

HOLLEY NAVARRE WATER SYSTEM

BOARD MEETING

JULY 17, 2018

6:00 P.M. - 6:38 P.M.

PRESENT AT MEETING:

WILL GOULET, PRESIDENT

MARK MILLER, DIRECTOR

DARYL LYNCHARD, DIRECTOR

BARBARA CARAWAN, OFFICE MANAGER

PAUL GARDNER, GM, HNWS

TORIN BRAND, IT DEPT. HNWS

PHIL PHILLIPS, MESI

CORY SNYDER, MESI

DALE LONG, MESI

CLINTON WELLS, HNWS

ZACH LEWIS, HNWS

MARK TURNER, HNWS

JENNIFER TWEEDY, HNWS

DANNY HAWKINS, HNWS

ALSO PRESENT:

KEITH KILPATRICK, ESQUIRE

DEBORAH KHARUF, COURT REPORTER

SANDI KEMP, JAMIE GENTRY, NAVARRE PRESS

DOUG LARSON, BRETT RAMSEY, SHANE KAHL,

JACK WIBLE, FRED TERASA,

JOE AND ANGELA CAMPBELL,

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

2 MR. GOULET: I would like to call this
3 meeting to order. Would you please stand?

4 Mark, would you lead us in a prayer,
5 please?

6 (DIRECTOR MILLER GIVES INVOCATION.)

7 MR. GOULET: Join me in the pledge of
8 allegiance.

9 (PLEDGE OF ALLEGIANCE.)

10 MR. GOULET: Mr. Secretary, do we have a
11 quorum present?

12 MR. LARSON: We do.

13 MR. GOULET: Audio and video recorders are
14 in use. If you can silence your cell phones, please?

15 Can I get a motion to approve the June
16 19th regular meeting minutes and transcripts?

17 MR. MILLER: So moved.

18 MR. LYNCHARD: I will second.

19 MR. GOULET: Motion and a second. Any
20 further discussion?

21 (NO AUDIBLE RESPONSE.)

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

23 MR. MILLER: Aye.

24 MR. LYNCHARD: Aye.

25 MR. GOULET: All those opposed?

1 (NO AUDIBLE RESPONSE.)

2 MR. GOULET: Motion carries.

3 MR. GOULET: Mr. Secretary --

4 MR. LARSON: Yes, sir.

5 MR. GOULET: Membership certificates?

6 MR. LARSON: Yes. We have got 500 this
7 year. I would like to have a motion to go ahead and
8 approve them.

9 MR. GOULET: All right. Do we have a
10 motion to approve the June memberships?

11 MR. MILLER: Motion to approve the June
12 membership certificates.

13 MR. LYNCHARD: I would like to motion to
14 approve the June -- the 500 new June memberships and the
15 484 cancelled memberships.

16 MR. MILLER: I withdraw my motion and
17 second your motion.

18 MR. LYNCHARD: Oh, I am sorry. I
19 didn't -- I thought you just -- I will second it and
20 whatever. Sorry.

21 MR. GOULET: Motion and a second. Any
22 further discussion?

23 (NO AUDIBLE RESPONSE.)

24 MR. GOULET: No further discussion, all
25 those in favor say "Aye"?

1 MR. MILLER: Aye.

2 MR. LYNCHARD: Aye.

3 MR. GOULET: All opposed?

4 (NO AUDIBLE RESPONSE.)

5 MR. GOULET: Motion carries.

6 MR. LYNCHARD: Sorry about that.

7 MR. GOULET: Report of Committees. Paul,
8 Finance?

9 MR. GARDNER: For the month of June, we
10 had a total revenue of \$909,863.52 with -- I think it's
11 -- with total expenses of \$845,380.91, left us with a net
12 operating income of \$64,482.61.

13 And, let's see, we had 30 water taps and
14 21 sewer taps for the month of June, kind of slowed down
15 a little bit.

16 MR. GOULET: All right. Do I have a
17 motion to approve the finances presented from Paul
18 Gardner?

19 MR. LYNCHARD: I make a motion to approve
20 -- approve the financial statements as presented.

21 MR. MILLER: I will second.

22 MR. GOULET: Any further discussion? Any
23 questions on that, Daryl?

24 MR. LYNCHARD: No.

25 MR. GOULET: Mark?

1 MR. MILLER: No. We are good.

2 MR. GOULET: Okay. With no further
3 discussion, all those in favor say "Aye"?

4 MR. LYNCHARD: Aye.

5 MR. MILLER: Aye.

6 MR. GOULET: All opposed?

7 (NO AUDIBLE RESPONSE.)

