

HOLLEY NAVARRE WATER SYSTEM
THE CLUB AT HIDDEN CREEK
COMBINED BOARD MEETINGS
AUGUST 20TH, 2019
6:00 P.M. - 7:55 P.M.

MIKE KENNEDY, PRESIDENT

YVONNE HARPER, VICE PRESIDENT

KEVIN LANIER, SECRETARY-TREASURER

DARYL LYNCHARD, DIRECTOR

FRED TERASA, DIRECTOR

WILL GOULET, DIRECTOR

MARK MILLER, DIRECTOR (APPEARING BY PHONE)

BARBARA CARAWAN, OFFICE MANAGER

ROB WILLIAMSON, CEO, HNWS

PHIL PHILLIPS, MESI

CORY SNYDER, MESI

CLINTON WELLS, HNWS

DANNY HAWKINS, HNWS

MARK TURNER, HNWS

CHRIS LEGG, HNWS

TORIN BRAND, IT HNWS

CINDY CALLEN, GM, CLUB AT HIDDEN CREEK

ALSO PRESENT:

KEITH KILPATRICK, ESQUIRE

DEBORAH KHARUF, COURT REPORTER

SANDI KEMP, NAVARRE PRESS

KEVIN STRICKLAND, AMERIS REPRESENTATIVE

DAVE STROHMEIER, USA FINANCIAL SERVICES

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

2 MR. KENNEDY: I call this meeting to
3 order. All right. Ms. Harper, would you please lead us
4 in prayer?

5 (INVOCATION BY DIRECTOR HARPER.)

6 MR. KENNEDY: Director Goulet, will you
7 lead us in the pledge of allegiance?

8 (PLEDGE OF ALLEGIANCE LED BY DIRECTOR GOULET.)

9 MR. KENNEDY: Thank you, sir.

10 Secretary Lanier, do we have a quorum?

11 DIRECTOR LANIER: We have a quorum.

12 MR. KENNEDY: Thank you, sir.

13 Announcement: Audio and video recorders
14 in use. Please silence all cell phones. If anybody
15 would like to address the Board, please sign up at the
16 member forum sign-up sheet at the front there.

17 First order of business is approval of
18 minutes and transcripts for regular meeting transcripts
19 of the July 16th Holley Navarre Water System regular
20 meeting.

21 Do we have a motion to approve the July
22 16th meeting minutes and transcripts as presented?

23 MR. LANIER: Motion to approve the minutes
24 and transcripts.

25 MR. LYNCHARD: Second.

1 MR. KENNEDY: Any further discussion?

2 (NO AUDIBLE RESPONSE.)

3 MR. KENNEDY: Those in favor say "Aye"?

4 MR. LANIER: Aye.

5 MS. HARPER: Aye.

6 MR. LYNCHARD: Aye.

7 MR. GOULET: Aye.

8 MR. TERASA: Aye.

9 MR. KENNEDY: Those opposed say "No"?

10 Motion carries.

11 MR. MILLER: Aye.

12 MR. KENNEDY: Thank you, sir.

13 The next item is the approval of
14 memberships. Secretary Lanier?

15 MR. LANIER: Yes. In July, new
16 memberships were 424. There were 389 cancelled
17 memberships and no transfers.

18 MR. KENNEDY: Thank you, sir. Do we have
19 a motion to approve the memberships as presented?

20 MR. GOULET: I make a motion to approve as
21 presented.

22 MR. LYNCHARD: I'll second.

23 MR. KENNEDY: Thank you. Any further
24 discussion?

25 (NO AUDIBLE RESPONSE.)

1 MR. KENNEDY: Those in favor say "Aye"?

2 MR. LANIER: Aye.

3 MS. HARPER: Aye.

4 MR. LYNCHARD: Aye.

5 MR. GOULET: Aye.

6 MR. TERASA: Aye.

7 MR. KENNEDY: Mr. Miller?

8 MR. MILLER: Sorry. My phone was on mute.

9 Aye.

10 MR. KENNEDY: All right. Those opposed
11 say "No"?

12 (NO AUDIBLE RESPONSE.)

13 MR. KENNEDY: Motion carries.

14 Next item is finance. Review of the July
15 29th financial statements. Mr. Williamson?

16 MR. WILLIAMSON: Thank you, Mr. Chair.

17 Good evening. July revenue of \$1,000,224.62 against
18 expenses of \$1,506,977.67 for an operating loss of
19 \$506,753.05 as was brought to the Board last month when
20 the pension plan payment for the year was approved that
21 we were going to notice that hit this month. So it might
22 have things be a little skewed.

23 If you were to factor out the pension plan
24 payment, we actually are better than prior year, July net
25 income. And through seven months of the year, if the

1 pension plan was normalized against last year's
2 expenditures for the pension plan, we would be up a
3 little over \$165,000. So it's reasonable to expect that
4 you would have that loss reflected for that one month.
5 But we are still in good shape for the year.

6 Highlight a few bright spots. We have
7 maybe some significant variance or some good things that
8 are developing. Interest expense, \$109,000 this year
9 through seven months of the year. That compares with, I
10 think, \$18,333 interest expense last year. So that --
11 that's obviously a significant improvement.

12 Fairpoint reimbursement is up \$22,000 over
13 prior year. And up 627 percent is a line item which you
14 might have noticed, which is miscellaneous wastewater
15 revenue. That's due in part to a claim that you were
16 made aware of where Chris went after an insurance claim
17 to get some revenue back for that. It was \$37,000 and
18 the rest is line extension revenue.

19 And on the expense side, software services
20 is a line item that you might view as an increase, when
21 you look at, you know, it's \$40,000 to that line item,
22 but, really, it's a new line item. Last year, everything
23 was put under computer services, so, really, there hasn't
24 been in an increase. We just now have computer services
25 in one line and software services -- or computer expense

1 and software services in two separate lines that was part
2 of the Board-approved budget for earlier in the year.

3 So if anybody has any questions, I will do
4 my best to answer them, but that concludes my report.

5 MR. KENNEDY: Do I have a motion to
6 approve the July 2019 financial statements as presented?

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

9 MR. LANIER: Second.

10 MR. KENNEDY: Any further discussion?

11 (NO AUDIBLE RESPONSE.)

12 MR. KENNEDY: Okay. Those in favor say
13 "Aye"?

14 MR. LANIER: Aye.

15 MS. HARPER: Aye.

16 MR. LYNCHARD: Aye.

17 MR. GOULET: Aye.

18 MR. TERASA: Aye.

19 MR. MILLER: Aye.

20 MR. KENNEDY: Thank you. And those
21 opposed say "No"?

22 (NO AUDIBLE RESPONSE.)

23 THE COURT: Motion carries.

24 Next order of business is the 2019
25 employee group insurance renewal. Mr. Williamson?

1 MR. WILLIAMSON: Thank you, Mr. Chairman.
2 We have Dave Strohmeier here, our fabulous agent who has
3 really helped us out with some evaluation of all of our
4 policies. And we think we have got something for the
5 Board to consider that is an overall win.

6 You have the information in your back-up,
7 tried to provide -- I know it's a lot of information, but
8 we tried to provide a recap there. If you would turn to
9 the bottom line page, which would be page 2 of your
10 back-up, you can kind of see how things are netted out
11 there.

12 The bottom line through seven months of
13 this year, we are under budget by \$135,000 for health
14 insurance expense. And we are looking at a
15 forecasted around ten percent overall increase for all
16 insurances. So I believe that we would be able to budget
17 flat for next year, even though we have an overall
18 increase in health insurance or projected health
19 insurance increase around ten and a half percent.

20 I believe that we will be able to budget
21 flat for that in the 2020 year. We did put this out for
22 competitive bid. And we had no response. We --
23 actually, the response we had was that the two companies
24 that responded, Aetna and Florida Blue, believed that
25 they would not be competitive with what United Health

1 (sic) was able to provide.

2 And in working with Dave, we proposed
3 bundling everything under United Healthcare for the first
4 time. And what he was able to get back was basically on
5 the ancillary benefits, your short and long-term
6 disability, vision, dental, life, that he was able to get
7 us really two and a half percent lower than what we are
8 paying now and a \$7 per employee credit.

9 So all of that nets out to right around an
10 overall ten percent increase for all insurances total.
11 And we actually improved dental insurance and the
12 deductibles. And everything we had before stays very
13 favorable. So we feel like it's a very good plan. And
14 the benefits are one of the things that help us retain
15 and recruit good people.

16 In this competitive marketplace, I know
17 that was a Number One priority of the Board was to task
18 the staff with retaining and creating good people. So we
19 feel that this answers this priority.

20 MR. KENNEDY: Great. We will make a
21 motion and then you can -- all right. Do we have a
22 motion for this item?

23 MR. LANIER: Motion to approve the
24 2019-2020 employee group insurance for all entities as
25 presented.

1 MR. KENNEDY: Okay. Do I have a second?

2 MR. GOULET: I second it.

3 MR. KENNEDY: We have a second. Now, we
4 have further discussion.

5 MR. GOULET: I will second that motion.
6 Go ahead, Fred.

7 MR. TERASA: Rob, you mentioned the seven
8 percent savings we would accrue for each employee that
9 bundles. Is that accurate?

10 MR. WILLIAMSON: Well, we get a \$7 per
11 employee credit for those employees that are using all of
12 those services, which not everyone is a full-time
13 employee eligible for all of those. But this would be
14 bring everything under one umbrella. Everything would go
15 under the United Healthcare -- United umbrella.

16 MR. TERASA: Well, my point is how are we
17 going to encourage and engage with our employees to cause
18 them to understand that the benefit is for them as well
19 as for us as a company?

20 MR. WILLIAMSON: And that's very important
21 and it's a great question. One of the things that 8.3
22 percent of the increase that was proposed -- and,
23 initially, United Health was at a 21 percent increase
24 just on the insurance side alone. We ended up getting
25 that down to 11.52, I think it was.

1 8 and a half or 8.3 percent of that
2 increase was the number of visits. And so, to get our
3 employees to reduce the number of visits, we are going to
4 use a new program called "Healthiest You." Some of our
5 employees are familiar with it. It allows virtual doctor
6 visits. And you can use that "Healthiest You," app.

7 And the great thing about it, it doesn't
8 count against your doctor visits -- or it doesn't count
9 against your visits as far as United Health is concerned.
10 So we are going to do a better job of communicating to
11 our team the benefits that are available to them and
12 incentivize them to deliver better health outcomes. And
13 we think we will be able to do that this year.

14 And, next year, we are hopeful to have a
15 reduction in the amount that we would pay. But we should
16 let the Board know that the average increase in the State
17 of Florida annually on health insurance is eight percent.
18 So we are definitely doing pretty well as far as that
19 goes.

20 MR. TERASA: And I appreciate that, that
21 extra opportunity for them to avoid costing us extra
22 money and by using fewer visits. But, again, the point
23 is they need to understand the benefit to them and to the
24 company when they bundle.

25 Not just say, "It's out there. Here are

1 X, Y, and Z. And I don't know what X, Y, Z are, but we
2 need to make sure we explain that to our employees and
3 reap the benefits of a \$7 --

4 MR. WILLIAMSON: To be clear, what we are
5 putting to the Board tonight is one bundled insurance
6 package where that's what the insurance benefits would be
7 for health, for vision, for dental, for short and
8 long-term disability, life. Everything would be under
9 United Health, whereas right now, they may have the
10 opportunity, you know, we have different providers the
11 Board has approved. This would be approving one. So,
12 really, if they want to participate, they don't have a
13 choice.

14 MR. KENNEDY: All right.

15 MR. GOULET: Mr. President, I have a
16 question.

17 MR. KENNEDY: Go ahead, Director.

18 MR. GOULET: Have we polled the employees
19 and got their input on this at all?

20 MR. WILLIAMSON: Yeah. We actually did
21 before we got started. And that's -- United is very
22 popular with the employees. There was some feedback
23 about the dental program and that they would like to
24 have, maybe, a greater flexibility in the dentists they
25 could go to that they were not provided before.

1 And I wish I could take credit for it, but
2 it kind of happened by accident that when we went to
3 bundle with United and moving our -- if the Board
4 approves it -- United offers more options, more dentists
5 are in the network to where our employees would get that
6 concern addressed.

7 MR. GOULET: Okay.

8 MS. HARPER: I have a question for the
9 dental. And thank you for talking about the new program,
10 "Healthiest You." I was wondering if it was virtual or
11 online so you answered that question.

12 The group's maximum benefit for the
13 dental, there is no -- at present, there is zero annual
14 deductible and no limit. The new one would have a \$50
15 per person annually and maximum of three per family. So
16 the three per family, is that three people who can be on
17 this dental plan? Is that three visits? What is the
18 maximum of three per family?

19 MR. WILLIAMSON: Dave is here to answer
20 those questions.

21 MR. STROHMEIER: Talking about a family
22 situation -- mother father, child.

23 MS. HARPER: So if I had a family of five,
24 then only two of them aren't getting their teeth cleaned?

25 MR. STROHMEIER: Right.

1 MS. HARPER: Is there a reason why that
2 is? Why it is a limit of three?

3 MR. STROHMEIER: They are just capping the
4 number of deductibles that the family would pay to three.

5 MS. HARPER: Oh, so that's the number of
6 deductibles? So if I went five times, there is only
7 three deductibles? It's not the family members are
8 limited to --

9 MR. KENNEDY: One moment, Director Harper.
10 Excuse me, sir, do you mind if you can come over here to
11 the podium? If you don't mind, your name?

12 MR. STROHMEIER: Dave Strohmeier. The
13 deductibles, one per person per calendar year. So if you
14 had a family situation of five members, and all five went
15 to the dentist, then only three of the five would be
16 charged with the deductible.

17 MS. HARPER: Thank you. I just wanted to
18 make sure that it was that and not if you had a family of
19 five, only three are permitted.

20 MR. STROHMEIER: No.

21 MS. HARPER: Okay. Thank you.

22 MR. KENNEDY: While we have the gentleman
23 here, does anybody have any more questions?

24 (NO AUDIBLE RESPONSE.)

25 MR. KENNEDY: Well, I think we are going

1 to let you go.

2 MR. GOULET: Is there open enrollment --
3 sorry -- is there open enrollment on this for any
4 employees that have not elected? They have, what, a
5 month to sign up now after we approve this?

6 MR. WILLIAMSON: Yes, sir.

7 MR. STROHMEIER: The open enrollment will
8 be the month of September.

9 MR. GOULET: Okay.

10 MR. STROHMEIER: And we are going to have
11 the open enroll meeting here on the 5th and 6th of
12 September.

13 MR. GOULET: I just wanted to make sure.
14 Thank you.

15 MR. KENNEDY: Thank you, sir.

16 Any further questions?

17 (NO AUDIBLE RESPONSE.)

