

1 HOLLEY NAVARRE WATER SYSTEM
2 THE CLUB AT HIDDEN CREEK
3 COMBINED BOARD MEETINGS
4 MAY 21, 2019
5 6:00 P.M. - 7:24 P.M.

6 MIKE KENNEDY, PRESIDENT

7 YVONNE HARPER, VICE PRESIDENT

8 KEVIN LANIER, SECRETARY-TREASURER

9 DARYL LYNCHARD, DIRECTOR

10 FRED TERASA, DIRECTOR

11 MARK MILLER, DIRECTOR

12 BARBARA CARAWAN, OFFICE MANAGER

13 ROB WILLIAMSON, CEO, HNWS

14 TORIN BRAND, IT DEPT. HNWS

15 PHIL PHILLIPS, MESI

16 CORY SNYDER, MESI

17 DALE LONG, MESI

18 CLINTON WELLS, HNWS

19 MARK TURNER, HNWS

20 DANNY HAWKINS, HNWS

21 AMBER BUCHOLTZ, HNWS

22 CHRIS LEGG, HNWS

23 CINDY CALLEN, GM, CLUB AT HIDDEN CREEK

24 ALSO PRESENT:

25 KEITH KILPATRICK, ESQUIRE

 DEBORAH KHARUF, COURT REPORTER

 JAMIE GENTRY, NAVARRE PRESS

 TIM HARRINGTON

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

2 MR. KENNEDY: All right. I would like to
3 call this meeting to order.

4 Madam Vice President, would you lead us in
5 prayer?

6 (INVOCATION GIVEN BY DIRECTOR HARPER.)

7 MR. KENNEDY: Director Lynchard, would you
8 lead us in the pledge?

9 MR. LYNCHARD: Join me in the pledge of
10 allegiance to the flag of our country.

11 (PLEDGE OF ALLEGIANCE LED BY DIRECTOR LYNCHARD.)

12 MR. KENNEDY: Secretary Lanier, do we have
13 a quorum?

14 MR. LANIER: We do.

15 MR. KENNEDY: The announcement -- audio
16 and video recorders in use. Please silence all cell
17 phones.

18 Since we don't have that many members
19 attending in this case, we are going to forego the
20 sign-up sheet. If you would like to discuss something at
21 the appropriate agenda item, feel free to speak up at
22 that item.

23 Before we begin, also, Mr. Tolbert was a
24 founding member of the Holley Navarre Water System and
25 passed away this week. Before we begin, would anybody

1 like to say a few words?

2 MR. WILLIAMSON: I would just like to say
3 that thoughts and prayers go out with Trudy Tolbert, that
4 is his daughter, and his grandson, Jeremy Blankenship.
5 Those are two employees here with Holley Navarre Water
6 System. And they are doing as best as can be expected
7 under the circumstances.

8 And they were very appreciative as was
9 Ms. Tolbert for the show of support that the Water System
10 had at the funeral services held last Friday and they
11 wanted to pass that along to the Board as well.

12 MR. KENNEDY: Thank you, Rob. Anything
13 else? I think Director Miller, you were kind of -- I
14 mean, I didn't get to know Mr. Tolbert, but he sounded
15 like a man that got things done around here.

16 MR. MILLER: Yeah. I would just like to
17 say, I think besides, you know, all that he did to get
18 Holley Navarre Water System off the ground, he was a true
19 pioneer for the Holley and Navarre communities.

20 I saw a story where he ran electrical
21 service across the Bay to the Holley area in a boat, so
22 one of those people, yeah, like you said, he just got
23 things done.

24 MR. KENNEDY: That's right. Excellent.
25 Any other comments? All right. First order of business

1 is to approve -- is the approval of the minutes and
2 transcripts of the April 16th regular meeting minutes.

3 MR. LANIER: Motion to approve.

4 MR. LYNCHARD: Second.

5 MR. KENNEDY: Any further discussion?

6 (NO AUDIBLE RESPONSE.)

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

8 MS. HARPER: Aye.

9 MR. LANIER: Aye.

10 MR. LYNCHARD: Aye.

11 MR. MILLER: Aye.

12 MR. TERASA: Aye.

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

14 (NO AUDIBLE RESPONSE.)

15 MR. KENNEDY: Motion carries.

16 MR. WILLIAMSON: Mr. Chair?

17 MR. KENNEDY: Yes, sir?

18 MR. WILLIAMSON: Do you want to let the
19 Secretary know that the previous action that we had in
20 March that the Board requested on member certificates and
21 that they would be recorded digitally, we are now in
22 compliance with what the Board directed.

