

HOLLEY-NAVARRE WATER SYSTEM, INC.

BOARD MEETING

MARCH 20, 2018

6:00 P.M. - 7:17 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

TORIN BRAND, HNWS IT

JENNIFER TWEEDY, HNWS

PHIL PHILLIPS, MESI

CORY SNYDER, MESI

ALSO PRESENT:

KRISTI COOK, ESQUIRE

DEBORAH KHARUF, COURT REPORTER

SHERIFF BOB JOHNSON, SANTA ROSA COUNTY SHERIFF

LANDRUM STAFF: ANDREW SOWELL, BECKI HAINES,  
AND TODD TONGERSEN

SANDI KEMP, NAVARRE PRESS

ROMI WHITE, SOUTH SANTA ROSA NEWS

CLINT GECI, GEO MAYER, KEN WALTERS,

ANGELA CAMPBELL, DEBBIE GUNNOE,

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. I would like to welcome our  
4 Sheriff of Santa Rosa County, Sheriff Bob Johnson, and I  
5 would like to ask him to lead us in a prayer.

6 (INVOCATION GIVEN BY SHERIFF BOB JOHNSON.)

7 MR. CALKINS: And I would like to, before  
8 we lead in the pledge, I would like to thank Bob Johnson  
9 and let him know that we really appreciate his service to  
10 Santa Rosa County.

11 SHERIFF JOHNSON: Thank you.

12 MR. CALKINS: And I believe you are doing  
13 a fantastic job, and thank you very much.

14 SHERIFF JOHNSON: Thank you.

15 MR. CALKINS: Please lead us into the  
16 pledge.

17 (PLEDGE OF ALLEGIANCE.)

18 MR. CALKINS: Thank you. Okay. Mr.  
19 Secretary, do we have a quorum?

20 MR. LARSON: Yes, we do.

21 MR. CALKINS: Okay. Now, all audio and  
22 video recordings are in use. Please silence all cell  
23 phones. We are going to go to the approval of the  
24 February 20th Holley Navarre Water System Board meetings.

25 Do we have a motion to approve?

1 MR. MILLER: So moved.

2 MR. CALKINS: Do we have a second?

3 MR. GOULET: I will second it.

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

6 MR. GOULET: Aye.

7 MR. LYNCHARD: Aye.

8 MR. DESANTIS: Aye.

9 MR. MILLER: Aye.

10 MR. CALKINS: Any opposed?

11 (NO AUDIBLE RESPONSE.)

12 MR. CALKINS: Motion passes.

13 Okay. We are going to go into approve  
14 new -- 295 cancelled, 266 memberships. See worksheet.  
15 And, Mr. Larson?

16 MR. LARSON: I haven't been given that  
17 worksheet yet, I don't believe. For this month, it looks  
18 like we have got 295 new members and 266 cancelled, but  
19 we are just going to be approving the 295 new, if the  
20 Board would like.

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

23 MR. MILLER: So moved.

24 MR. CALKINS: Do we have a second?

25 MR. LYNCHARD: Second.

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

3 MR. GOULET: Aye.

4 MR. LYNCHARD: Aye.

5 MR. DESANTIS: Aye.

6 MR. MILLER: Aye.

7 MR. CALKINS: Any opposed?

8 (NO AUDIBLE RESPONSE.)

9 MR. CALKINS: Motion passes.

10 Okay. Thank you. Now, we are going to go  
11 to the -- let's see here -- reports of committee. We are  
12 going to go to Mr. Paul Gardner, approve February  
13 financial statements on Finance.

14 MR. GARDNER: Okay. Thank you. For  
15 February 2018, we had a total income of \$795,454.48.  
16 That was down a little bit. If you will look at the  
17 book, it's down a little bit from last month.

18 We had total expenses of \$710,916.56,  
19 which left us with a net income of \$84,537.92. Like I  
20 said, revenue was down. Tap sales were down. But the  
21 good news is expenses were down, too, so it's just been  
22 kind of a slow month.

23 MR. CALKINS: Okay. Do we have a motion  
24 to approve the financial statements -- February financial  
25 statements?

1 MR. LYNCHARD: I will. So moved.

2 MR. CALKINS: Okay. Do we have a second?

3 MR. MILLER: Second.

4 MR. CALKINS: Do we have any further  
5 discussion?

6 (NO AUDIBLE RESPONSE.)

7 MR. CALKINS: Okay. Seeing there is no  
8 discussion, all those in favor say "Aye"?

9 MR. GOULET: Aye.

10 MR. LYNCHARD: Aye.

11 MR. DESANTIS: Aye.

12 MR. MILLER: Aye.

13 MR. CALKINS: Motion passes.

14 Thank you, Paul.

15 MR. GARDNER: Also, I forgot to do this,  
16 but we had a -- for February, we had 23 -- I am sorry --  
17 26 water taps and 23 sewer taps --

18 MR. CALKINS: Okay.

19 MR. GARDNER: -- which is down quite a bit  
20 from last month.

21 MR. CALKINS: Thank you, Paul. We are  
22 going to move to Personnel. Do you have anything to  
23 report?

24 MR. LYNCHARD: We did not have any  
25 meetings at this time. I have been busy, so I haven't

1 had a chance to get together any Personnel meetings.

2 MR. CALKINS: Okay. Thank you, Director  
3 Lynchard. Okay. Now, we are going to move to unfinished  
4 business.

5 Approve minutes from previous meetings,  
6 see below. Board meeting January 31st Special Meeting  
7 previously provided. Do we have any questions or any  
8 motions for approval of the January 31st Special Meeting?

9 MR. MILLER: I make a motion that we  
10 approve the minutes from the January 31st Special  
11 meeting.

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

14 MR. LYNCHARD: Second.

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

17 (NO AUDIBLE RESPONSE.)

18 MR. CALKINS: Okay. Seeing no discussion,  
19 all those in favor say "Aye"?

20 MR. GOULET: Aye.

21 MR. LYNCHARD: Aye.

22 MR. DESANTIS: Aye.

23 MR. MILLER: Aye.

24 MR. CALKINS: Motion passes.

25 Okay. We are going to move to the

1 February 4th Special meeting. Do we have any motions  
2 regarding the February 4th Special meeting?

3 MR. GOULET: I make a motion to approve.

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

6 MR. LYNCHARD: I will second it.

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

9 MR. MILLER: I have discussion. I would  
10 like it part of the record, in all of the other meeting  
11 minutes, it says, you know, who votes, Aye, in favor of a  
12 motion, and who votes, Nay, against a motion.

13 And these minutes just say that it passed  
14 with one objection. I would like part of the record that  
15 I was the one objection on several of those issues  
16 considering that they were somewhat controversial.

17 MR. CALKINS: Okay.

18 MR. LYNCHARD: I think that's a good idea.

19 MR. CALKINS: Sounds good. Do we have to  
20 make an adjustment to that? Or is that just --

21 MR. GOULET: Mark already --

22 MR. LYNCHARD: Is that the only amendment?

23 MR. MILLER: That's the only amendment  
24 that I have.

25 MR. GOULET: I think Mark noted it, so I

1 think that should be fine.

2 MR. CALKINS: Okay.

3 MR. GOULET: It's noted on record.

4 MR. CALKINS: Okay. We have a motion and  
5 a second. Do we have further discussion?

6 (NO AUDIBLE RESPONSE.)

7 MR. CALKINS: Okay. Seeing no further  
8 discussion, all those in favor say "Aye"?

9 MR. GOULET: Aye.

10 MR. LYNCHARD: Aye.

11 MR. DESANTIS: Aye.

12 MR. MILLER: Aye.

13 MR. CALKINS: Any opposed?

14 (NO AUDIBLE RESPONSE.)

15 MR. CALKINS: Okay. Motion passes.

16 Okay. We are now going to move to the --

17 MR. GOULET: Mr. President, I got a  
18 question here.

19 MR. CALKINS: Yes.

20 MR. GOULET: In order for our 2017 audit  
21 to be complete, we need to get the December 15th Special  
22 meeting minutes, December 19th Preboard meeting minutes,  
23 December 19th regular Board meeting minutes and December  
24 27th Special meeting minutes approved so they can finish  
25 the 2017 audit. So we still have those four meetings we



1 have to approve still.

2 MR. CALKINS: Okay. So would you like to  
3 set up -- what I think we should do with those is we  
4 should set up a committee for probably, you know, any  
5 time, and we can discuss, because from what I saw there  
6 was some inconsistencies in last year's meetings. I  
7 haven't been able to compare the videos and the actual  
8 minutes and I did find some --

9 MR. GOULET: There's only two Board  
10 members there at the meeting. That would have been Mark  
11 and you, because Daryl and I weren't on the Board and  
12 Ricki wasn't at the meetings either, so it would just be  
13 you and Mark at this --

14 MR. DESANTIS: How many meetings are you  
15 talking about?

16 MR. GOULET: There was four meetings.

17 MR. DESANTIS: Oh, I was at some of them.

18 MR. GOULET: Okay. Then there would be  
19 three people, then. I am just saying did those have to  
20 be finished in order for the audit to be finished?

21 MR. CALKINS: Well, what I would recommend  
22 is that we find a day within this week and have me and  
23 Mark and Ricki, since we were the only ones at that  
24 meeting to just, you know, go over it. I need a little  
25 bit of time to just --

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

2 MR. MILLER: Can we have those minutes  
3 sent out to us in an email so we can get a chance to look  
4 over them and maybe we can do an email discussion. That  
5 way, we don't have to sit down --

6 MR. LYNCHARD: I think they were all sent  
7 last month.

8 MR. LARSON: They are on that DVD.

9 MR. LYNCHARD: I think all the minutes  
10 were sent out in our last month's package which would  
11 have been emailed in this big book -- that big part of  
12 it.

13 MR. MILLER: And what are the -- what are  
14 the --

15 MR. GOULET: It's going to be December  
16 15th Special meeting, December 19th, Preboard meeting,  
17 December 19th regular Board of Directors meeting.

18 MR. DESANTIS: 27th.

19 MR. GOULET: And then, December 27th  
20 Special meeting because we have to have all of those  
21 approved before the audit can be complete.

22 MR. MILLER: Okay.

23 MR. GOULET: It's required.

24 MR. MILLER: I probably have them. And I  
25 just didn't know they were there.

1 MR. LARSON: If you need to borrow them,  
2 let me know.

3 MR. MILLER: Okay.

4 MR. GOULET: I'm just saying that's  
5 something that has to be completed before they can finish  
6 the audit for 2017.

7 MR. MILLER: Okay.

8 MR. CALKINS: Mark, would you like to be  
9 the chair of that committee? And, basically, we can  
10 just -- you can figure out a time and we will kind of go  
11 on --

12 MR. MILLER: I am okay with that.

13 MR. CALKINS: If you will set us up a time  
14 next week and then we will --

15 MR. MILLER: Me, you, and Ricki, we will  
16 go over them and discuss if there is any changes that  
17 need to be made?

18 MR. CALKINS: Yeah. So anything else,  
19 Will?

20 MR. GOULET: No. I just wanted to bring  
21 that to the Board's attention.

22 MR. CALKINS: Okay. Thank you very much.  
23 Okay. We are going to go to Item Number 2, usage  
24 comparison of similar business to the wine bar. Paul?

25 MR. GARDNER: If y'all remember last

1 month, Ken Walters came in and was questioning the tap  
2 fees for his wine bar. The Board directed us, the staff,  
3 to do a comparison with other wine bars in the area.

4                   There is one -- what staff came up with is  
5 if we could use the comparison, the staff come up with  
6 their suggestion to charge the -- and you guys have this  
7 on your paper up there -- to charge a \$3,762.50 tap fee  
8 for that, compared to the other wine bar.

9                   But we would like to update that -- look  
10 at their usage on a quarterly basis and be able to raise  
11 the fees if it does show that they are actually using.

12                   MR. GOULET: Can I make a suggestion? I  
13 think this might be fair for both parties. They have  
14 already paid the money; correct?