8 MR. GOULET: Motion carries.

9 MR. LYNCHARD: I would like to thank
10 Barbara for changing up the financial statements this
11 month. These look good.

12 MS. CARAWAN: Thank you.

13 MR. GOULET: All right. Unfinished
14 Business: Clarification on posting of minutes and/or
15 transcripts on the website.

16 MR. LYNCHARD: In January, I made a motion
17 at our annual meeting and it was passed. But since we
18 don't have our annual meeting until January again, they
19 won't be approved, so they don't go into effect. So
20 tonight we are going to make that motion again.

21 So I would like to make a motion to have
22 the unredacted minutes and transcripts of all open Board
23 meetings to be posted online within 48 hours of Board
24 approval.

25 For all other meetings, only sensitive

1 personnel and legal matters will be redacted, and those
2 minutes and transcripts will be posted as well.

3 MR. MILLER: I will second the motion.

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

6 Keith, does that sound fine with you?

7 MR. KILPATRICK: I don't think that --
8 that shouldn't be a problem at all, as long as the Board
9 approved it and I have an opportunity to review it
10 before, you know, we print it.

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

13 (NO AUDIBLE RESPONSE.)

14 MR. GOULET: All those in favor say "Aye"?

15 MR. MILLER: Aye.

16 MR. LYNCHARD: Aye.

17 MR. GOULET: All opposed?

18 (NO AUDIBLE RESPONSE.)

19 MR. GOULET: Motion carries.

20 MR. GOULET: Did you have another one you
21 wanted to --

22 MR. LYNCHARD: No. That was it. I
23 believe that was it.

24 MR. GOULET: Okay.

25 MR. LYNCHARD: Well, if you want to go

1 ahead and jump to Number 2 under New Business, which is
2 to approve the -- to go ahead and approve all the
3 transcripts for the 2018 meetings to which the minutes
4 have been approved.

5 MR. GOULET: Okay. Do I have a motion to
6 approve that?

7 MR. LYNCHARD: I thought that was the
8 motion.

9 MR. GOULET: Do I have a second?

10 MR. MILLER: I am going to second it
11 and --

12 MR. GOULET: With further discussion?

13 MR. MILLER: With further discussion.

14 MR. GOULET: That's fine. Go ahead, Mark.

15 MR. MILLER: Okay.

16 MR. GOULET: I know you had a question on
17 that.

18 MR. MILLER: Yeah. You know, we have
19 approved minutes for a lot of meetings. We have had a
20 lot of special meetings and confidential meetings. And
21 there were some actions taken at some of those meetings
22 that could be considered sensitive or confidential in
23 nature.

24 And so, I would just like anything that is
25 going to get posted online from all of those meeting

1 minutes and transcripts to go through the same review
2 as -- if it was a special or confidential meeting -- by
3 Keith before it's posted online.

4 MR. LYNCHARD: And I will amend my motion
5 to include that as well.

6 MR. GOULET: All right. So a motion and a
7 second.

8 MR. LARSON: Will?

9 MR. GOULET: Yes.

10 MR. LARSON: I would like to add that we
11 are not under a 48-hour time constraint on this one.
12 It's a lot of back documents.

13 MR. LYNCHARD: Because they won't -- they
14 won't be -- the redacted copies won't be approved at this
15 point.

16 MR. LARSON: Right.

17 MR. LYNCHARD: But anything that doesn't
18 need approval --

19 MR. GOULET: There was a -- there are some
20 meetings that not all the Board members were at. There
21 are some meetings that things that transpired that not
22 all the Board members agreed with. So that's what Mark,
23 I think, is kind of alluding to that because of the
24 responsibility we have to approve them so they are part
25 of corporate record.

1 So I have a motion and a second. Any
2 further discussion?

3 (NO AUDIBLE RESPONSE.)

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

5 MR. MILLER: Aye.

6 MR. LYNCHARD: Aye.

7 MR. GOULET: All opposed?

8 (NO AUDIBLE RESPONSE.)