23 MR. LANIER: Thank you.

24 MR. KENNEDY: Very good. Thank you.

25 The next item is the approval of

1 memberships. Secretary Lanier?

2 MR. LANIER: Yes. We have for the month
3 of April 274 new members. We have 301 cancelled
4 memberships and one transfer.

5 MR. KENNEDY: Is there a motion to approve
6 memberships as presented?

7 MR. MILLER: So moved.

8 MR. TERASA: So moved.

9 MR. LYNCHARD: Second.

10 MR. KENNEDY: Any further discussion?

11 (NO AUDIBLE RESPONSE.)

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

13 MS. HARPER: Aye.

14 MR. LANIER: Aye.

15 MR. LYNCHARD: Aye.

16 MR. MILLER: Aye.

17 MR. TERASA: Aye.

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

19 (NO AUDIBLE RESPONSE.)

20 MR. KENNEDY: Motion carries.

21 Next item was the finance, the review of
22 the April 2019 financial statements. Mr. Williamson?

23 MR. WILLIAMSON: Thank you, Mr. Chair.
24 Pretty straightforward, \$924,862.18 in revenue against
25 \$757,923.38 expenses for a net operating income of

1 \$166,938.80.

2 You can see where that puts us for the
3 year at \$485,635. That's without bond payments and cap
4 ex at the golf course, but, through this point in the
5 year, we are going well. No large material variances of
6 note.

7 We will likely have a pension fund payment
8 in next month that will skew things a bit. And it was
9 budgeted for, obviously, but just kind of letting the
10 Board be aware of it, that's one variance that you are
11 likely going to see when that allocation goes out. That
12 will be in the next thing after that. That's it.

13 MR. KENNEDY: All right.

14 MR. MILLER: Motion to approve the
15 financials as presented.

16 MR. KENNEDY: Is there a second?

17 MS. HARPER: Second.

18 MR. KENNEDY: Any further discussion?

19 (NO AUDIBLE RESPONSE.)

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

21 MS. HARPER: Aye.

22 MR. LANIER: Aye.

23 MR. LYNCHARD: Aye.

24 MR. MILLER: Aye.

25 MR. TERASA: Aye.

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

2 (NO AUDIBLE RESPONSE.)

3 MR. KENNEDY: Motion carries.

4 Next order of business is the Board agenda
5 development. Mr. Williamson?

6 MR. WILLIAMSON: Thank you, Mr. Chairman.
7 Just a follow-up from last month as was directed by the
8 Board just to -- staff tried to make an attempt to
9 provide just some basic protocol to kind of serve as a
10 guide to the agenda development and kind of have a little
11 bit of standard protocol to that so we kind of know what
12 the rules of the road are and it gives us enough time to
13 prepare the proper back-up to keep the Board informed.
14 And it also lets the Board members know and staff know
15 when those agenda requests need to be in.

16 So we put together this agenda development
17 protocol kind of responsibilities and dates to remember.
18 And we would wait for the direction from the Board.

19 MR. LANIER: Motion to approve as
20 presented.

21 MS. HARPER: Second.

22 MR. MILLER: I have some discussion on it.
23 It doesn't include in the timeline and I know this was
24 done last week, we got a proposed agenda sent out to the
25 Board of Directors and I would still kind of like to see

1 something as far as what do we know is going to be on the
2 agenda already.

3 That way, I think it would make us more
4 efficient as far -- if we see that there is not something
5 already on there that we want on there, we would put it
6 on there.

7 We know there is going to be minutes and
8 financials and, you know, follow-up on prior business
9 that we table, but I would like to see something in this
10 timeline that says when a proposed agenda would go out to
11 the Board.

12 MR. LYNCHARD: I agree because there is
13 sometimes we have meetings and we push something to the
14 next meeting or we decide we are going to discuss it at
15 the next meeting and it just doesn't show up on the next
16 agenda.

17 And I know if someone expects it to be on
18 the agenda and it's not there and we are too late, I
19 think we should get that preliminary agenda out before
20 the deadline to add agenda items.

21 MR. WILLIAMSON: Would what be -- the
22 agenda is in development up until the point that the
23 President of the Board decides to make it final. And
24 then, it would be going out. We put down eight days
25 prior to as a deadline. Would that be acceptable? That

1 eight days out, that Monday, a week prior to the meeting
2 that -- like we did this last time?

3 MR. LYNCHARD: You would send out a
4 preliminary?

5 MR. WILLIAMSON: A preliminary agenda, and
6 then, if what you wanted on there isn't on there, then
7 you would have that day to call or email or say, "Hey,
8 make sure we add this." Like Director Miller did.