15                   MS. CARAWAN: Yes.

16                   MR. GOULET: Okay. And I think we may  
17 need to get with whoever is in charge of Johnny Huston's  
18 wine bar. But if we were to leave that money in escrow  
19 until we are able to do a comparison analysis to see if  
20 there is going to be any additional fees from what you  
21 have calculated.

22                   MR. GARDNER: We have done the comparison.  
23 I thought you meant the quarterly stuff.

24                   MR. GOULET: Yes, sir.

25                   MR. GARDNER: Oh, I'm sorry.

1                   MR. GOULET: If we were just to -- if they  
2 would have an objection to leave that money in escrow  
3 with us until we are able to see what the actual usage is  
4 going to be and then go from there. I don't think they  
5 would have a problem with that, but you might want to  
6 reach out to them. That's just a suggestion to the  
7 Board.

8                   MR. GARDNER: Okay. We can do that.

9                   MR. MILLER: I have a question. As far  
10 as, you know, if we have ever done this type of  
11 arrangement with a business before, how long do we do  
12 that quarterly evaluation?

13                  MR. GARDNER: Well, I don't think -- you  
14 guys correct me if I'm wrong, we haven't been doing it  
15 quarterly. We have been doing it on an annual basis.

16                  MR. PHILLIPS: The policy gives you the  
17 right to review it on an annual basis, typically after  
18 one year, it's looked at, and then, it is kind of left  
19 after that, so -- unless somebody gets really wild.

20                  MR. MILLER: So we are looking at doing it  
21 quarterly for the first year, and then, after that, it  
22 will just be --

23                  MR. PHILLIPS: Well, Mark, actually, I  
24 think, given Will's --- the reason we were talking about  
25 telling them quarterly is we didn't want to sneak up on

1 | them after 12 months and tell them, "You paid 3. You owe  
2 | 30."

3 MR. MILLER: Right.

4 MR. PHILLIPS: So if they agree to what  
5 Will suggested right there, there's probably no need to  
6 notify them quarterly unless we just want to, just to  
7 make -- just to give them a heads up. But that was the  
8 thought was to keep them from getting shocked.

9 MR. GARDNER: And there's a whole  
10 background in the memo. We don't have time to go through  
11 it.

12 MR. GOULET: Have we reached out to them  
13 and showed them these numbers yet?

14 MR. GARDNER: No. We wanted to run it by  
15 the Board first.

16 MR. GOULET: What do you think, Daryl?

17 What do you think the best way to handle it is?

18 MR. LYNCHARD: I think that's good. I  
19 would want to make sure that it's at least a full year  
20 and I would lean to at two -- at the end of two years,  
21 but -- for a review, because it's a new business, and  
22 they have -- you know, you never can tell.

23 MR. MILLER: When do they get their money  
24 back?

25 MR. PHILLIPS: That might be a little bit

1 long to leave the money in escrow.

2 MR. LYNCHARD: Yeah. Well, maybe to  
3 review it after a year and then release the escrow and  
4 tell them to leave that.

5 Mr. Walters is in the audience tonight.  
6 What do you think about what we are discussing?

7 MR. WALTERS: How much are we talking  
8 about tying up for a year?

9 MR. LYNCHARD: I don't know.

10 MR. GOULET: See, the whole -- the  
11 whole --

12 MR. PHILLIPS: He paid the whole thing up  
13 front.

14 MR. GOULET: Here's the whole -- here's  
15 the whole premises behind this. You already paid the  
16 \$32,000 before coming to the Board to try to get a  
17 reduction in it, so it's kind of like you have already  
18 paid the money.

19 We have to make sure that we are not going  
20 to give you money back if that is what is owed. So if  
21 you could give us at least a year to evaluate it to make  
22 sure that the reduction is warranted. You know, we don't  
23 want to overcharge anybody, but we want to make sure that  
24 we don't say, "Hey, here's \$20,000 back. We don't need  
25 it."

1                   But we may need it. That's what I am  
2 saying. We are not sure. But we are just going to  
3 evaluate it and let -- what the engineers were  
4 recommending is if we put it on a quarterly basis, we can  
5 show your numbers quarterly how much your usage is. So  
6 one month, it's not like you are using 5,000 gallons.  
7 The next month you are using 40,000, you know.

8                   Because if you do, you have got a big leak  
9 or you have got a lot of business going on. So that's  
10 what we are talking about.

11                  MR. WALTERS: Yeah.

12                  MR. GOULET: So it shouldn't be more than  
13 a year.

14                  MR. WALTERS: It's still a lot of money to  
15 tie up for a year.

16                  MR. LYNCHARD: Maybe we can look at it  
17 after the first quarter and then release some.

18                  MR. GOULET: First six months.

19                  MR. LYNCHARD: First six months.

20                  MR. GOULET: How about it if we look at it  
21 the first six months to possibly see if we could do a  
22 reduction then? Would that be more than fair?

23                  MR. WALTERS: Yeah. I mean, I guess.

24                  MR. GOULET: I mean, if it's like a first  
25 quarter, let's just look at it this way, if after the



1 first quarter, we definitely see you grossly overpaid  
2 then we are definitely going to do something.

3 But what I am saying, if you could give us  
4 six months to -- do you know what I am saying?

5 MR. WALTERS: Yeah.

6 MR. MILLER: What is the opening date of  
7 the restaurant?

8 MR. WALTERS: May 1st.

9 MR. MILLER: May 1st. So we are not going  
10 to even have any numbers until --

11 MR. GOULET: June or July.

12 MR. MILLER: -- you know, July or August,  
13 so we are almost six months there anyway, I think, from  
14 now.

15 MR. LYNCHARD: Yeah. I think that maybe  
16 we can look at it on the first quarter and see maybe we  
17 will do a partial release.

18 MR. GOULET: That's fine.

19 MR. LYNCHARD: And then, after the  
20 first -- after six months -- and do it that way on it, a  
21 reverse quarterly type thing, if that's --

22 MR. GARDNER: Why don't we just bring it  
23 back to the Board after the first quarter?

24 MR. LYNCHARD: That will work. That's  
25 probably the best way to do it.

1 MR. GOULET: Would that be more than fair  
2 for you to bring it back to the Board after the first  
3 quarter?

4 MR. WALTERS: I guess.

5 MR. GOULET: Okay. You guys want to put  
6 that in a motion, then? I can, if you want me to --

7 MR. LYNCHARD: I am trying to think -- I  
8 am trying to think of what we just said.

9 MR. GOULET: Well, I make a motion that  
10 after the first quarter of water usage the Board gets  
11 back together to review the amount and the rates.

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

14 MR. LYNCHARD: I will second.

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

17 (NO AUDIBLE RESPONSE.)

18 MR. CALKINS: Seeing no further  
19 discussion, all those in favor say "Aye"?

20 MR. GOULET: Aye.

21 MR. LYNCHARD: Aye.

22 MR. DESANTIS: Aye.

23 MR. MILLER: Aye.

24 MR. CALKINS: Motion passes. Okay.

25 MR. GOULET: Thanks for coming.

1 MR. WALTERS: Thank you.

2 MR. CALKINS: Okay. We are now going to  
3 go to Pak N Fax with our manager, Danny Hawkins, cost of  
4 road bore and tap.

5 MR. HAWKINS: I was working with Earl from  
6 Walton Construction, which kudos to him because he knows  
7 that we are kind of eating this whole thing.

8 And he quoted us \$2500 to be able to get  
9 it underneath the road and we are figuring go ahead and  
10 do the tap in-house to save money. So total cost is  
11 going to be right at \$2500.

12 MR. GARDNER: A whole lot less than we  
13 figured it.

14 MR. CALKINS: Wow. That's excellent.

15 MR. DESANTIS: Good.

16 MR. HAWKINS: So if y'all think that's  
17 what we need to do, we will get him rolling tomorrow and  
18 see when he can come and do it.

19 MR. LYNCHARD: Didn't we approve up to  
20 \$10,000 at the last meeting?

21 MR. GOULET: Yes, sir.

22 MR. LYNCHARD: I think you're -- I don't  
23 think we need to make a motion on anything. I think we  
24 have said to go --

25 MR. GARDNER: The motion was up to

1 \$10,000, but the Board wanted it brought back.

2 MR. HAWKINS: To where y'all will know  
3 what we were doing.

4 MR. GOULET: That's fine.

5 MR. GARDNER: I don't know whether a  
6 motion needs to be made on it.

7 MR. HAWKINS: Yeah. But we can move on it  
8 tomorrow. We just wanted y'all to know.

9 MR. GOULET: Thank you.

10 MR. MILLER: Have we taken into  
11 consideration all the work that was done in that area  
12 with the drainage and everything?

13 MR. HAWKINS: Yeah.

14 MR. MILLER: Because that seems like an  
15 awfully low --

16 MR. HAWKINS: Yeah. We were the same way.  
17 And he does, what, probably 90 percent of our bores.

18 MR. GARDNER: He knows that area. He has  
19 done several bores right in that same area for us.

20 MR. HAWKINS: Yeah.

21 MR. GARDNER: He knows exactly what is  
22 there. He has got a connection with DOT, and he does a  
23 lot of work for us, so he cuts us a lot of slack on the  
24 prices.

25 MR. MILLER: That's a lot less than what I

1 was expecting it was going to be.

2 MR. GARDNER: We trust him. He has always  
3 done good work.

4 MR. MILLER: Okay.

5 MR. CALKINS: Thank you very much, Danny.  
6 Is there any more discussion on that item?

7 (NO AUDIBLE RESPONSE.)

8 MR. CALKINS: Okay. We are now going to  
9 move to Item Number 4 to approve to only have two pension  
10 trustees and approve Will and Mark as these trustees.  
11 Paul?

12 MR. GARDNER: Oh, you know, Ricki had  
13 asked, you know, because of his health, didn't want to  
14 take the responsibility -- and I don't blame him -- for  
15 being a signer.

16 I checked with the people that is doing  
17 the pension plan. He said the three signers or three  
18 trustees was the Holley Navarre requirement. They are  
19 good with two, but you guys have to make it official  
20 tonight that you are good for two signers and also make  
21 it official who the two signers are tonight and you will  
22 be good from there.

23 MR. CALKINS: Okay. Do we need a motion  
24 for that?

25 MR. GARDNER: I think we had -- I am

1     sorry, go ahead.

2                     MR. LYNCHARD:   I was going to say, I make  
3     a motion to -- that we have two pension trustees and that  
4     Will and Mark are those trustees.

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

7                     MR. MILLER:    I will second it.

8                     MR. CALKINS:    Okay.   Any further  
9     discussion?

10                    (NO AUDIBLE RESPONSE.)

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

13                    MR. GOULET:    Aye.

14                    MR. LYNCHARD:   Aye.

15                    MR. DESANTIS:   Aye.

16                    MR. MILLER:    Aye.

17                    MR. CALKINS:    Okay.   Motion passes.

18                    Thank you, Paul.   Okay.   Number 5 is  
19     assign additional check signer or move forward with Will  
20     and James as the only additions.   Paul?

21                    MR. GARDNER:    Basically, the same thing,  
22     the three check signers was a Holley Navarre thing, so  
23     the bank's good with the two signers, we are good with  
24     the two signers, so really all you have to do tonight is  
25     just go ahead and approve the two signers.   I think it

1 was James and --

2 MR. LYNCHARD: Will.

3 MR. GARDNER: -- Will, yeah.

4 MR. LYNCHARD: Do we have -- I make a  
5 motion that we assign -- that we have two check signers  
6 or additional check signers and move forward with Will  
7 and James as the additional.

8 MR. CALKINS: Okay. We have a motion. Do  
9 we have a second?

10 MR. GOULET: I will second it.

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

13 MR. LYNCHARD: Yes. Is Paul -- are you  
14 still a signer on the account?

15 MR. GARDNER: Yes.

16 MR. LYNCHARD: So we are not -- Will and  
17 James aren't going to be the only signers on the account?

18 MR. GARDNER: No. Me and Clinton are the  
19 signers here.

20 MR. LYNCHARD: Okay.

21 MR. GARDNER: Yeah. You guys only need to  
22 get it is if one of us are on vacation.

23 MR. LYNCHARD: That's -- I just wanted to  
24 make sure that these two aren't the only signers.

25 MR. CALKINS: Yeah. Thanks for

1 clarifying.