18 MR. KENNEDY: All right. Those in favor
19 say "Aye"?

20 MR. LANIER: Aye.

21 MS. HARPER: Aye.

22 MR. LYNCHARD: Aye.

23 MR. GOULET: Aye.

24 MR. TERASA: Aye.

25 MR. KENNEDY: Those opposed say "No"?

1 Motion carries.

2 MR. MILLER: I'm an "Aye."

3 MR. KENNEDY: Okay. Sorry, Mark. Thank
4 you.

5 Next item is the transfer of reserves and
6 operations accounts to Ameris Bank. Mr. Williamson?

7 MR. WILLIAMSON: Thank you, Mr. Chairman.
8 In response to another Board priority was to reduce some
9 credit risk. This should be familiar to a few of the
10 Board members. The program that Ameris Bank offers, you
11 have the information in your back-up to net it out the
12 interest income that we would receive.

13 That interest rate stays the same. All of
14 our funds would be FDIC insured, which now they are not.
15 And as far as it goes with the credit worthiness, you are
16 going to an A-plus rated bank with, I think 16 -- a
17 little over \$16 billion in assets versus a C-plus rated
18 bank with \$470 million in assets.

19 So we believe that this request is
20 consistent with the Board's directive and priorities and
21 the funds that would be transferred over would be the
22 operations accounts and impact fee reserves.

23 The deposit accounts would not earn
24 interest. Those accounts would stay walled off like they
25 are now where you have water deposits and sewer deposits.

1 Those accounts would -- they would be swept to where they
2 would still be FDIC insured, every penny of it, even if
3 it went over \$250,000, but there would not be any
4 interest earned on that money for obvious reasons.

5 So the only funds we would have left
6 remaining would be to keep a cash account open. We
7 currently get, you know, probably \$15,000, a limited
8 amount of cash payments every month. And so, we would
9 want to keep a -- for at least a short term, a brick and
10 mortar local bank.

11 So, right now, we have an account with
12 Regions Bank that we could reactivate. We have
13 Centennial Bank that we use for MESI and for Hidden
14 Creek, and we could use either one of two banks for the
15 cash only deposits, but all other funds would be moved
16 over to Ameris Bank. And, currently, we would anticipate
17 around \$200,000 a year in interest income. And all of
18 our money would be protected.

19 MR. KENNEDY: All right. Do I have a
20 motion on this?

21 MR. LANIER: Motion to transfer the
22 banking relationship to Ameris Bank and to direct the CEO
23 to sign all related documents and to maintain a local
24 bank for cash transactions.

25 MR. WILLIAMSON: Does the Board have a

1 preference on either Centennial or Regions?

2 MR. KENNEDY: Well, we will get there.

3 MR. LYNCHARD: Second for discussion.

4 MR. KENNEDY: Yes, sir. Thank you. I
5 have a second. Now, we have it for discussion.

6 MR. GOULET: Are you fine with this,
7 Barbara?

8 MS. CARAWAN: Yes, sir. Yes, sir.

9 MR. GOULET: I just wanted to make sure
10 you are fine with it.

11 MS. CARAWAN: Absolutely.

12 MR. WILLIAMSON: She was the first one in
13 line.

14 MS. CARAWAN: As long as we keep a local
15 bank.

16 MR. LYNCHARD: Okay.

17 MS. HARPER: So the eight and a half -- or
18 the little more than eight and a half million dollars
19 that's now in Beach Bank is going to be transferred to
20 Ameris with a local bank to be selected for cash, which
21 would have -- so no more than \$15,000 roughly?

22 MR. WILLIAMSON: Probably \$25,000,
23 somewhere in there, because, now, each month, we would
24 take the cash deposits from the previous months, so it
25 would be clean for record for the Board and the auditors

1 have the month's cash deposits to then be moved over to
2 Ameris. So we would want to keep some funding in there
3 to limit any bank fees we might have or anything like
4 that. But, yeah, the number sounds about right. I know
5 it was -- I think it is a little over eight million.

6 MS. HARPER: So we are closing every
7 account with Beach Bank?

8 MR. WILLIAMSON: That is correct, unless
9 the Board directs otherwise.

10 MR. LYNCHARD: Comparing the two,
11 including fees, are we making more or less with Ameris?
12 Or about the same?

13 MS. CARAWAN: The interest rate would stay
14 the same, so we would be making the same.

15 MR. LYNCHARD: Okay. So the fees wouldn't
16 be any more with Ameris than they are with --

17 MS. CARAWAN: No fees.

18 MR. LYNCHARD: Okay. No fees. Okay.

19 MR. WILLIAMSON: And they actually throw
20 in almost \$4,000 worth of check scanners. Our check
21 scanners -- I think, like five new scanners. Our
22 scanners are a little dated, and they are going to
23 provide those free of charge as well.

24 MR. LYNCHARD: Sounds good to me.

25 MR. LANIER: Would anybody have any

1 problem with me amending the motion to include the local
2 bank to be Centennial, just so that we have got all of
3 our banking in a centralized location for local accounts?

4 MR. KENNEDY: Well, I guess -- do you guys
5 have a preference?

6 MR. WILLIAMSON: We would prefer that.

7 MR. LYNCHARD: I will second that.

8 MR. TERASA: Yeah.

9 MR. WILLIAMSON: Since we already had an
10 agreement with Regions, I didn't want to --

11 MR. LANIER: I will amend my motion to
12 include Centennial Bank for cash account.

13 MR. LYNCHARD: I will second it.

14 MS. HARPER: Is Centennial better than
15 Regions?

16 MR. WILLIAMSON: We had left Regions
17 before and Regions' fees were a little bit prohibitive.
18 And Centennial Bank would be convenient for staff if we
19 were going to one bank for any and all of those instead
20 of adding another one.

21 MS. HARPER: Okay.

22 MR. WILLIAMSON: It wasn't that much
23 difference.

24 MR. KENNEDY: And since it's not a lot
25 of -- it won't be that much money, we are not worried

1 about having a consolidation of cash at Centennial.

2 Correct?

3 MR. WILLIAMSON: Yes, sir.

4 MR. KENNEDY: Okay. Any further
5 discussion?

6 MR. LANIER: This transfer of funds will
7 also include -- are there monies from the golf course
8 that we need to be concerned about? Or is that all
9 handled on a multiple account?

10 MR. WILLIAMSON: That would be unrelated
11 at this time. Although we are currently looking at
12 options for that, if the reserves for the golf course
13 exceed \$250,000, and then, you will also -- you are going
14 to have this come back to you for Fairpoint.

15 Fairpoint currently has \$1.7 million in
16 reserves and we -- I plan to bring the same idea to the
17 Fairpoint Board for that -- no sense in losing out on
18 that money.

19 MR. KENNEDY: All right. Any further
20 discussion?

21 (NO AUDIBLE RESPONSE.)

22 MR. KENNEDY: Those in favor say "Aye"?

23 MR. LANIER: Aye.

24 MS. HARPER: Aye.

25 MR. LYNCHARD: Aye.

1 MR. GOULET: Aye.

2 MR. TERASA: Aye.

3 MR. MILLER: Aye.

4 MR. KENNEDY: Those opposed say "No"?

5 (NO AUDIBLE RESPONSE.)

6 MR. KENNEDY: Motion carries.

7 MR. LYNCHARD: Mr. President, could we,
8 since we are on this subject, could the Board go ahead
9 and give myself and Mark on the phone authorization to
10 agree to a change in Fairpoint's banking?

11 MR. KENNEDY: Well, I guess when it comes
12 up.

13 MR. WILLIAMSON: Yeah. I see what he is
14 doing, when he goes to the Fairpoint meeting, he would
15 say, "I have the support of the Board to make those
16 changes."

17 MR. KENNEDY: I got you. Is the Board
18 good with this?

19 MR. GOULET: So just add to the agenda.
20 We vote yes to put it on the agenda, and then, we can go
21 forward with it.

22 MR. LYNCHARD: Okay. Can we add that to
23 the agenda?

24 MR. KENNEDY: All right. Do I have a
25 motion to add -- to change the agenda first? Do I have a

1 motion to change the agenda?

2 MR. LYNCHARD: So moved.

3 MR. GOULET: I second that motion.

4 MR. KENNEDY: All right. And then, what
5 is the motion?

6 MR. LYNCHARD: To allow myself and Mark
7 Miller, the two representatives for Holley Navarre Water
8 System on Fairpoint, to agree to a change in Fairpoint's
9 banking institution, should that arise.

10 MR. WILLIAMSON: Mr. Chairman, sorry, you
11 would need to vote on the changing of the agenda first to
12 add that item and then vote on the item itself.

13 MR. KENNEDY: We just did. Yes. We voted
14 to change the agenda.

15 MR. LYNCHARD: You are right. We just
16 didn't say, "Yes."

17 MR. WILLIAMSON: Right. You didn't second
18 the call for -- you had a motion and a second --

19 (SPEAKING OVER EACH OTHER.)

20 MR. KENNEDY: You are right. I'm sorry.

21 MR. WILLIAMSON: It requires, I believe,
22 two-thirds to get it done, so --

23 MR. KENNEDY: You are right. So for the
24 motion to change the agenda, those in favor say, "Aye"?

25 MR. LANIER: Aye.

1 MS. HARPER: Aye.

2 MR. LYNCHARD: Aye.

3 MR. GOULET: Aye.

4 MR. TERASA: Aye.

5 MR. KENNEDY: Those opposed say "No"?

6 All right. Motion carries.

7 MR. MILLER: I was an "Aye," on that, too.

8 MR. KENNEDY: Thank you, Mark.

9 MR. LYNCHARD: Let me see if I say this
10 again the same. I would like to make a motion to allow
11 myself and Mark Miller, the Holley Navarre Water System's
12 representatives for Fairpoint, to agree to a banking
13 change at Fairpoint, should that arise.

14 MS. HARPER: Second.

15 MR. KENNEDY: We have a second. Any
16 further discussion?

17 MR. LANIER: Are you leaving open the
18 possibility of which bank at that meeting? You are going
19 to discuss it?

20 MR. LYNCHARD: I guess it would be Ameris
21 Bank.

22 MR. WILLIAMSON: At that time, I would
23 bring forth that we reached out to Hancock Whitney Bank
24 that has currently got the relationship and they were not
25 competitive. But that would be provided to the Board --

1 that information.

2 MR. LYNCHARD: So amend my motion to say
3 Ameris Bank.

4 MR. KENNEDY: Right.

5 MR. TERASA: I second.

6 MR. KENNEDY: All right. Okay. So
7 those -- any further discussions on that motion?

8 (NO AUDIBLE RESPONSE.)

9 MR. KENNEDY: Those in favor say "Aye"?

10 MR. LANIER: Aye.

11 MS. HARPER: Aye.

12 MR. LYNCHARD: Aye.

13 MR. GOULET: Aye.

14 MR. TERASA: Aye.

15 MR. MILLER: Aye. Aye. Aye.

16 MR. KENNEDY: Those opposed say "No"?

17 (NO AUDIBLE RESPONSE.)

18 MR. KENNEDY: Motion carries. Thank you,
19 sir.

20 MR. WILLIAMSON: And a representative with
21 Ameris Bank is here. I apologize for not introducing
22 him.

23 MR. TERASA: Thank you very much.

24 MR. KENNEDY: All right. The next order
25 of business is the Grey Taproom impact fee review.

1 Mr. Williamson?

2 MR. WILLIAMSON: Thank you, Mr. Chairman.
3 You have the information in your back-up. So sometime
4 last year, I believe around May 2018, around 2018, the
5 Board directed staff to evaluate the usage of the Grey
6 Taproom.

7 Staff has conducted that review and you
8 have the information in your back-up. It basically shows
9 that estimate after the Board made an adjustment from
10 what was the initial estimate or initial impact fee.

11 The Board decided to give a reduction and
12 look at it again in a year. We believe after doing that
13 that the Board will ultimately decide, but we don't know
14 that a change would be warranted at this time.

15 And we would just like to reiterate for
16 anybody listening or for the Board members, an impact fee
17 is determined on what the information is that the
18 applicant or the developer provides to our System
19 Engineer. And it is the Board-approved impact fee
20 policy, what we charge for equivalent residential unit.
21 Right?

22 So it's a calculation. It's a formula
23 that we plug in. Cory, who does a great job for us, he
24 doesn't have the autonomy, nor do I, to arbitrarily
25 decide what we are going to charge in the way of an

1 impact fee. It's based on the formula that the applicant
2 provides.

3 We would be available to answer any
4 questions, if the Board has any. And I did reach out to
5 Mr. Walters. He is available here as well if you need
6 him.

7 MR. KENNEDY: Is this just information
8 only? I am not --

9 MR. WILLIAMSON: The Board had asked us to
10 review it, so we provided the information to the Board.
11 If the Board decides to take no action, then we would
12 take no action. And if impact fees that have been
13 assigned to date and the ERUs that are on the account
14 would stay the same --

15 MS. HARPER: So as of right now, before we
16 determine if a motion is going to be made, the impact
17 fees on account is \$10,250. After review, that amount is
18 \$3,762 and some change, leaving a credit of \$6,663.85; is
19 that correct?

20 MR. WILLIAMSON: Yes.

21 MS. HARPER: I make a motion to refund to
22 the Grey Taproom \$6,662.85.

23 MR. LYNCHARD: I will second that motion.

24 MR. KENNEDY: All right. We have a
25 second.

1 MR. LYNCHARD: And --

2 MR. KENNEDY: Any further discussion?

3 MR. LYNCHARD: Yes. Because of the way
4 it -- for the Board members that weren't on the Board
5 whenever this Board or the previous Board did this.

6 We felt as a Board that the State averages
7 didn't necessarily apply to this type of business or all
8 businesses, any business for that matter. So we came up
9 with a plan to basically lease a tap for a year for some
10 arbitrary amount. It was \$30,000 to start with. It
11 ended up being \$11,000 just using round numbers.

12 After the year period, we would look at
13 their flow rates for that year and base the actual tap
14 fee on the actual flow amounts for the business. And in
15 this case, it looks like \$30,000 was way off.