9 MR. GOULET: Motion carries. All right.
10 Under New Business: Approve RFP and search company for
11 Holley Navarre Water System CFO.

12 MR. LYNCHARD: I need another -- I haven't
13 been able to get with the company yet to find --

14 MR. GOULET: All right. So let's table
15 until next month.

16 MR. LYNCHARD: Table that until next
17 month.

18 MR. GOULET: Are you fine with that, Mark?

19 MR. MILLER: Yeah. I was looking for the
20 documentation. I couldn't find it, so I was going to ask
21 where is that.

22 MR. LYNCHARD: Yeah.

23 MR. GOULET: So, Barbara, we are going to
24 table that until next month.

25 Engineer's Report?

1 MR. PHILLIPS: We have got several items
2 tonight. One, there are no capital projects under
3 construction from the restricted fund. Those are the big
4 projects that require engineering, so they fall under the
5 normal report.

6 But we also have the unrestricted fund
7 projects, which are O&M projects. And there's always a
8 lot going on there, most of which doesn't require any
9 engineering. But there is one item.

10 One of the things we are doing is
11 updating a whole bunch of lift stations, which is going
12 really well. But the reason I mention it is y'all got
13 the Operations Report put back in your package this
14 month.

15 And y'all are going to -- knock on wood
16 when I say this -- but for the second month in a row, we
17 have actually treated less wastewater than we have sold
18 to our wastewater customers, which is something we have
19 not done in a very, very long time, except on an
20 extraordinary -- I think the last time it ever happened,
21 even on a short term basis, was like three or four years
22 ago.

23 So you can see what I&I is running this
24 month. I mean, this year, as opposed to last year.
25 There's a pretty substantial difference.

1 There have obviously been a large number
2 of issues that have been cured, but we are nowhere near
3 the end of that journey. It has been pretty dry, so, you
4 know, that's reflected in there. But it is pretty
5 amazing that we have actually crossed the threshold, at
6 least for the last two months, back into what we should
7 be seeing, which is less wastewater treated than water
8 sold to those customers.

9 So -- and you can see the rest of the
10 information on Operations Report. There is not a whole
11 lot there. I don't think there is really anything of
12 interest to report beyond that. You also received in
13 your package the summary that staff does with regard to
14 the projects under review for three different types of
15 projects that we have.

16 I will start from the bottom.
17 Subdivisions for Holley Navarre, there's four currently
18 in review. There's two that got approved this year for a
19 total of six.

20 Under the commercial development projects,
21 there's nine in various stages of review. Four have been
22 approved for a total of 13.

23 And then, on the sewer extension projects,
24 which are what we do in-house, there are seven of them
25 that have been completed. There's four in design or

1 construction.

2 And there's 13 of them in various -- some
3 form of -- between them requesting us to look at it and
4 them agreeing to the terms for the extension.

5 Now, I know last month when I wasn't here,
6 there was some discussion about -- something about
7 schedule, and I wasn't really sure what it is, but if
8 anyone has a particular question about schedule of any
9 one of those or timeline, I am sure Cory can answer that.

10 But I wasn't real sure. I wasn't here, so
11 I didn't quite get the context of it. So any questions
12 regarding any of that?

13 MR. LYNCHARD: No.

14 MR. MILLER: The next major project we
15 talked about is the booster pump and holding tank, I
16 guess, somewhere on 87 that we are still working on.
17 What's the timeline on that? Is there a ballpark on what
18 we are shooting for to try to -- I know we have looked at
19 different alternative but --

20 MR. PHILLIPS: Well, the short answer to
21 that -- that project has been planned for a very long
22 time. And we have been lucky and have gotten the benefit
23 from Fairpoint that nobody ever expected over time. We
24 are -- we do need that project very badly.

25 As we have discussed before, we own a

1 piece of property that we can build that on. We have
2 tried to find another piece of property that would save a
3 substantial amount of money on the transmission line. We
4 haven't been able to do that.

5 Mark, we can really start that project.
6 Design has already actually started on that project. We
7 have avoided doing the design on that site because we
8 hoped we might find another site.