2 MR. GARDNER: We will try not to bother  
3 them unless we have to.

4 MR. MILLER: I have a question. Is there  
5 a certain amount that requires two signers in policy? Or  
6 is it on all checks?

7 MR. GARDNER: Out policy requires two  
8 check -- two signers --

9 MR. MILLER: On all checks?

10 MR. GARDNER: No matter how big.

11 MR. MILLER: All right.

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. DESANTIS: Aye.

20 MR. MILLER: Aye.

21 MR. CALKINS: Motion passes. Okay.

22 Now, we are going to move to new business.  
23 Item Number 1 is Defined Benefit Plan, \$637,846 payment.  
24 Make three quarterly payments of \$212,615.34 versus one  
25 lump sum payment of \$637,846 due by 9-15-18. Paul?



1 MR. GARDNER: What that is is we --

2 MR. GOULET: I have got a question for  
3 you.

4 MR. GARDNER: Yeah.

5 MR. GOULET: Have we moved that money from  
6 the escrow account in the general funds yet?

7 MR. GARDNER: No. I have to have  
8 someone's -- someone has to give me authority to do that.

9 MR. GOULET: Because we are going to do  
10 that tonight.

11 MR. GARDNER: Okay.

12 MR. GOULET: But go ahead with what you  
13 are going to say. I just wanted to ask before I said  
14 anything. Thank you.

15 MR. GARDNER: We usually make quarterly  
16 payments on this -- on this Defined Benefit Plan. We do  
17 have the money in the bank to pay it.

18 And staff was thinking -- and this is up  
19 to you guys -- if we do the whole lump sum now, the money  
20 is actually going to be in the account earning money and  
21 help the company defray the cost.

22 So what staff would like to do is just  
23 write a check for the whole lump sum so the money can be  
24 growing.

25 MR. MILLER: So that's contrary to what

1 the agenda item is. Instead of three quarterly  
2 payments --

3 MR. GARDNER: No. That's -- what I meant  
4 by that was a lump sum or -- we had two choices, the lump  
5 sum or the three quarterly payments.

6 MR. MILLER: Right.

7 MR. GARDNER: I don't know if it --

8 MR. GOULET: I make a motion to approve  
9 one lump sum.

10 MR. CALKINS: Okay. We have a motion on  
11 the floor. Do we have a second?

12 MR. LYNCHARD: I will second it.

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

15 MR. LYNCHARD: Yes.

16 MR. GOULET: There you go.

17 MR. LYNCHARD: Will this cause any cash  
18 flow problems?

19 MR. GARDNER: No.

20 MR. LYNCHARD: Okay.

21 MR. GARDNER: And I will check again  
22 before we do it.

23 MR. LYNCHARD: Okay.

24 MR. GARDNER: But as of last time, you  
25 know when this came up, it wasn't going to go cause --

1 MR. GOULET: I have a question.

2 MR. LYNCHARD: Go ahead.

3 MR. GOULET: If we do this as one lump  
4 sum, is there any different tax liability or penalties or  
5 anything?

6 MR. LYNCHARD: No difference.

7 MR. GOULET: I didn't know.

8 MR. DESANTIS: Have you looked at the cost  
9 benefit on this? You mentioned lump sum. We are allowed  
10 to accrue based on a return on the investment.

11 Of course, I understand that. What is the  
12 cost of not doing it? I mean, have you assessed that?

13 MR. GARDNER: I really haven't, Ricki.

14 MR. DESANTIS: Okay.

15 MR. GARDNER: I was just kind of under the  
16 assumption that we would much rather have the money in  
17 the account earning interest than not, so --

18 MR. CALKINS: Okay. Any further  
19 discussion?

20 (NO AUDIBLE RESPONSE.)

21 MR. CALKINS: Seeing no further  
22 discussion, all those in favor say "Aye"?

23 MR. GOULET: Aye.

24 MR. LYNCHARD: Aye.

25 MR. DESANTIS: Aye.

1 MR. MILLER: Aye.

2 MR. CALKINS: Okay. Any opposed?

3 (NO AUDIBLE RESPONSE.)

4 MR. CALKINS: Motion passes. Okay.

5 We are now going to move to Item Number 2  
6 of new business, which is review Landrum proposals for HR  
7 services. Paul?

8 MR. GARDNER: James, you and Ricki  
9 remember --

10 MR. HAWKINS: You missed one; didn't you?

11 MR. GARDNER: What?

12 MR. HAWKINS: The repair of the sand  
13 filter.

14 MR. GARDNER: We took that out.

15 MR. HAWKINS: Y'all took that out.

16 MR. GARDNER: You guys remember when we  
17 lost our HR, the Board kind of instructed us to look at  
18 Landrum and find out what they could do for us kind of  
19 versus an HR position.

20 We met with Becki and Andrew out here and  
21 we -- I have worked with Becki ever since I have been  
22 manager here, and she has done a lot of HR work for us in  
23 the past. That's the package you have up there is their  
24 proposal.

25 I sent this proposal out quite a while

1 ago. I don't know if you guys remember it. But I have  
2 got them here to ask -- answer any question you might  
3 have.

4 And one of the questions I think Will  
5 asked the other day was about the health insurance is  
6 included with this -- you guys handle health insurance;  
7 too; right?

8 And so, how is that going to affect our  
9 renewal on our health insurance and stuff? Yes?

10 MR. CALKINS: I have a quick question that  
11 I would like to ask them. Based on the health insurance  
12 for our employees, is this going to benefit our employees  
13 as a whole for health insurance? Or is it going to hurt  
14 our employees?

15 MR. GARDNER: I would like for Andrew to  
16 come up and introduce himself, if that's what the Board  
17 desires?

18 MR. LYNCHARD: Mr. President, I think that  
19 this is going to be -- I think we should have a  
20 committee, the Personnel Committee should get with these  
21 people --

22 MR. CALKINS: Okay.

23 MR. LYNCHARD: -- because I have read over  
24 the proposal and I like a lot of the stuff, but I want  
25 some more in-depth information.

1                   And I don't think we should keep everybody  
2 here in this room tonight for several hours going over  
3 something we should probably sit down and discuss in a  
4 committee. Because we want to compare our current  
5 insurance with what they are offering, make sure we get  
6 all of our coverages correct and compare the costs, also.

7                   And I am sure y'all could do that in a  
8 more informal setting would probably be better than up  
9 here tonight.

10                  MR. GOULET: Is there any information that  
11 you need from the Water System to be able to get a  
12 comparable quote? You have already got all of that?

13                  MR. SOWELL: That's what we have done for  
14 you right here.

15                  MR. GOULET: Okay. I just want to make  
16 sure.

17                  MR. LYNCHARD: So you did get our health  
18 insurance information, then?

19                  MR. SOWELL: Yes.

20                  MR. GARDNER: And if you look at the  
21 quote, it's -- you know, I think it's a no-brainer  
22 myself. I understand you guys need more information,  
23 so --

24                  MR. CALKINS: I would like to agree  
25 with -- I agree with the Personnel Chair.

1                   Mr. Lynchard, would you like to lead the  
2 committee?

3                   MR. LYNCHARD: Sure. I will. And I would  
4 like for -- I would really like the rest of the Board  
5 members to be on the committee and be at the meeting.

6                   MR. GOULET: That's fine.

7                   MR. LYNCHARD: So what -- maybe after --  
8 if you -- are y'all fixing to head out now? Are you  
9 going to stay for the rest of the meeting?

10                  Maybe we can discuss a good time to meet  
11 then after the meeting this evening. All right?

12                  MR. SOWELL: Sure thing.

13                  MR. LYNCHARD: That will work. Thank you.

14                  MR. GOULET: Thank you.

15                  MR. MILLER: One question: Timing -- are  
16 we looking at having a committee meeting and then voting  
17 on this at our next meeting? Where does that put us?

18                  MR. GOULET: What we could do is we could  
19 have a committee meeting, and then, we could call a  
20 Special meeting and we could vote at that meeting and get  
21 it all handled that same night, if we desire to.

22                  MR. LYNCHARD: We could do a Board action  
23 without a meeting.

24                  MR. GOULET: Or a Board action without a  
25 meeting. After the meeting, if you would like.

1 MR. LYNCHARD: Okay.

2 MR. GOULET: I know it's kind of important  
3 to make sure we get the ball rolling on this so that --

4 MR. MILLER: That's my point, you know,  
5 is --

6 MR. LYNCHARD: Yeah.

7 MR. MILLER: -- do we want to wait a month  
8 to --

9 MR. LYNCHARD: Yeah. I'd really rather  
10 not wait a month.

11 MR. GARDNER: I would think --

12 MR. LYNCHARD: But I would like to get  
13 some more detailed information for sure.

14 MR. GARDNER: I think it's important for  
15 us to get someone in place as fast as we can. I talked  
16 to Becki earlier. She says that we are kind of open for,  
17 you know, some liability.

18 She was thinking May 1st would be a good  
19 start date, so if could get that done by then.

20 MR. GOULET: Could we have -- do you think  
21 you guys can meet in two weeks?

22 MR. LYNCHARD: Or can we meet Thursday?

23 MR. GOULET: I have something going on  
24 Thursday. I don't know what it is. Let's talk about it  
25 after the meeting.



1 MR. MILLER: Yeah. Okay.

2 MR. GOULET: Yeah. Let's just -- we will  
3 make something work here. And then, we will reach out to  
4 you, probably something in the next few days where we can  
5 all meet.

6 MR. CALKINS: Okay. Any further  
7 discussion on the Landrum proposals?

8 MR. SOWELL: -- committee -- or are you  
9 going to get back with us?

10 MR. LYNCHARD: Yeah. I would like to go  
11 ahead and get it set tonight.

12 MR. GOULET: Yeah. Why don't you hang out  
13 and talk to us after the meeting?

14 Thank you for being patient.

15 MR. CALKINS: Thank you. Okay. Any  
16 further discussion on this item?

17 MR. GOULET: No.

18 MR. CALKINS: Okay. We are going to go to  
19 Item Number 3, and that's replacement of six trucks.

20 Mr. Clinton Wells?

21 MR. WELLS: We have an aging fleet of  
22 trucks we need to replace, so I reached out to three to  
23 four different Ford dealers and got some prices.

24 And the winner is Gary Smith Ford. It's  
25 \$178,372. So we would like for y'all to approve us

1 buying six new trucks.

2 MR. GOULET: Now, you are speculating  
3 possibly eight weeks before we will get the trucks once  
4 the order is put in. Is that what you were thinking?

5 MR. WELLS: Yes.

6 MR. GOULET: Okay. We have bought trucks  
7 from them before. We have never had problems before?

8 MR. WELLS: That's right. Never had a  
9 problem.

10 MR. GOULET: I make a motion to approve as  
11 presented.

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

14 MR. MILLER: I will second the motion.

15 MR. CALKINS: Okay. We have a motion and  
16 a second. Any further discussion amongst the Board?

17 MR. MILLER: Just a question. Is this in  
18 our current annual budget? It's not exceeding any  
19 amounts we had budgeted for truck replacement?

20 MR. WELLS: It is a little over budget.  
21 We had \$150,000 budgeted, so we are really over by one  
22 truck.

23 MR. GARDNER: We can make it up.

24 MR. GOULET: I thought there was a truck  
25 that was involved in an accident that was totaled out.

1 MR. WELLS: Totaled out.

2 MR. GOULET: We were not planning on that  
3 extra truck, but we need to replace it.

4 MR. WELLS: Right.

5 MR. MILLER: Got to have trucks.

6 MR. CALKINS: I agree with y'all.

7 We have got a motion and a second. Any  
8 further discussion?

9 (NO FURTHER DISCUSSION.)

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

12 MR. GOULET: Aye.

13 MR. LYNCHARD: Aye.

14 MR. DESANTIS: Aye.

15 MR. MILLER: Aye.

16 MR. CALKINS: Okay. Any opposed?

17 (NO AUDIBLE RESPONSE.)