16 MR. KENNEDY: And so, for a question,
17 though, you -- this is -- is this a test case for --

18 MR. LYNCHARD: This was a test case that
19 the Board came up with for basically all businesses.

20 MR. KENNEDY: But you're looking at it as
21 a possible policy charge, then?

22 MR. LYNCHARD: Yes. That's what we were
23 contemplating last year.

24 MR. KENNEDY: Okay. All right. Do you
25 have a question?

1 MR. LYNCHARD: Oh, yeah, I know. They are
2 two separate businesses, though.

3 MR. TERASA: When you say a policy
4 change --

5 MR. LYNCHARD: In other words --

6 MR. TERASA: Are we going to use this same
7 methodology with any business, then?

8 MR. LYNCHARD: It could be used with any
9 business. Because we are looking at a -- and you may
10 change the timeframe, in other words, go from one year to
11 five years, use that. But your tap fees are basically an
12 impact fee on the cost of the infrastructure of the
13 system.

14 We should be able to calculate that figure
15 pretty easily based on our historic costs and what our
16 capacities are to give us a per gallon fee.

17 MR. LANIER: Daryl, let me ask you this:
18 We have got a system in place; right? Well, this was
19 kind of arbitrary as the Board decided to pull this out.

20 Instead of the Board or staff picking and
21 choosing who is going to get re-audited and not audited,
22 and the issues that come up with that, based on our usage
23 that we automate, we know, can we task the staff with
24 coming up with something they can bring back to the Board
25 for policy that triggers based off of usage. You know,

1 if you are over a span of a year, you are 20 percent over
2 what you were calculated, then that triggers looking at
3 it and readjusting the tap fees. You know, something the
4 staff can look at and see what is viable for them to
5 bring back?

6 MR. LYNCHARD: Yes, you can. But with,
7 you know, looking at, you know, we were trying to be
8 business-friendly. And if you think about being
9 business-friendly, we initially were going to charge them
10 \$30,000 for their tap fee.

11 MR. GOULET: And they wrote a check.

12 MR. LYNCHARD: And they wrote us a check
13 for it.

14 MR. GOULET: They didn't argue.

15 MR. LYNCHARD: And now, we get to the end
16 of 12 months, we see that that should have been less than
17 \$4,000.

18 MR. GOULET: So we grossly overestimated.

19 MR. KENNEDY: So the inverse could be
20 true, also.

21 MR. GOULET: Yeah. And the inverse may be
22 true, also. And that's something that should be looked
23 at and we should --

24 MR. LANIER: Those numbers were based off
25 of State numbers for --

1 MR. LYNCHARD: They are based off State
2 averages.

3 MR. LANIER: -- number of seats and using
4 paper or plastic and that kind of stuff.

5 MR. LYNCHARD: That's right.

6 MR. LANIER: It's not we are arbitrarily
7 pulling this number out of a hat.

8 MR. LYNCHARD: Well, a restaurant is a
9 restaurant.

10 MR. KENNEDY: I would be -- I think we
11 should be asking those questions to them. What do you
12 use? What are we using for calculations?

13 MR. WILLIAMSON: It's in the back-up, but
14 here again, an applicant or developer would tell us what
15 is going to be the use and the number of seats in this
16 case. And then, there's a State formula that we would
17 use.

18 And this Board determines what the
19 water -- what an ERU is worth for water, which I think we
20 are at 2250. And if it's for sewer, it's 4200. That is
21 for one ERU.

22 So if the Board believes that the amount
23 that was charged the first time in this case was too
24 much, then that would likely mean that the Board feels
25 that our impact fees are too high. And that needs to be

1 a policy change that the Board would consider.

2 I would say that, here again, Cory is
3 using the information from the applicant and the
4 Board-approved policy to plug in the numbers and that
5 provides a number.

6 MR. GOULET: Okay. We need to fix it,
7 then. If Mr. Walters wouldn't have come forward and
8 said, "Hey, this seems awful high here," after they
9 already paid it and they did their building, if they
10 wouldn't have come forward and said something, if the
11 Board wouldn't have realized there was a problem, they
12 would have lost a bunch of money.

13 MS. HARPER: Well, I am not -- wasn't it
14 stated that it was agreed that after 12 months they would
15 actually do a review?

16 MR. LYNCHARD: Uh-huh.

17 MS. HARPER: So I think it's hard for a
18 business to accurately estimate their use. You know, I
19 think it's hard for the Water System to accurately --
20 that's why it's an estimate. So I do think a 12-month
21 period, because it could have come back that it was
22 higher.

23 Now, in this case, it came back in their
24 favor. So I do think that the standard -- or the
25 equation that's being used is fair, you know, in that

1 12-month review to determine should it have been higher,
2 should it have been less or maybe it balances out to
3 where it's --

4 MR. GOULET: But they are getting refunded
5 almost 80 percent of the money that they paid.

6 MS. HARPER: I understand. But it could
7 have come back as being higher as well and that is one of
8 the things, you know, you are using a State standard.
9 Yes. I mean, you can tweak it and -- but what would
10 happen if we said, "Okay. Pay us \$4,000."

11 And then, a year later, "You owe us
12 \$30,000 because of your use." So that inverse is also
13 true, you know. So I would rather it work in their favor
14 12 months from now than say, "Hey, you owe us \$30,000
15 because your use is actually higher than what was
16 estimated."

17 MR. LYNCHARD: That's why I am raising my
18 hand. Both of you are right. We would -- and in my
19 opinion, we would not want to change policy. Initially,
20 what the Board -- and I think we did discuss this in that
21 Board meeting was that a business can come in and say,
22 "Okay. I agree with those State averages. I am going to
23 pay you and be done with it."

24 Or they can come in and say, "Hey, I like
25 this 12-month review period." And I personally think it

1 should be longer than 12 months, because businesses are
2 going to change over time. I think it should be at least
3 two years.

4 But for the purposes of discussion, we
5 will say 12 months. At the end of 12 months, if it's
6 higher, then they pay the higher rate. If it is lower,
7 then we give them a refund. But as far as changing the
8 existing policy or the formula calculation, I would never
9 be for that.

10 They can choose to take what it is, the
11 \$30,000 in the Walters' case, or they can choose to do a
12 review after 12 months and then set the tap fees.

13 MS. HARPER: I just think that --

14 MR. GOULET: They have a specialty type of
15 business that they have started that is new to Navarre,
16 so staff really didn't have a way to gauge it. That's
17 what I am saying in staff's defense.

18 MS. HARPER: No. I understand.

19 MR. GOULET: It is just kind of an
20 exorbitant amount.

21 MS. HARPER: And there has been other wine
22 bars in Navarre, so there is similar, obviously not the
23 same. I do think it would be good to have a set policy
24 because I know that the Water Company can review it at
25 any time at will.

1 I don't think that's the best policy. I
2 do think it would be good, because businesses grow,
3 business shrink, they stay the same. To have, maybe
4 beginning January -- of course, you will have to bring it
5 back to the Board of next year where every two years,
6 every three years, every business in Navarre is reviewed,
7 and if it goes down, then the fees go down. If it goes
8 up, opposed to -- or if they expand --

9 MR. PHILLIPS: Just to clarify, those two
10 people just spoke about the two extremes of doing what we
11 do. So, for one, there is a tap fee policy that is
12 passed by this Board, and it is not one sheet. It's ten
13 pages of how we do this.

14 So the default mechanism is that Holley
15 Navarre uses the State of Florida's septic code to
16 calculate those fees. We highly encourage anyone who
17 comes here and develops to bring us alternative
18 information based on anything that we can substantiate to
19 reduce that, to make it actual.

20 Because how Holley Navarre treats impact
21 fees per their policy is that you are asking Holley
22 Navarre Water System to reserve capacity, and everything
23 from the transmission lines all the way to the wastewater
24 treatment plant to disposal.

25 | So, in this case, Will is exactly right.

1 There was really -- there is a comparison. I think there
2 is a wine bar here. There are really not -- it's not a
3 good historical comparison. And we have absolutely no
4 problem that they came and what happened happened. None
5 whatsoever.

6 The thing you don't want to have happen,
7 though, is exactly what Yvonne was addressing there. It
8 is a request to reserve. You don't always get the
9 business in the first year that you are ultimately going
10 to get. You can imagine that we don't want to refund and
11 ask for money every year, every five years. We don't --
12 you can see how difficult that would be, so I would
13 suggest that's not really broken.

14 Everyone has a right to come before this
15 Board. They did. It worked for them. And, you know,
16 sometimes, we get it right. I think they got it right.

17 MR. KENNEDY: All right. Mr. Terasa?

18 MR. TERASA: Phil, impact fee and tap fee
19 are the same thing?

20 MR. PHILLIPS: Yes, sir. We used to --

21 MR. TERASA: Synonymous, in other words?

22 MR. PHILLIPS: Holley Navarre used to call
23 their impact fees tap fees. That's a misnomer. Most
24 people call it -- most people say tap fee when they mean
25 just the cost for the little bit of service line. That's

1 not what they are doing here. They are reserving
2 capacity throughout the system.

3 MR. TERASA: Right. It's not just the
4 steel and everything that is put together in the ground,
5 it is the capacity that they are going to utilize. Okay.

6 MR. PHILLIPS: That's correct.

7 MR. TERASA: So, now, in this
8 particular -- in reading the literature here, at the
9 point in which the impact fee was assessed originally on
10 Johnny Huston's, which is a great restaurant, by the way,
11 was for 34 seats.

12 Well, I haven't been in there lately to
13 count, but I know there was more than 34 seats.

14 And vis-a-vis, if you look at the numbers
15 here -- so the point is -- they paid X in impact fee up
16 front. And now, we are coming back and saying, "Oh, it
17 should have been another \$44,000 more."

18 MR. KENNEDY: I think what Mr. Phillips
19 was saying, though, is that we have a mechanism in place
20 that businesses have the ability to come and challenge
21 our numbers. And, right now, our policies are in place
22 to do the best we can. Because if we start developing a
23 whole bunch of policies, as Mr. Phillips said, we are
24 going to be giving, taking.

25 Staff is going to have to be tracking and

1 all of that. And at the same time, we would have to
2 start asking someone for a lot of money. Then, you know,
3 that would be --

4 MR. PHILLIPS: So Part 2 of this is where
5 Fred has gone here. As part of the tap fee policy, in
6 the instance where Holley Navarre is shorted, the policy
7 gives Holley Navarre the right to go back and reevaluate
8 impact fees.

9 MR. LYNCHARD: Mr. President, just one
10 quick thing --

11 MR. KENNEDY: Hold on one second.

12 MR. LYNCHARD: -- before he finishes.

13 MR. KENNEDY: Go ahead.

14 MR. LYNCHARD: Okay. If we are going to
15 bring up a completely separate entity at an open Board
16 meeting, we need to think long and hard about it because
17 this is wrong, what y'all are fixing to start discussing
18 tonight.

19 MS. HARPER: I agree, Daryl. I think if
20 we are going to discuss any specific entity, it needs to
21 be on the agenda --

22 MR. LYNCHARD: Yes.

23 MS. HARPER: -- and posted. And this one
24 isn't.

25 MR. KENNEDY: We are only talking about

1 the Taproom.

2 MR. LYNCHARD: We are only talking about
3 the Grey Taproom.

4 MR. WILLIAMSON: If the Board would like
5 staff to maybe look at the impact fee policy as it is now
6 and maybe we can bring back some recommendations at a
7 later time, we would be happy to do that.

8 MR. TERASA: That's not where I am
9 going -- that's not where I am going with this thing.

10 MR. LYNCHARD: Okay.

11 MR. TERASA: My point is for whatever
12 reason as this was presented, and I am agreeing with you
13 from an agenda standpoint, but look what got bound up in
14 it is the other part of that, other side --

15 MR. LANIER: Well, one is obviously
16 similar but --

17 MR. HAWKINS: It's a case-by-case basis.

18 MR. KENNEDY: It's a case-by-case basis.
19 Yes, sir.

20 MS. HARPER: If my understanding of the
21 policy now is that -- and correct me if I'm wrong -- is
22 that the company can review at will any company.

23 Holley Navarre Water can review any
24 company to determine if there's growth, reduction, size,
25 or whatever. Is that correct?

1 MR. WILLIAMSON: Yes, ma'am.

2 MS. HARPER: Okay. I don't think that's
3 consistent and I don't think it treats businesses
4 equally. So if there is a review, I think it needs to be
5 at regular intervals in every business. Because I don't
6 think the Board or the company, unless there is a
7 dramatic change, so if the business expands two-fold,
8 three-fold in size, then the policy can stipulate that,
9 that, you know, any expansion in the building, the owners
10 are required to come -- to reassess, if you will.

11 But that's not the issue here. I do think
12 it needs clarification. I think it needs to come back
13 before the Board, but the issue here is just the Grey
14 Taproom.

15 MR. KENNEDY: Correct. And we would want
16 to also make sure anything that we change, we need to
17 make sure our businesses understand what we are doing,
18 you know, where everybody is --

19 MR. LANIER: (inaudible) -- so we are not
20 picking and choosing --

21 MR. KENNEDY: All right. So -- so, right
22 now, we have a motion on the table. Is there any further
23 discussions?

24 MR. TERASA: Yeah. When are we going
25 to -- when, now, again, I am not after --

1 (MR. MILLER ATTEMPTING TO SAY VIA SPEAKER PHONE.)

2 MR. KENNEDY: I will get to you, Mark.

3 MR. TERASA: I am not after Johnny
4 Huston's. Okay? Please understand that. It's a
5 quandary for me at the point where --

6 (COMMENT ABOUT MR. MILLER'S PHONE HAVING FEEDBACK.)

7 MR. TERASA: So in a future date, we have
8 got to address that issue --

9 MR. KENNEDY: So I think --

10 MR. TERASA: -- the other --

11 MR. KENNEDY: -- once we vote on this, we
12 are going to give them direction on where to go as to
13 come back --

14 MR. LANIER: Yeah. The whole system would
15 hopefully get re-looked at. You know, they will be
16 caught up in that review.

17 MR. TERASA: That certainly was not my
18 desire.

19 MR. KENNEDY: Yeah. Mr. Miller -- wait a
20 minute. I think Mr. Miller -- Mr. Miller, did you have
21 something you wanted to say?

22 MR. MILLER: I was just going to ask that
23 before we vote that the motion be restated.

24 MR. TERASA: Yeah.

25 MS. HARPER: The motion is to refund the

1 Grey Taproom -- glasses, sorry -- \$6,662.83 in impact
2 fee.

3 MR. LYNCHARD: And I will second it.

4 MR. KENNEDY: All right.

5 MR. MILLER: Okay. Thank you.

6 MR. KENNEDY: Great. Any further
7 discussion?

8 (NO AUDIBLE RESPONSE.)