9 The issue with that project more again is
10 back to our financing. We need to figure out a way to
11 finance everything on that restricted list. Although we
12 could elect to finance the projects one at a time, but,
13 again, you get into a situation where the fees you would
14 pay for individual financing, for Keith and his attorney
15 friends, and whatever fees there are on closing of
16 commercial loans or any --

17 MR. KILPATRICK: You need attorneys.

18 MR. PHILLIPS: So that's the answer to
19 that, Mark, is we are really -- and, again, my
20 understanding is the Board has given Paul direction with
21 regard to going out and re-reviewing sources of funding,
22 which I know he is doing right now.

23 So I would assume that shortly we will be
24 coming back and saying, "Here's what the Board's option
25 is to fund all of these projects or to fund some of them

1 this way and some of them another way, whatever is best.

2 MR. MILLER: So, just thinking, best case
3 scenario, you know, if we come up with some funding
4 options, there's design -- and what would be kind of a --
5 just a ballpark -- on how long it would take to get that
6 project --

7 MR. GOULET: Two years.

8 MR. MILLER: -- up and running.

9 MR. PHILLIPS: I don't -- I think we could
10 probably start construction in January of '19 from this
11 point. And I think Will is probably pretty close right
12 there. It's probably -- you are probably going to give
13 them close to a year to construct it -- to be most
14 economical. Maybe a little less, ten months or so, you
15 are talking a year and a half, two years from right now.

16 MR. GOULET: I don't think it is something
17 that is dire straits right now today, but it is something
18 that has been on the books, what, seven years now, we
19 have talked about it? Eight years?

20 MR. PHILLIPS: It's been a long time.

21 MR. GOULET: I have known of it seven or
22 eight years now, so --

23 MR. PHILLIPS: Essentially, what --
24 essentially, the critical nature of that project is, you
25 know, the Water System was perfect before.

1 We had a well right here across the street
2 and a tank and a well on the east side and a well and
3 tank on the west. That's perfect hydraulically.

4 Then Fairpoint came along, and now, we
5 have a Fairpoint connection right here at this tank and
6 the other one is right at the intersection of 87 and 98.
7 That's not as hydraulically friendly as what we had, so
8 we use less water from the wells, more water from
9 Fairpoint.

10 We actually have to -- we have to -- we
11 have to change the onset point in the tanks for the local
12 wells to run to make our system force it to take the
13 Fairpoint water and we keep having to lower and lower and
14 lower and lower that point over time to take our
15 take-or-pay.

16 So instead of the tank being operated in
17 the top three or four feet, we are now operating it 10 or
18 12 feet down from the top of that tank. So there is a
19 period during the day -- and it's a limited period at
20 this point in time, but they are in the peak demand
21 periods. Those tanks are down lower than what we would
22 like them to be. And that's reflected in system
23 pressure, so --

24 MR. MILLER: We getting that online is
25 going to allow us to rely less on our local wells and be

1 able to utilize Fairpoint.

2 MR. PHILLIPS: Long term, it does, Mark.
3 In the short term, it really doesn't -- it doesn't change
4 the amount of water we take from our wells. We have an
5 amount we take from Fairpoint. We are still going to
6 take the same amount from those wells, but we are going
7 to get the system pressure back up to where it should be
8 and improve reliability.

9 We worry now about what happens if we lose
10 a well without being able to boost the pressure. And,
11 again, I think everyone realizes this, but, you know, the
12 booster pump station and ground storage tank is not the
13 only problem. That's Phase One.

14 Phase Two is X number of miles of water
15 line on Highway 98. We all know when they changed that
16 road, you know, we have got to improve our water lines.
17 We are hoping that we can wait until they improve that
18 road to change -- to upgrade those water lines.

19 It could be that we get in a position
20 where we have to do it beforehand or part of it
21 beforehand, so --

22 MR. MILLER: Thank you.

23 MR. GOULET: Thank you. Is there anything
24 else to add? We are good?

25 Clinton, you good?

1 MR. WELLS: We are good.

2 MR. GOULET: Mark? Danny?

3 All right. Appoint and approve Board
4 members. We have had four empty seats on the Board. And
5 the three of us have elected to have a straw poll where
6 the straw poll would be the voice of the members on who
7 to appoint to the Board.

8 We have the results right here. According
9 to the bylaws -- and I will just read out to you --

10 "If the office of any Director becomes
11 vacant by any reason of death, resignation, retirement,
12 disqualification or otherwise, except by removal from
13 office, the majority of the remaining Directors through
14 less than a quorum shall be a majority vote. Chose a
15 successor who shall hold office until the next regular
16 meeting of the members of the corporation at which time
17 the members shall elect a Director for the expired term."

