it.

17 MR. CALKINS: Okay. All those in favor  
18 say -- or any more discussion?

19 MR. MILLER: Where does it say that the  
20 Secretary-Treasurer will be two separate people?

21 I'm just confused. Maybe I missed that in  
22 there. The Board of Directors of Incorporation will  
23 consist of seven members, two Directors -- wait a minute,  
24 hang on.

25 Yeah. It states Secretary-Treasurer may

1 not be a member of the Board of Directors. Each of whom  
2 shall hold office. So if there is not a provision for  
3 having a separate Treasurer --

4 MR. LYNCHARD: I believe we have already  
5 elected -- we have already appointed the Treasurer in  
6 there because the Secretary-Treasurer is one person.

7 MR. CALKINS: Well, I saw old Board books  
8 that showed them separate, so I don't know where we went  
9 from them being separate, and then, now, it is  
10 Secretary-Treasurer.

11 MR. LYNCHARD: Well, this is the --

12 MR. MILLER: But going along with the  
13 bylaws, it says Secretary-Treasurer.

14 MR. LYNCHARD: 1986 bylaws. So they are  
15 the most current ones.

16 MR. GOULET: So what's the deal now?

17 MR. LYNCHARD: The Secretary-Treasurer is  
18 one person.

19 MR. GOULET: Okay. But they don't have to  
20 be a Board member.

21 MR. MILLER: They don't.

22 MR. LYNCHARD: They do not have to be a  
23 Board member.

24 MR. GOULET: Well, I thought Doug was the  
25 Secretary-Treasurer.

1 MR. LYNCHARD: So Doug is the Secretary,  
2 so I believe that by default makes him the Treasurer.

3 MR. GOULET: There you go.

4 MR. DESANTIS: Do you want a non-Board  
5 member being your Treasurer to deal with the financial  
6 statements and the audits?

7 MR. LYNCHARD: We already have made him  
8 the Treasurer --

9 MR. GOULET: I am fine with that.

10 MR. LYNCHARD: -- by making him the  
11 Secretary.

12 MR. MILLER: I have a question. In the  
13 minutes from the annual meeting, does it say that he was  
14 nominated to be the Secretary? Or does it say he was  
15 nominated to be the Secretary-Treasurer?

16 MR. LYNCHARD: I think Secretary.

17 MR. CALKINS: Yeah. I think it was  
18 Secretary, but that's --

19 MR. DESANTIS: Yeah.

20 MR. LYNCHARD: I make a motion that we --  
21 I make a motion that Doug Larson --

22 MR. MAYER: Comment from the floor?

23 MR. LYNCHARD: Yes, sir.

24 MR. MAYER: The Treasurer is the second  
25 most person responsible fiduciary officer. It needs to

1 be a Director.

2 MR. LYNCHARD: Our bylaws say it doesn't  
3 have to be.

4 MR. CALKINS: Now --

5 MR. MAYER: I don't care what it says.  
6 Check your liability coverage, your Directors and  
7 Officers Insurance. It states State Statutes.

8 MR. LYNCHARD: Yeah.

9 MR. MAYER: He is the principal fiduciary.

10 MR. GOULET: I don't think it says  
11 anywhere --

12 MR. MAYER: -- one that is effective --

13 MR. GOULET: One second -- if the job  
14 split where Doug is the Secretary and Ricki is the  
15 Treasurer, I think that would be fine.

16 MR. CALKINS: I agree.

17 MR. GOULET: Because I don't think that  
18 violates the bylaws because it says --

19 MR. MILLER: We would be operating outside  
20 of what the bylaws prescribe. I don't know what the  
21 solution is. I am just telling you --

22 MR. CALKINS: I have an idea. Let's vote  
23 on it and give it to Keith --

24 MR. LYNCHARD: Well, wait for -- we are  
25 still in discussion.



1 MR. GOULET: Hang on a second. Just hang  
2 on, James.

3 MR. CALKINS: Okay.

4 MR. LYNCHARD: Where was it at? "And  
5 shall elect a Secretary-Treasurer who need not be a Board  
6 member or a member of the Board of Directors."

7 It says "A" --

8 MR. DESANTIS: I think the wording there  
9 was --

10 MR. LYNCHARD: "A Secretary-Treasurer."  
11 Does that one -- does that say it's one -- has to be one  
12 person?

13 MR. DESANTIS: I read that --

14 MR. KILPATRICK: It's hyphenated (sic) and  
15 it's one and the same, actually. It's synonymous.

16 MR. LYNCHARD: Yeah. So I would think  
17 that that's --

18 MR. KILPATRICK: The Secretary is by  
19 default --

20 MR. LYNCHARD: The Treasurer.

21 MR. KILPATRICK: -- the Treasurer.

22 MR. LYNCHARD: Yep. That's what I was  
23 reading. That's what I read. That's what --

24 MR. DESANTIS: Well, the way I read it was  
25 that there are things in there that apply to both -- both

1 people you are talking about, but your Treasurer is --

2 MR. CALKINS: All right. We'll -- if we  
3 find anything else, we will bring it up at the next  
4 meeting, but we are -- as far as I am looking at, based  
5 on my recommendation is --

6 MR. KILPATRICK: Our interpretation --

7 MR. CALKINS: -- our interpretation is we  
8 are going to --

9 MR. GOULET: They are the same and I would  
10 recommend leave it.

11 MR. CALKINS: -- leave it as is. Okay.

12 MR. GOULET: Mark, would you like a motion  
13 on that since we have already appointed him to that  
14 position as far as --

15 MR. MILLER: We had a motion and a second  
16 already.

17 MR. GOULET: We still have further  
18 discussion. Okay. The way the bylaws read where it  
19 says, "Must select a Secretary-Treasurer," --

20 MR. DESANTIS: Right.

21 MR. GOULET: -- that's already been done  
22 at the Annual Meeting when we did it that evening. So  
23 for us to select another Treasurer would be going against  
24 what we already did. Do you follow me on that?

25 MR. MILLER: I agree.

1 MR. GOULET: Okay. So I guess what I  
2 would do is I would recommend to table the motion  
3 because --

4 MR. MILLER: Or withdraw the motion.

5 MR. GOULET: -- or withdraw the motion  
6 because it's a moot point.

7 MR. MILLER: Well, you made the motion so  
8 you can withdraw it.

9 MR. GOULET: I withdraw the motion.

10 MR. MILLER: Okay.

11 MR. CALKINS: Okay. Thank you. Next --  
12 any further discussion on that item?

13 MR. GOULET: No.

14 MR. CALKINS: Okay. We are going to go to  
15 the next item. And it's approval of Finance Chair  
16 Treasurer request to seek outside firm for forensic  
17 audit.

18 Director Desantis?

19 MR. DESANTIS: I'm sorry? What?

20 MR. CALKINS: We are on approval of  
21 Finance Chair Treasurer request to seek outside firm for  
22 forensic audit.

23 MR. DESANTIS: Well, you have already  
24 addressed that, the Treasurer is responsible for all that  
25 stuff, so that's done.

1 MR. GOULET: Are you the Finance Chair?

2 MR. LYNCHARD: You are the Finance Chair.

3 MR. DESANTIS: Yeah. But that's the  
4 Treasurer. That's the Treasurer's responsibility.

5 MR. CALKINS: That's the Finance Chair.

6 MR. DESANTIS: No. I would not do that.  
7 If I knew you were staying the way you are staying, that  
8 is the Treasurer's responsibility, and I pull that back.  
9 It should only say "Treasurer."

10 MR. CALKINS: Okay. Okay. Doug Larson,  
11 Secretary, do you want to elaborate on approval of  
12 Finance Chair? Should we skip this?

13 MR. LYNCHARD: I think we should skip this  
14 item because the forensic audit was a -- Mr. Desantis  
15 knows about that and had researched it, so I think it's  
16 inappropriate for us to ask Doug to discuss something  
17 that he does not know about.

18 MR. CALKINS: Okay. I agree. We are  
19 going to go to the next one, approval of Finance Chair  
20 Treasurer request to meet with and speak with current  
21 accounting firm, 2017, financial statements, tax returns,  
22 audit issue.

23 Director Desantis?

24 MR. DESANTIS: Again, I reiterate what I  
25 just said on the previous thing.

1 MR. CALKINS: Okay. We will table that.

2 Okay. Now, approval of request to grant  
3 authoritative powers to the President to decide, choose  
4 office selection, relocation of personnel associated with  
5 new employee organizational chart.