9 I responded to Director Miller's questions
10 and he felt that was sufficient, that it didn't need to
11 be added. But is that going to work for everybody?

12 MR. MILLER: I think the eight days is our
13 deadline to add something to the agenda. I would like to
14 see a proposed agenda a little before that, maybe ten
15 days or the Friday before, you know, because our deadline
16 is that Monday, eight days, so maybe by that Friday
17 before, the proposed agenda will go out.

18 MR. KENNEDY: Is that enough time for
19 you --

20 MR. LYNCHARD: Is there a reason -- is
21 there a reason we have to have it so many days in
22 advance? I mean, we used to -- I mean, up until this
23 year, the agenda wasn't finalized until the Friday before
24 the Tuesday Board meeting. And now, we are going a week
25 before that.

1 MS. HARPER: I think it's important
2 because the Friday before --

3 MR. LYNCHARD: I mean, that was too soon.
4 I agree, but --

5 MS. HARPER: I think, as I was going to
6 say, it allows the staff time to develop all of the
7 back-up documents, especially if it is something that a
8 Board Director wants, so I agree with Mark that sending
9 out like a preliminary on what we could -- on what they
10 think it's going to be by Friday, and then, that gives
11 the Board members time either Friday or the weekend to
12 let them know by Monday. And it still gives them a
13 week's time to develop those back-up documents as needed.
14 Because we typically have the Board books by Friday, so
15 it gives the staff that time.

16 MR. KENNEDY: And we publish to the
17 website on Friday; is that correct?

18 MR. WILLIAMSON: Yeah. What we try to do
19 is if it goes -- nobody can add anything on that Monday,
20 eight days prior, then that gives me Tuesday and
21 Wednesday to meet with the Board President to review the
22 order of the agenda and to finalize it, because then,
23 once the agenda is finalized, it requires a Board vote to
24 change it.

25 Then, we have the finalized agenda. Then,

1 staff puts together the back-up and the packets and
2 everything on Thursday. That gives Barbara and our team
3 one day to put together any information. It goes to the
4 Board on Thursday, and then, it gets published. The
5 agenda gets published on Friday. So that's kind of how
6 that week rolls out.

7 I know it won't always work that way, and
8 there will be times when Board members need to add
9 something the day before it gets published. And, of
10 course, that's going to happen. This is just supposed to
11 serve as a guide to where on our garden variety months,
12 we are developing things that are going to go on that
13 agenda and we kind of know as a staff, "All right. This
14 is what is going to be on there." The agenda is
15 finalized and we can go ahead and get stuff ready for
16 you.

17 MR. LYNCHARD: Could we possibly do it the
18 Thursday instead of that Friday? Do it the Thursday,
19 because with Fridays, you know, sometimes, people are
20 out.

21 If we are saying that it's the weekend and
22 they are out on Friday, gone all weekend long, and Monday
23 you are saying we can't add anything, it kind of shoots
24 some people in the foot.

25 MR. WILLIAMSON: Monday would be fine.

1 It's -- keep in mind that a Board member can call and add
2 anything to the agenda as soon as this meeting is over if
3 you have got something that comes up that you want to
4 have added to the agenda, any Board member can do that
5 any time.

6 MR. LYNCHARD: I mean, once we have seen
7 the preliminary agenda.

8 MR. KENNEDY: And just to clarify, Monday
9 we are saying the cutoff date for the Directors is, say,
10 Monday afternoon; right? If they wanted to add to it.

11 MR. WILLIAMSON: Close of business. Yeah.
12 All day Monday.

13 MR. LYNCHARD: Okay. Well, that's fine.

14 MR. KENNEDY: Okay. Friday, Saturday,
15 Sunday and Monday is what you have got.

16 MR. TERASA: I would ask CEO if you would
17 switch the order of these -- start with ten days out the
18 preliminary published. Eight days is the deadline for us
19 to comment and add items. You just kind of reverse that.

20 MR. WILLIAMSON: Sure.

21 MR. TERASA: And then, obviously, the last
22 thing would be that the members get it on the Friday
23 before, so --

24 MR. WILLIAMSON: We will get --

25 MR. TERASA: In other words, you start ten

1 days out with the preliminary agenda.

2 MR. MILLER: It actually would be 12 days.

3 MR. TERASA: 12 days out. My math is not
4 too good.

5 MR. WILLIAMSON: We are going to have a
6 draft agenda for the following month. So it's obviously
7 going to be in development.

8 MR. KENNEDY: And that means you have two
9 weeks to start putting together your agenda items in two
10 weeks from here.