18 MR. KILPATRICK: Unexpired term.

19 MR. GOULET: Sorry, unexpired term. These
20 four Directors that we are going to appoint this evening
21 will finish out this year and they will be up for
22 election in January; is that correct?

23 MS. CARAWAN: Yes. That's correct.

24 MR. GOULET: Okay. Mr. Secretary, if you
25 can --

1 MR. LARSON: I was going to let you have
2 the honors of that.

3 MR. GOULET: Okay. That's fine.

4 MR. LARSON: Just because my name is in
5 the ring, I don't want to get called --

6 MR. GOULET: Yeah. We had one, two,
7 three, four, five, six, seven, eight, nine, ten. We had
8 eleven qualified members run for the Board. We are
9 taking the four highest votes. I read the four highest
10 votes aloud.

11 Doug Larson with 96.

12 Joe Aguirre with 93.

13 Brett Ramsey with 83.

14 Shane Kahl with 74.

15 Those would be our four new Board members.

16 MR. MILLER: I would like to say I think
17 we as sitting Directors need to make a motion to appoint
18 those members according to the results of that --

19 MR. GOULET: You do. You do. That's why
20 I just read the results of it.

21 MR. LYNCHARD: That's what I was just
22 about to say. Would you like to make a motion to
23 appoint?

24 MR. MILLER: I make a motion that those
25 four members be appointed to the four vacant seats on the

1 Board.

2 MR. LYNCHARD: And I will second that
3 motion.

4 MR. GOULET: All right. Any further
5 discussion?

6 (NO AUDIBLE RESPONSE.)

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

9 MR. LYNCHARD: Aye.

10 MR. MILLER: Aye.

11 MR. GOULET: All those opposed?

12 (NO AUDIBLE RESPONSE.)

13 MR. GOULET: Motion carries.

14 If the remaining three could come up here
15 to the Board, please?

16 MR. GOULET: Thank you. The rest of the
17 results are right here. We will have them for public
18 viewing. And I know it will be released to any newspaper
19 that wants to put it in there.

20 Barbara, do you have a copy of this?

21 MS. CARAWAN: Yes, sir.

22 MR. GOULET: All right.

23 MR. MILLER: I would like to say that I
24 was encouraged that 11 people took the time to go and get
25 their petition signed and fill out the application and

1 express an interest in serving on the Board. That was
2 very encouraging that 11 people did that.

3 Normally, we don't have that many people
4 that run in an annual election. So I would just like to
5 thank everyone who did step up and put their name in the
6 hat and congratulate those who were appointed.

7 MR. KILPATRICK: And members that actually
8 showed up --

9 MR. LYNCHARD: I was going to say
10 likewise, we had 177 members come down and cast a ballot
11 in the straw poll, which is more than we normally have
12 during a regular election come down and vote.

13 So, you know, I think this worked out well
14 and maybe, you know, a good idea going forward for us to
15 look at come January and December to look at ways to make
16 it a little easier and better voting process, so --

17 MR. GOULET: So Doug Larson is up here.
18 Joe Aguirre, if he can come forward? Is Joe here
19 tonight?

20 MR. WELLS: Joe is not here.

21 MR. GOULET: He is not here? Okay.

22 Brett Ramsey, you are here. If you can
23 come up and take a seat, please, and Shane Kahl, he is
24 here, come on up.

25 (NEW DIRECTORS ARE SEATED ON THE DIAS.)

1 MR. GOULET: I appreciate everyone else
2 that ran.

3 Now, we have public forum. If anybody has
4 anything to address the Water System, you can come up to
5 the podium. State your name and address, please?

6 MR. WIBLE: Jack Wible, address is 2516
7 Water Oak Street in Navarre. I went to turn the water on
8 on a property of ours, and they handed me a form here
9 that says, "MXU Meter Damage Policy."

10 And my wife actually owns the property.
11 And after reviewing this policy, I would not let her sign
12 it. I think we need to re-look at that. In this
13 statement it is telling me that anybody that touches the
14 water meter, I am responsible for it.

15 The water meter sits on County
16 right-of-way. I have zero control over County property.
17 If my telephone pole in my County gets hit, and they
18 can't find a culprit, they don't come to my door
19 knocking.