9 MR. KENNEDY: All right. Those in favor
10 say "Aye"?

11 MR. LANIER: Aye.

12 MS. HARPER: Aye.

13 MR. LYNCHARD: Aye.

14 MR. GOULET: Aye.

15 MR. TERASA: Aye.

16 MR. KENNEDY: Those opposed say "No"?

17 MR. MILLER: That was an "Aye."

18 MR. KENNEDY: Yes, you were.

19 MR. MILLER: My discussion would be I
20 think we need to come back and revisit, not just Johnny
21 Huston's, but any business that expands their business.
22 If their tap fee was based on their original plan, there
23 needs to be a process in place where their tap fees are
24 re-adjusted based on the expansion of that business.

25 MR. KENNEDY: All right. So I believe, as

1 Mr. Williamson said, if it is the will of this Board,
2 that you guys would go and take a look at some options
3 for us.

4 MR. WILLIAMSON: I did not hear the Board
5 direct us to look at any specific business, but to look
6 at the policy and --

7 MR. KENNEDY: At the policy. Yes, sir.

8 MR. WILLIAMSON: Okay.

9 MR. KENNEDY: We do not want to go
10 business hunting.

11 MR. TERASA: Yeah.

12 MR. KENNEDY: All right. Very good.
13 Thank you.

14 Next item is the Holley Navarre Water
15 System 2020 board election.

16 MR. WILLIAMSON: Thank you, Mr. Chairman.
17 It's that time again. You have quite a bit of
18 information in your back-up, most important of which is
19 the calendar, the election calendar.

20 And there are some highlighted items in
21 the back-up, I think one of which is the candidate
22 application that there was a change there. We are
23 recommending a change to the Board that the bio that a
24 candidate would submit would be limited to 100 words so
25 that every candidate has the same amount of space to

1 provide their story or bio as part of their application.

2 We are also recommending after our
3 meetings with the Supervisor of Elections and talking,
4 evaluating the last election, we would like to recommend
5 to the Board that they stand up a canvassing board, and
6 that canvassing board, if we had any decisions that
7 needed to be made on ballots or anything that was not a
8 clear-cut decision, perhaps on a candidate's eligibility
9 or if there was anywhere where we felt -- staff felt that
10 it was not a clear-cut decision per our bylaws or
11 governing documents, that we would have a governing body
12 that we could to bring in to make those decisions and
13 that wouldn't be put to staff.

14 And it's similar to what the counties
15 around the State of Florida do where they have a
16 canvassing board that would kind of maintain the
17 integrity of the election and insulate staff at the
18 Supervisor of Elections Office from making those
19 decisions.

20 And so, we recommend that this canvassing
21 board be stood up for that purpose. And, lastly, is that
22 the process would start a little bit sooner than normal,
23 but the length of time for early voting and absentee and
24 all that stays the same as it was in prior years.

25 And Barbara and I are here to answer any

1 questions you might have.

2 MS. HARPER: I had a question about the
3 proxies. Do we need to make a motion to --

4 MR. LYNCHARD: I make a motion to
5 approve --

6 MS. HARPER: I will second.

7 MR. LYNCHARD: -- as presented.

8 MR. KENNEDY: All right. We have a
9 second. Any further discussions?

10 MR. TERASA: Second.

11 MS. HARPER: The proxies -- are they going
12 to -- last year, it was required that the member come up
13 and actually get one. Is that process the same? Because
14 in reading it, it seems like they are going to be mailed?

15 MR. WILLIAMSON: We are recommending no
16 change to the process from last year, the last election.
17 There is no recommended change.

18 MS. HARPER: So the one proxy and one
19 postage paid envelope, that implies to me that it's being
20 mailed? Is that not correct?

21 MR. WILLIAMSON: Where are you seeing
22 that?

23 MS. HARPER: It says, "Proxy procedure."
24 There is no page on there. It is after the ballot.

25 MR. KENNEDY: Is this top right? Is that

1 an exhibit?

2 MS. HARPER: Well, no, it's after the
3 sample ballot.

4 MR. KENNEDY: Okay.

5 MS. HARPER: Maybe follow Exhibit G with
6 Exhibit I. Maybe Exhibit I is the official ballot
7 sample, and then, proxy procedure, absentee ballot --

8 (DIRECTORS SPEAKING OVER EACH OTHER.)

9 MS. CARAWAN: They can come in and request
10 the proxy and take it with them. Or they can call up or
11 email and we could mail it to them.

12 At that point, we would send -- if we
13 mailed the proxy, we would mail a postage paid envelope
14 as well with that.

15 MS. HARPER: Okay. Is it possible to --
16 because they are actually assigning someone else to vote
17 for them and their signature needs to be -- you have to
18 actually have the member himself or herself.

19 MS. CARAWAN: Correct.

20 MS. HARPER: So is it possible if they are
21 coming in to get a ballot that they actually complete it
22 on site so they assign whomever they want as their proxy,
23 sign it and return it to the same -- at the same time?
24 Is that something we wanted to do?

25 MR. WILLIAMSON: If the Board -- the Board

1 can make that decision to make that change, but,
2 currently, that is not the process.

3 MR. LYNCHARD: We do have a set of
4 election documents that shows the procedures, I believe,
5 that we developed last year which does address what you
6 were talking about.

7 In here, I think what they are showing is
8 this is what we would give to the customer for the proxy
9 process. But for a proxy, you actually have to either
10 call, email, or come down here to get one --

11 MR. WILLIAMSON: Correct.

12 MR. LYNCHARD: -- before they will mail
13 you one.

14 MS. HARPER: Okay. Now, if you call, how
15 do you verify it? Like, you know, if someone comes in,
16 obviously, you look at their Driver's License. But if I
17 call you and I have this person's information, how do you
18 know it's actually -- for example, like I am going to use
19 your wife; right?

20 So if I called and said -- and, you know,
21 your wife has the account --

22 MR. LYNCHARD: Yeah.

23 MS. HARPER: -- and I say I'm -- I don't
24 know your wife's name. I'm sorry.

25 MR. LYNCHARD: Alicia.

1 MS. HARPER: Alicia. Alicia Lynchard, how
2 do you know it is actually her and not someone else?

3 MR. GOULET: There is a four digit code --

4 MR. LYNCHARD: It's addressed in those
5 documents. It's either --

6 MS. HARPER: I can't --

7 MR. WILLIAMSON: Hold up. I want to make
8 sure the court reporter can get this.

9 MS. HARPER: Go ahead, Daryl.

10 MR. LYNCHARD: I was going to say that is
11 addressed in that -- in those documents. It does say --
12 I believe it says you have to have a Driver's License or
13 the account number or one other item.

14 MS. CARAWAN: Last four of the tax ID.

15 MR. LYNCHARD: Last four of the tax ID
16 number.

17 MS. HARPER: Is the tax ID their social?

18 MR. LYNCHARD: Uh-huh. Or business ID.

19 MR. KENNEDY: So I can't call and say,
20 "I'm Yvonne," and -- because I wouldn't know her,
21 hopefully, last four -- that is the valid verification.

22 MR. WILLIAMSON: There is a verification
23 process that would be involved.

24 MS. HARPER: You would have to go a little
25 higher --

1 MR. KENNEDY: I guess for me on some of
2 these documents, the new Board members here are pretty
3 well familiar with it because we just recently ran, is to
4 make sure that we have well-defined instructions on how
5 you do -- and I see that you have got -- this is the
6 absentee -- this is the proxy procedure. And this is the
7 absentee procedure.

8 The one that seemed to have gotten a
9 little confused is that we have where you can, you know,
10 we can actually do what we call an early version of early
11 voting. You can come up and get an absentee vote, fill
12 it out, and drop it in. Right?

13 You can do that a certain amount of time.
14 And so, I just would ask that we all make sure that we
15 have this documented so well for our users so it's so
16 easy so there is no confusion.

17 MS. HARPER: When are the proxy ballots
18 required? Because you have to verify their signature;
19 correct?

20 MS. CARAWAN: We do not verify signature.

21 MS. HARPER: You don't verify --

22 MS. CARAWAN: We don't have anything to
23 verify signature on.

24 MS. HARPER: So your absentee ballot, if
25 someone drops it in, how do you verify that Yvonne Harper

1 filled that out?

2 MS. CARAWAN: Yvonne Harper signed it. I
3 don't know your signature.

4 MS. HARPER: Okay. Then I have an issue
5 with that.

6 MR. LYNCHARD: The validation process has
7 to be at the beginning.

8 MS. HARPER: I can -- well, I can't, but I
9 could probably pay someone to get Alicia Lynchard's --
10 now that I know her name --

11 MR. LYNCHARD: Go ahead.

12 MS. HARPER: -- and get that --

13 MR. GOULET: How do you get it mailed to
14 your house, though? It gets mailed to the address on
15 record.

16 MS. HARPER: I understand that. But I can
17 give that to someone else and they could sign it. My
18 point is there is no -- there is no verification.

19 And I really think this needs to model --
20 I know the proxies. And Keith and I talked about this
21 today, which shall be permitted, yeah, for the member, so
22 that is their option.

23 But I really think this needs to mirror
24 the Federal elections that we have, you know, Federal
25 State, local, where the individual -- it is actually

1 verified that they are voting and it is actually verified
2 that they are assigning their vote to someone else.

3 There has to be some means of verification.

4 Because in the past, you know, proxies
5 have been used to determine the outcome. And I do
6 believe that one person, one vote, and every member has
7 that right. Now, if a member per the bylaws wants to
8 assign that to minimize any sort of nefarious action --
9 and it's not the world in which I would like to live.
10 It's just the reality of the world in which I live --
11 that it is possible to circumvent that process and to
12 abuse that. So is there a way for us to have that
13 verification? Keith?

14 MR. KILPATRICK: Is there a way we can
15 have some verification?

16 MS. HARPER: The verification, because the
17 bylaws don't stipulate that -- they just say by proxy, as
18 we discussed, shall be permitted.

19 MR. KILPATRICK: Correct. The member
20 would have the option --

21 MS. HARPER: Yes.

22 MR. KILPATRICK: -- to give someone else
23 that authority. I would defer to Tappie Villane and find
24 out what regulation she falls under, if the Board was
25 inclined to look and see what, you know, what she is --

1 you know, I mean, and adopt something like that. I
2 really don't know as far as that goes.

3 MR. WILLIAMSON: Well, I mean --

4 MR. LANIER: Didn't they do it last year?

5 MR. WILLIAMSON: Well, Tappie helps out
6 with the election, but as far as validating signatures,
7 at the Supervisor of Elections Office, they have
8 signatures to where when you turn in an absentee ballot,
9 those signatures are matched.

10 And if they don't match or they are in
11 question, those are some of the decisions that come to
12 the canvassing board to decide if that ballot should be
13 counted or not based on the signature not matching.

14 For example, what Yvonne is talking about
15 that, you know, I could sign so-and-so's name on there
16 and then I come to -- you know, she comes to vote that
17 day and isn't allowed to because it shows that a vote has
18 already been recorded.

19 We don't have that record where we have a,
20 you know, DMV or something we can put that up against.
21 So we --

22 MS. HARPER: Isn't a signature required
23 when you complete the application?

24 MR. WILLIAMSON: But the person -- it is,
25 but the person that may be voting might not have a

1 signature on file.

2 MS. CARAWAN: The current signature.

3 MR. WILLIAMSON: And anybody in that
4 house --

5 MS. HARPER: With your absentee, I mean, I
6 have -- having been in the military, you know, my
7 absentee ballot was -- I mean, that signature would have
8 been ten years old. But I still was able to get the
9 ballot. It wasn't something I had to update like every
10 two years -- my signature. Your signatures don't --

11 MR. GOULET: I think this is something
12 that they should form a committee on and the committee
13 should discuss this. Because what we did in the past, we
14 were able to keep the proxies from being mailed out to
15 14,000 people to people that requested them, so,
16 therefore, the proxies just weren't floating around.

17 But I think in order to make a policy
18 change on this, the change on how proxies are done or
19 signature verification, I think the Board should put a
20 committee to do that, just not do that at the meeting.

21 MR. WILLIAMSON: We just solved it to
22 where you could verify that the person requesting the
23 proxy if you required them to come here and show ID. And
24 then, even if that person requested the proxy, you could
25 prove that they could be available to receive it and

1 there is no guarantee that they are going to be the ones
2 that fill it out.

3 As far as an absentee ballot goes, you
4 could make it to where an absentee ballot could not be
5 requested by phone or by email, that it had to be done in
6 person, and then, somebody would have to show their photo
7 ID, you know.

8 The Board could further restrict the
9 ability for someone to vote. You would still be able to
10 come in and do early voting. You would be able to get an
11 absentee ballot, but you would have to have that extra
12 level of verification. I don't know any other way right
13 now that we could set them up, getting that -- it
14 would have to be somebody that would have to come in that
15 is the authorized person on the account, we could verify
16 their address that they are a member, and then, it could
17 be given to them.

18 And I don't even know that that would
19 meet -- would that meet our bylaws that they would be
20 afforded the opportunity to vote by proxy? We are just
21 requiring them to come here.

22 MR. KILPATRICK: Of course.

23 MS. HARPER: I don't want to restrict. I
24 just want to insure the accuracy and the integrity of the
25 vote. That's it. Because I disagree with proxies on

1 principle. I think you should vote. And if you don't
2 want to vote, don't vote.

3 But it is what is permitted to the
4 members. And I know that that has been abused in the
5 past to create Boards of influence for some perceived
6 notion, so -- but I don't want to restrict anybody. It
7 is finding that balance where the integrity is maintained
8 while still allowing that to be permitted.

9 MR. KENNEDY: One second. Is that you,
10 Mark?

11 (NO AUDIBLE RESPONSE.)

12 MR. KENNEDY: All right. So right now, we
13 have still got a motion to -- on the approval of the 2020
14 election documents and canvassing board representative.
15 That's the motion. It seems like we have a further
16 follow-up possibly on the process.

17 MR. LANIER: Yeah. Last year, when
18 somebody called and -- or they came in the door and said,
19 "I would like to get an absentee ballot," if they walked
20 in the door, did they have to show ID?

21 MS. CARAWAN: Yes, sir.

22 MR. LANIER: If they called on the phone,
23 they have to use the last four digits of their account?

24 MS. CARAWAN: Their tax ID.

25 MR. LANIER: Or Social Security?

1 MS. CARAWAN: Correct.

2 MR. LANIER: Did you keep track of the
3 addresses that received those so that you don't have four
4 people from the same address coming in and requesting the
5 same information?