11 MR. WILLIAMSON: Right. Which, I mean, if
12 it rolls the way it should, the Board has given us our
13 priorities we know we are supposed to be working on.
14 And, you know, you may have things that you need to add,
15 but most of the time, it's going to be you kind of know
16 what is coming, because you have already directed us to
17 do it.

18 MR. TERASA: Do we need to make a motion
19 or are we going to --

20 MR. LANIER: The motion was to accept it
21 as written. So what are we adding to it? I can amend my
22 motion. So what are we adding to this?

23 MR. TERASA: The only thing we are really
24 adding is the --

25 MR. WILLIAMSON: 12 days prior?

1 MR. TERASA: 12 days prior.

2 MR. MILLER: 12 days prior, proposed
3 agenda will be sent out.

4 MR. TERASA: The primary agenda, and then,
5 we are reversing the order of the document, I guess.

6 MR. KENNEDY: So just to reiterate, Friday
7 we will get the draft, our preliminary. Monday is our
8 last day to -- at the close of business is the last day
9 to add to the agenda.

10 Tuesday or Wednesday, we will set and
11 finalize the agenda. And then, staff has the rest of the
12 week until Friday to do back up and publish on Friday.

13 MR. WILLIAMSON: And I think the motion
14 could just be to accept as presented, adding in 12 days
15 prior, a preliminary draft agenda would be sent out and
16 then direct staff to provide an updated calendar.

17 MR. KENNEDY: Does that work for
18 everybody?

19 MR. LANIER: So I modify the motion to
20 accept as presented with the addition of the 12-day
21 timeline for sending out the preliminary and getting the
22 calendar squared away.

23 MR. MILLER: Second.

24 MR. KENNEDY: All right. Any further
25 discussion?

1 MR. WILLIAMSON: Squared away is the
2 direction of staff -- that we will provide the Board an
3 updated calendar ahead of next meeting?

4 MR. LANIER: Yes.

5 MR. WILLIAMSON: Okay.

6 MR. KENNEDY: Excellent. Those in favor
7 say "Aye"?

8 MS. HARPER: Aye.

9 MR. LANIER: Aye.

10 MR. LYNCHARD: Aye.

11 MR. MILLER: Aye.

12 MR. TERASA: Aye.

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

14 (NO AUDIBLE RESPONSE.)

15 MR. KENNEDY: Motion carries.

16 MR. WILLIAMSON: Barbara, is that good?

17 MS. CARAWAN: Yes.

18 MR. KENNEDY: The next item is the Board
19 Special Meeting. Director Terasa?

20 MR. TERASA: Thank you, President. Just
21 real quickly, I thought that was a really nice team
22 building exercise that was conducted. Appreciated the
23 staff members that were here. A couple hours of work
24 putting our heads together come with an idea of what some
25 of the critical issues of the future are for the Water

1 Company. And this is part of a visioning process.

2 We just did Step 2, scan the current
3 situation. And we ended up with 13 critical issues of
4 the future. And we put them all in priority. They are
5 in the final page there. I guess you have got them on
6 two pages up there.

7 A thought of note was the first one was
8 the idea that we -- how much we value our employees and
9 how important it was to keep them long term and so forth.
10 And then, of course, you can look at all of the other
11 ones. But what I took away from again was we have now a
12 Board that is becoming a team, and we are looking at the
13 same opportunities to advance this company.

14 Secondly, I believe, Mr. President, that
15 this ought to be a living document, that in the context
16 that our priorities will change, the critical issues will
17 change, things will fall off and then new ones would come
18 back on at our behest.

19 And then, more importantly, much like --
20 more importantly, I would like to see us have some sort
21 of reporting going on with the status of those priorities
22 or those critical issues, much like Phil in Engineering
23 did with some color coding, and just as importantly, some
24 copious notes that say where a particular thing is.

25 And I guess the other thing that Rob and I

1 talked about was determining which of those are -- which,
2 you know, we say, okay, take the first five and go with
3 them or whatever. I don't know how we want to articulate
4 that. But the point is made a living document that we
5 continue to turn over as new opportunities and issues
6 come before us.

7 MR. KENNEDY: Thank you. So on this
8 agenda item, I am not sure that we have an actual motion
9 unless someone needs one. Right now, as Director Terasa
10 has said, we have identified 12 areas. And we can -- we
11 can, you know, start narrowing them over time, discussing
12 them, that kind of thing, if that's acceptable to the
13 Board.

14 MR. LYNCHARD: Sounds good to me.

15 MR. TERASA: I would be interested in
16 other Board members' comments about the idea that we make
17 it sort of a living document. How we do that, I don't
18 really care, but the idea, we did some good work. We
19 came together.