18 MR. CALKINS: Motion passes. Thank you,  
19 Clinton. We are going to go to Item Number 4 is request  
20 by developer to install low pressure sewer and new  
21 proposed 32 lot subdivision. See attached letter.

22 Danny?

23 MR. HAWKINS: Management has recently  
24 received a request from the developer and the engineer  
25 for Brooks Landing subdivision project to allow the

1 installation of low pressure sewer as opposed to the  
2 traditional gravity sewer.

3                 Staff recommends that low pressure sewer  
4 should not be allowed in this case, that a traditional  
5 gravity sewer system with lift station be required for  
6 all the reasons previously outlined in the memo provided  
7 to the Board, except for the outline below.

8                 For 30 years, subdivisions have complied  
9 with the current requirements. Recently, the lift  
10 station pricing of other large stations indicated that  
11 the pricing is not extraordinary for this size of a  
12 subdivision.

13                Staff has been working on revisions to the  
14 standards and the guidelines for the Holley Navarre Water  
15 System. It is recognized that smaller subdivisions may  
16 require less of a lift station than the standard  
17 guidelines required.

18                It also recognizes that in the case of  
19 very small subdivisions, extraordinary conditions may  
20 exist that make gravity sewer infeasible. So, as such,  
21 our current recommendation to the Board for approval  
22 going forward is as follows:

23                The Holley Navarre Water System shall  
24 require a gravity sewer system with lift stations for all  
25 new subdivisions that meet the requirements of the

1 standard guidelines with the following exceptions.

2                   For subdivisions that contain 30 lots or  
3 less, Holley Navarre Water System management may consider  
4 a reduction in the scope, the size, and the materials of  
5 the lift station as required in the standard guidelines  
6 to best meet the needs of the development and the intent  
7 of the standard guidelines.

8                   For subdivisions that contain 15 lots or  
9 less, Holley Navarre Water System management may consider  
10 a low pressure sewer system as an alternative to a  
11 gravity system if the soil, the ground water, and the  
12 topographic conditions warrant such considerations.

13                   MR. CALKINS: Any discussion?

14                   MR. LYNCHARD: I think that's a good plan.

15                   MR. CALKINS: Yeah.

16                   MR. LYNCHARD: It kind of sets some  
17 guidelines and we don't -- we can move forward from here  
18 without as much confusion as we have had in the past,  
19 making somebody with a 15 lot subdivision put in the lift  
20 station for \$100,000.

21                   MR. CALKINS: Yeah. I agree. Do we need  
22 to --

23                   MR. LYNCHARD: Do we need to make a motion  
24 for this? So I make a motion that we approve the new  
25 guidelines for new developments.

1 MR. CALKINS: Okay. We have got a --

2 MR. LYNCHARD: -- as presented by  
3 Mr. Danny Hawkins.

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

6 MR. MILLER: I will second it.

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

9 MR. GOULET: All right. So --

10 MR. MILLER: Yeah.

11 MR. CALKINS: Okay. Mr. Miller?

12 MR. MILLER: Well, you know, how did we  
13 come up with those numbers 15 and 30, and, you know, how  
14 does this -- I want to be friendly to development but at  
15 the same time not put the Water Company at risk of a lot  
16 of future expenses if they don't maintain those lift  
17 stations.

18 MR. HAWKINS: And we also don't want to  
19 knock them completely out of possibly putting that  
20 subdivision in there and us being able to get the taps on  
21 it.

22 MR. MILLER: Right.

23 MR. HAWKINS: So what we are looking at is  
24 really what would be considered. I mean, we would just  
25 assume every subdivision have gravity.

1                   But whenever you have got a developer that  
2 is going to go in there and try to develop 15 lots and  
3 then put in a \$150,000 lift station in along with the  
4 piping, he's not going to make a whole lot of money off  
5 the lot. You know that as well as anybody.

6                   MR. MILLER: That's not going to work.

7                   MR. HAWKINS: Yeah. So we are trying to  
8 come up with a way to where even the ones with 30 lots  
9 that we can cut the price of the lift station to where  
10 they can still possibly make money and it will look rosy  
11 to where they will want to come in there and actually put  
12 the subdivisions in.

13                  I mean, we are not against subdivisions  
14 coming in. That's what we want.

15                  MR. GOULET: Can I ask a question?

16                  MR. HAWKINS: We are trying to work with  
17 them.

18                  MR. GOULET: Let me ask a question. I  
19 know the developer came in here and I guess they have got  
20 32 lots. Now, I understand we are saying 30.

21                  So do we have a lift station designed for  
22 50 to 32 lots? Or do we have -- are we still going to go  
23 with the same model that we had previously designed for  
24 sub-developments? I mean, I am just asking. I don't  
25 know.

1                   MR. PHILLIPS: You asked about five  
2 questions at one time. So we are -- so we, Holley  
3 Navarre, is looking at their lift station standards right  
4 now.

5                   Nothing has changed, you know. That lift  
6 station has been good for 30 years now. I mean, whatever  
7 it is doing, it's fine. But we do recognize that there  
8 is a breaking point where we can get what we want, what  
9 we need, so that Danny can maintain it with less.

10                  And let me just give you one example. We  
11 would -- everyone sitting here at this table would love  
12 to have fiberglass wet wells in all of our lift stations  
13 because they don't corrode.

14                  Well, if we are talking about a fiberglass  
15 lift station that is eight foot in diameter and 20 foot  
16 deep, that's actually more expensive a line item in many  
17 cases than a concrete wet well that we would require.

18                  However, if we get to somewhere between 15  
19 and 30 lots, and it's a subdivision where the wet well is  
20 not very deep, and we can use something smaller, maybe  
21 even as small as a four foot, six foot diameter, it is  
22 actually cheaper to put that in than it is to put a  
23 concrete wet well in. We get what we want. They get a  
24 better price.

25                  So I guess what we are saying is there is



1 not necessarily one size fits all when you get to a  
2 certain break-even point. And to answer your question,  
3 Mark, there's probably five different opinions sitting  
4 right here at this table. Those numbers are just what we  
5 all agreed on.

6 I would have to say, though, that I would  
7 like to think that, you know, these guys with 32 lots, we  
8 couldn't look at what they are doing and make the same,  
9 if, say, their wet well was shallow enough that we could  
10 allow a fiberglass to go in.

11 It would be cheaper than concrete. We  
12 would be fine with that. Everyone here would be fine  
13 with that. Because that's what we would rather have.  
14 But I think it's also safe to say that none of the five  
15 of us are going to let anything go in that we don't want.  
16 So I don't know how to -- why

17 MR. MILLER: I think they had actually  
18 proposed this with some future mitigation steps, you  
19 know, with disclosures to the buyers and -- as far as  
20 they are responsible for maintaining --

21 MR. PHILLIPS: That doesn't help us. I  
22 will tell you truth, Mark, it doesn't help us one bit  
23 with low pressure sewer. It doesn't help that the  
24 homeowner owns that thing. It doesn't help that we can  
25 turn around after we go out there and inspect it and say,

1 "It's your problem," --

2 MR. GOULET: It's our problem.

3 MR. PHILLIPS: The fact of the matter is,  
4 one, we have to respond because we have to agree to be  
5 the central management entity. Okay?

6 MR. MILLER: Right.

7 MR. PHILLIPS: The other thing is sooner  
8 or later in these areas where we allow high density, low  
9 pressure sewer to go in, eventually we have other people  
10 downstream. And just like we had to take Panhandle off  
11 98 and run it through the 20-inch, we will have to take  
12 this subdivision off and build its own little lift  
13 station so that their grinders don't have to overcome the  
14 increasing head.

15 So someday, we are going to pay for  
16 allowing low pressure sewer. Now, we do it. We do it  
17 where it's in the best interest of the 17,000 customers  
18 to do it, to not have a situation where we are going to  
19 be forced one day to go back and put it in in these  
20 previously platted areas, but we don't want it anywhere  
21 else, quite frankly, because we know we are going to pay  
22 for it later.

23 MR. CALKINS: Okay. Daryl?

24 MR. LYNCHARD: One thing that I thought  
25 about when you were initially talking -- and I still like

1 your idea, but we need to have some mechanism in place so  
2 there's not any abuse.

3 Because you have got a lot of people that  
4 own a lot of land around here. And just because somebody  
5 goes in and builds 15 lots on this small piece today  
6 doesn't mean a year later they are not going to go build  
7 15 more lots right adjacent to it.

8 MR. PHILLIPS: You are exactly right.

9 MR. LYNCHARD: And just build this whole  
10 thing out at 15, so maybe we have to buy it --

11 MR. PHILLIPS: Yeah. Or somebody go plat  
12 five lots on our road and force us into a different  
13 situation.

14 MR. LYNCHARD: That's it. So we need to  
15 have some kind of mechanism in place to try and identify  
16 that in advance and put something --

17 MR. PHILLIPS: Well, I think the language  
18 we tried to use there allowing it to be management's kind  
19 of discretion, I mean, we do look at contiguous interest  
20 when we look at projects.

21 It is not a big a deal around here as it  
22 is in some areas because we are running out of places to  
23 put subdivisions. So most of the time, it's not feasible  
24 to build 15 when you really need to build 30, but we do  
25 look at that.

1 I don't know how you counter that in every  
2 single case other than we all look at it and agree, so --

3 MR. CALKINS: Okay.

4 MR. LYNCHARD: Maybe some part of  
5 the contract would say that if the developer ever comes  
6 back and builds an attachment onto this one, then, hey,  
7 we are going to look at the total project and you may  
8 have to put in a lift station.

9 MR. PHILLIPS: Many utilities actually  
10 have a certification of no contiguous interest that  
11 prevents that from happening and makes them subject to if  
12 it does happen, makes them subject to upgrading or  
13 updating as to what they would have had to do originally.

14 I think that's something that Keith and --  
15 I'm sorry, I don't know your name --

16 MS. COOK: Kristi.

17 MR. PHILLIPS: -- could look at. I know  
18 ECUA has a statement of no contiguous interest. Lots of  
19 counties do it in terms of development and development  
20 criteria. That's probably something that would be pretty  
21 easy to come up with and add to our standards.

22 MR. LYNCHARD: I would like to add that to  
23 the standards.

24 MR. GOULET: We can have them write  
25 something up then, before we do it.

1                   Question: And I know one of the parties  
2 is in the room tonight from the Brooks Landing  
3 subdivision. Is there going to be a way we are going to  
4 be able to work with them on this situation, what we  
5 have?

6                   I know we have been looking at the flow  
7 rate and what we are going to require. Is there going to  
8 be a way we can possibly work out something with them on  
9 this?

10                  MR. PHILLIPS: Will, I think the best  
11 answer to that is we will do everything we can. I know  
12 these guys got some quotes on some lift stations that  
13 were pretty outrageous to us. A quote from the material  
14 came from a supplier that we use quite frequently.

15                  But we also know that we just put two lift  
16 stations -- or developers put two lift stations in up  
17 there in the Holley area.

18                  Does someone want to tell me the numbers?  
19 It's 140 to 110?

20                  MR. GARDNER: Yeah.

21                  MR. PHILLIPS: Both of those numbers to me  
22 would be reasonable for a 30-lot subdivision. You take  
23 110 and divide it. It ain't going to get much cheaper  
24 than that, no matter what we do.

25                  But I think that -- again, I think that if

1 we can make it cheaper by getting some of the stuff that  
2 is better for us and better for them, we would do it.

3 MR. GOULET: Okay. I am just making sure.  
4 I mean --

5 MR. PHILLIPS: Yeah. I mean, we are  
6 trying to -- we are not trying to do any -- we are not  
7 trying to gold plate anything. We are just trying to get  
8 what is not going to go away in five years, so --

9 MR. GOULET: No. I understand. Look at  
10 the best interest of the system and the end user.

11 MR. PHILLIPS: We are more than happy to  
12 share with these guys what we found out cost of lift  
13 stations, cost of materials, work with the suppliers, and  
14 how those lift stations were cheaper than what they have  
15 been quoted -- or what they have apparently been quoted.  
16 I don't want to speak for them, so --

17 MR. GOULET: Okay.

18 MR. CALKINS: Okay. We have a motion and  
19 a second. Any further --

20 MR. GOULET: I think the only thing I  
21 would want to change in the verbiage in your motion would  
22 be make this policy. Ricki pointed that out -- need to  
23 make this policy.