6 Director Desantis?

7 MR. DESANTIS: That doesn't pertain to me.

8 MR. CALKINS: Director Lynchard?

9 MR. LYNCHARD: I don't know what --

10 MR. CALKINS: This has to do with the new  
11 organizational chart and working with staff to choose the  
12 offices with the staff.

13 MR. DESANTIS: That's Personnel Chair.

14 MR. LYNCHARD: Maybe you should explain it  
15 to people, and then, we can have one of the Board members  
16 call for a motion once you explain to us what you are --  
17 where you are going with this.

18 MR. CALKINS: Basically, what this is is  
19 that I would be working with staff to decide which  
20 offices that -- it's only -- it's not hiring any people.  
21 It's nothing to do with that. It just deciding the  
22 office -- movement of offices and working, due to the new  
23 organizational chart.

24 Director Goulet?

25 MR. GOULET: I think in the past, the

1 General Manager has done have. Haven't they; Paul?

2 Would you feel comfortable taking care of that with the  
3 changes that were made tonight -- taking care of anything  
4 that needs to be changed?

5 MR. GARDNER: We are pretty limited where  
6 we can put people anyways. I can do it.

7 MR. GOULET: Anything you see necessary.  
8 I guess that's the way I would look at it. I mean, you  
9 are fine with that?

10 MR. GARDNER NODS HEAD.

11 MR. GOULET: I don't think there needs to  
12 be any changes on it. Just let the management take care  
13 of it.

14 MR. CALKINS: Okay. Next item is the --  
15 all contact with lawyers involved in HNWS, Inc. matters  
16 must receive Board approval prior, unless notice provided  
17 and given to Board formally by that person that is paying  
18 lawyer personally and has retained their legal service  
19 personally.

20 MR. GOULET: Let's clarify this because --

21 MR. MILLER: Yes.

22 MR. GOULET: -- that doesn't read very  
23 well. In the past, last year, the Water System incurred  
24 over \$70,000 in legal fees and a lot of it was from  
25 managers, employees, Board members calling lawyers.

1 Well, you pick up the phone, you call a  
2 lawyer, it's \$200, \$300 an hour. They will talk to you  
3 all day long. You can tell them about your family  
4 vacation. You can tell them about whatever you want.

5 And all of a sudden, we get a \$3,000 bill  
6 because you wanted to talk to somebody. Well, in the  
7 past, it usually runs through the President. If you want  
8 to talk to a lawyer, you run it through the President and  
9 the President can approve it or the President can direct  
10 the Board to approve it.

11 I think there needs to be some type of  
12 standing rule that directs people in how to contact  
13 attorneys, the correct process. I am not saying the  
14 Board is telling employees they can't talk to attorneys.  
15 You can talk to any attorney you want. But if the Board  
16 doesn't approve it, you are going to have to pay for it.  
17 Sorry. That's kind of how it works.

18 Most attorneys don't do pro bono work  
19 because they have got to pay their bills, too.

20 MR. KILPATRICK: What is that?

21 MR. MILLER: Who are you suggesting would  
22 be subject to this? Holley Navarre Water System  
23 employees? Directors? MESI?

24 MR. GOULET: Anybody to do with Holley  
25 Navarre Water System.

1 MR. MILLER: So MESI needs attorney advice  
2 on contracts that they are doing, they have got to get  
3 Board approval?

4 MR. GOULET: They should notify the  
5 President. The President would okay it. It's a simple  
6 email process. I mean --

7 MR. MILLER: I am seeing that as a  
8 hindrance to them being able to conduct the proper --

9 MR. LYNCHARD: I think that we -- that  
10 MESI is a stand-alone thing. I don't know.

11 MR. GOULET: No. Whatever you think, I  
12 mean.

13 MR. LYNCHARD: I do think they do deal  
14 with attorneys. Phil, you deal with attorneys quite  
15 often in your course of business?

16 MR. GOULET: I hope not.

17 MR. PHILLIPS: Yeah. (SAYING SOMETHING?)

18 MR. GOULET: Thanks, Mark, for using us as  
19 an example. No, we don't. But I think his point is  
20 valid in that, you know, sometimes when we do need an  
21 attorney, you know, it is 15 minutes later or 30 minutes  
22 later.

23 That could become cumbersome, if James  
24 isn't available to approve whatever it is we would need  
25 to talk to Keith about. But we don't -- it's not an



1 everyday occurrence. It is not a weekly occurrence. It  
2 might be a once a month occurrence, something along those  
3 lines.

4 MR. MILLER: I didn't mean to pick on you,  
5 Phil.

6 MR. PHILLIPS: That's okay.

7 MR. MILLER: And I know Paul -- I know  
8 Paul has had issues that come up from time to time and he  
9 may need a quick 15 minute phone call to an attorney.

10 And maybe we should consider looking at  
11 making Keith available to them and -- or any attorneys  
12 that they are currently working on projects that have  
13 already been approved, but any new attorney contacts,  
14 maybe that should have to be approved by the Board. I  
15 don't know. I don't know what the solution is, but --

16 MR. LYNCHARD: Here's the problem. I  
17 would love to make a motion that says, "Be smart. Just  
18 do business."

19 MR. PHILLIPS: Well, our --

20 MR. LYNCHARD: We looked at email at --  
21 way back in December. We had employees contacting  
22 attorneys to discuss EEOC complaints against me and Will.

23 MR. GOULET: Yeah.

24 MR. LYNCHARD: We weren't even on the  
25 Board. But y'all were paying \$300 an hour for those

1 calls.

2 MR. PHILLIPS: Fortunately, that wasn't  
3 MESI.

4 MR. LYNCHARD: That wasn't y'all.

5 MR. PHILLIPS: Most of --

6 MR. LYNCHARD: But you get my point.

7 MR. PHILLIPS: Most of MESI stuff is not  
8 significant time-wise for Keith. It would be an hour to  
9 review a contract or two hours to review a contract.

10 MR. LYNCHARD: Yeah.

11 MR. PHILLIPS: In the event, I mean, I can  
12 tell you in the event that MESI has had some situation  
13 where Keith's fees were thought to be significant, a  
14 Board is going to know about that --

15 MR. LYNCHARD: Yeah.

16 MR. PHILLIPS: -- before it happens.

17 MR. LYNCHARD: Yeah.

18 MR. PHILLIPS: But that hadn't happened in  
19 three and a half years, so --

20 MR. LYNCHARD: Y'all's stays under  
21 control.

22 MR. PHILLIPS: Yeah. We try.

23 MR. LYNCHARD: A couple of \$3,000 a year.

24 MR. PHILLIPS: Something like that.

25 MR. GOULET: Well, then, I can change the

1 motion just to -- Holley Navarre Water System and the  
2 Club at Hidden Creek employees and managers must have  
3 Board approval prior to talking to any attorneys unless  
4 they are paying for it themselves.

5 MR. LYNCHARD: Board members, also.

6 MR. GOULET: Board members, also.

7 MR. MILLER: So we are not allowed to talk  
8 to Keith or contact Keith about anything?

9 MR. GOULET: The way it should be is  
10 contact the President, then the President says, "That's  
11 fine. Go ahead."

12 If not, then the Board would approve to  
13 have it done. Because the thing is, you pick up the  
14 phone and talk to Keith about something -- and nothing  
15 against you -- but if you talk to Keith for a half  
16 hour --

17 MR. KILPATRICK: It depends on what you  
18 say.

19 MR. GOULET: Yeah. But, I mean, you talk  
20 to Keith for something for a half hour, it's \$100  
21 constantly. That's what I am saying. And it should be  
22 brought up in front of the Board, you know, for the  
23 transparency.

24 MR. MILLER: Okay. What if I have an  
25 issue and the President doesn't want to approve that?

1 MR. GOULET: Then you bring it in front of  
2 the Board and we approve it. Put it on the agenda, and  
3 then, it gets passed by the Board. That's kind of --

4 MR. MILLER: So it may be something that  
5 happens tomorrow and I have got to wait until March to  
6 address it?

7 MR. GOULET: Well, you can ask for a  
8 Special Meeting, too. That's how it kind of works.  
9 That's the way it has always worked.

10 MR. CALKINS: Okay. So was that a motion?

11 MR. GOULET: I made a motion.

12 MR. LYNCHARD: I will second it.

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

15 (NO AUDIBLE RESPONSE.)