20 If the telephone's little meter in my
21 front gets knocked over, they don't come to my door
22 looking for me to pay for their line damage.

23 Now, if it is attached to my house or on
24 my property, that might be a different story. But if it
25 is on County right-of-way, that's -- I don't see where

1 this is legal.

2 MR. GOULET: This is something I spoke to
3 Paul about this because you and I talked about it. And I
4 know -- I don't know as far as legality goes on this,
5 because they are usually put on the right-of-way, but can
6 we put meters on people's property since they are a
7 member?

8 MR. GARDNER: No. We can't. We can't go
9 on private property.

10 MR. GOULET: Okay. So is there a way for
11 us -- I don't know -- to look at the verbiage? I know,
12 for instance, something -- if it gets damaged, you are
13 pretty lenient on stuff, because if Jack says, "I wasn't
14 even home and somebody ran my meter over," you know --

15 MR. GARDNER: This is something that came
16 about when they started doing the Flex Net with the --
17 where it is interrogated and read by the radio. It has a
18 expensive MXU on it.

19 This thing was more written for, I
20 understand there's accidents, you know, people run over
21 stuff and everything. It was more written for the people
22 who are more repeat offenders that every time they mow
23 their grass, they mow over it. They chew it up with a
24 lawnmower.

25 We -- when we first put the policy out,

1 you know, we got to where we have had to deal with it on
2 a one-by-one basis, and that's still kind of what we do.
3 We ended up giving the first one for nothing. And the
4 second one. We look at them on an individual basis. You
5 know, if we find out -- if we think it's no fault of your
6 own, we are going -- we are not going to charge you for
7 it.

8 But it was just, like I said, basically
9 for the new construction or the contractor or his
10 subcontractors run backhoes over them or front end
11 loaders and smash them and break them all to pieces.
12 Those things are real expensive. You know, if they do it
13 every time they build a house, it gets pretty expensive.

14 MR. GOULET: I wonder if we could have
15 Keith look at it with the aspect the owner -- the
16 property owner knowingly causes damage to it purposely or
17 to that effect, where they go out there with a sledge
18 hammer, smash the meter because they don't want to pay
19 their water bill or something like that.

20 MR. KILPATRICK: An intentional situation?

21 MR. LYNCHARD: Well, are we talking
22 about -- are we talking about the meter or the little
23 attachment that goes on top of the box?

24 MR. GARDNER: MXU, the radio -- the
25 antenna --

1 MR. LYNCHARD: Yeah. That little antenna
2 that is on top of the box.

3 MR. GARDNER: We have found some meter
4 boxes where that thing is recessed --

5 MR. LYNCHARD: Yeah. Because it does
6 stick up.

7 MR. GARDNER: The reason we use a
8 different meter box that is recessed, so it's not so hard
9 to -- you know, we don't have near the mess we used to
10 have with them.

11 Mostly, our problem now is our contractors
12 and their subs backing over them or --

13 MR. WIBLE: Will had mentioned -- I
14 suggested to Will when we had our discussion, I was down
15 at this place to do some stuff and then brought this up.

16 What about putting one of the cheap old
17 meters on there -- almost like you do with the fire
18 hydrant meters where you put it in. You know, you give
19 the guy the meter. He puts it on. It comes back. We
20 read the meter. You know, I am just looking for placing
21 something in that respect.

22 MR. WELLS: That kind of defeats the
23 purpose of your Flex Net system, because then you are
24 having to send another tech out there to manually read
25 those meters, you know, each month, so it makes your

1 system inefficient.

2 MR. GOULET: Is there a way to -- because,
3 I mean, we don't do the final install until they do the
4 final grade; is that correct?

5 MR. GARDNER: It depends on the
6 contractor, when the contractor finishes and does the
7 landscaping. If he puts it on grade, it's on grade. If
8 he leaves it two inches above, that's -- we don't -- we
9 don't have any say on -- or we don't control the final
10 elevation of it.

11 You know, if we go out there and it's two
12 foot underground, of course, we are going to have to get
13 the contractor and have them find it.

14 MR. GOULET: And the other problem, Jack,
15 when we were discussing this we had -- is -- let's say
16 Jack has a rental and Jack signs that agreement so they
17 turn the water on for his rental.