24 MR. MILLER: Okay.

25 MR. GOULET: That would be my

1 recommendation. Ricki pointed it out.

2 MR. LYNCHARD: I will make it -- amend my  
3 motion to make Mr. Hawkins' statement policy --

4 MR. GOULET: Okay.

5 MR. LYNCHARD: -- along with a certificate  
6 contiguous --

7 MS. COOK: Contiguous.

8 MR. PHILLIPS: Or something along those  
9 lines.

10 MR. LYNCHARD: Okay. No contiguous --  
11 statement.

12 MR. GOULET: Would you still second that  
13 motion.

14 MR. MILLER: Yes.

15 MR. CALKINS: So we have a motion and a  
16 second continuing. Any more discussion?

17 MR. MILLER: None from me.

18 MR. LYNCHARD: We are going to approve  
19 this right now and then we will -- we will get to  
20 y'all's.

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

23 MR. GOULET: Aye.

24 MR. LYNCHARD: Aye.

25 MR. DESANTIS: Aye.

1 MR. MILLER: Aye.

2 MR. CALKINS: Okay. Any opposed?

3 (NO AUDIBLE RESPONSE.)

4 MR. CALKINS: Motion passes.

5 MR. LYNCHARD: James, I think we should --  
6 we left the Brooks Landing issue and moved into a new  
7 policy, but we never -- which we discussed a lot up  
8 there, but we never discussed the Brooks Landing issue.

9 MR. CALKINS: Okay. So we will invite  
10 them -- and this is in the same category.

11 MR. LYNCHARD: It's in the same category.  
12 Let's talk to them.

13 MR. CALKINS: So before we move to the  
14 next item, y'all are welcome to come to the podium and --

15 MR. GECI: Thank you. My name is  
16 Clint Geci. I am the engineer for the project Brooks  
17 Landing. And first off, like I said, we met with staff a  
18 month ago and we have had a great productive meeting.

19 They are being proactive about trying to  
20 find a solution for us, make an affordable lift station,  
21 and that's a big issue everywhere.

22 One thing that has changed in the last 30  
23 years, lift stations haven't really changed, but the  
24 price has gone up substantially. What we are seeing is,  
25 you know, if we were in the 100 to 150 range, we wouldn't



1 be here. You know, we wouldn't put a project off for a  
2 month to wait to talk to you guys.

3                   When we were around, like, 260 -- and  
4 that's realistic for us -- that's what we are seeing.  
5 And the contractors that gave us proposals, they are  
6 people that we trust. We use them frequently.

7                   And I believe, you know, we want to get  
8 those prices down, but, you know, in the grand scheme of  
9 things, you know, I think there's a solution to, you  
10 know, reduce some requirements for lift stations.

11                   I mean, we would love to -- the lift  
12 station option is always preferable than a gravity. To  
13 have a lift station is always preferable for us. But  
14 often -- and very often recently, it's a big  
15 determination whether a project goes or not -- where we  
16 are on a project and we are required to have a lift  
17 station, a lot of times that's a deal breaker.

18                   And, like I said, these guys are doing a  
19 great job on helping us to kind of figure out how -- most  
20 people don't invite developers in and actually ask how --  
21 what kind of prices are you getting and how to make it  
22 better, and so, I want to thank them for that. But we  
23 are still left in a really hard spot.

24                   With the standard the way it is, you know,  
25 unfortunately, it sounds like we just missed the 30

1 threshold, and that's real unfortunate for us, but it is  
2 a significant hardship.

3 MR. MILLER: On the 15 to 30 is just a  
4 range on which we would kind of work with you to try to  
5 come up with some alternatives.

6 MR. PHILLIPS: Y'all just make the motion  
7 now to direct us to do what we said to do for 30 lots and  
8 we are more than happy to help them out.

9 MR. MILLER: To work with them. Yeah.

10 MR. LYNCHARD: To work with them. I think  
11 that's what we need to do. That's what I was going to  
12 suggest --

13 MR. CALKINS: I completely agree.

14 MR. LYNCHARD: We really don't need a  
15 motion. We need to just direct you guys to work with  
16 them and see if you can come up with a solution. And if  
17 for the next month, you can't come up with a solution,  
18 then come back and see us and --

19 MR. GOULET: We will direct staff to work  
20 with you. That's why I was trying to conclude that with  
21 two over. Because there is a lot of different ways we  
22 could have done this. You could have subdivided that lot  
23 down the road, did 15 and 15, and then did two on the  
24 front later on, and then, there's a lot of ways you can  
25 circumvent that, but --

1 MR. GECI: You know --

2 MR. GOULET: That's what Daryl is reaching  
3 at --

4 MR. GECI: We don't want to take advantage  
5 of the -- the grace you guys has given us --

6 MR. GOULET: But I know they have been  
7 working on the lift station as far as what they need for  
8 SCADA, they just need like a high low -- high flow and a  
9 low flow rate for the SCADA, so it's not going to be data  
10 and graphics.

11 It would be real simple to be able to get  
12 that handled. And I think that -- they have been working  
13 on that. So I think the best thing to do is bring your  
14 estimates back to staff and let them see what they can  
15 do.

16 And like I said, some of the contractors  
17 or supply houses you are using, I know we can probably  
18 get a better price.

19 MR. GECI: Yeah. And we would love to  
20 talk to you on that.

21 MR. GOULET: Because I don't want to kill  
22 the deal. I would definitely like to see you to be able  
23 -- we are about a thousand houses short in Navarre, so I  
24 would definitely like to see more houses for people to  
25 live in. But we have to make it good for us, too.

1                   MR. GECI: And to let you know, we  
2 could -- we get developers all the time wanting -- and  
3 it's always -- that's the big ticket item, lift stations.  
4 Lift stations are expensive now, a lot more expensive  
5 than it used to be, and that's always -- that's one of  
6 the items that, you know, if a lift station is  
7 required -- yeah, it's usually a deal breaker for us.

8                   And especially for, you know, anything  
9 less than 50 lots, really. I mean, when you get up above  
10 that, it's a lot more manageable. But, you know, 30 and  
11 below, definitely. We are right there at 30 and it's  
12 tough. Yeah.

13                   So I appreciate the help and --

14                   MR. GOULET: We appreciate you coming  
15 down. Thanks for coming down.

16                   MR. LYNCHARD: Hopefully, we don't see you  
17 in another month.

18                   MR. GOULET: We will direct staff to work  
19 with you.

20                   MR. CALKINS: Any more questions from the  
21 Board for him?

22                   (NO AUDIBLE RESPONSE.)

23                   MR. CALKINS: All right. We are going to  
24 move to Item Number 5, which is request approval of new  
25 air compressors. Mr. Danny Hawkins?

1                   MR. HAWKINS: You have in front of you  
2 three bids that we had put in. They are all relatively  
3 close.

4                   We are going to let the staff look at what  
5 we have got and see what they think would work out best  
6 for them and try to get the lowest prices we can.

7                   If you look at those, you are drifting  
8 within -- I don't know, really, you are saving about  
9 \$5,000 when we go with the Air Tool Company, but, you  
10 know -- and they like the machine that they have got.  
11 Also, so that's -- that's a saving there. And, really,  
12 if you want to --

13                  MR. CALKINS: I would like to say that  
14 there's a local company on here, also, which is --

15                  MR. HAWKINS; Yeah. There is. And they  
16 are close. They are close.

17                  MR. CALKINS: Navarre Ready Rent is right  
18 down the road there.

19                  MR. HAWKINS: And I think their hang-up  
20 was probably the freight kind of got them. Well, the  
21 freight is about the same, but they are not -- they are  
22 not really as big into selling as they are as buying  
23 their own and renting it out.

24                  MR. CALKINS: Okay.

25                  MR. HAWKINS: So that's why some of the

1 other ones come in a little bit cheaper than they did.

2 MR. CALKINS: Okay.

3 MR. GOULET: So which one are you  
4 recommending? Air Tool Company? Is that the one you are  
5 recommending? Or are you recommending United Rentals?

6 MR. HAWKINS: Yeah. And I think most of  
7 the guys have looked at it and thought that was a good  
8 idea, too. They love the idea that the Kubota engine is  
9 in it, and it's very dependable, and I will never find  
10 any as good as the ones we have right now. They have  
11 been with us, what, about 25 years, Paul?

12 MR. GARDNER: Yeah.

13 MR. HAWKINS: And they have just started  
14 giving up. And you can't buy parts for them no more to  
15 rebuild them. They tried to look around on Ebay and find  
16 old parts for these things, and they can't find them, so  
17 we are down one compressor right now.

18 MR. CALKINS: So what was the one that you  
19 and the staff recommend?

20 MR. HAWKINS: Air Tool -- Air Tool  
21 Company --

22 MR. CALKINS: Air Tool?

23 MR. HAWKINS: -- yeah -- is the one we are  
24 suggesting.

25 MR. CALKINS: And they are actually the

1 cheapest.

2 MR. HAWKINS: They are the cheapest, yeah,  
3 and giving us the best deal, so it's like all the added  
4 features are also better than the other ones.

5 MR. GOULET: I make a recommendation to  
6 approve Air Tool Company and staff's recommendation for  
7 the two compressors.

8 MR. CALKINS: Okay. We got a motion. Do  
9 we got a second?

10 MR. MILLER: Second.

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

13 MR. GOULET: I just need to put the  
14 amount -- for the amount of \$35,550 is the only thing I  
15 want to add to it.

16 MR. CALKINS: Director Lynchard?

17 MR. LYNCHARD: We are going to have to pay  
18 sales tax.

19 MR. HAWKINS: No.

20 MR. LYNCHARD: No?

21 MR. DESANTIS: No. It's a wholesale to  
22 us -- business to business.

23 MR. CALKINS: All right. Well, any  
24 further discussion?

25 (NO AUDIBLE RESPONSE.)

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

3 MR. GOULET: Aye.

4 MR. LYNCHARD: Aye.

5 MR. DESANTIS: Aye.

6 MR. MILLER: Aye.

7 MR. CALKINS: Okay. Any opposed?

8 (NO AUDIBLE RESPONSE.)

9 MR. CALKINS: Motion passes.

10 Okay. Thank you, Danny. And Number 6,  
11 removal of GPS units from company vehicles.

12 This is Mr. Goulet.

13 MR. GOULET: Paul, I know Torin has been  
14 in contact with you on this. And I know last October we  
15 signed a new agreement with another company for the GPSs.

16 MR. GARDNER: Actually, Verizon, a company  
17 that is an offshoot off a Verizon company.

18 MR. GOULET: Now --

19 MR. GARDNER: It's a 36-month agreement.

20 MR. GOULET: Is there any penalty for  
21 early termination of the agreement?

22 MR. GARDNER: Of course, just like all the  
23 rest we had, it's the -- if you cancel, you pay them.

24 MR. GOULET: The full term of the  
25 contract, which I believe was --



1 MR. GARDNER: And return the equipment.

2 MR. GOULET: Let me ask a question.

3 MR. DESANTIS: \$37,000?

4 MR. GOULET: \$47,000 was the total  
5 agreement. Was --

6 MR. GARDNER: That's for three years.

7 MR. GOULET: Was this -- was this given to  
8 Legal before we had these new GPSs approved?

9 MR. GARDNER: Uh --

10 MR. GOULET: Because of liability  
11 purposes?

12 MR. GARDNER: No. I was just -- we had  
13 GPS track it before.

14 MR. GOULET: Was that given to Legal, do  
15 you know, before?

16 MR. GARDNER: Not that I am aware of.

17 MR. GOULET: Because, see, there is a  
18 legal liability we are putting ourselves under by having  
19 GPSs on the vehicles with acceleration and deceleration  
20 on them. Okay.