16 MR. CALKINS: All those in favor say  
17 "Aye"?

18 MR. GOULET: Aye.

19 MR. LYNCHARD: Aye.

20 MR. DESANTIS: Aye.

21 MR. CALKINS: Motion passes.

22 MR. MILLER: I vote nay on that.

23 MR. LYNCHARD: You vote nay on that.

24 MR. CALKINS: Okay. Thank you. Next is  
25 approval of Navarre Press request.

1           A, Request for Information regarding legal  
2 fees for HNWS, Inc. for the periods of 2012 to 2017  
3 broken down and categorized by firm, type of service and  
4 issue project.

5           A, do we have a motion to approve?

6           MR. GOULET: I would make a motion to  
7 approve this request based on Keith's recommendation  
8 because I don't know if there is any services or issues  
9 or projects that can be labeled.

10          MR. CALKINS: Director Lynchard?

11          MR. LYNCHARD: Can we -- can we group this  
12 whole thing together?

13          MR. GOULET: That's fine.

14          MR. LYNCHARD: Other than where it says,  
15 "Salaries, Municipal Engineering Services"?

16          MR. CALKINS: Okay. So what you want  
17 to -- let me finish reading the whole thing, then.

18          MR. LYNCHARD: Yeah.

19          MR. CALKINS: So that was A.

20          Number B is audited financial statements  
21 for the year of 2017, when completed, 2017.

22          And then, Number C, revenues and financial  
23 statements and salaries for Municipal Engineering, Inc.

24          So, basically, what you are saying, Daryl,  
25 is you are okay with everything except for Municipal

1 Engineering, Inc. with salaries; correct? Is that where  
2 I am getting at?

3 MR. LYNCHARD: Just the salaries. Yeah.

4 And --

5 MR. CALKINS: Okay.

6 MR. LYNCHARD: Will, can I restate your  
7 motion?

8 MR. GOULET: Yes, sir. go ahead. I know  
9 what you are -- I know where you are going with this.  
10 That's fine.

11 MR. LYNCHARD: I would like to make a  
12 motion that we approve the request for information  
13 regarding legal fees for Holley Navarre Water System,  
14 Incorporated, for the periods 2012-2017 broken down by  
15 category -- broken down and categorized by firm, type of  
16 services, and issue project.

17 And then, the audited financial statements  
18 for 2017, when approved, and the revenues and financial  
19 statements for -- revenue statements/financial statements  
20 for Municipal Engineering Services. We approved the  
21 request by Navarre Press to receive that.

22 MR. GOULET: I second that motion, then,  
23 your revised motion.

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

1 MR. MILLER: Yeah. Regarding the legal --  
2 request for legal fees, it includes types of services and  
3 issue projects. And I think some of that information may  
4 be information that is in the best -- in the Board's best  
5 interest that it not be released to the press --

6 MR. DESANTIS: That is counter -- that is  
7 absurd.

8 MR. MILLER: -- as attorney-client  
9 privilege.

10 MR. KILPATRICK: It could be privileged.  
11 Because I know that there are attorneys that will put in  
12 great detail as to what they are doing. And they will  
13 use it as attorney-client privilege.

14 So I would just ask that if the Board does  
15 pass that, that it will go through my office and I can  
16 redact anything that I feel could be potentially harmful  
17 or attorney-client privilege.

18 MR. CALKINS: Okay.

19 MR. LYNCHARD: Okay. But we are just  
20 talking about the --

21 MR. DESANTIS: General category  
22 accounting.

23 MR. LYNCHARD: The type of services.

24 MR. DESANTIS: Right.

25 MR. LYNCHARD: And just the project or the

1 issue.

2 MR. KILPATRICK: Not the description of  
3 the services.

4 MR. LYNCHARD: Just the services.

5 MR. DESANTIS: Right.

6 MR. LYNCHARD: I am assuming that they  
7 would all be legal services.

8 MR. DESANTIS: Right.

9 MR. LYNCHARD: But -- and then, the issue  
10 or the project that they deal with. As long as we  
11 weren't going into detail on that, I don't know that  
12 that -- I would still like Keith to look at it. Please  
13 have Keith look at it. I amend my motion to have Keith  
14 look at the -- look at that before we send it out.

15 MR. CALKINS: Okay. We have a motion and  
16 a second. Do we have any further discussion?

17 (NO AUDIBLE RESPONSE.)

18 MR. CALKINS: All right. All those in  
19 favor say "Aye"?

20 MR. GOULET: Aye.

21 MR. LYNCHARD: Aye.

22 MR. MILLER: Aye.

23 MR. DESANTIS: Aye.

24 MR. CALKINS: Motion passes. Okay.

25 Director Goulet?



1 MR. GOULET: I have got two more things I  
2 need to add. We talked about getting a website  
3 developed.

4 MR. LYNCHARD: Oh, yes, but we haven't  
5 finished this one yet.

6 MR. GOULET: All right. Go ahead, Daryl.  
7 I'm sorry.

8 MR. LYNCHARD: Okay. I would like to make  
9 a motion that we approve the Navarre Press's request for  
10 salaries for Municipal Engineering Services using a  
11 salary range for the positions, rather than giving the  
12 actual figure that any individual makes.

13 MR. GOULET: I second that motion.

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

16 MR. LYNCHARD: And the reason is I don't  
17 believe it is proper for us to tell what Phil makes or  
18 what Dale makes, but --

19 MR. PHILLIPS: It's not real hard. I  
20 mean, there's only three of us.

21 MR. LYNCHARD: You know, you give  
22 numbers --

23 MR. GOULET: Yeah. It's all legal; right?

24 MR. LYNCHARD: Yeah. But, anyway, that  
25 that would be more proper.

1 MR. PHILLIPS: I think they already have  
2 the audited statements for '15 and '16.

3 MR. LYNCHARD: Yeah.

4 MR. PHILLIPS: So that's not like there's  
5 anything to hide there, so --

6 MR. LYNCHARD: Yeah.

7 MR. CALKINS: Okay. So we have got a  
8 motion and a second. Any further discussion?

9 (NO AUDIBLE RESPONSE.)

10 MR. CALKINS: All those in favor say  
11 "Aye"?

12 MR. GOULET: Aye.

13 MR. LYNCHARD: Aye.

14 MR. MILLER: Aye.

15 MR. DESANTIS: Aye.

16 MR. CALKINS: Motion passes.

17 MR. LYNCHARD: Okay. Thanks.

18 MR. CALKINS: Director Goulet?

19 MR. GOULET: I know we spoke before about  
20 updating the web page, make sure it is mobile friendly,  
21 being able to actually stream the meetings live for  
22 people, if they are not able to attend. They can watch  
23 it at home, similar to what the County does.

24 I have got an RFP in front of me, and with  
25 the Board's approval, I would like to put it out for bid.

1 We could put it in both local papers and put it out for  
2 bid. And, hopefully, by the next Board meeting, we could  
3 have bids in. We could make a selection by the next  
4 Board meeting. That would be my motion.

5 MR. LYNCHARD: I will second it.

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

8 MR. MILLER: I would just like to say that  
9 under Robert's Rules, any additional agenda items, we  
10 need to make a motion to add it to our agenda tonight. I  
11 am a stickler on that. If it wasn't noticed to the  
12 public --

13 MR. CALKINS: Mr. Miller, the President  
14 has the authority to add to the agenda any items and I am  
15 accepting that item on the agenda.

16 MR. MILLER: I think we have to --

17 MR. CALKINS: There's -- there's no  
18 Robert's Rule of Order under the Articles of  
19 Incorporation in the bylaws on that -- on the adding  
20 things to the agenda. The President has the authority to  
21 accept any item that comes up --

22 MR. GOULET: To appease Mark, I have no  
23 problem doing that. I would make a motion. I have got  
24 two things I need to add tonight. This is one of them.

25 MR. MILLER: Yes.

1 MR. GOULET: I would like to add the  
2 website so we can get it done --

3 MR. MILLER: Correct.

4 MR. GOULET: -- to tonight's agenda.

5 MR. MILLER: I don't have a problem with  
6 that. I just want to follow Robert's Rules.

7 MR. GOULET: No. That's fine.

8 MR. MILLER: And the reason for that is  
9 that this agenda gets published to the public. Okay.  
10 The public comes to these meetings to see what we are  
11 going to deal with.

12 And if you add something to the agenda  
13 that the public hasn't been noticed on, then they don't  
14 have an opportunity to come and find out what happened.  
15 And, you know, things that are added to the agenda need  
16 to be things that are critically important that they  
17 happen.

18 Or something that comes up last minute,  
19 that's not a real essential item. We just need to be  
20 following Robert's Rules. And that is a Robert Rule of  
21 Order -- I don't know what the term is, but it is part of  
22 Robert's Rules.