6 MS. CARAWAN: Yes, sir.

7 MR. LANIER: So it was restricted to one
8 vote, one household?

9 MS. CARAWAN: Yes, sir.

10 MR. LANIER: I think that's about as tight
11 as you can get it.

12 MR. WILLIAMSON: My recommendation would
13 be that you eliminate the email request this year, phone
14 or walk-up. But, email, I don't know how we can verify
15 email. But, here again, that -- that's -- last year, we
16 had 69 proxies in the 2019 election. And early and
17 absentee was 424.

18 The year before, you had 1,434 proxies and
19 only 33 people voted early and absentee. So the changes
20 that were made last year, I think, went a long way to
21 encouraging people to vote, either be it early, absentee,
22 or otherwise.

23 MR. LYNCHARD: And one thing, whenever
24 people were emailing in, I know we were mailing the
25 regular ballots, but were we mailing the proxies, also?

1 MS. CARAWAN: Yes, sir.

2 MR. LYNCHARD: So we were just -- the
3 email request could be verified just as easily as the
4 telephone request?

5 MS. CARAWAN: Yes, sir. And most of the
6 time, what we would have to do was just turn around and
7 call the customer.

8 MR. LYNCHARD: Okay.

9 MR. GOULET: Well, is there an email on
10 record?

11 MS. CARAWAN: Yes, sir.

12 MR. GOULET: So it's something that was on
13 record already?

14 MS. CARAWAN: Yes, sir.

15 MR. KENNEDY: Is that something that we
16 should be doing, where we have staff turning around and
17 calling the customer? I mean, they are the ones voting.
18 I mean, I get it. I am all for it.

19 MS. CARAWAN: It's just another way for
20 them to vote.

21 MR. KENNEDY: Okay.

22 MR. LYNCHARD: We are trying to make it
23 easy, but also trying to make it secure.

24 MR. LANIER: Logical.

25 MR. KENNEDY: Ms. Harper, does the fact

1 that staff is validating the last four of the Social,
2 both on any reference -- well, even on email, because you
3 have to call them back and they have to validate on
4 email, so basically, the Social is the validation.

5 Once they get the ballot, the proxy, they
6 can do whatever they want with it, because that's the
7 whole point of the proxy is they are allowed to give it
8 away. So it sounds --

9 MS. HARPER: The account number, the last
10 four? Or the Driver's License Number? Is that what you
11 said?

12 MS. CARAWAN: Any kind of personal
13 identification number. We probably would not do it by an
14 account, because the account number is printed out on the
15 bill. It could be a personal identification number.

16 MS. HARPER: Okay.

17 MR. KENNEDY: All right. Does that --
18 does it seem like we already have a process in place?

19 MS. HARPER: Can someone explain the
20 difference between a corporate and an individual proxy
21 because a corporation is not an individual, so --

22 MS. CARAWAN: The individual would be
23 residential.

24 MS. HARPER: Yes. But a corporate is --
25 it goes to the member. So how can a corporation be a

1 member? Because isn't the corporation assigned -- you
2 know, doesn't that corporation have an owner --

3 MR. GOULET: A corporation can assign
4 anybody to their proxy. I could have signed you my proxy
5 for my corporation.

6 MS. HARPER: I am not talking about the --
7 just in general, I think corporate account, if you will,
8 doesn't that corporate account have a specific name tied
9 to it -- is what I am asking. Like the owner? The LLC?
10 Something?

11 MS. CARAWAN: Not always.

12 MS. HARPER: Not always. Okay.

13 MR. KENNEDY: All right. So, right now --

14 MS. HARPER: So who then signs? So if it
15 is Adams, someone signs for Adams, who then for Adams
16 signs?

17 MR. LYNCHARD: I believe historically you
18 can look it up on Sunbiz who the officers and directors
19 of the corporation are.

20 MS. HARPER: I mean, which one can sign
21 the proxy giving it to someone else?

22 MR. LYNCHARD: Anybody that's authorized.

23 MS. HARPER: So it's anyone on the LLC and
24 Sunbiz?

25 MR. LYNCHARD: That would be the

1 authorized -- as a signer down here? The corporation is
2 a separate legal entity. And as such, it is a member and
3 it gets to vote.

4 MS. HARPER: I know, but who within that
5 entity votes? Who -- how do we decide who within the
6 entity votes if you have got --

7 (EVERYONE SPEAKING AT THE SAME TIME.)

8 MR. KENNEDY: Do we have a policy for
9 validating corporate entities?

10 MR. LANIER: Well, if there was an
11 individual, you know, the Harper household --

12 MS. HARPER: Yeah.

13 MR. LANIER: Who in the Harper household
14 is authorized to sign?

15 MS. HARPER: I am, because it's my -- the
16 membership is me.

17 MR. LANIER: But what about your husband?

18 MS. HARPER: He can't, from my
19 understanding, he is not the member. I am the member,
20 because the account is in my name.

21 (EVERYONE SPEAKING AT THE SAME TIME.)

22 MR. WILLIAMSON: Hang on --

23 MS. CARAWAN: The spouse can vote on your
24 behalf.

25 MR. WILLIAMSON: One address.

1 MR. TERASA: They have to be on the
2 account.

3 MR. GOULET: No.

4 MS. CARAWAN: No.

5 MS. HARPER: Okay. So the membership
6 certificate was issued to my husband? Or is it issued to
7 me? I thought it was based on the membership certificate
8 and who it was issued to.

9 So if the membership certificate is issued
10 to me, and I had to do it because he was overseas and
11 deployed, so he was incapable of creating the account, so
12 that's why he is not. It has nothing to do with anything
13 else.

14 How then could he sign his name to that
15 ballot? Because the membership certificate, based on --
16 I am the one that created the account, even though I was
17 a user, it's almost like the mortgage, when I purchase
18 the house, he is on the deed, but I am the primary,
19 because I am the one there signing the documents. So how
20 then could he vote?

21 MR. LANIER: Well, if he votes before you
22 vote --

23 MR. KENNEDY: Is this a policy?

24 (EVERYONE SPEAKING AT THE SAME TIME.)

25 MS. CARAWAN: It's a process that was set

1 in place.

2 MS. HARPER: Right. So this is just a
3 process?

4 MR. KENNEDY: So this is a process.
5 Right?

6 MS. HARPER: But the bylaws state
7 "Member."

8 MR. LYNCHARD: Uh-huh.

9 MS. HARPER: They state, "Member." It
10 doesn't say "Spouse of member," or "Whoever lives in the
11 household is a member." It's "Member."

12 MR. GOULET: By member.

13 MR. KENNEDY: So we actually looking now,
14 as far as the -- whoever the member is for the account.

15 MS. HARPER: It's the member, so it's the
16 person that sets up the account. Right?

17 MR. KENNEDY: The valid voting person.

18 MS. HARPER: So who did -- how does
19 membership -- how is it determined? Is it the person who
20 creates the account?

21 MS. CARAWAN: It's the person that's on
22 the account.

23 MS. HARPER: Okay.

24 MR. KENNEDY: And do we have a definition
25 of what a member is -- to where it is clearly defined?

1 MR. WILLIAMSON: We clarified that up --

2 MR. LANIER: Second meeting.

3 MR. WILLIAMSON: -- second meeting.

4 MR. LANIER: Right.

5 MR. WILLIAMSON: This would reach the
6 level of policy and interpretation of the bylaws
7 currently. As it stands, staff's understanding of what
8 the Board's policy would be is how we have been handling
9 this. If this Board would like to change that policy, I
10 imagine as long as it is consistent with the bylaws,
11 that's what staff is going to react to.

12 So it seems like you are talking about a
13 policy decision. Do you want to have the member --

14 MS. HARPER: Article VII, Section V says:
15 "Each member shall have only one vote." So if you are
16 saying that both my husband and I are members, then we
17 both get a vote. So either I am a member or my husband
18 is the member.

19 MR. GOULET: It's one member per
20 household.

21 MS. HARPER: Because it says, "Each member
22 shall have only one vote." So which one of us is the
23 member? Who in the household is the member?

24 And if I hear Barb correctly, it is the
25 person who is on the application. So who is that member?

1 MR. KILPATRICK: There's two parts to the
2 application. There is like a Member 1 and a Member 2.

3 MS. HARPER: Okay.

4 MR. KILPATRICK: And we discussed this,
5 Rob, when we were sitting around the round table, going
6 over the service agreement. And it was my understanding
7 that you can only have one vote per the address. It was
8 either Member 1 or 2 was equal --

9 MS. HARPER: Okay.

10 MR. KILPATRICK: -- as far as status goes,
11 and whoever came first. That's why I asked.

12 I asked -- so if I couldn't get off work
13 until 5:00 o'clock, and, you know, my significant other,
14 or whoever, my roommate in my house that was on the
15 application, all right, which their signature is required
16 as well. They would have to be at the same time and sign
17 the application, then, whoever is first gets to have that
18 vote.

19 Whether you disagree with it or not,
20 either -- you have just got to keep your -- that's how my
21 understanding is that there is -- on the application,
22 there is Member 1 and Member 2. And both require a
23 signature. They both have to show up and sign this
24 application. And, obviously, it holds them both liable.
25 But the bylaws are consistent by saying only one address

1 would be able to have a vote --

2 MS. HARPER: It doesn't say what address.
3 It says, "Each member." So if there is two members on
4 there, and it says, "Each member shall have only one vote
5 and the vote of each member shall be equal to that of
6 every other member. Voting by proxy shall be permitted."

7 But it is required that -- so if they are
8 both members, then, each member, so it --

9 MR. KENNEDY: And I get what you are
10 saying. So there is some confusion, I would prefer -- it
11 sounds like we need to do some further digging. Can we
12 ask staff --

13 MR. LANIER: We can do that or vote.

14 MR. KENNEDY: What is that?

15 MR. LANIER: We can either do that or
16 vote.

17 MR. LYNCHARD: Yes.

18 MR. KENNEDY: Correct. I mean, there
19 is -- this seems to be a gap here, a gap in the
20 understanding and direction, so --

21 MR. WILLIAMSON: Currently, it is one
22 address. Each address gets one vote. So if you get ten
23 people that live in a house, that house doesn't get ten
24 votes. And I live next door and I live by myself. My
25 address gets one vote.

1 You have one tap going to a property.
2 That property, as I understand, has got one account and
3 they have one vote. Now, if there are -- if one person
4 comes in to sign up for the service, if they want to list
5 somebody else on the application, then currently the
6 Board policy is either one of those people would be
7 allowed to vote.

8 If the Board would like to change that
9 moving forward, people will have to designate who is
10 going to be allowed to vote, we can certainly work toward
11 that, but --

12 MR. KENNEDY: Ultimately, I guess one --

13 MS. HARPER: But that if we are going by
14 the bylaws, an address is not the member. It's the
15 member who is receiving the service. That's a member.

16 MR. WILLIAMSON: But the service goes to
17 an address.

18 MS. HARPER: But the bylaws talk about a
19 member. They don't talk about a property.

20 MR. WILLIAMSON: You want to define what a
21 member is early on, I believe?

22 MR. KENNEDY: How do we get --

23 MR. TERASA: We are now in the midst of
24 changing our application, right, for a new one?

25 MR. WILLIAMSON: We are. That will come

1 back.

2 MR. TERASA: We ought to have Applicant
3 One is the voting member and the other one is household
4 member, something. You follow that rule.

5 MR. WILLIAMSON: I think what we are
6 asking the Board for tonight is -- and we can approve
7 maybe a portion of it -- if there is going to be
8 subsequent changes to the election process, you know, we
9 can -- the Board can review this. And we do have the
10 opportunity to bring this back in September --

11 MR. KENNEDY: Correct.

12 MR. WILLIAMSON: -- but that's the drop
13 dead time. Because we have to have time to get it posted
14 and get notifications out and get the calendar updated
15 and all that good stuff, so --

16 MR. KENNEDY: Well, this is more of a -- I
17 don't want to say semantics, but this is a discussion
18 between -- I mean, if I am looking at this correct, none
19 of the paperwork here or the voting information that you
20 provided gets changed. We are trying to -- we are trying
21 to define who is going to be the one allowed to vote.
22 And that's not an election process.

23 MR. LYNCHARD: That's an interpretation of
24 the bylaws. It doesn't have anything to do with the
25 election process.

1 MR. KENNEDY: I mean, we can put on the
2 agenda for next month, if you guys are good for it. But
3 if the will of the Board is that we are good with the
4 documents here --

5 MR. WILLIAMSON: I don't believe that
6 anything that is provided in these documents would be in
7 conflict with what any of the Board members have talked
8 about. And this just allows basically the exact same
9 process as we had last time is the process we have this
10 time, except we would be asking for a canvassing board.

11 And other than that, we are pretty much
12 the same as we are before. If the Board after this
13 wanted to then give staff another policy on how the
14 election would be administered --

15 MS. HARPER: I am going to say this one
16 more time and I am going to shut my mouth. This is to
17 certify that -- fill in the blank -- Yvonne Harper,
18 address, is a member of the Holley Navarre Water System.

19 If my membership certificate reads both of
20 us, we are hereby both members. And then, it says that
21 "Each member shall only have one vote." Each member.

22 So if my certificate states us as both
23 members, then both of us have a vote. Because I read
24 this. And nowhere does it state that it is based on
25 address and only one person per address.

1 It says, "One member, one vote." And the
2 stipulation is you have access to the water. You pay for
3 it. I don't know if the membership fee of \$5 is paid.
4 But if the membership certificate states, one person, two
5 people, three people, at a certain address, they are
6 members. That's what it states.

7 MR. KENNEDY: Okay.

8 MS. HARPER: And I think it's a big issue.
9 I don't think it is a policy. I think it's a bylaws
10 issue.

11 MR. WILLIAMSON: Would the Board like to
12 direct General Counsel to evaluate that and come back and
13 give you a --

14 MR. GOULET: I think I made a suggestion
15 30 minutes ago we could have a committee meeting on this,
16 but I just put that out there again.

17 MR. TERASA: Quick question again: How
18 many proxies did we have last year?

19 MS. CARAWAN: 1400.

20 MR. WILLIAMSON: No. No. That's the year
21 before.

22 MS. CARAWAN: Oh, last year? 69.

23 MR. WILLIAMSON: 69.

24 MR. TERASA: How many total votes did we
25 have?

1 MR. WILLIAMSON: 800-something, I think,
2 total. We had 424 early and absentee, 69 proxy.

3 The year before that, we had 33 early and
4 absentee, and 1,434 proxies.

5 MR. TERASA: Yeah. Last year, the Board
6 did make before the election a number of changes, which
7 are outlined in the material. Same strategy this year in
8 these documents?

9 MS. CARAWAN: Yes, sir.

10 MR. TERASA: You have been here a long
11 time. How did the election go last year compared to the
12 other years, in your opinion?