21 And since it is an after-market GPS system  
22 instead of a factory one, it can be subpoenaed and it can  
23 be reviewed by anybody that would like to sue us for any  
24 reason. So I am just saying I think they have opened us  
25 up to a lot of legal attributes that I don't think we

1 need to be open to.

2 MR. DESANTIS: And increase the risk.

3 MR. GOULET: And also an increased risk.

4 MR. GARDNER: Well, I can make some phone  
5 calls and see what I can work out.

6 MR. GOULET: Can we give you the contract  
7 that we signed and you can review it and see if there is  
8 any stipulations for us to be able to get out of it?

9 MS. COOK: Yes.

10 MR. GOULET: Thank you.

11 MR. MILLER: What was the reason that the  
12 GPSs were installed on the vehicles?

13 MR. GARDNER: The GPSs were installed  
14 quite a few -- the first one was installed quite a few  
15 years ago. I think it was to get the discount on the  
16 insurance, because the insurance went down if you had GPS  
17 tracking on your vehicles, I guess, in case they get  
18 stolen.

19 The new one was actually chosen because  
20 it -- it really wasn't -- it wasn't -- it really wasn't  
21 tracking the vehicles and stuff. It was all the things  
22 that came with it like truck inventory, the maintenance  
23 schedules you could set up. It actually sends texts and  
24 emails to the drivers to remind them to have the oil  
25 changed, when to rotate their tires, and stuff like that.

1                   We were in the process of getting that set  
2 up. We just --

3 MR. GOULET: Can I ask a question real  
4 quick?

5 MR. GARDNER: Yes.

6 MR. GOULET: Did the Board approve this?  
7 The prior Board, did they approve this change?

8 MR. GARDNER: No.

9 MR. GOULET: Because it was an increase of  
10 almost \$300 per month also for the new system. And this  
11 was signed back -- what is this -- was it January when  
12 this contract was signed? Is that correct?

13 MR. GARDNER: I don't have it in front of  
14 me, Will.

15 MR. GOULET: Okay. I am just curious.

16 MR. MILLER: The new vehicles that we are  
17 purchasing, do they come with all of that capability in  
18 them?

19 MR. WELLS: I am not exactly sure.

20 MR. MILLER: They have different  
21 electronics packages.

22 MR. GARDNER: I can change them --

23 (OFF RECORDS COMMENTS WERE MADE ABOUT  
24 CARS.)

25 MR. GARDNER: A lot of the employees, it

1 has saved their butt several times. We get a lot of  
2 people call just for no reason telling them they have a  
3 Truck 30, or whatever, tried to run them off the road.

4 At a certain point, you go back and look  
5 at Truck 30. It hadn't been close to them in two hours.

6 We had a couple of places where people  
7 have called and say that the truck has been sitting at  
8 this guy's house for two hours. You go in and it hadn't  
9 been sitting for two hours.

10 MR. LYNCHARD: Well, then, do we have GPSs  
11 on all of the vehicles, then?

12 MR. GARDNER: Yes. We have got enough for  
13 all of them. We have a few of them left to install. And  
14 if you guys are going to -- if you guys are going to --  
15 if you want to do away with this, we won't.

16 MR. LYNCHARD: Yeah. I don't --

17 MR. MILLER: I think most companies now  
18 are putting the GPSs on their fleet of vehicles. I mean,  
19 that's what my experience is.

20 MR. LARSON: Is it possible to have the  
21 feature you are worried about roll off and disabled?

22 MR. GOULET: Well, see, the whole thing  
23 is, and I know I can't speak what case it was, but in  
24 California, it was brought up because Chevrolet has this  
25 type of monitoring on their vehicles' factory.

1                   And in order for someone to use this, they  
2 have to get Chevrolet's permission. All right. Since  
3 this is an after-market instance, if we were subpoenaed  
4 for these, we would have to give these records up.

5                   MR. LARSON: But you were worried about  
6 the acceleration.

7                   MR. GOULET: Well, anything but liability.  
8 I mean, yeah --

9                   MR. LARSON: I was wondering if they have  
10 the ability to turn that off and just use the regular  
11 GPS-ing which logs the miles and --

12                  MR. GOULET: I don't have a problem with  
13 it if it just showed location of the vehicle, that would  
14 be fine. But the problem is there is other instances --  
15 and I understand the enhancement features, why you put  
16 on, I mean, it's all in good intent.

17                  I mean, there is negative with it. It's  
18 just when you talk about a company like this, everybody  
19 kind of looks at liability, who they can sue, and who  
20 they can get money out of.

21                  Okay. That's what it is kind of turning  
22 into. That's all I am saying, just trying to protect the  
23 company and the well-being of the employees, so -- but my  
24 recommendation to the Board would be for Legal to review  
25 the contract and see if there is any stipulation on

1 fulfilling the contract or if we can get out of the  
2 contract early. That would be my recommendation to the  
3 Board.

4 MR. CALKINS: And I have to say I agree  
5 with Will. And one of the things -- that it's almost  
6 like Big Brother and not trusting our employees and, you  
7 know, I think --

8 MR. GARDNER: It had nothing to do with  
9 not trusting employees. It was just -- I can promise  
10 you, it didn't have nothing to do with this. I mean,  
11 there's -- I guarantee you can go back and look.

12 I don't look at it all the time. You can  
13 go back and look and there's people been where they  
14 weren't supposed to be. There's no one ever got in  
15 trouble for anything. I mean, it has saved themselves  
16 more than it has done any damage to anybody. But, you  
17 know, you guys do -- I will do whatever the Board directs  
18 me to do, so --

19 MR. CALKINS: You know, one thing that is  
20 important is the morale of the employees and for them to  
21 know that we trust them. And they don't got a GPS  
22 watching over them all of the time and they can do their  
23 jobs and, you know, that's just kind of what I am looking  
24 at. But I think it's a good thing that Will brought it  
25 up.

1                   MR. LYNCHARD: Do we have our motion made  
2 yet?

3                   MR. GOULET: Yeah. I had a motion for  
4 Legal to review the contract and review any liability by  
5 having these GPSs.

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

8                   MR. LYNCHARD: I will second it because we  
9 are not -- okay, go ahead.

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

12                  MR. LYNCHARD: Yeah. We are not doing  
13 anything with them. We are just finding out if we can  
14 get rid of them, if we have any liability -- any legal  
15 liability associated with them. And then, we are going  
16 to make a decision on it afterwards.

17                  MR. GOULET: That's correct. That's what  
18 my plan was, just research it. And if you could give us  
19 an idea how much money we are saving on insurance by  
20 having them, I mean, that would be helpful to compile  
21 information.

22                  MR. GARDNER: I can do that.

23                  MR. MILLER: I would like to know if the  
24 feature you mentioned, the acceleration, deceleration  
25 feature can be disabled? Or if that's something that

1 could, you know --

2 MR. GARDNER: I am sure it can. It's all  
3 programmed -- programmable. I am sure it can.

4 MR. MILLER: Because I see a value in  
5 having the GPS, you know, just for the reasons you  
6 mentioned where someone said the truck was here when it  
7 wasn't or whatever.

8 We have got -- you know, you have got the  
9 potential for getting sued, but you have also got the  
10 potential for that saving you as far as documenting.

11 MR. GARDNER: It's several different  
12 reasons. I mean, that was just one. One of the selling  
13 points for me on this was that you could use it -- it  
14 would probably come in handy for dispatch purposes.  
15 Because if you had a leak, someone can see which truck is  
16 closest to that leak was or a lift station or something.

17 But like I said, we haven't got -- we  
18 tried to get everybody up to speed on it and set up these  
19 programs and everything. But, you know, whatever you  
20 guys want, I will do it.

21 MR. CALKINS: Okay.

22 MR. LYNCHARD: We are going to do a little  
23 bit of information searching, so --

24 MR. CALKINS: Any further discussion?

25 (NO AUDIBLE RESPONSE.)



1 MR. CALKINS: Okay. Seeing no further  
2 discussion, all those in favor say "Aye"?

3 MR. GOULET: Aye.

4 MR. LYNCHARD: Aye.

5 MR. DESANTIS: Aye.

6 MR. MILLER: Aye.

7 MR. CALKINS: Okay. Any opposed?

8 (NO AUDIBLE RESPONSE.)

9 MR. CALKINS: Okay. Motion passes.

10 We are now going to move to Item Number 7,  
11 send out RFP to employment agencies to vet a CFO, COO for  
12 the Holley Navarre Water System Board.

13 Director Goulet?

14 MR. GOULET: Torin, do you want to comment  
15 on that? Not to put you on the spot.

16 MR. BRAND: Well, we have been forwarded  
17 some employment agencies to put an RFP out for COO or  
18 CFO. I think that management kind of needs some  
19 directions as to what the Board would like to see from  
20 that position.

21 I know in the past we have had an  
22 Executive Director. And we had some outlines as to what  
23 his job duties would be, but if we would possibly form a  
24 committee or have advice from someone to be able to  
25 direct us as far as what they would like to see out of

1 that.

2 MR. GOULET: Then, I would like to make a  
3 recommendation to the Board to form a committee on the  
4 RFP for the CFO or COO of Holley Navarre Water System.

5 MR. CALKINS: Okay. Mr. Goulet, would you  
6 like to be the chair of that committee?

7 MR. GOULET: That would be fine.

8 MR. LYNCHARD: Mr. President, I was going  
9 to suggest that once we are -- maybe, since we are all  
10 planning on -- I believe we are all planning on meeting  
11 with Landrum that maybe we can do that after that  
12 meeting, have a --

13 MR. MILLER: Okay. I am good for that.

14 MR. GOULET: That's fine. And, Torin, you  
15 need to make sure you are there, too. Okay?

16 MR. BRAND: Okay.

17 MR. CALKINS: Okay. Any more discussion  
18 on that item?

19 (NO AUDIBLE RESPONSE.)

20 MR. CALKINS: Okay. We are now going to  
21 move to public forum. Would anybody in the public care  
22 to come up and speak?

23 (NO AUDIBLE RESPONSE.)

24 MR. CALKINS: Okay. Seeing nobody from  
25 the public that's going to --

1                   MR. GOULET: Here, I have got a question  
2 and this is to staff.

3                   MR. LYNCHARD: Did you make a motion on  
4 that --

5                   MR. CALKINS: No. Send RFP.

6                   MR. LARSON: So you just went to  
7 discussion?

8                   MR. LYNCHARD: Yeah.

9                   MR. CALKINS: Okay. Is there anybody --  
10 hold on a second. Is there anybody from the public that  
11 wants to speak?

12                   (NO AUDIBLE RESPONSE.)

13                   MR. CALKINS: Okay. We are going to move  
14 onto basically approve two new Board members.

15                   MR. GOULET: I had something. I was going  
16 to go down there and talk if I have to because it's not  
17 on the agenda.

18                   MR. CALKINS: Okay. All right.

19                   MR. GOULET: Will Goulet, 8168 Torres  
20 Street. I was given this by a contractor, Doug Russell,  
21 from R Squared Homes. You are probably familiar with  
22 that, Paul.

23                   MR. GARDNER: What is the name?

24                   MR. GOULET: R Squared Homes on this --  
25 evidently, there was an issue for getting sewer to these

1 lots or -- I guess the engineers have been working with  
2 them -- water system there --

3 MR. WELLS: Oh, yeah. Yeah. Yeah. Yeah.  
4 Yeah.

5 MR. GOULET: I guess there is one lot in  
6 question. He has paid the back taxes on it, but nobody  
7 can be identified who the owner of the property is to get  
8 an easement to run sewer.

9 Does that sound --

10 MR. WELLS: Yeah.

11 MR. GOULET: Is there any way we can  
12 pacify this to help these people so they can start  
13 getting these houses built? Because there's five lots  
14 sitting there and they can't build on them until they get  
15 sewer run through there.

16 MR. GARDNER: I don't know how you could  
17 bypass, you know, go through someone's property without  
18 their permission.

19 MR. GOULET: Does eminent domain fall  
20 under this? Is that something we need to get Legal to  
21 look at? Or how does that work?