18 Well, if the renter comes in and sets up
19 service, what if they don't sign that agreement? Now,
20 you have Jack's agreement and they run over it with their
21 car. Now, Jack is responsible because you have his
22 agreement in the file.

23 That's what I was questioning on that,
24 too. I mean, I know it's more work to police it, but --

25 MR. LYNCHARD: Has Legal even looked at

1 this at this point?

2 MR. GOULET: No.

3 MR. LYNCHARD: Have y'all even asked them
4 about it -- the policy?

5 MR. GARDNER: I don't remember if we did
6 it.

7 MS. CARAWAN: I am not sure.

8 MR. GARDNER: I don't know if we did or
9 not. That's something that every water system that uses
10 these things does. I had to sign one when I got --

11 MR. LYNCHARD: Just because everybody does
12 it doesn't mean it is legal, though.

13 MR. GARDNER: I understand.

14 MR. LYNCHARD: I think maybe we should
15 have Keith review it and maybe take a look into it to see
16 what -- exactly what is legal and what isn't -- because I
17 have got a feeling you're -- since you said that you are
18 not even -- and this is in the County's right-of-way and
19 you are not even allowed to put it on the owner's
20 property.

21 Seems to me that there may be some
22 legal -- or that may make it where you can't -- you can't
23 hold the owner responsible because the owner has no
24 ability to protect themselves.

25 MR. GARDNER: I will go back and research

1 it. I have to find out. There is something that says we
2 can't do it on the -- put it on the owner's property. I
3 don't remember exactly what that was.

4 In the past, it's always been that you
5 don't have access to it. If someone puts a fence up or
6 something, they just come and say, "Get out of my yard."

7 You know, we don't have an easement to go
8 up there and work on our equipment. So I think that's
9 why it's outside the --

10 MR. WELLS: And Daryl usually -- when you
11 are talking about County right-of-way, it's across the
12 ditch line.

13 MR. LYNCHARD: I know. Yeah.

14 MR. WELLS: It's not a car can just pull
15 off the road and --

16 MR. LYNCHARD: I know, but it --

17 MR. WELLS: It was basically set up for
18 people who were negligent or malicious.

19 MR. LYNCHARD: I understand.

20 MR. WELLS: Those things are 139 a pop,
21 not counting the meter.

22 MR. LYNCHARD: And I don't think that we
23 should have pay for them if somebody is messing up, but I
24 think about --

25 MR. WELLS: In his case, you know, if it

1 is just a one-time deal and it was broke when he got
2 there, sure, we can probably work something out with him.

3 MR. LYNCHARD: I saw him with a hammer in
4 the yard.

5 MR. WELLS: I know Jack. It's not
6 far-fetched.

7 MR. KILPATRICK: Will, after looking at it
8 and stuff like that, it does really put a strict
9 liability standard on the homeowner. But I like your
10 idea.

11 We can just include or take out that, "The
12 individual shall be responsible," and put in "If he
13 knowingly does it," which, then, you know, we would have
14 the burden to show that he knew or should have known --

15 MR. GOULET: Can we put, "May," "May be
16 responsible."

17 MR. KILPATRICK: Yeah. And take out
18 "Shall"?

19 MR. GOULET: Right. Yeah.

20 MR. KILPATRICK: Yeah. So, I mean, you
21 know, we can definitely reword it to where it would be a
22 little bit more friendlier to the homeowner.

23 MR. WIBLE: Yeah. Because when I read
24 that, I mean, I am not a lawyer, but I have dealt with
25 them enough. When you sign that sucker, he told me that

1 you took on a liability that you may not want --

2 MR. GOULET: Keith, if we recommend to put
3 this on the agenda for next month, would you be able to
4 review it and come up with an opinion?

5 MR. KILPATRICK: And what I will do, I
6 will shoot my -- a rough draft to the Board and see what
7 everybody says, and we kind of brainstorm it.

8 MR. RAMSEY: I have a question for Clinton
9 and you guys. What percentage of these that are getting
10 broken are on new construction? And what percentage of
11 them are on an existing --

12 MR. GARDNER: I would say that normally
13 the ones that get broken are under construction.

14 MR. RAMSEY: Exactly. So you could have
15 two different policies, one when you pull a tap and then
16 one for when they are setting up service.