23 MR. LYNCHARD: Historically speaking,  
24 Mark, the agenda for tonight's meeting, we started our  
25 meeting at 6:00 tonight, foregoing the traditional

1 Preboard Meeting.

2 But the Preboard Meeting is historically  
3 where the agenda is set. So other than today, I don't  
4 believe the agenda has been published prior to a Board  
5 meeting before. Has it?

6 MS. CARAWAN: Yes, sir.

7 MR. LYNCHARD: It is?

8 MS. CARAWAN: Yes.

9 MR. LYNCHARD: But don't we normally set  
10 the agenda at the Preboard Meeting?

11 MS. CARAWAN: It's -- we publish a draft.

12 MR. LYNCHARD: We publish a draft.

13 MR. GARDNER: We put on there, "Subject to  
14 Change."

15 MR. LYNCHARD: Okay.

16 MR. GARDNER: And then, we do. We used to  
17 add or take agenda items off in the Preboard meeting.  
18 You are right.

19 MR. LYNCHARD: Yeah. Or add.

20 MR. GARDNER: Add or take off, one of the  
21 other.

22 MR. LYNCHARD: One of those. Okay.

23 MR. CALKINS: Yeah. That's a standard  
24 thing and --

25 MR. LYNCHARD: What they have always

1 done --

2 MR. CALKINS: Sometimes, things come up  
3 after Friday, like you had an item that I planning on  
4 also hearing, that came up after we had it posted. And I  
5 think non-controversial items are okay to happen between  
6 now and the meeting.

7 Controversial items should be noticed, you  
8 know, ahead of time, you know, things that would make  
9 people come --

10 MR. MILLER: We need to be diligent about  
11 anything we are going to discuss about regular meetings,  
12 getting it on an agenda and letting the public know about  
13 it ahead of time.

14 MR. GOULET: Not to be a stickler, but  
15 there is a motion on the floor. We need to second it so  
16 we can have further discussion, according to Robert's  
17 Rules of Order.

18 MR. LYNCHARD: I thought I seconded it.

19 MR. GOULET: I didn't hear a second.

20 MR. CALKINS: We got a motion.

21 MR. LYNCHARD: We have got a motion and a  
22 second for this one.

23 MR. GOULET: To put the new Internet  
24 prospect on the agenda for tonight.

25 MR. LYNCHARD: Yes.

1 MR. CALKINS: Okay. All those in favor  
2 say "Aye"?

3 MR. GOULET: Aye.

4 MR. LYNCHARD: Aye.

5 MR. MILLER: Aye.

6 MR. DESANTIS: Aye.

7 MR. CALKINS: Motion passes. Okay.

8 MR. GOULET: Back to what I was saying  
9 before. Website design and development, request  
10 proposal. I request that the Board allow both newspapers  
11 to publish this to put it out there so people could put  
12 bids in.

13 I would like to make sure that -- put  
14 three weeks on this. They can get back to us in three  
15 weeks. That way, we can be ready for the next Board  
16 meeting to approve it. And that's my motion.

17 MR. LYNCHARD: I will second.

18 MR. CALKINS: Okay. We got a motion and a  
19 second. Any further discussion?

20 (NO AUDIBLE RESPONSE.)

21 MR. CALKINS: All those in favor say  
22 "Aye"?

23 MR. GOULET: Aye.

24 MR. LYNCHARD: Aye.

25 MR. MILLER: Aye.

1 MR. DESANTIS: Aye.

2 MR. CALKINS: Okay. Motion passes.

3 MR. GOULET: All right. Second thing, I  
4 would like to make a motion to -- that was brought to my  
5 attention at the St. Augustine Church in Navarre has some  
6 water leak issue.

7 I would like to put this motion on the  
8 board tonight to discuss that.

9 MR. LYNCHARD: I will second.

10 MR. CALKINS: We have got a motion and a  
11 second. All those in favor say "Aye"?

12 MR. GOULET: Aye.

13 MR. LYNCHARD: Aye.

14 MR. MILLER: Aye.

15 MR. DESANTIS: Aye.

16 MR. CALKINS: Motion passes. Okay. Now  
17 we can discuss it.

18 MR. GOULET: I am not very good with her  
19 name, but Donna is kind of in charge. It's Nardecki, I  
20 believe, is the last name. I am not very good with last  
21 names. But, evidently, in December, a pipe broke. They  
22 got it fixed.

23 Well, in January or February -- February,  
24 excuse me, February, their average usage is like -- their  
25 average usage is like 9,000 gallons a month. And they



1 have water and sewer.

2 In February, they reportedly used almost  
3 56,000 gallons of water and it went down the sewer. And  
4 I was under the impression that we had some safeguard put  
5 in place if their bill is 25 percent more than normal, an  
6 alarm would go off and we would call somebody.

7 So unless this is like a two-inch wide  
8 open water gushing out for a week, I don't know why we  
9 didn't say something to them. I mean, their water bill  
10 for the church is \$507. And that's a lot.

11 My recommendation to the Board -- and I  
12 was told they did get it fixed again. And things happen.  
13 It doesn't matter if it is a church, gas station, or your  
14 house, it can happen to anybody.

15 My recommendation to the Board would be to  
16 definitely credit them back for the sewer because it  
17 didn't go down the sewer. In the grand scheme of things,  
18 Paul, what is water without any fees associated with it?  
19 What does it run Holley Navarre Water System for 56,000  
20 gallons of water?

21 MR. GARDNER: Oh, Lord --

22 MR. GOULET: You know what I am talking  
23 about?

24 MR. GARDNER: Yeah.

25 MR. GOULET: What would be the raw cost?

1 \$2.00?

2 MR. GARDNER: I don't know. What do you  
3 guys think? Your engineers ought to have a clue.

4 MR. GOULET: What's the take or pay cost  
5 on it? I mean, what do you think it would be on that?

6 MR. MILLER: It's a lot less than sewer.

7 MR. GOULET: Yeah. Because their -- just  
8 their water portion is \$271. I am just trying to make  
9 some kind of comprehensive thing to the church.

10 MR. PHILLIPS: Probably whatever the cost  
11 per 1,000 gallons of right in the middle of the fee  
12 structure, you know, on the -- we have got how many  
13 different categories. It is probably about the middle,  
14 whatever that is, but I don't know. I don't know  
15 without --

16 MR. GARDNER: Why don't we just do the one  
17 time --

18 MR. GOULET: Because I think they already  
19 did that in December. And I know this. I am just being  
20 straight with everybody. I know they did that in  
21 December because they had a 20 -- almost like a 25,000  
22 gallon usage in December when a pipe broke. And then, it  
23 got cold again and another pipe broke. I mean, it's  
24 older plumbing.

25 MR. DESANTIS: What caused the leak?

1 MR. GOULET: Cold weather. God.

2 MR. DESANTIS: And it was their pipe?

3 MR. GOULET: Yes.

4 MR. DESANTIS: Out of the meter to the  
5 house?

6 MR. GOULET: Yes. They are responsible  
7 for this.

8 MR. LYNCHARD: Can I make a motion?

9 MR. CALKINS: Yeah.

10 MR. LYNCHARD: I make a motion that we  
11 charge the church their bill based on their average usage  
12 -- average monthly usage for the prior 12 months,  
13 excluding the two --

14 MR. GOULET: December --

15 MR. LYNCHARD: -- excluding December and  
16 January. We remove any excess sewer cost over and above  
17 their water -- normal water usage. And we ask staff to  
18 come up with a bill for actual cost from Fairpoint for  
19 the additional water and charge them that.

20 MR. GOULET: That's what I meant by raw  
21 cost, just the Fairpoint cost.

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

24 MR. GOULET: I will second that motion.

25 MR. CALKINS: We have a motion and a

1 second. Any further discussion?

2 (NO AUDIBLE RESPONSE.)

3 MR. CALKINS: All those in favor say  
4 "Aye"?

5 MR. GOULET: Aye.

6 MR. LYNCHARD: Aye.

7 MR. MILLER: Aye.

8 MR. DESANTIS: Aye.

9 MR. CALKINS: Motion passes.

10 MR. GOULET: Paul, I will give you this.  
11 I have got a copy of it, so I will give that to you  
12 before I leave.

13 MR. DESANTIS: So that's about \$65.

14 MR. GOULET: I would amend my --

15 MR. MILLER: I have question for --

16 MR. CALKINS: Director Miller?

17 MR. DESANTIS: It would be 65 bucks.

18 MR. MILLER: The new electric meters, they  
19 have the capability now of detecting water leaks and  
20 water usage, what is the procedure where maybe the church  
21 or someone like that would get notified if they were all  
22 of a sudden to go -- does a red flag go off or is the  
23 system -- is that the SCADA? Does that ping y'all or  
24 what happens?