13 MS. CARAWAN: Last year was a lot more
14 work for the staff inside, but it was -- it was better.
15 I am looking for a better word than better.

16 MR. TERASA: That's good.

17 MR. KENNEDY: All right. So I just want
18 to check with Madam Vice President here. The information
19 we have here on the election itself, the steps and the
20 documents, is there any concern with the documents for
21 them moving forward as well as them to answer what you
22 are asking, which is, "Who is the voter?"

23 That's not -- that's not -- that's not a
24 part of the policy here. Right now, we have got a
25 question to the Board, this is our election process, but

1 there's an actual bigger picture as a bylaw question.

2 So does that work? Does that work as far
3 as -- we are going to be voting on this one, and we are
4 going to talk about --

5 MR. LANIER: If you like it, vote yes.

6 MR. KENNEDY: All right. Any other
7 discussions on the approval --

8 MR. MILLER: Yes, Mike. I have a
9 discussion.

10 MR. KENNEDY: Okay. Mark. What would you
11 like to say?

12 MR. MILLER: Well, I hate to throw another
13 legal in this, but earlier this year, we developed a
14 Board of Director Code of Conduct Policy.

15 And I had suggested then that a statement
16 on the candidate application be added something to the
17 effect of: "If elected, I agree to follow the Board of
18 Director Code of Conduct Policy," down at the bottom
19 where they sign.

20 I think it would be important to add that
21 statement to the candidate application.

22 MR. GOULET: I agree.

23 MR. WILLIAMSON: We can get that done.

24 MR. KENNEDY: Yes, sir. Looks like we can
25 add that information, I think, you know, what he asked.

1 Do we need to amend it to the motion?

2 MR. WILLIAMSON: Yeah. If you want to add
3 that to direct staff to --

4 MR. LYNCHARD: Is that another requirement
5 that needs to be added to the bylaws? Because bylaws
6 don't say anything about me signing some document to be
7 able to run for the Board.

8 MR. TERASA: Well, and do the bylaws
9 outline the application?

10 (DIRECTORS SPEAKING AT THE SAME TIME.)

11 MR. LYNCHARD: They are very specific
12 about who can run. It doesn't say anything --

13 MR. MILLER: -- or refer to the petitions,
14 those either; do they?

15 MR. LYNCHARD: I am not sure.

16 MR. TERASA: I am with Mark. I think it's
17 a great idea.

18 MR. LYNCHARD: Okay.

19 MR. KENNEDY: All right. So can I have
20 a -- can I have a reaffirmed motion here? One on the --
21 well, we also have to do now, as well, you had mentioned
22 that a canvassing board is also within this motion. Is
23 that correct, Mr. Williamson?

24 MR. WILLIAMSON: If the Board is
25 comfortable with that, then we have in there General

1 Counsel, Keith, lead executive, myself, and then, the
2 Board would need to appoint someone to serve as the third
3 member. And, hopefully, we wouldn't have to meet. But
4 if we did, we would be better to form it now before we
5 would need it than later.

6 MR. KENNEDY: Kevin, do you have a -- all
7 right.

8 MR. LANIER: Who made the motion?

9 MR. KENNEDY: I think Ms. Harper made the
10 motion for -- to approve this.

11 MS. HARPER: I made the second. Daryl
12 made the motion.

13 MR. LYNCHARD: Yeah. I made the motion.

14 MS. HARPER: You made the motion? Did I
15 make the motion? Did I second it?

16 MS. CARAWAN: Daryl made the motion.

17 MR. LYNCHARD: I did? Okay. I make a
18 motion that we approve the election documents as
19 presented with the addition of a canvassing board as
20 well --

21 MR. KENNEDY: As well as the --

22 MR. LYNCHARD: -- as well as the
23 requirement that -- you need to make this one because I
24 can't do that.

25 MS. HARPER: Before I make that, because

1 you know what, every now and then, you and I are on the
2 same page where -- and maybe you can help me, Keith.

3 I am having a hard time finding it --
4 where the qualifications are to run and to be on the
5 Board?

6 MR. KILPATRICK: That would be under --
7 it's not in the -- it wouldn't be in the bylaws. They
8 have to be a member --

9 MS. HARPER: But wouldn't --

10 MR. KILPATRICK: Article VIII -- Directors
11 and Officers.

12 MS. HARPER: All right.

13 MR. KILPATRICK: Roman Numeral VIII. I am
14 sorry.

15 MS. HARPER: I see it. I am scanning it
16 very quickly. Let's see -- it just says: "Shall consist
17 of seven members."

18 MR. KILPATRICK: Election and
19 qualifications of a successor --

20 MS. HARPER: When it becomes vacant or
21 what constitutes a quorum, compensation, and how also a
22 Director may be removed if elected, not elected. But it
23 just says: "The Board of Directors of this corporation
24 shall consist of seven members."

25 MR. KILPATRICK: Uh-huh. To pass upon the

1 qualification of members and to cause to be --

2 MR. LYNCHARD: Yes. That is correct.
3 Seven members. If you have a membership certificate, or,
4 I guess, as you are talking about earlier, you or your
5 husband would be a member that would be eligible to run
6 for the Board of Directors.

7 MS. HARPER: So the election -- (reading
8 out loud to herself) --

9 MR. KILPATRICK: I don't see any specific
10 qualification that you shouldn't be a convicted felon.

11 MR. LYNCHARD: I think we changed -- or
12 it's my understanding that the Board changed that rule
13 when they bought the golf course because we used to put
14 the liquor license for the golf course in all the Board
15 of Directors' names, and you couldn't be a convicted
16 felon and own a liquor license.

17 MS. HARPER: But you can be a convicted
18 felon and serve on the Board.

19 MR. KILPATRICK: Of course.

20 MS. HARPER: Because this is the
21 requirement to be a member.

22 MR. KILPATRICK: You just have to be a
23 member.

24 MR. LYNCHARD: But that was changed --

25 MS. HARPER: So, Mark, as much as I would

1 like to have that on there, I don't think we can make
2 that requirement as a condition of running.

3 MR. KENNEDY: They can't run because if
4 they are felons --

5 MR. LYNCHARD: That's right.

6 MR. KENNEDY: Mark, were you able to hear
7 that?

8 MR. MILLER: Yeah.

9 MS. HARPER: So I don't think this is --

10 MR. MILLER: You know, if they want to
11 line through that, to me, that would convey that they
12 don't intend to follow the Board of Director Code of
13 Conduct. And, you know, when they file a candidate
14 application for publishing, it would be evidence to the
15 voting members that they lined through that and didn't
16 agree to it.

17 If they have a box they have to check that
18 says, "I agree to do that," and they check that box and
19 they agree to do it.

20 But if they don't check that box, if I was
21 a voting member, I would certainly have some concern that
22 a candidate who is not willing to follow the Code of
23 Conduct Policy.

24 MS. HARPER: I don't think it would imply
25 that. I mean, I understand where you are coming from. I

1 can definitely understand the reasoning. But I don't
2 think it's valid to assume that just because someone
3 would not sign that, because, you know, maybe it's on
4 principle, because it's not a pre-condition. It's not a
5 requirement. It's not a qualification. So it's not
6 required that they sign it.

7 So not signing it to me is not indicative
8 of them not following it or wanting to follow it. I
9 think it almost -- you almost have to sign it by default,
10 then, which, to me, I just don't --

11 MR. LANIER: Everybody here signed it by
12 default because we as the Board decided the rules we were
13 going to play by.

14 MS. HARPER: Yes. But if someone is
15 elected to the Board, even if they say yes on that bio,
16 that doesn't mean that they are going to sign it --

17 (DIRECTORS HARPER AND LANIER SPEAKING OVER
18 EACH OTHER.)

19 MS. HARPER: And you can't kick them off
20 if they -- if they are not -- if they don't sign it.
21 That's not a disqualifier.

22 MR. LANIER: You can't just kick them off
23 the Board --

24 MR. KENNEDY: Excuse me, Ms. Barbara, did
25 you have a statement?

1 MS. CARAWAN: Part of the candidate
2 application or qualifications in the applicant -- the
3 candidate application is all candidates must fulfill
4 membership requirements as part of Article V, Section
5 III. Sorry, I don't have the bylaws.

6 MS. HARPER: Any member of the
7 corporation, each member shall be entitled to one vote
8 only regardless of the number of certificates of
9 membership and help -- provided the member is in good
10 standing while certificates out. So what is good
11 standing? That your account is up-to-date?

12 MR. WILLIAMSON: I want to thank Torin for
13 putting the bylaws there. Thank you, Board President,
14 for recommending that.

15 MR. KENNEDY: I had a feeling we would be
16 here --

17 MR. WILLIAMSON: We hoped we weren't --

18 MR. KENNEDY: I did, too. Good
19 discussions.

20 MS. CARAWAN: All of the other
21 qualifications are just policy. That's the only
22 reference to Article --

23 MR. KILPATRICK: The Florida Statutes,
24 617.802, qualification of directors defines they have to
25 be at least 18 years of age unless the Articles of

1 Incorporation allow you to be. And then, you have to be
2 15 then.

3 That's all the Florida Statute regulates
4 as far as qualifications of being a Board member -- a
5 Director, I'm sorry.

6 MR. KENNEDY: Right. Okay. All right.
7 So --

8 (DIRECTORS SPEAKING AT THE SAME TIME.)

9 MR. KENNEDY: Well, yeah, I mean, the
10 question is whether or not we want to include that in
11 this motion.

12 MR. WILLIAMSON: May I make a suggestion
13 that you make two separate motions?

14 MR. KENNEDY: I think that one is going
15 to -- that one will be a possible issue there.

16 Right now, there -- can we just restate --

17 MR. LYNCHARD: Yes. My original motion
18 was to approve the election documents as presented with
19 the addition of a canvassing board.

20 MR. KENNEDY: There you go.

21 MS. HARPER: Second.

22 MR. KENNEDY: Motion and a second. Any
23 further discussion?

24 (NO AUDIBLE RESPONSE.)

25 MR. KENNEDY: All right. And I will wait

1 for Mr. Will.

2 (MR. GOULET RETURNS.)

3 THE COURT: All right. Those in favor say
4 "Aye"?

5 MR. LANIER: Aye.

6 MS. HARPER: Aye.

7 MR. LYNCHARD: Aye.

8 MR. GOULET: Aye.

9 MR. TERASA: Aye.

10 MR. MILLER: Aye

11 MR. KENNEDY: All right. Those opposed
12 say "No"?

13 (NO AUDIBLE RESPONSE.)

14 MR. KENNEDY: Motion carries.

15 MR. MILLER: I would like to make a motion
16 on the separate issue that a statement be added to the
17 candidate application that, if elected, I agree to follow
18 the Board of Director Code of Conduct Policy.

19 MR. KENNEDY: Okay. We have a motion.

20 MR. TERASA: Second.

21 MR. KENNEDY: We have a second. Further
22 discussion?

23 MR. GOULET: Is that as a Board? Or as a
24 member?

25 MR. LANIER: I think it is still part of

1 the statement.

2 (DIRECTORS SPEAKING OVER EACH OTHER.)

3 MR. KENNEDY: As part of the election, we
4 have a motion to add the statement to the election for
5 the official candidate form. Any further discussion?

6 MR. LANIER: Mark, with this being a Board
7 policy that is not necessarily something you opt in or
8 opt out on, would it not be better to just include that
9 in the package, so they are aware that there is a Code of
10 Conduct? Not necessarily have to sign it, because you
11 are going to be held to it, regardless?

12 MR. KENNEDY: Right.

13 MS. HARPER: It's expected.

14 MR. LANIER: Yes.

15 MR. MILLER: Well, I think it would enable
16 a Board, if a Board member could not follow the policy,
17 if they sign that application and they were given a copy
18 of that policy when they turned in the application, it
19 would make it a whole lot easier to say, "You agreed to
20 this."

21 You know, otherwise, we have got a policy,
22 but the Board member has never agreed to it, how do you
23 remove them?

24 MR. KENNEDY: Well --

25 MS. HARPER: You can't remove them per

1 policy --

2 MR. LYNCHARD: Anyways --

3 MS. HARPER: If they are elected, you need
4 the membership, the petitions and the membership. You
5 can't --

6 MR. KENNEDY: No. We have no grounds to
7 remove a Director, I mean, not without getting --

8 MS. HARPER: An elected Director.

9 MR. KENNEDY: An elected director. Yeah.
10 Without getting that full membership behind us, other
11 than, truthfully, just getting someone to state that they
12 would follow that, it doesn't give us any teeth to
13 enforce anything. Does it? Correct?

14 MR. KILPATRICK: You would still have to
15 find just cause.

16 MR. KENNEDY: Right.

17 MR. TERASA: But not only is that the
18 purpose of it, it is to inform that potential Board of
19 Director of what is expected of him, so --

20 MR. LANIER: There is a mechanism with
21 teeth for removing a Board member who is elected. And
22 our bylaws specify it. And in Florida 6.18, where it
23 talked about how you remove a Director --

24 MR. KILPATRICK: 6.17.

25 MR. LANIER: 6.17. Excuse me. There is a

1 caveat at the very bottom that says that if you will
2 follow --

3 (DIRECTORS SPEAKING OVER EACH OTHER.)

4 MR. LYNCHARD: We are -- go ahead --

5 MR. LANIER: Those rules don't apply.

6 MS. HARPER: So you are saying the bylaws
7 don't apply? Is that what you are saying?

8 MR. KILPATRICK: No. The bylaws don't
9 apply.

10 MS. HARPER: So the bylaws, meaning you
11 cannot unseat an elected Director unless the membership
12 is a part of it?

13 MR. LANIER: Yeah.

14 MS. HARPER: So not signing a policy is
15 not grounds for dismissal from a Board. That's the only
16 point.

17 MR. KENNEDY: Yeah. Unless -- unless this
18 is just to say, "Hey, you signed something." Or, I mean,
19 my opinion is I hope that when we are giving -- when we
20 are giving candidates their applications, we are also
21 giving them a Code of Conduct so they know what they are
22 getting into.

23 But, truthfully, we can't. I don't think
24 we can't sit here and make them honor it.

25 MS. HARPER: I think giving it, providing

1 it is good.

2 MR. KENNEDY: Yes.

3 MS. HARPER: But having that --

4 MR. KENNEDY: Check box.

5 MS. HARPER: -- as far as signature is --
6 I don't know.

7 MR. KENNEDY: But, anyway, I think
8 that's -- okay, go ahead.

9 MR. TERASA: I guess we are speaking to
10 Mark, then, and Fred, I guess, because we are on the same
11 page here. Can we live with having a statement at the
12 bottom that says, "Attached to your application is the
13 Code of Conduct which we expect you to adhere to."