17 MR. GARDNER: I don't know -- and I don't
18 know if Amber is here and I don't see her --

19 MR. RAMSEY: I have broken plenty of them,
20 but never in my house.

21 MR. GOULET: Go to other people's house
22 and do it. That's smart.

23 MR. GARDNER: How many do we still get a
24 year? I know it's showed down a whole bunch.

25 MS. TWEEDY: We don't have a whole lot of

1 damage, but to address your question about what if Jack
2 signs it and I move in and I damage it, it's only the
3 active account that we go by. So it wouldn't matter,
4 anyway.

5 MR. GOULET: Thank you. So if we can put
6 that on the next month's agenda. Keith is going to
7 review it. Then, as long as we agree to it, then we can
8 go ahead and approve it.

9 MS. CARAWAN: Yes, sir.

10 MR. GOULET: Thanks for bringing it to our
11 attention, Jack. I appreciate you coming down.

12 MR. TERASA: I'm Fred Terasa, 2414 Knotty
13 Pine Drive. I don't know whether to be elated or
14 disappointed. I didn't make the Board. But we can go up
15 to the Beach House tonight and have a drink afterwards.

16 Anyway, look, I chose to run because I
17 felt like I could make a difference on the Board and what
18 not and I am glad that other people did. I want to
19 congratulate those who won a spot on the Board. We are
20 glad that they are going to serve.

21 One of the things that I think this Board
22 as a whole needs to think about is developing and helping
23 develop the trust and confidence of those of us who are
24 members and owners of this system.

25 And, certainly, the three of you who have

1 been here a long time have earned a lot of respect. We
2 need to take this Board as a whole and make it go forward
3 in a sense that creates that trust and confidence and
4 support that you need to make your way and support these
5 people who provide me with nice, clean water every day,
6 and I really appreciate what y'all do.

7 So I happen to be a retired Army guy and I
8 happen to read an article -- I am going to share it with
9 you -- about trust and leadership. I am not going to
10 read it to you. It's very self-explanatory.

11 But there are four components -- honesty,
12 reliability, competence, and compassion. And I wish you
13 just take a look at that -- Board members -- all of you,
14 think about it as you do your daily work and your monthly
15 meetings about what goes on here and at the golf course.

16 If you happen to read my bio, I mention
17 that I was very interested in what was going on in the
18 golf course. And I said that I would be willing to use
19 some of my expertise in division process to help the golf
20 course with additional direction and long-term planning
21 for the golf course. And that offer still stands.

22 There is no money associated with it.
23 Just an opportunity for you to take advantage of someone
24 who has that process available to him. And hopefully we
25 could have a wide variety of people, of the stakeholders

1 here, here out in the public, as well as golfers, that
2 could make a change.

3 And take a good look at where we are going
4 with that beautiful facility. And one reason I am here,
5 as I told you before, is I love that golf course.

6 But, anyway, I just wanted to share this
7 with you. And congratulations to the new members, and I
8 know you will make us proud. Thank you.

9 MR. MILLER: Thank you.

10 MR. GOULET: Thanks for coming tonight. I
11 appreciate it.

12 Is there anybody else that would like
13 to -- public forum?

14 (NO AUDIBLE RESPONSE.)

15 MR. GOULET: All right. There is no other
16 public forum. Meeting is adjourned.

17 WHEREUPON, THE HOLLEY NAVARRE WATER SYSTEM
18 BOARD OF DIRECTORS MEETING OF JULY 17, 2018, CONCLUDED AT
19 6:38 P.M.

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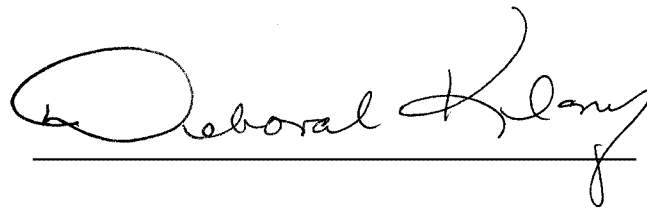
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CERTIFICATE OF REPORTER

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 foregoing meeting of the Board of Directors of Holley Navarre Water System and transcript reflects 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 22nd day of July, 2018.



DEBORAH G. KHARUF
Court Reporter and Notary Public,
State of Florida at Large.
Commission number FF 221569
My commission expires July 6, 2019.