25 MR. GARDNER: Flexnet system.

1 MR. MILLER: Okay.

2 MR. GOULET: And they currently have a new  
3 meter; don't they?

4 MR. MILLER: I didn't know the acronyms.

5 MR. GARDNER: We don't currently have --

6 MS. CARAWAN: I think --

7 MR. GARDNER: We don't currently have the  
8 app that is going to be associated with that up and  
9 running right now. I don't know what there is, Barbara,  
10 in the meter readers' --

11 MS. CARAWAN: If the account is --

12 MR. GARDNER: -- that give them a flag?

13 Or what the deal is with that.

14 MS. CARAWAN: The system will print a high  
15 usage report or a constant usage report. And you are to  
16 print that out weekly, depending on how much there is.  
17 If they get -- we would get notifications by email. And  
18 if the customer has an email address, we notify the  
19 customer's email. We would try to notify them.

20 MR. MILLER: I just was curious if that  
21 had the capability in how we are handling that and I  
22 would like to see anything we can do to enhance that,  
23 improve it. And I know you told me, Paul, that there is  
24 an app coming out that --

25 MR. GARDNER: There is going to be an app

1 that is going to text you.

2 MR. MILLER: That would be -- that would  
3 be awesome to get out there -- the information out to the  
4 public so they know that that's available to them.

5 MR. GOULET: We used to, in the past,  
6 whenever it was like more than 25 percent higher than  
7 normal, that we used to send a message or say something,  
8 but I know sometimes, it does miss, because we are not  
9 just 5,000 members. You know, we are 15,000 members.

10 I understand how it could slip through the  
11 cracks, but I am just saying, this is something they had  
12 a problem in December, then they had it again in February  
13 and I don't -- I know they --

14 MR. WELLS: Two things that, Will, well,  
15 one is -- usually it's caught at the end of the month and  
16 at the billing cycle.

17 And that's whenever the red flag goes off  
18 and we send somebody out there and say, "Hey" --

19 MR. GARDNER: But then, it's been running  
20 two weeks.

21 MR. WELLS: That's right. A church, if  
22 the line is completely broke, it doesn't take any time to  
23 put 9,000 gallons on the ground, you know.

24 MR. GOULET: And if nobody is there during  
25 the week, they are not going to know. If it happens on

1 Monday, and nobody goes again until Sunday, I understand.

2 MR. WELLS: Or Wednesday, or whenever, a  
3 broke pipe like that, a lot of water goes through  
4 quickly.

5 MR. CALKINS: Okay. Any other --

6 MR. LYNCHARD: Mr. President, I would like  
7 to add two items to the agenda. One from myself for  
8 discussion of the water and sewer deposit amounts. And  
9 for Mark for discussion of an issue that one of our  
10 customers has -- on a lot that we own on Cotton Bayou --

11 MR. MILLER: Well, Tom King Bayou.

12 MR. LYNCHARD: Tom King Bayou.

13 MR. CALKINS: Okay. We have two items.

14 MR. LYNCHARD: We got a motion.

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

17 MR. MILLER: I will second.

18 MR. CALKINS: All those in favor say  
19 "Aye"?

20 MR. GOULET: Aye.

21 MR. LYNCHARD: Aye.

22 MR. MILLER: Aye.

23 MR. DESANTIS: Aye.

24 MR. CALKINS: Motion passes. Okay. Those  
25 are now added to the agenda.

1 Director Lynchard?

2 MR. LYNCHARD: Do you want to go first?

3 MR. MILLER: You go ahead.

4 MR. LYNCHARD: Okay. Currently, we  
5 require customers moving within the service areas to pay  
6 a new deposit fee and wait for a refund of their current  
7 deposit. This creates an undue burden on customers who  
8 may not be financially able to pay and wait for us to  
9 give them a check back.

10 I can't think of any reason in our  
11 computerized system why we can't do -- why we can't and  
12 aren't just transferring deposit amounts between the  
13 service areas. So I would like to make a motion that  
14 when transferring service from one location to another,  
15 customer will only need to pay any increase in deposit  
16 amount.

17 This will remove the requirement that a  
18 customer pay a new deposit on their new location and be  
19 refunded deposit from their current location. This will  
20 only be valid to residential tap deposits and  
21 commercial-to-commercial tap deposits.

22 MR. CALKINS: Okay. We have a motion.

23 MR. GOULET: I will second that motion for  
24 further discussion.

25 MR. CALKINS: Okay.



1 MR. GOULET: I know if they are an ACH --  
2 we talked about this --

3 MR. LYNCHARD: Yes.

4 MR. GOULET: If they are an ACH,  
5 generally, after the final bill is read, then they can  
6 transfer to the next service. I know there is a lag in  
7 there because of how the system is set up.

8 I don't think see any issues if it is an  
9 ACH account to just do a transfer like you just spoke  
10 about. That's not a problem. If it is not an ACH  
11 account, then I think they are still going to have to pay  
12 the deposit to move forward. Because the reason why we  
13 set the ACH account set up was --

14 MR. LYNCHARD: Yeah. But if they already  
15 paid -- the issue that I have is if they have already  
16 paid \$180 for their deposit and they are going to move  
17 from one house to another, we are going to make them pay  
18 another \$180 and wait for us to mail their check back for  
19 \$180.

20 MR. GOULET: No. I agree with what you  
21 are saying, but I think the way the system works is we  
22 have to go read the meter, okay, and then close that  
23 account.

24 Let's say their final bill is \$50. I  
25 don't know if there is a way in the system to transfer

1 that \$50 that is still owed in that account to the new  
2 account, and I think that's why they do the deposit  
3 thing.

4 I may be wrong, but I'm saying I think  
5 that's why they do it that way, but I agree with what you  
6 are saying. They shouldn't have to pay a deposit twice,  
7 because they have already paid it once.

8 MR. LYNCHARD: Yeah. Well, then --

9 MR. GOULET: I am thinking that's the way  
10 the system is set up. That's why it is happening the way  
11 you are speaking about.

12 MR. MILLER: Barbara, would you explain  
13 how it is going to be working, please?

14 MS. CARAWAN: Will is almost correct with  
15 some of that. We do transfer water and sewer deposit.

16 MR. MILLER: Okay.

17 MS. CARAWAN: It is based on their payment  
18 and credit history.

19 MR. MILLER: Okay.

20 MS. CARAWAN: If they owe more than their  
21 deposit amount, we would keep the deposit and let it pay  
22 the final bill. The majority of the time, that's what  
23 the case is.

24 MR. MILLER: Okay.

25 MS. CARAWAN: We would transfer any

1 balance to their new account.

2 MR. LYNCHARD: Okay. So you already  
3 transfer the balance to their new account?

4 MS. CARAWAN: Yes, sir.

5 MR. LYNCHARD: I have had about ten people  
6 complain to me about how they have had to come back there  
7 and pay a deposit. And then, three months later, they  
8 will get a check from the Water System refunding their  
9 prior deposit.

10 MS. CARAWAN: No.

11 MR. LYNCHARD: Okay. I will get them to  
12 come down there and discuss it with you, then.

13 MS. CARAWAN: Yeah. I would like to -- I  
14 would really need to see it.

15 MR. LYNCHARD: Yeah. That will work.

16 MS. CARAWAN: That is a problem. I agree  
17 with that.

18 MR. LYNCHARD: That is a problem, so --

19 MR. CALKINS: Okay. We have got a motion  
20 and a second on the floor. All those in favor say "Aye"?

21 MR. MILLER: If that is already the  
22 current system, do we need to do that?

23 MR. GOULET: Then, in my opinion,  
24 sometimes when the Board is unclear of something, by the  
25 Board reissuing the motion and passing it again, it's

1 listed, and staff knows that's how it needs to be done.

2 And if is already being done that way,  
3 then staff understands it. But if it is not being done  
4 that way, staff needs to fix it so it is done that way.

5 MR. MILLER: But Barbara pointed out if  
6 there is a credit issue or if there is an outstanding  
7 balance that exceeds their current deposit --

8 MR. LYNCHARD: It would only be on the  
9 deposit amount that they have available so the available  
10 amount.

11 MR. MILLER: Okay.

12 MR. CALKINS: Okay. Any further  
13 discussion?

14 (NO AUDIBLE RESPONSE.)