14 Would that get it done?

15 MR. LANIER: The fact that you have read
16 it, the recommended Code of Conduct.

17 MR. KENNEDY: Yeah. Recommended.

18 MR. MILLER: I would like -- I would
19 really like it to be either a box that they check or a
20 line that they initial to. And if they choose not to
21 check that box or initial that, then, it would be, you
22 know, these applications are published and the members
23 get to see it, that would certainly raise some red flags
24 on that candidate.

25 MR. TERASA: Well, I guess you can call

1 for a vote, then.

2 MR. KENNEDY: Very well. Does anybody
3 have any further comments? Concerns?

4 (NO AUDIBLE RESPONSE.)

5 MR. KENNEDY: All right. Those in favor
6 say "Aye"?

7 MR. TERASA: Aye.

8 MR. MILLER: Aye.

9 MR. KENNEDY: All right. Those opposed
10 say "No"?

11 MR. LYNCHARD: No.

12 MS. HARPER: No.

13 MR. LANIER: No.

14 MR. GOULET: No.

15 MR. KENNEDY: Motion fails. Sorry, Mark.
16 All right. Next order of business --

17 MR. LANIER: Do we want to see about the
18 canvassing board representative?

19 MR. KENNEDY: Yes. Do we need to define
20 the representatives for the canvassing board?

21 MR. LYNCHARD: I would like to be on it.

22 MR. KENNEDY: What?

23 MR. LYNCHARD: I would like to be on it.

24 MR. KENNEDY: Would you? All right.

25 MR. LANIER: And me.

1 MR. KENNEDY: Well, I mean, Kevin would
2 you like to be on it as well? Or is it --

3 MR. LANIER: Well, it is just one Board
4 member that can serve --

5 MR. LYNCHARD: I think we can have as many
6 Board members on it as we want.

7 MR. TERASA: We approved one.

8 MR. LYNCHARD: Why not?

9 MR. LANIER: If you will, I will --

10 MR. TERASA: It's a three member --

11 MR. WILLIAMSON: It just needs to be odd,
12 for obvious reasons. You don't want your vote to --

13 MR. LYNCHARD: Well, to be quite honest
14 with you, I understand the odd for a vote. But the Board
15 of Directors are the ones that are supposed to make the
16 decisions.

17 So putting the CEO and the Board attorney
18 on here, I think that's kind of wrong, because that gives
19 outside sources more authority than the Board of
20 Directors.

21 MR. WILLIAMSON: To maintain the integrity
22 of the election was the intent to protect staff to not
23 have to make decisions like that, so --

24 MR. LYNCHARD: Yeah. Because in your
25 case, staff would be making the decisions.

1 MR. LANIER: Well --

2 MR. LYNCHARD: The CEO and the independent
3 attorney.

4 MR. LANIER: The Board has authorized
5 staff to make that determination for the Board. That's
6 what we are making now.

7 MS. HARPER: I am just --

8 MR. LYNCHARD: I know we didn't discuss
9 making decisions. We just discussed having a canvassing
10 board.

11 MR. LANIER: So we created a board with no
12 instruction?

13 MR. LYNCHARD: I think that's what we just
14 did.

15 MS. HARPER: I don't -- I don't view Keith
16 as staff per se.

17 MR. LYNCHARD: I don't, either, but you
18 get --

19 MS. HARPER: But you would have your legal
20 representation, your Board representation, and then, the
21 staff, really it should be the CEO, so you almost have
22 like equal amongst the three.

23 MR. LYNCHARD: Yes. The Board of
24 Directors should be the ones making the decision is what
25 I --

1 MS. HARPER: We can add three of you to
2 the Board.

3 MR. LYNCHARD: I mean, that's just my
4 opinion. It's the Board of Directors that should be
5 making the decisions on the --

6 MS. HARPER: Well, it's just insuring --

7 MR. LYNCHARD: Just as we have voted on
8 policy tonight for the elections.

9 MS. HARPER: I guess because it's
10 oversight and support, you know, to insure the integrity
11 of the election and its process, so I would think if
12 there was an issue that needed direct Board vote, then,
13 it could come to the Board.

14 MR. LYNCHARD: Yes.

15 MS. HARPER: So that's where you being on
16 the Board can say, "This is really an issue of nature,
17 magnitude, that rises to the Board having to decide."

18 MR. LYNCHARD: Yeah.

19 MS. HARPER: So you would be providing
20 that oversight on behalf of the Board.

21 MR. LYNCHARD: Okay.

22 MS. HARPER: Where Keith would be saying,
23 "Well, this is your legal issue," and then, of course,
24 this is your staff.

25 MR. LYNCHARD: So as long as any policy

1 issues have to come to the Board for approval.

2 MS. HARPER: I would think so. Yeah, so
3 anything -- I make a motion to --

4 MR. TERASA: Canvassing board is there to
5 make sure the policies are, in fact, followed, if there's
6 a problem. I would like to nominate --

7 MR. LANIER: There is another motion on
8 the floor --

9 MR. TERASA: Oh?

10 MS. HARPER: I made a motion to --

11 MR. TERASA: I will second.

12 MR. KENNEDY: We have a second. Do we
13 have any further discussion?

14 (NO AUDIBLE RESPONSE.)

15 MR. KENNEDY: Those in favor say "Aye"?

16 MR. LANIER: Aye.

17 MS. HARPER: Aye.

18 MR. LYNCHARD: Aye.

19 MR. GOULET: Aye.

20 MR. TERASA: Aye.

21 MR. MILLER: Aye.

22 MR. KENNEDY: Those opposed say "No"?

23 Motion carries.

24 Effluent disposal update. Mr. Williamson?

25 MR. WILLIAMSON: Thank you, Mr. Chairman.

1 I will start with the easy part of the Gulf Breeze MOU.
2 As the Board knows, that was delivered to Gulf Breeze.
3 They are reviewing it. We are still waiting to hear back
4 on that. So I think next week will make a month they
5 have had it, so I will follow up.

6 But since we are on Gulf Breeze, I just
7 want to make sure we have the process correct that if any
8 special meetings are required related to the ongoing MOA,
9 the development of the MOA with Santa Rosa County, that
10 those meetings would be noticed and that the minutes
11 would be posted once the Board -- once those minutes are
12 approved by the Board.

13 MR. KENNEDY: That's it?

14 MR. WILLIAMSON: I just want to make sure
15 we are following the proper protocol there.

16 MR. LYNCHARD: As long as the Board is
17 aware of anything that is, you know, being -- before any
18 documents are sent. That's my only concern.

19 MR. LANIER: Before any binding documents
20 are sent?

21 MR. LYNCHARD: Before any documents saying
22 what we are going to give are sent, I think this Board
23 should have a look at them.

24 MR. GOULET: I agree and I think that what
25 Rob is saying, any minutes must be approved by the Board

1 before being released in this aspect.

2 MR. LYNCHARD: Yes.

3 MR. WILLIAMSON: The Board has directed
4 staff to develop a MOU and the County used language of
5 MOA, which should be a one step above that, if you will.
6 So we are not going to be presenting a MOA to the County
7 that hasn't been approved by this Board.

8 There has been no MOA or MOU provided to
9 Santa Rosa County. There has been nothing provided to
10 Santa Rosa County that wasn't consistent with what this
11 Board has previously directed this staff to move forward
12 with.

13 If there is anything that is inconsistent,
14 that the Board has heard --

15 MR. LYNCHARD: I will --

16 MR. WILLIAMSON: Anything that is
17 inconsistent with that, then, please make sure that we
18 are aware of it.

19 MR. LYNCHARD: The memorandum of
20 understanding between Santa Rosa County and Holley
21 Navarre Water System, Inc. on this letter-headed item
22 from Holley Navarre Water System would be, one, that
23 Santa Rosa County's agenda listing a discussion of the
24 memorandum of understanding between Santa Rosa County and
25 Holley Navarre Water System, Inc. would be number two.

1 It appears that this document was signed
2 on July 26th and sent to the County. I know we say it's
3 not a memorandum of understanding, but when it says,
4 "Regarding memorandum of understanding," it is kind of
5 easy to get them -- be mislead as to what the document
6 really is.

7 MS. HARPER: I can understand how that
8 would definitely be viewed as that. However, the
9 language in the letter itself is before we draft the MOU.
10 A fundamental issue for my Board is to establish clear
11 delineation of responsibilities for permitting,
12 designing, construction, constructing of projects so that
13 the Holley Navarre Water System meets its deadline to
14 have its effluent discharging at the Eglin facility no
15 later than November 1st, 2022.

16 So they are asking questions to get
17 clarification on how best to proceed and it does close,
18 if the condition -- if this plan meets with your
19 approval, please let Phil Phillips know so that we can
20 proceed with the engagement of Jacob Engineering to
21 design Phase 1 and finalize a draft MOU for your review.

22 So while the subject gives the impression
23 that it is indeed an MOU, the content within the letter
24 itself is asking for clarification and in order to have
25 that draft actually written, which would then be brought

1 back to the Board to be reviewed and approved before
2 final submission to the County.

3 MR. LYNCHARD: I agree with you, but there
4 are some items in this that are listing things that we
5 are going to do. And things that we are asking them to
6 do, which tend to lead one to believe that this is an
7 agreement to see if it works.

8 MR. WILLIAMSON: Is there anything in
9 there that is -- that you have an issue with or that you
10 would change or you feel is inconsistent with what has
11 previously been approved?

12 MR. LYNCHARD: What has previously been
13 approved is that we would have meetings before anything
14 went to the County and discuss any documents. That's --

15 MR. WILLIAMSON: Is there anything in the
16 letter?

17 MR. LYNCHARD: It doesn't matter. The
18 letter doesn't matter. My concern is that it appears
19 that staff is bypassing the Board.

20 MS. HARPER: Okay.

21 MR. LYNCHARD: It's like we don't even
22 have a Board.

23 (DIRECTORS MAKING COMMENTS AT THE SAME
24 TIME.)

25 MR. TERASA: I disagree completely. This

1 staff is working their tail off to get us by a very hard
2 deadline we have, Mr. Lynchard.

3 MR. LYNCHARD: That's fine. Then, we need
4 to have meetings.

5 MS. HARPER: May I -- excuse me --

6 MR. TERASA: We need all oars rowing the
7 same way. You need to get on board.

8 MS. HARPER: Okay, Fred.

9 (DIRECTORS MAKING COMMENTS AT THE SAME
10 TIME.)

11 MS. HARPER: I think the concern is valid.
12 If I understand him correctly, I think that he was not
13 aware that this specific letter would be going to the
14 County.

15 So I think in the future before it goes to
16 the County, it is just a matter of letting the Board
17 know, "Hey, we are going to send this draft." This is
18 the language of it, so that there is an aware of it.

19 Because, you know, rightly or wrongly, you
20 know, I am not going to judge his feelings. I think he
21 feels like he was blindsided with this letter. And I
22 don't think that he is not on board. I think he is very
23 much on board with the project.

24 I think he just wants to be keyed in to
25 say, "Hey, we are sending this letter. It's not an MOU.

1 This is the subject, but it's not really an MOU."

2 MR. KENNEDY: It's more of a request for
3 information.

4 MS. HARPER: It's a request for
5 information. Here it is. Is that right?

6 MR. LYNCHARD: Yeah.

7 MS. HARPER: So I think that's it. That's
8 just a simple email. Here it is. Here's the draft.
9 This is what we are going to send. The Board President
10 is going to sign it so he is made aware.

11 I don't think that requires a special
12 meeting. I just think it is just information so he
13 doesn't feel like he is blindsided.

14 MR. LANIER: So I think this letter falls
15 under the same category that we have authorized staff to
16 enter into negotiations with the County, where they go to
17 a meeting and they are discussing things about the deal
18 and how it is going to be done. They don't run what they
19 are going to tell the other --

20 MS. HARPER: No. I didn't say run it
21 by --

22 MR. LANIER: It's more of a back and forth
23 to get the information together, so, I mean --

24 MS. HARPER: I didn't say run it by him as
25 for approval. It's just send it out to the Board. This

1 is what we are sending the County.

2 MR. LYNCHARD: It is important enough that
3 they had the President of the Board of Directors sign it,
4 which would tend to lead one to believe that the Board of
5 Directors approved it, when we have never even seen it.

6 If it was just a preliminary, just a back
7 and forth, why would the President sign it? Why would
8 the President be required to sign it?

9 MR. TERASA: Well, did you realize that
10 the President attended that meeting as well and
11 represented us very well?

12 MR. LYNCHARD: I am not discussing the
13 meeting.

14 MR. WILLIAMSON: There wasn't anything in
15 the letter that was inconsistent with what has previously
16 been discussed or directed by this Board. The Board
17 directed staff. The Board hired an attorney to help
18 draft an MOU. The Board directed staff to engage with
19 Santa Rosa County on this matter. This -- everything
20 that is included in this letter has been contemplated for
21 more than a decade.

22 Staff did not go out of bounds or do
23 anything that is inconsistent with what this Board has
24 directed us to do. We don't know how to move the ball
25 down the field, Director Lynchard. If you have an issues

1 with this, we don't know how to get progress and meet the
2 deadline if we need to check with you before we are able
3 to make a phone call or --

4 MR. LYNCHARD: No. That is not --

5 MR. WILLIAMSON: -- or send a letter.

6 MR. LYNCHARD: -- what I am saying.

7 MS. HARPER: I think that's what he is
8 saying.

9 MR. WILLIAMSON: -- is that this is
10 referencing a memorandum of understanding between Santa
11 Rosa County and Holley Navarre Water System. This in no
12 way, this is in no way is a memorandum of
13 understanding --

14 MS. HARPER: Rob --

15 MR. WILLIAMSON: It even says in the
16 sentence that a memorandum of understanding between
17 the -- which sets forth the duties and responsibilities
18 is proposed.

19 MS. HARPER: Rob, stop. Stop. Everybody
20 stop. I don't think he is undermining staff. I don't
21 think he is putting down staff or wanting to micromanage.

22 MR. WILLIAMSON: The email that goes out,
23 Director Harper --

24 MS. HARPER: Just stop --

25 (SPEAKING OVER EACH OTHER.)

1 MS. HARPER: Stop. Rob, stop, please. I
2 think what he is trying to say and I think we can reach a
3 compromise. I don't think we need to have World War III
4 over this because we still have a long way to go.