22 MR. GARDNER: You know, there's something,  
23 Will, and maybe we can check with some of the County  
24 Commissioners. I know a lot of places in Holley that the  
25 roads -- there was no easement or anything in there, but

1 the road after a certain amount of time, and the County  
2 maintained it -- and lastly, it falls to the County.

3 MR. PHILLIPS: Run it through Public Works  
4 and ask if they will -- if they -- if they maintain that  
5 and they will say --

6 MR. SNYDER: It's already given by the  
7 County -- they had to put the right-of way, but it is  
8 very very narrow. It comes past the edge of pavement.

9 MR. GOULET: Can we go back to the County  
10 and tell them we need some more room? Or can we help  
11 these people, advise them, so they can get their project  
12 done? Try to be a good neighbor on this one?

13 MR. PHILLIPS: You can certainly go to the  
14 County and ask them what the limits --

15 MR. SNYDER: Leave it up to the County.

16 MR. PHILLIPS: They might -- because it's  
17 so tight the County might claim prescriptive right for a  
18 wider area. That's all you can do is ask.

19 MR. GOULET: If you guys can do that for  
20 me, that would be awesome.

21 MR. WELLS: All right.

22 MR. GOULET: Thanks.

23 MR. WELLS: Yeah.

24 MR. GOULET: That's it.

25 MR. CALKINS: Thank you, Will.

1                   Okay. We are now going to move into  
2 approval of new Board members. And we are going to --  
3 basically, we have four new -- four people that have put  
4 in their application on time and they have collected the  
5 25 petitions.

6                   And I will read them as follows: Debbie  
7 Gunnoe, Heather Scruggs, Geo Mayer, and Walter Bo Boden.  
8 They have turned in their applications for the deadline.

9                   I am going to call them. And, ladies  
10 first, and then, we are going to go to alphabetical  
11 order.

12                  And so, we are going to call it from --  
13 Debbie Gunnoe is going to be first. Heather Scruggs is  
14 going to be second. Geo Mayer will be third. Walter Bo  
15 Boden will be fourth.

16                  And we will start out with Debbie A.  
17 Gunnoe, and I will call a vote. And everybody who votes  
18 for Debbie Gunnoe, we will -- raise your hand and say  
19 "Aye."

20                  I will call a vote now for Debbie Gunnoe.  
21 Raise your hand and say "Aye."

22                  MR. GOULET: Can I ask one question first  
23 before we roll on with this?

24                  MR. CALKINS: Yeah.

25                  MR. GOULET: Barbara, has all the

1 candidates been vetted and background checks, like we  
2 normally do?

3 MS. CARAWAN: Yes.

4 MR. GOULET: That's all done? Everything  
5 is approved?

6 MS. CARAWAN: Yes, sir.

7 MR. GOULET: Okay. I would like to recess  
8 for a second. And, Counsel, I got a question I need to  
9 ask the Board.

10 MR. CALKINS: I would not -- I want to  
11 start this. I oppose that. We are going to call a --

12 MR. MILLER: I'm not so sure that that's  
13 necessarily the right procedure for doing this -- is my  
14 concern.

15 MR. GOULET: That's why I wanted to recess  
16 and I got a question I need to ask and I would like to  
17 recess and --

18 MR. CALKINS: See, you know, this is  
19 transparency. I think we need to -- anything to do with  
20 these Board picks.

21 MR. MILLER: Well, I want the vote to be  
22 public, but I am not sure going in a particular order is  
23 the right way to do it. That's my question, really.  
24 And, you know, the bylaws does not specifically say how  
25 you know, we appoint these people to the vacant seats,

1 but I think we should have a discussion on the procedure  
2 we are going to use.

3 MR. GOULET: Thank you very much.

4 MR. CALKINS: Okay. We can have a  
5 discussion here.

6 MR. MILLER: Okay. You know, when Board  
7 of Directors are elected, you know, the Board members  
8 will come in and vote their proxies. And at the end of  
9 the day, that's all tallied up, and the, you know, those  
10 with the highest number of votes are the ones that are  
11 seated in those seats.

12 So if we can do something that is similar  
13 to that process, so that it is at least kind of in line  
14 the way our election is run? I am just asking the  
15 question.

16 MR. CALKINS: It's my opinion that -- I  
17 mean, these guys, they put in the application. And I was  
18 just going to go down the line, make it easy and not  
19 complicated. That's just my opinion.

20 MR. MILLER: It wouldn't be complicated to  
21 do it another way, though, is what I am saying is --

22 MR. CALKINS: That's up for debate.

23 MR. MILLER: Yeah. I mean, what do  
24 y'all -- what do y'all think?

25 MR. LYNCHARD: Yeah. I mean, you are --



1 so you are basically saying we have got -- we each have  
2 got two votes and it's a private ballot.

3 MR. MILLER: Well, either a private ballot  
4 or a public. You know, I don't mind saying who I would  
5 vote for, but, you know, but whether we go down the line  
6 or we all do it.

7 MR. LYNCHARD: I think it's kind of bad if  
8 we just go down the line. I think we either need to have  
9 a vote or we can do it like County has done it in the  
10 past, which is have a ranking, you know, one, two, three,  
11 four. Add up the totals, whoever has the lowest score  
12 wins.

13 MR. DESANTIS: The ranking can be played  
14 with. I would rather just vote straight out.

15 MR. LYNCHARD: Okay. That will work. I  
16 am just making some suggestion.

17 MR. DESANTIS: Ranking can be set up in a  
18 matrix. You can dummy it up.

19 MR. MILLER: Okay. And I wouldn't have a  
20 problem writing my candidates down, tallying it up, and  
21 then have it be known who I voted for on the Board. I  
22 just -- you know, I don't have a problem doing it that  
23 way.

24 I just don't think that going in any  
25 particular order -- it could give an advantage to one

1 candidate over another because they got voted first or  
2 didn't get voted first or whatever.

3 MR. LYNCHARD: Sure.

4 MR. CALKINS: I think down the line.

5 Ricki, did you say --

6 MR. DESANTIS: Yeah. I have no problem  
7 with that, being transparent. Just vote.

8 MR. CALKINS: So we will -- any further  
9 discussion on it?

10 MR. LYNCHARD: Let's wait until Will gets  
11 back.

12 MR. CALKINS: Will is right there.

13 MR. GOULET: I had to get something to  
14 drink. Sorry, I was parched.

15 MR. LYNCHARD: What do you think, Will?

16 MR. GOULET: Well, I like how the County  
17 normally does it, but, you know, whatever is to the  
18 Board's liking. How many votes do I get? Two?

19 MR. LYNCHARD: Two.

20 MR. GOULET: You vote twice for the same  
21 person? Or, I mean, I don't know the rules of the games.  
22 I need to know the rules of the game.

23 MR. MILLER: And, folks, it is absent in  
24 the bylaws as to how this is supposed to happen, so, you  
25 know, we could put everybody's name in a hat and draw

1 names out of a hat, you know, I mean, if there is not a  
2 prescribed way that this is supposed to be done. I guess  
3 it doesn't happen that often, but --

4 MR. LYNCHARD: Yeah.

5 MR. CALKINS: I just, you know, wanted to  
6 get it done, make it easy, make it transparent, just have  
7 a -- I figured, you know, put the ladies first, you know,  
8 and in alphabetical order, I figured that would be kind  
9 of fair. That's what I came up with. Is that okay with  
10 y'all?

11 MR. DESANTIS: Yeah. That's fine.

12 MR. CALKINS: Okay.

13 MR. DESANTIS: Because you could do  
14 binary -- (inaudible) --

15 MR. GOULET: Thank you.

16 MR. CALKINS: So we are going to start off  
17 with -- thanks for the discussion. We are going to start  
18 off with the vote on Debbie Gunnoe.

19 All those in favor of Debbie Gunnoe, raise  
20 your hand?

21 (DIRECTOR MILLER AND DIRECTOR DESANTIS CAST THEIR VOTE.)

22 MR. CALKINS: All right. We have two for  
23 Debbie Gunnoe.

24 All those opposed to Debbie Gunnoe? Raise  
25 your hand.

1                   MR. GOULET: I don't oppose her. I am  
2 just not voting for her.

3                   MR. CALKINS: Okay. All right. So we  
4 have two and two -- if there is a tie, I break the tie.  
5 Debbie Gunnoe just basically won from what it looks like  
6 because it's two to tie. And so, I would like to welcome  
7 Ms. Debbie Gunnoe --

8                   MR. GOULET: Hang on -- hang on a second.  
9 Hang on a second. That's not how it works, boss, because  
10 there's four people. They voted one of their votes. Me  
11 and Daryl haven't voted yet.

12                  MR. CALKINS: Okay. So -- okay, well, we  
13 have got two votes for yea. Are you guys voting now?  
14 Are you abstaining? I called the vote.

15                  MR. LYNCHARD: There's a procedure --  
16 okay --

17                  MR. CALKINS: There's a procedure. I just  
18 set the procedure and you guys just voted.

19                  MR. GOULET: Just so you understand.

20                  MR. MILLER: Does James get a vote?

21                  MR. LYNCHARD: Yeah. James gets a vote.

22                  MR. MILLER: Well, James just voted for  
23 Debbie, so that gets her three votes --

24                  MR. LYNCHARD: With another -- so we have  
25 got -- we have got three people that voted. We have got

1 five of us up here. That's ten votes.

2 MR. GOULET: So we can tie every time.

3 You understand that. We can tie every time.

4 Mathematically, we can tie every time so everybody will  
5 get elected to the Board. That's why this process won't  
6 work.

7 MR. CALKINS: Well, I called the vote.

8 We -- and Debbie Gunnoe just basically won from -- based  
9 on three to two, so that's what --

10 MR. GOULET: No. The math doesn't work.

11 MR. MILLER: Well, let's go through the  
12 whole process. Debbie has three votes.

13 MR. CALKINS: Yes.

14 MR. MILLER: Okay.

15 MR. CALKINS: Okay. And --

16 MR. MILLER: Okay. Who is next? Who are  
17 we going to do next?

18 MR. CALKINS: We need to -- we need to  
19 seat the -- she just won, basically.

20 MR. MILLER: Well, let's go through the  
21 whole process and then seat the two winning votes --

22 MR. LYNCHARD: That's right.

23 MR. CALKINS: Okay. Three --

24 MR. MILLER: Board members --

25 MR. CALKINS: Three votes. Debbie wins.

1 And it's done. Adjourned.

2 (GAVEL SOUNDING.)

3 MR. MILLER: No. We have two seats.

4 MR. CALKINS: It passed.

5 VOICE FROM AUDIENCE: Seriously?

6 MR. CALKINS: That's it.

7 MR. LYNCHARD: You are kidding; right?

8 MR. CALKINS: No.

9 MR. MILLER: We have two seats we are  
10 appointing --

11 MR. LYNCHARD: There are two seats.

12 MR. LARSON: There are four candidates and  
13 you only took a vote on one.

14 MR. CALKINS: We have three to two --  
15 three to zero. It's passed.

16 MR. MILLER: But there are four candidates  
17 for two positions.

18 (PEOPLE SPEAKING OVER EACH OTHER.)

19 MR. CALKINS: We will call a Special  
20 meeting for the next one, but this is adjourned.

21 MR. MILLER: You have got it on the agenda  
22 for tonight, James. You have ended that agenda item.

23 MR. CALKINS: All right. Meeting  
24 adjourned. Thank you.

25 MR. DESANTIS: What happened? I just went

1 to the fricking bathroom. What --

2 FEMALE FROM AUDIENCE: No public forum?

3 MR. CALKINS: We already did public forum.

4 I did that before so --

5 MS. CAMPBELL: What about transparency?

6 MR. DESANTIS: What just happened? I just  
7 went to the bathroom --

8 MR. CALKINS: We did. We had three. We  
9 voted and no --

10 (EVERYONE SPEAKING AT THE SAME TIME.)

11 MR. MILLER: But there are two seats. We  
12 didn't finish that business item.

13 (EVERYONE SPEAKING AT THE SAME TIME.)

14 FEMALE FROM AUDIENCE: Why are you in a  
15 hurry to leave?

16 MR. CALKINS: Well, we just adjourned the  
17 meeting, and, you know, that --

18 (UNINTELLIGIBLE REMARKS FROM BOARD.)