15 MR. CALKINS: All those in favor say  
16 "Aye"?

17 MR. GOULET: Aye.

18 MR. LYNCHARD: Aye.

19 MR. MILLER: Aye.

20 MR. DESANTIS: Aye.

21 MR. CALKINS: Motion passes.

22 Okay. Director Miller, do you have an  
23 item to bring up?

24 MR. MILLER: Yes. A member approached me.  
25 There is a property that is owned by Holley Navarre Water

1 System at the corner of Highway 399 and Paseo de Basse.  
2 It is where the Gulf Power line easement comes across  
3 right there.

4 And her concerns -- and I did -- she sent  
5 me some pictures which I forwarded in an email to all of  
6 the Directors and Paul -- her concerns were that the  
7 property is overgrown. It is being used as a dump site,  
8 that cars are driving up in there. There was even a  
9 slaughtered animal back there a year or two ago.

10 It's been an ongoing problem and it's an  
11 eyesore for the area and for their neighborhood. And I  
12 would like to make a motion that we -- Number one that we  
13 direct staff to go ahead and begin doing some clean-up of  
14 that site. And then, I would also like to get a request  
15 for proposal for possibly fencing that property, so  
16 that's my motion.

17 MR. CALKINS: Okay.

18 MR. GOULET: I will second your motion for  
19 further discussion.

20 MR. CALKINS: Okay. We have a motion and  
21 a second. And we are going to go to further discussion.

22 MR. GOULET: Do you know what property he  
23 is talking about?

24 MR. WELLS: I do know what property you  
25 are talking about. We had some issues back several

1 months ago and I got -- tried to get Code Enforcement  
2 down there and Code Enforcement said it was out of their  
3 jurisdiction.

4 MR. GOULET: It was out of Santa Rosa  
5 County? I was just kidding. I know Code Enforcement.  
6 They are great.

7 MR. WELLS: The Sheriff's Deputy met me  
8 out there. And after doing a little tracking, a little  
9 bit of investigation, we found out where the trash came  
10 from, and he had them clean it up within the next couple  
11 of weeks.

12 Now, there may be some more issues down  
13 there that I am not aware of, especially the carcass or  
14 whatever was dumped down there.

15 MR. MILLER: That was actually a picture  
16 from a year or so ago, she told me, but she was just  
17 trying to show me a progression of some of the --

18 MR. WELLS: Right. It had got pretty ugly  
19 down there. One guy had cleaned his whole lot out and  
20 had just shoved everything out on the power line,  
21 supposedly, just until he could get a truck in there to  
22 clean it up.

23 MR. CALKINS: Did he get it cleaned up?

24 MR. WELLS: He did get it cleaned up and  
25 we didn't pursue it any further because the issue was

1 resolved. But we can definitely go take a look at doing  
2 something different down there.

3 MR. MILLER: And how often is that  
4 property bushhogged?

5 MR. WELLS: We bushhogged it a few years  
6 back but we haven't done it since.

7 MR. MILLER: It's probably due for it.

8 MR. GARDNER: Ever since the head count  
9 freeze, we just haven't had the personnel to go down  
10 there on a regular basis and do it.

11 MR. WELLS: Right.

12 MR. GARDNER: Yeah. We definitely got the  
13 equipment and we can go start doing it again. I don't  
14 know if it would be on a regular basis or not, but --

15 MR. WELLS: -- try to fence it off,  
16 though, do you know what I mean?

17 MR. GARDNER: Because it's Gulf Power's  
18 easement, they have a problem with you putting a fence in  
19 their easement --

20 MR. LYNCHARD: Oh, it's a Gulf Power  
21 easement?

22 MR. GARDNER: Yeah.

23 MR. LYNCHARD: So we can't fence it off.

24 MR. GARDNER: It's that stuff that Ken  
25 bought years ago that he thought he was going to be doing

1 to get rid of all kind of water down there --

2 MR. LYNCHARD: Where is the -- okay, I  
3 think I know where it is.

4 MR. GOULET: I guess, Mark, would you like  
5 to -- would you like to amend your motion?

6 MR. MILLER: I will amend the motion to  
7 remove the getting an estimate for fencing it from there,  
8 but the first part of the motion stands.

9 MR. GOULET: I will still second that  
10 motion, then.

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

13 MR. LYNCHARD: One thing that we may do,  
14 we may contact Gulf Power about it, because if they won't  
15 let us -- I know if they won't let you fence it off,  
16 sometimes, they will come in and help you to clean it up.

17 MR. WELLS: And they did some do something  
18 down there not too long ago.

19 MR. LYNCHARD: Yeah. Because I know the  
20 easement by my house that is Gulf Power, and they do come  
21 in there periodically and clean the place up and bushhog  
22 it and everything else.

23 MR. GARDNER: We cleaned that out a couple  
24 times. It's got to where a lot of people down there  
25 would drag their old boats and stuff out there.



1 MR. LYNCHARD: That's it.

2 MR. GARDNER: We would have to go down and  
3 clean it. It's hard --

4 MR. LYNCHARD: Because they don't want  
5 that stuff down there. Just like a fence is going to get  
6 in their way. A big boat is going to be in their way,  
7 too.

8 MR. GARDNER: It's hard to get rid of a  
9 fiberglass boat, so --

10 MR. MILLER: Right.

11 MR. GARDNER: Even for Holley Navarre  
12 Water System.

13 MR. LYNCHARD: Yeah.

14 MR. GARDNER: So it's just a -- it's an  
15 ongoing thing.

16 MR. LYNCHARD: Yeah.

17 MR. GARDNER: Unless you put a fence up,  
18 six-foot fence up all around it, people are just going to  
19 clean their yards out and throw the stuff over.

20 MR. LYNCHARD: Yeah.

21 MR. GARDNER: But we can definitely go  
22 down and weed eat it.

23 MR. LYNCHARD: Yeah. I am good with it.

24 MR. MILLER: Okay.

25 MR. CALKINS: Okay. No more further

1 discussion?

2 (NO AUDIBLE RESPONSE.)

3 MR. CALKINS: All those in favor say  
4 "Aye"?

5 MR. GOULET: Aye.

6 MR. LYNCHARD: Aye.

7 MR. MILLER: Aye.

8 MR. DESANTIS: Aye.

9 MR. CALKINS: Any opposed?

10 (NO AUDIBLE RESPONSE.)

11 MR. CALKINS: Okay. Motion passes.

12 We are -- any other items by anybody?

13 MR. MILLER: We have public forum.

14 MR. CALKINS: Yeah. That's where I am  
15 going to go to. Okay. We are now going to go to public  
16 forum.

17 Does anybody in the public -- would like  
18 to speak? Mr. Geo Mayer, please stand up and state your  
19 name and address.

20 MR. MAYER : It's Geo Mayer, 6931  
21 Turnberry Circle. Two items for your consideration and  
22 request that you report back on them with the next  
23 meeting.

24 MR. CALKINS: Okay.

25 MR. MAYER: Number One, there was a report

1 tonight that several hundred membership certificates were  
2 cancelled. The question for you to consider is: How can  
3 you cancel something that didn't exist?

4 I appreciate an answer at your next  
5 meeting. And that has very serious legal ramifications  
6 with that whole fiasco.

7 Number Two, there was certain mention  
8 tonight about Robert's Rules of Order. I would submit to  
9 you your previous -- your predecessors vehemently denied  
10 that Robert's Rules applied to this organization, as well  
11 as the Sunshine Statutes.

12 And that has very serious legal  
13 ramifications that I am involved in. I would ask you to  
14 consider that and respond back at the next meeting.

15 MR. CALKINS: Okay. Thank you, Mr. Mayer.  
16 Does anybody else --

17 MR. WALTERS: I have got something.

18 MR. CALKINS: Come up to the podium and  
19 state your name and address.

20 MR. WALTERS: My name is Ken Walters. I  
21 live at 1727 South Creek Court in Navarre. And I am here  
22 to ask y'all, the Board, to possibly revisit or review  
23 some tap fees that I paid for a building I have got going  
24 on right now.

25 My building is a -- this course we are

1 building is right besides Johnny Huston's. It's going to  
2 be a craft beer and wine bar.

3 And I got popped for \$32,000 for a 1300  
4 square foot building for water tap fees. I have got  
5 three -- well, I have got two toilets, one urinal, and  
6 three hand sinks.

7 I don't, you know, I looked at -- we don't  
8 serve any food. We don't prepare food. We don't wash  
9 any dishes, other than we are going to have wine glasses  
10 and beer mugs.