5 MR. KENNEDY: Yes, we do.

6 MS. HARPER: So let's save World War III
7 to the final. Whatever. I think the compromise can be
8 that when staff acts, and I think this letter does
9 reflect what the Board directed staff to do. I think all
10 that needs to happen --

11 MR. TERASA: Then, what's the issue?
12 Excuse me.

13 MS. HARPER: Fred, let me finish. Because
14 the Navy has been around a lot longer than the Army, just
15 saying. Lighten the moment. I think a simple email from
16 the Board President to the Board saying, "This has been
17 sent. It is in keeping with what the Board wished and
18 the staff has done. Here it is."

19 That's it. We are not asking Director
20 Lynchard to approve it. We are not asking Director
21 Harper to approve it. It's just, "This was the letter
22 that was sent." Because I feel like he feels that he was
23 blindsided.

24 MR. LYNCHARD: Uh-huh.

25 MS. HARPER: Now, I am not going to judge

1 the validity of his feelings because that's what he
2 feels. So I think going forward, you just -- you do
3 as -- the staff will do as the Board has directed.

4 Mike will sign the document as required,
5 as the Board President, and then, as it is going to the
6 County, a simple email to the Board of Directors saying,
7 'This is what we are sending out.'

8 That's it. That's it. That's all.
9 That's my recommendation.

10 MR. KENNEDY: And if we are all good with
11 that, it's just more better communication as we go
12 forward. We keep everybody on board that -- I think
13 that's a great thing.

14 And if you can, Rob, just give us a nice
15 overview of the next steps of where we are going with
16 this.

17 MR. WILLIAMSON: Sure.

18 MR. KENNEDY: And then, we will move on.
19 Because we are going to have months of these
20 conversations.

21 MR. LYNCHARD: I hope not.

22 MR. WILLIAMSON: The Board of County
23 Commissioners had on their Monday agenda an item and that
24 item was meant to approve directing their staff to engage
25 with us officially to develop a MOA.

1 Their Board voted unanimously to move that
2 to this Thursday's consent agenda. And we will be
3 waiting on the result of that Board vote, but the
4 comments that were made by Santa Rosa County staff and
5 the Commissioners were very encouraging.

6 I think everybody realizes that this is a
7 win-win, that this is something that's needed for the
8 community and that everything that we heard there was
9 favorable. The MOA development moves on.

10 Will Dunaway -- we believe that he will
11 have that memorandum of agreement within the next couple
12 of weeks, and then, we will get that out immediately to
13 the Board to begin their initial review and commentary
14 and the timeline that you have in your back-up that we
15 have provided, I believe, back in March for the first
16 time, just as an update, we are on schedule still.

17 And that's good news. And as far as next
18 steps go, it would just be to bring back that MOA, when
19 it is ready, that would be the next thing.

20 Liberty Partners are lobbyists. You know
21 this Board approved a request for \$1.4 million put before
22 the Legislative for this session as one of our
23 Legislative requests. They are -- they were representing
24 us tonight in front of the Santa Rosa County legislative
25 delegation and we have been working with them pretty hard

1 on what the strategy is going to be.

2 And I had an opportunity to speak to
3 Senator Broxson about our project yesterday. And
4 everybody believes that this is one of those projects
5 that is going to be able to help everybody. That
6 concludes the report.

7 MR. KENNEDY: Great.

8 MR. TERASA: One comment, Mr. President.

9 MR. KENNEDY: Yes, sir.

10 MR. TERASA: Two comments. First of all,
11 thank you, staff, for making this happen. We are very
12 appreciative of the good work you are doing.

13 Secondly, the drop dead date in 2022 was
14 what?

15 MR. WILLIAMSON: November 2022.

16 MR. TERASA: Now, Phil, is our effluent
17 continued to move toward that same drop dead date?

18 MR. PHILLIPS: So we were --

19 MR. TERASA: I know you are saying we will
20 run out of capacity in November 2022.

21 MR. PHILLIPS: When we made this
22 presentation originally, I gave you a chart that had two
23 lines on it. One, we fix the I&I, according to what
24 would be normal. And, two, it doesn't get fixed. It
25 stays really bad. And that's what the November 2022 date

1 is.

2 We are currently flying below that line,
3 that maximum line, but that doesn't mean that can't
4 change next month.

5 MR. TERASA: But it does -- it would give
6 us some more wiggle room potentially?

7 MR. PHILLIPS: If the I&I was less than
8 what we predicted, yes, it would. But we are not -- we
9 are still in conservative --

10 MR. TERASA: No. I appreciate it. Got to
11 be conservative. Thank you.

12 MR. KENNEDY: And I will just kind of give
13 you a little update. I mean, especially as being the new
14 person in the town only four years, you know, to come to
15 find that this solution has been in play for 19 years,
16 right?

17 And I would personally like to thank the
18 County Commissioners and Mr. Blalock and all the team
19 members up there that kept that idea alive for 19 years.
20 And that we have -- our staff has been working on this
21 possible solution for a decade now, Phil, or 15 years?

22 MR. PHILLIPS: I don't know. I told Will
23 or someone a while ago, the first, the very first meeting
24 on this was in 1998, I believe. It was before the year
25 2000.

1 MR. KENNEDY: And I thank you guys for
2 being diligent on this, as well as Mr. Goulet and Mr.
3 Daryl -- Mr. Lynchard. I believe you guys have also
4 tried to -- you know, you have worked through this. So
5 the take-away is that we are moving forward with a
6 permanent solution that is going to last a generation and
7 we are going to have a win-win for not only Holley
8 Navarre Water System, but Holley and for our community
9 and for our members.

10 And there is some big -- how the County
11 decides to handle their phase could be a huge impact, so
12 this is a wonderful step and it had all from nearly 20
13 years of everybody just digging in and keeping this idea
14 alive, so I thank you so much for that.

15 All right. Anything else on effluent?

16 MR. WILLIAMSON: No, sir.

17 MR. KENNEDY: Great. Thank you.

18 We are on the next order of business of --

19 MR. WILLIAMSON: Hidden Creek.

20 MR. KENNEDY: Yes. The Club at Hidden
21 Creek GM report, Ms. Callen?

22 MS. CALLEN: For the --

23 MR. MILLER: Hey, Mike?

24 MR. KENNEDY: Yes. I'm sorry, Mark. Yes,
25 Mark?

1 MR. MILLER: I have got to drop off the
2 call, so I am going to go ahead and I am going to exit
3 this meeting just for the record.

4 MR. KENNEDY: Yes, sir. Thank you.

5 MR. MILLER: All right. Thank you.

6 (CONFERENCE CALL WITH DIRECTOR MILLER
7 ENDED.)

8 MR. KENNEDY: All right. Ms. Callen?

9 MS. CALLEN: All right. So for our
10 financials, course revenue for July was \$195,737, with
11 expenses of \$139,748, which brings our course operating
12 income to \$55,989.

13 Just a couple points I would like to point
14 out for July, our cart fee and green fee, since June, we
15 had an increase. Cart fee and green fee for the month of
16 July only was 18 percent over prior year.

17 And year-to-date, we are at 13 and a half
18 percent over prior year.

19 MR. KENNEDY: Nice. Great job.

20 MS. CALLEN: Thank you.

21 MR. WILLIAMSON: If you factor out the Cap
22 Ex, the golf course is profitable through seven months.

23 MR. KENNEDY: And has that ever been done
24 before?

25 MR. WILLIAMSON: Without the census --

1 MR. KENNEDY: That is an amazing job.

2 MR. WILLIAMSON: -- not to my knowledge.

3 MR. KENNEDY: You and your staff are doing
4 a wonderful job. We thank you so much.

5 MR. LANIER: Motion to approve the July
6 financial statement for the Club at Hidden Creek.

7 MR. GOULET: I will second that motion.

8 MR. KENNEDY: We have a second. Any
9 further discussion?

10 (NO AUDIBLE RESPONSE.)

11 MR. KENNEDY: Those in favor say "Aye"?

12 MR. LANIER: Aye.

13 MS. HARPER: Aye.

14 MR. LYNCHARD: Aye.

15 MR. GOULET: Aye.

16 MR. TERASA: Aye.

17 MR. KENNEDY: Those opposed say "No"?

18 (NO AUDIBLE RESPONSE.)

19 MR. KENNEDY: Motion carries.

20 Monthly Operations Report? Mr. Phillips?

21 MR. PHILLIPS: I, again, am only just
22 going to point out that I&I was friendly to us last
23 month. If anybody has any questions on the other pages,
24 we will be happy to entertain them.

25 In the interest of time, I will move right

1 along to Tab 2 and cover Cory's project for him.

2 Clarifier Number 4 is looking good, looking like they are
3 going to be right on time.

4 When we were out there today, their last
5 pour is scheduled for Thursday, assuming the weather
6 cooperates. The internals of the clarifier are mostly
7 in. The pipe is connected. They have got some
8 electrical to do after the bridge goes on.

9 But it's looking real good. It's looking
10 like they are going to be right on time.

11 MR. LANIER: What's on time? What's the
12 schedule?

13 MR. PHILLIPS: We approved -- they
14 submitted their rain days. We approved 24 rain days,
15 which now puts their deadline September 3rd, 2019. Now,
16 of course, they could be due additional rain days between
17 that approval and that date, too, but they are --

18 MR. LANIER: They are closing in.

19 MR. PHILLIPS: Yes, they are. They are --
20 I will tell you what, they have made a -- they have been
21 working very diligently, let's put it that way. They
22 have been doing real well.

23 That brings us to the last item, which is
24 really Chris' item. Before I turn it over to Chris, I
25 will just simply say that I agree with everything Chris

1 is about to tell you, unless he says something that he
2 hasn't told me before, in which case I will change my
3 mind. But I will turn it over to Chris.

4 MR. KENNEDY: Mr. Legg?

5 MR. LEGG: We will requesting Raven Lining
6 to be sprayed in Clarifiers 1, 2, and 3. They -- it's in
7 the contract, the construction agreement with North
8 Florida to spray the entire tank in Clarifier 4, so we
9 would like to have the same lining sprayed in 1, 2, and 3
10 when the time comes.

11 It's a lining that will go over the
12 concrete. It's beneficial to the structure. It's
13 beneficial to the equipment. Kind of a microbial lining
14 that goes through it that prevents algae bloom growth.
15 It protects the weirs from clogging with algae, so it
16 could improve flow. Overall, it expands the life of the
17 three clarifiers when you put the spray on them.

18 We are requesting that 1, 2, 3, be sprayed
19 with the Raven Lining.

20 MR. GOULET: Not to be a Devil's Advocate
21 here, but have we put this out to bid to any other
22 companies?

23 MR. LEGG: Yes, sir. There's only two
24 people that do it. One, North Florida actually is --
25 they subcontract it from a company. I think PSI in

1 Tampa, which doesn't have very good rating with who they
2 are doing it with. And the other company is Pensacola
3 Concrete out of Pensacola. And they actually do a --
4 they are doing our manholes and lift station --

5 MR. WILLIAMSON: And they are \$40,000
6 cheaper.

7 MR. LYNCHARD: \$40,000 cheaper, too.

8 MR. PHILLIPS: Very competitive pricing in
9 the package, too.

10 MR. GOULET: I just want it on the record.

11 MR. PHILLIPS: I got you. Thank you.

12 MR. WILLIAMSON: I was -- I was -- before
13 you said something, we didn't miss out on getting the
14 three bids. There's only two folks we can get to do this
15 specialized lining and PCC was the one the Board approved
16 for Clarifier 4 back in the day. So thank you for that.

17 MR. LANIER: Motion to award Pensacola
18 Concrete in the amount of \$93,765 for the installation of
19 Raven Linings for Clarifiers 1, 2, and 3 as presented.

20 MR. LYNCHARD: Second.

21 MR. KENNEDY: We have a second. Any
22 further discussions?

23 MR. WILLIAMSON: I just want to say thank
24 you to Chris Legg. He is doing an unbelievable job with
25 clarifier down, and then, we have had gear boxes go down

1 and effluent pumps go down. And he continues to rotate
2 things and look for solutions every day to keep us in
3 compliance and working miracles there. And no pressure,
4 but we are all counting on you.

5 MR. LANIER: Please don't float a tank
6 when you drain it, please.

7 MR. WILLIAMSON: You lost that bet.

8 MR. KENNEDY: All right. We haven't made
9 a motion yet. All right.

10 MR. WILLIAMSON: Nobody saw the deer
11 coming on that one.

12 MR. KENNEDY: All right. We still have a
13 motion. Those in favor say "Aye"?

14 MR. LANIER: Aye.

15 MS. HARPER: Aye.

16 MR. LYNCHARD: Aye.

17 MR. GOULET: Aye.

18 MR. TERASA: Aye.

19 MR. KENNEDY: Those opposed say "No"?

20 (NO AUDIBLE RESPONSE.)

21 MR. KENNEDY: Motion carries.

22 We are on to the member forum. Did
23 anybody sign up to speak?

24 No one. Barring no one wanting to speak,
25 do I have a motion to adjourn?

1 MR. LYNCHARD: Yes.

2 MR. KENNEDY: We have a motion. Second?

3 MR. TERASA: Second.

4 MR. KENNEDY: Those in favor say "Aye"?

5 MR. LANIER: Aye.

6 MS. HARPER: Aye.

7 MR. LYNCHARD: Aye.

8 MR. GOULET: Aye.

9 MR. TERASA: Aye.

10 MR. KENNEDY: All right. Meeting
11 adjourned.

12 WHEREUPON, THE HOLLEY NAVARRE BOARD OF
13 DIRECTORS AND THE CLUB AT HIDDEN CREEK MEETINGS CONCLUDED
14 AT 7:55 P.M.

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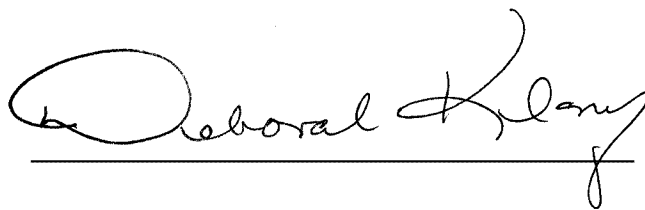
CERTIFICATE OF REPORTER

STATE OF FLORIDA

COUNTY OF SANTA ROSA

I, DEBORAH G. KHARUF, Court Reporter and Notary Public, State of Florida at Large, hereby certify that I was authorized to and did stenographically report the following Holley Navarre Water System Board of Directors meeting and the transcript is a true record of said meeting. I further certify that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any attorney or counsel connected with the action; nor am I financially interested in this proceeding or its outcome.

Dated this 2nd day of September, 2019.

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

DEBORAH G. KHARUF

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

Commission number GG 310633

My commission expires July 6, 2023.