19 MR. MILLER: But you adjourned it before  
20 we finished the business.

21 (UNINTELLIGIBLE REMARKS FROM BOARD.)

22 MR. MILLER: We had a business item to  
23 appoint two Board --

24 MR. CALKINS: I will call a Special  
25 meeting and we will deal with this.

1 MR. MILLER: Why do we need a Special  
2 meeting? We are here tonight.

3 MR. DESANTIS: This is crazy --

4 MR. CALKINS: We will call a Special  
5 meeting, so, all right, thank you.

6 (UNINTELLIGIBLE REMARKS FROM BOARD.)

7 FEMALE VOICE FROM AUDIENCE: Shame on you.

8 MR. DESANTIS: Did we vote for anybody?

9 (UNINTELLIGIBLE REMARKS FROM BOARD.)

10 MR. LARSON MAKES REMARK.

11 MR. DESANTIS: Oh, my God --

12 (unintelligible) --

13 (He is speaking with someone, possibly the  
14 attorney, Kristi Cook.)

15 MR. DESANTIS: I missed it. I go to the  
16 bathroom for two minutes and I missed it --

17 (UNINTELLIGIBLE REMARKS FROM BOARD AND  
18 AUDIENCE AT THE SAME TIME.)

19 FEMALE VOICE ASKING GOULET IF HE HAS A  
20 MINUTE.

21 MR. GOULET: Yeah. I've got lots of  
22 minutes.

23 (UNINTELLIGIBLE REMARKS FROM BOARD AND  
24 AUDIENCE AT THE SAME TIME.)

25 FEMALE SPEAKING TO BOARD MEMBER: I'm



1 left-handed, just so you have my card, just so you  
2 have -- (unintelligible) -- okay. Thank you.

3 MR. LYNCHARD: And I know the benefits of  
4 part of this settling and unsettling --

5 (UNINTELLIGIBLE REMARKS FROM BOARD AND  
6 AUDIENCE AT THE SAME TIME.)

7 MR. GOULET: That's got to be the craziest  
8 -- and I won't swear, but that has got to be the craziest  
9 thing I have ever seen in my life.

10 (UNINTELLIGIBLE REMARKS FROM BOARD AND  
11 AUDIENCE AT THE SAME TIME.)

12 MR. GOULET: God, I don't know what to  
13 say. I have no idea.

14 (UNINTELLIGIBLE REMARKS FROM BOARD AND  
15 AUDIENCE AT THE SAME TIME.)

16 MR. LARSON MAKES COMMENT.

17 MR. GOULET: Go beat his ass, yeah --

18 MR. LYNCHARD: Is there any day this week  
19 that is good for you --

20 (UNINTELLIGIBLE REMARKS FROM BOARD AND  
21 AUDIENCE AT THE SAME TIME.)

22 MR. GOULET: Wednesday -- Wednesday would  
23 be the best for me, if we can do -- no, yeah, Wednesday  
24 would be the best.

25 MR. LYNCHARD: Yeah. Okay.

1                   MR. GOULET: Wednesday of next week, we  
2 could do this, because I would definitely have time for  
3 that.

4                   FEMALE VOICE: Next Wednesday, because I  
5 will be honest with you, I am concerned about --

6                   MR. GOULET: Yeah. If what you -- if what  
7 we discussed can be agreed upon, yes, we could make a  
8 decision Wednesday.

9                   (UNINTELLIGIBLE REMARKS FROM BOARD AND  
10 AUDIENCE AT THE SAME TIME.)

11                  MR. GOULET: Doug has already found a way  
12 to (unintelligible) --

13                  (UNINTELLIGIBLE REMARKS FROM BOARD AND  
14 AUDIENCE AT THE SAME TIME.)

15                  MR. GOULET: I don't know. You got me.  
16 You would have to talk to (unintelligible) --

17                  (REMARK MADE BY MR. LARSON.)

18                  (UNINTELLIGIBLE REMARKS FROM BOARD AND  
19 AUDIENCE AT THE SAME TIME.)

20                  MR. GOULET: He can't do that. This just  
21 crosses the board. You have to do a rating process  
22 because -- and I am not mad at you, I'm just mad, because  
23 I have never seen anybody be so stupid.

24                  MR. LARSON: I watched the last Board do  
25 the same thing.

1                   MR. GOULET: (unintelligible) -- fucking  
2 retarded.

3                   UNIDENTIFIED MALE: So talk to Doug about  
4 that, about being able to have a no-confidence vote on  
5 his ability to -- after that little scenario tonight?

6                   MR. GOULET: Yes. You can't do that.

7                   UNIDENTIFIED MALE: All right.

8                   (UNINTELLIGIBLE REMARKS FROM BOARD AND  
9 AUDIENCE AT THE SAME TIME.)

10                  FEMALE VOICE: See you in my office?

11                  MR. GOULET: I have no idea.

12                  SAME UNIDENTIFIED MALE: Don't leave. We  
13 know where to find you.

14                  FEMALE VOICE: I know it well. I don't  
15 know if I am going to be leaving actually.

16                  MR. GOULET: That fucked my plan -- what a  
17 pain in the butt.

18                  (UNINTELLIGIBLE REMARKS FROM BOARD AND  
19 AUDIENCE AT THE SAME TIME.)

20                  MR. LARSON: We didn't think we might need  
21 to act on what I had to look up today --

22                  MR. GOULET: We have to. We don't have a  
23 choice.

24                  MR. GOULET ADDRESSING BOARD.

25                  MR. GOULET: Hey -- question.

1 MR. MILLER: Yes.

2 MR. GOULET: A motion wasn't made to  
3 adjourn the meeting.

4 MR. LYNCHARD: No, it wasn't.

5 MR. GOULET: Okay.

6 MR. MILLER: Right.

7 FEMALE VOICE: Or to accept a result,  
8 you --

9 SECOND FEMALE VOICE: You still have three  
10 still. It's still four --

11 MR. GOULET: So the motion was not made to  
12 adjourn the meeting. Am I correct? Everybody in the  
13 room was here. A motion was not made to adjourn the  
14 meeting.

15 (UNINTELLIGIBLE REMARKS MADE BY BOARD AND  
16 AUDIENCE AT THE SAME TIME.)

17 SOMEONE SAID: I was not talking to you.  
18 I was talking to --

19 MR. SCRUGGS: There was no motion made  
20 during the meeting. He just said upset "Adjourned" and  
21 left.

22 MR. GOULET: So the meeting is not  
23 adjourned.

24 (UNINTELLIGIBLE REMARKS MADE BY BOARD AND  
25 AUDIENCE AT THE SAME TIME.)

1                   MR. LARSON: You know, that is the second  
2 time he has pulled that.

3                   MR. MAYER: That's true.

4                   SOMEONE SAID: Those are the guys that  
5 have real jobs --

6                   MR. GOULET: Legal --

7                   MS. COOK: Yes?

8                   MR. GOULET: I have a question for you.

9                   MS. COOK: Uh-huh.

10                  MR. GOULET: A motion was not made --

11                  MR. LYNCHARD: Will, we are trying to  
12 schedule (unintelligible) Thursday afternoon?

13                  MR. GOULET: I can't do Thursday, because  
14 I am having my ribbon cutting Thursday at 5:30 and I'm  
15 having a party. Wednesday is like the best day for me.

16                  (UNINTELLIGIBLE REMARKS MADE BY BOARD AND  
17 AUDIENCE AT THE SAME TIME.)

18                  MR. LYNCHARD: To all the people that are  
19 still here, I apologize for that.

20                  MR. GOULET: If everybody could just hang  
21 out for one second, please. Don't leave. Let's get this  
22 appointment thing done, but I have something to address  
23 everybody, so everybody just hang on for a second.

24                  (UNINTELLIGIBLE REMARKS MADE BY BOARD AND  
25 AUDIENCE AT THE SAME TIME.)

1                   SOMEONE SAID: We need Ricki back --  
2                   MR. GOULET: Where is Ricki?  
3                   SOMEONE SAID: He left. You need him  
4 back --  
5                   MR. MILLER: Wednesday at 8:30 makes --  
6                   MR. GOULET: That's fine.  
7                   MR. MILLER: Okay.  
8                   MR. GOULET: Did Ricki drive off in his  
9 car yet?  
10                  FEMALE VOICE: I don't know. He went out  
11 the door --  
12                  MR. GOULET: Somebody see if Ricki's car  
13 is still in the handicap spot, please? Park to the  
14 left --  
15                  MS. COOK: Oh, yes. I left my keys in the  
16 car.  
17                  (MR. GOULET SPEAKING TO FEMALE ABOUT  
18 SOMEONE COMING TO UNLOCK HER CAR.)  
19                  MR. GOULET: What I was saying is Brian  
20 Duncan could come. He is just right down the street.  
21                  FEMALE VOICE: Oh, he is?  
22                  MR. GOULET: He is just right down the  
23 street. That's what I was trying to -- I've got so much  
24 stupid stuff going on.  
25                  MS. COOK: Okay.

1 (I think she has a cell phone conversation  
2 that I picked up.)

3 MR. GOULET: We have to find Ricki real  
4 quick because the meeting wasn't adjourned properly and I  
5 think the meeting is still in session because he just  
6 left the room. There wasn't a motion made to adjourn the  
7 meeting, so he can't just adjourn the meeting.

8 (Goulet talking on cell phone about Kristi  
9 Cook leaving her keys locked in her car.)

10 MR. MILLER INTRODUCES HIMSELF TO KRISTI COOK.

11 (UNINTELLIGIBLE REMARKS MADE BY BOARD AND  
12 AUDIENCE AT THE SAME TIME.)

13 MR. MILLER: I guess James and Ricki are  
14 gone so there is no quorum. We can't -- so technically,  
15 is Debbie now a Board member or not --

16 MR. LYNCHARD: Exactly. Who knows?

17 MR. MILLER: And does she get to vote --  
18 does she get to vote on the --

19 MR. LYNCHARD: On the next --

20 MR. MILLER: That's not the way it should  
21 have happened.

22 MR. GOULET: Let me ask you a question --

23 MR. LYNCHARD: It shouldn't have happened  
24 tonight at all.

25 MR. GOULET: Let me ask you a question --

1                   MR. LYNCHARD: Yeah. But we are not going  
2 to do that. We are -- if we did that, we would be just  
3 like everybody else that does this --

4                   MR. GOULET: Well, what I am saying, we  
5 have to adjourn the meeting is what I am saying. The  
6 meeting wasn't properly adjourned.

7                   MR. LYNCHARD: You are the president, so  
8 go ahead and adjourn --

9                   MR. LARSON: Vice president.

10                  MR. LYNCHARD: Well, as the acting  
11 president at this point.

12                  MR. MILLER: I make a motion we adjourn  
13 the meeting.

14                  MR. GOULET: Do I have a second?

15                  MR. LYNCHARD: I will second.

16                  MR. GOULET: All right. Meeting  
17 adjourned.

18                  (GAVEL SOUNDS.)

19                  WHEREUPON, BOARD MEETING FOR HOLLEY  
20 NAVARRE WATER SYSTEM ADJOURNED AT 7:26 P.M.

21

22

23

24

25

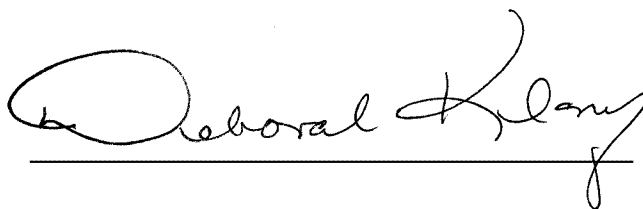


CERTIFICATE OF REPORTER

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 Holley Navarre Water System Board of Directors and the transcript is a true record of 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.

A handwritten signature in black ink, reading "Deborah G. Kharuf", is written over a horizontal line. The signature is cursive and stylized.

DEBORAH G. KHARUF

Court Reporter and Notary Public,  
State of Florida at Large.

Commission number FF 221569

My commission expires July 6, 2019.