11 MR. GOULET: Well, what is funny is, I  
12 think Samurai's was, like, \$39,000.

13 MR. WALTERS: I do have a search on that.  
14 Samurai paid \$32,680.

15 MR. GOULET: There you go.

16 MR. WALTERS: They are bigger. They serve  
17 food. And their facility is a lot bigger than our  
18 building is and everything.

19 I have got -- I got a \$200 discount,  
20 basically.

21 MR. LYNCHARD: Are you happy about it?

22 MR. WALTERS: Originally, hers, she was  
23 popped for \$78,000.

24 MR. GOULET: That's correct.

25 MR. WALTERS: And she came in and brought

1 you documentation that showed that those numbers don't  
2 add up. I have got the same building and this is my  
3 water usage and she proved it to you. And you had to --

4 MR. GOULET: Do you currently have water  
5 usage rates for the Board that we could review and review  
6 your tap fee?

7 MR. WALTERS: No. I mean, we haven't  
8 opened yet, so, you know, I don't --

9 MR. PHILLIPS: Well, you -- I am sorry --  
10 I --

11 MR. CALKINS: Phil?

12 MR. PHILLIPS: I mean, the Board has  
13 generally shown in the past if you can -- if you can  
14 provide something similar in nature in use, you know,  
15 that they would use that information to actually produce  
16 a tap fee, as opposed to a fixture count, which is the  
17 worst way to calculate it for you.

18 Again, though, you are subject to, you  
19 know, at the end of one year, you know, if you prove it's  
20 1,000 a day and at the end of the year, it's 2,000, they  
21 get to come back and charge for that appropriately.

22 MR. WALTERS: I think I do have something  
23 to compare it to, because y'all charged Samurai \$32,000  
24 and you charged me \$32,000.

25 There is no way that is -- there no way

1 common sense wise.

2 MR. GOULET: No.

3 MR. DESANTIS: Based on my calculation,  
4 they reduced it. It was originally \$78,000?

5 MR. WALTERS: Correct.

6 MR. DESANTIS: They reduced it 57.9  
7 percent.

8 MR. WALTERS: So that's what I am looking  
9 for is a reduction like that.

10 MR. CALKINS: Director Lynchard?

11 MR. LYNCHARD: I think -- I think the way  
12 we are supposed to come up with tap fees is we paid X  
13 number of dollars for the sewer treatment plant. And it  
14 will, if we can process, I think it's 2,999,999 gallons a  
15 day through that.

16 Divide 40 million by that 2 million figure  
17 and you come up with a per gallon per day figure that it  
18 should cost you when you buy a tap. That's the  
19 infrastructure cost.

20 I think that if you could give us a number  
21 or some rational calculation as to how much you thought  
22 you were going to use per day, we could use -- we could  
23 base your tap fee on that at the beginning.

24 And then, after some period of time, we  
25 could come back and review whether those numbers that you

1 gave us were truly accurate. And if they were accurate,  
2 then there would be no change.

3 But if they weren't, then there would be  
4 an additional amount due.

5 MR. WALTERS: That's almost impossible for  
6 me to give you a number because you have got -- you have  
7 got to consider, we haven't even considered hours of  
8 operation. I mean, I am not going to be serving lunch,  
9 so I am not going to be open at 11:00 o' clock.

10 MR. LYNCHARD: You have to give us  
11 something to work with for us to be able to work with  
12 you.

13 MR. GOULET: Can I give --

14 MR. DESANTIS: How many here -- how  
15 many --

16 (EVERYONE SPEAKING AT THE SAME TIME.)

17 MR. CALKINS: And this is --

18 MR. PHILLIPS: I wouldn't say -- well,  
19 one, I might suggest that he come in and beat on staff on  
20 this and see if we can't come up with a way to help him  
21 out --

22 MR. LYNCHARD: Yeah.

23 MR. PHILLIPS: -- what he is looking for  
24 here. And if you don't like staff's answer, you can come  
25 back to these guys again and they can beat on us.

1 MR. WALTERS: I am just common sense wise,  
2 if this bigger restaurant serves -- has over 100 seats in  
3 it, that serves food and washes dishes all day long and  
4 is open for lunch, there's no way possible. So there is  
5 your comparison right there.

6 MR. PHILLIPS: And we absolutely  
7 positively without a doubt agree with everything you have  
8 just said, but the policy that's been passed by the Board  
9 puts the onus on you to provide them with something that  
10 kind of proves it.

11 And not a comparison to a wine bar to a  
12 McDonalds. We all recognize that you are not going to  
13 use as much water as the McDonalds. Again, I would  
14 suggest --

15 MR. GOULET: Ken, can I ask a question?

16 MR. DESANTIS: Do we have other wine  
17 bars --

18 MR. PHILLIPS: -- see if we can find  
19 another --

20 (EVERYONE SPEAKING AT ONCE.)

21 MR. GOULET: Is there another wine bar in  
22 town?

23 MR. DESANTIS: See what their usage is.  
24 See what their usage is.

25 MR. GOULET: Can we get a comparison of



1 the --

2 MR. DESANTIS: See what their usage is.

3 MR. WALTERS: It's kind of hard to go to  
4 the competition and --

5 MR. LYNCHARD: Not for us.

6 MR. GOULET: Not for us.

7 MR. LYNCHARD: Yeah.

8 MR. GOULET: Yeah. We can.

9 MR. PHILLIPS: We can ask.

10 MR. GOULET: We can request staff to get  
11 The Vines usage and see if it would be comparable to what  
12 you are doing, and then, we can work something with them.  
13 We just have to -- we can't say -- we just can't say,  
14 "Ken, it's \$10,000 now because" --

15 MR. WALTERS: Yeah. That's why I didn't  
16 go to the utility company that provides a utility  
17 service. You would expect that type of service from  
18 someone. The gas company came in and ran a 200-foot line  
19 and didn't charge me a dime for it because they are  
20 celebrating that I am going to burn their gas and pay  
21 them.

22 MR. GOULET: Yeah.

23 MR. WALTERS: The Water Company has got a  
24 complete opposite view of that, so --

25 MR. GOULET: We are trying to change that.

1 MR. CALKINS: Yeah. Absolutely.

2 MR. WALTERS: I am here because, you know,  
3 it's tough for a small businessman to get started in  
4 Navarre.

5 MR. GOULET: Yeah. Very hard.

6 MR. WALTERS: And what is going to happen  
7 is you are going to have nothing but big franchises come  
8 in here. If that is what you want, that's fine, because  
9 that's the only ones that can afford this kind of stuff.

10 MR. DESANTIS: It should be industry  
11 standards of that nature.

12 MR. GOULET: If it suited you, I would  
13 like to make a motion or a recommendation that Paul, if  
14 staff could get a comparable type of restaurant and hours  
15 of operations that Ken is going to be running. And get  
16 back with us -- do you think two weeks would be enough  
17 time to get back to us on this?

18 MR. GARDNER: Yeah. I think so.

19 MR. GOULET: And then, we can revisit it  
20 with you?

21 MR. WALTERS: Yeah. That's fine.

22 MR. GOULET: When are you planning on --  
23 when are you planning on opening?

24 MR. WALTERS: Well --

25 MR. GOULET: I mean --

1 MR. WALTERS: I want to be May 1st, but --

2 MR. GOULET: So we would have enough time  
3 by the next Board meeting if we could have you come back  
4 to the next Board meeting, would that be fine with you?

5 MR. WALTERS: Correct.

6 MR. GOULET: That would be my  
7 recommendation.

8 MR. LYNCHARD: You have already got the  
9 tap fees; right?

10 MR. WALTERS: Yeah. You have already got  
11 them --

12 MR. LYNCHARD: So --

13 MR. CALKINS: Okay. So we got a motion.  
14 Do we have a second?

15 MR. DESANTIS: You should have come  
16 first --

17 MR. LYNCHARD: I will second it.

18 MR. CALKINS: Okay. We have got a motion  
19 and second. Any further discussion?

20 MR. MILLER: I just have one question:  
21 Are you doing any brewing on site?

22 MR. WALTERS: No.

23 MR. MILLER: Okay. That's all.

24 MR. WALTERS: Absolutely not.

25 MR. GOULET: And, Paul, you don't see a --

1 you don't see an issue with our motion to be able to  
2 review this?

3 MR. GARDNER: No.

4 MR. GOULET: Okay. That's fine. I just  
5 wanted to make sure.

6 MR. WALTERS: Let me throw one thing out  
7 at you, customer service-wise, since I am up here. I  
8 went in there after I got my whole thing figured out,  
9 which took a while. I finally get it. I go up to pay my  
10 bill. Here's your money. I write my check and give it  
11 to them.

12 Oh, we forgot to include the five-dollar  
13 membership in there. So I had to dig in my pocket and  
14 give them \$5.00, and I just paid them \$32,000.

15 Can you not waive that \$5.00 fee?

16 Come on, people. You guys are talking  
17 about --

18 MR. GOULET: Since you have more -- we  
19 will do a punch card.

20 MR. WALTERS: It couldn't help but slap me  
21 a little bit on the way out the door. That's just what  
22 you need to consider when the public walks in here.

23 MR. GARDNER: Throw my name around on  
24 that.

25 MR. WALTERS: Anyway, I appreciate --

1 MR. GOULET: Thanks for bringing it to the  
2 Board's attention.

3 MR. WALTERS: I do appreciate it.

4 MR. GOULET: Thank you.

5 MR. WALTERS: Thank you.

6 MR. CALKINS: Okay. We got a motion and a  
7 second. Any further discussion?

8 (NO AUDIBLE RESPONSE.)

9 MR. CALKINS: All those in favor say  
10 "Aye"?

11 MR. GOULET: Aye.

12 MR. LYNCHARD: Aye.

13 MR. MILLER: Aye.

14 MR. DESANTIS: Aye.

15 MR. CALKINS: Motion passes. Thank you  
16 for coming up, sir.

17 And is there anybody else that wants to  
18 speak from the public?

19 MR. GOULET: I have got one more thing to  
20 add, if it is all right?

21 MR. CALKINS: Okay. Mr. Vice President?  
22 What?

23 MR. GOULET: I want to make a motion to  
24 speak about the election of two more Board members.

25 MR. CALKINS: Are we going to --

1 MR. LYNCHARD: I will second it.

2 MR. CALKINS: Okay. We have got a motion  
3 and a second.

4 MR. GOULET: All right.

5 MR. LYNCHARD: All those in favor --

6 MR. MILLER: Wait a minute. Wait a  
7 minute.

8 MR. LYNCHARD: To add an item to the  
9 agenda.

10 MR. GOULET: I am trying to add an item to  
11 the agenda, Mark.

12 MR. MILLER: Okay.

13 MR. GOULET: That's what I am trying to  
14 do. I'm tired --

15 MR. MILLER: I know. And my discussion  
16 is -- does that need to be on this agenda? Or should it  
17 be on the next agenda?

18 MR. GOULET: All I am trying to do is --  
19 well, I am just trying to -- I am just trying to get it  
20 out there because the procedure that I would like to see  
21 done would take a month to get done anyways.

22 MR. MILLER: We are not talking about  
23 appointing --

24 MR. GOULET: No. No. No.

25 MR. MILLER: All right. In that case --

1 MR. GOULET: We are not doing like that.

2 MR. MILLER: All right. Call the vote.

3 MR. GOULET: All those in favor --

4 MR. CALKINS: All right. We have got a  
5 motion and a second. Any further discussion?

6 MR. LYNCHARD: No.

7 MR. CALKINS: All those in favor say  
8 "Aye"?

9 MR. GOULET: Aye.

10 MR. LYNCHARD: Aye.

11 MR. MILLER: Aye.

12 MR. DESANTIS: Aye.

13 MR. CALKINS: All right. Motion passes.  
14 Thank you.

15 MR. GOULET: My motion would be to -- I  
16 would like to put it out in those newspapers and on the  
17 Internet and the public to anybody that would want to sit  
18 on Holley Navarre Water Board for the remainder of the  
19 year, because how it generally works, when you are  
20 appointed to a seat, you serve out the term for the rest  
21 of the year. Then, in the general election, that seat  
22 would become available.

23 What I would like to do is have Board  
24 packets like we currently do. How we got on the Board,  
25 we had to fill out a packet, get 25 signatures.

1           The Water System had to vet them and made  
2 sure you were eligible to be a Board member, and then,  
3 the Board would decide who the two remaining Board  
4 members would be. That would be my motion.

5           And what I would like to do is be able to  
6 put this out effective immediately in both newspapers and  
7 on the Internet that this is what the Board would like to  
8 do and I would like to have them turned in in three weeks  
9 from today's date.

10           MR. CALKINS: Personally, I think it's too  
11 fast. I think that we should give it more time for it  
12 to -- for people to --

13           MR. GOULET: That's my motion.

14           MR. MILLER: I will second Will's motion  
15 for discussion.

16           MR. CALKINS: We have got a motion and  
17 second.

18           MR. LYNCHARD: I think getting the packets  
19 back within three weeks, that may be a little quick, but  
20 I will go with it. But you are saying getting the  
21 packets back within three weeks from the individual  
22 candidates and then staff can start the review process.

23           MR. GOULET: Staff will start the review  
24 process and the Board members will have meeting. The  
25 Board members will decide collaboratively who will be the



1 next two Board members.

2 MR. CALKINS: That's already -- that's  
3 already -- that's setting it up for the next meeting.

4 MR. GOULET: No, it's not.

5 MR. CALKINS: Because it's three weeks.

6 MR. GOULET: Well, I don't know how long  
7 it is going to take the staff to get together. Then, the  
8 Board has to have a meeting and we may have to -- I don't  
9 know if you have to form a committee to do this or not,  
10 but I just think we need to get the process started  
11 because it could take another month before we make a  
12 selection. I don't know.

13 MR. LYNCHARD: It could be done at the  
14 next meeting.

15 MR. GOULET: It could be.

16 MR. LYNCHARD: But probably would take  
17 until the following meeting.

18 MR. GOULET: But --

19 MR. CALKINS: Okay.

20 MR. MILLER: Technically, I think,  
21 according to our bylaws, we are supposed to be appointing  
22 those positions at this meeting.

23 MR. LYNCHARD: No. We can appoint  
24 someone. And we don't have to appoint anyone for the  
25 rest of the year if we don't want to. That's what the

1 bylaws say.

2 MR. MILLER: Okay.

3 MR. GOULET: But I just want to be on the  
4 up and up, so everybody has a chance. If they want to  
5 run for the Board and sit up here and have a lot of fun  
6 with us, that's great. It doesn't pay much, but it is a  
7 lot of fun.

8 But if we can do that -- and I know it's  
9 been seconded, so I have nothing else to say on it.

10 MR. CALKINS: Okay. Any further  
11 discussion?

12 (NO AUDIBLE RESPONSE.)

13 MR. CALKINS: All those in favor say  
14 "Aye"?

15 MR. GOULET: Aye.

16 MR. LYNCHARD: Aye.

17 MR. MILLER: Aye.

18 MR. DESANTIS: Aye.

19 MR. CALKINS: Any opposed?

20 (NO AUDIBLE RESPONSE.)

21 MR. CALKINS: Motion passes.

22 Is there any other discussion?

23 (NO AUDIBLE RESPONSE.)

24 MR. CALKINS: Okay. Meeting adjourned.

25 WHEREUPON, THE MEETING ENDED 7:50 P.M.

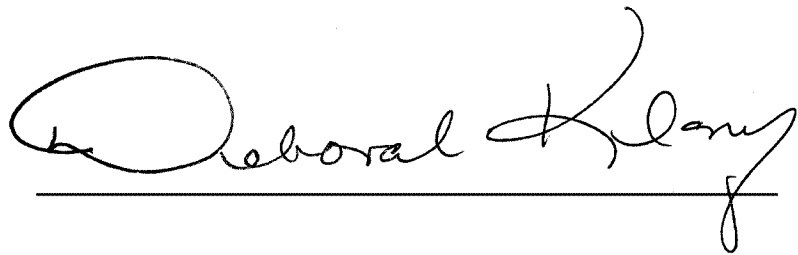
CERTIFICATE OF REPORTER

STATE OF FLORIDA

COUNTY OF SANTA ROSA

I, DEBORAH G. KHARUF, Court Reporter and Notary Public, State of Florida at Large, hereby certify that I was authorized to and did stenographically report the February Board Meeting of the Holley Navarre Water System and the transcript is a true record of said meeting. 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 attorney or counsel connected with the action; nor am I financially interested in this proceeding or its outcome.

Dated this 4th day of March, 2018.

A handwritten signature in black ink, reading "Deborah G. Kharuf". The signature is written in a cursive style and is positioned above a solid horizontal line that serves as a signature line.

DEBORAH G. KHARUF

Court Reporter and Notary Public,  
State of Florida at Large.

Commission number FF 221569

My commission expires July 6, 2019.