20 So I would like to see us continue to plod
21 along that way and we look for opportunities to find that
22 gem of an issue or opportunity that we ought to be
23 putting on there as well as put some of them to bed as
24 they are completed.

25 MR. KENNEDY: I agree.

1 MR. MILLER: I think some kind of
2 scheduled follow-up. We don't want to just, you know, we
3 did this and this is our priorities, and then, it gets
4 tucked away in a drawer somewhere. I think some
5 scheduled follow-up, like how are we doing on improving
6 our water quality?

7 How are we doing on increasing our
8 communication? You know, maybe set some goals and
9 benchmarks that we look at again in three to six months,
10 whatever.

11 MR. TERASA: Absolutely.

12 MR. WILLIAMSON: Would it be acceptable --
13 we are planning on having a tentative Board budget
14 workshop in August that maybe we bring back and put some
15 possible dates next to each one of these. Would that be
16 acceptable?

17 MR. MILLER: Sure.

18 MR. KENNEDY: Okay.

19 MR. TERASA: Good.

20 MR. KENNEDY: It will be up to us as well,
21 like you said. I think we will do our due diligence,
22 make sure that none of this will fall through the cracks.
23 I know staff will be fine with it as well.

24 MR. WILLIAMSON: Maybe I can get with you,
25 Mike, and then, we will have something to bring back to

1 the Board.

2 MR. KENNEDY: Yep. Sounds good.

3 MS. HARPER: I just want to say thank you
4 for the -- for y'all doing that because I wasn't here and
5 I appreciate the time that y'all took to meet at that
6 workshop because it is really important.

7 And, Fred, you really took the lead on
8 that, and I think it turned out really well. I just have
9 a question as for staff right now. There is 13 issues
10 identified, which I think all of them are important, but
11 it seems like they are ranked based on priority and the
12 way it scored out with the Board members.

13 So is there anything that you want staff
14 to do between now and August with setting those dates to
15 work on -- like the top three? Do you want them to begin
16 working on those right now since they are identified as
17 the top three?

18 Especially number two, that seems pretty
19 important, and obviously, number one is. It is always
20 important to have trained staff.

21 So do you want them to start doing
22 anything now?

23 MR. TERASA: Mike, that's why I suggested
24 we use the format that Engineering is using to track
25 their projects. And some of those are already in the

1 works, I am confident. So maybe the first step that you
2 are probably suggesting is let's have a report out. And
3 when are we going to meet for our budget and when?

4 MR. WILLIAMSON: We need to set a date,
5 but some time in August would be the goal. I don't know
6 if we are going to have an association with the Board
7 meeting or a separate meeting.

8 MR. TERASA: So I guess what I am saying
9 is what ought to happen is staff ought to be reporting to
10 us where they are in those priorities.

11 MS. HARPER: Okay.

12 MR. TERASA: And so -- in my own mind,
13 Fred Terasa being the dumb guy, he would like to see it
14 every month -- it doesn't have to be half an hour, but
15 throw it up there. If it is color-coded properly, we
16 will get a sense for where things are as well as have
17 some snippets of information that say, okay, this is why
18 this is not where we might like it to be.

19 MS. HARPER: So if I understand what you
20 are saying, you want them to -- you want them to
21 create --

22 MR. KENNEDY: A project plan.

23 MS. HARPER: -- a plan --

24 MR. KENNEDY: Not a project plan, but a
25 project listing --

1 MS. HARPER: Kind of like a graph of where
2 they are now and where you want them to be or where they
3 are projecting to be in three months, six months, twelve
4 months?

5 MR. TERASA: Well, again, the project list
6 that Phil uses is distinctly different than this in the
7 sense that it's real projects and have timelines based on
8 contracts, dah, dah, dah, where here, this is a little
9 more squishy.

10 But it uses the same concept that, okay,
11 where are we, what are the next steps, staff, to better
12 train and retain our employees? I mean, that would be
13 the logical first. It was first on our hit list, so I
14 would like to hear what Rob and his staff are doing to
15 accomplish that.

16 MS. HARPER: Okay.

17 MR. TERASA: And is it -- I am red amber
18 green guy.

19 MR. WILLIAMSON: I think I know where
20 Director Harper is going and we can provide a little
21 something less squishy.

22 MR. TERASA: Okay.

23 MS. HARPER: And may I ask, just with
24 number nine, I know that this is really important to a
25 lot of individuals and I am not negating that importance

1 at all, but is the staff -- are we wanting the staff to
2 do the legwork?

3 Or is this something that, say, like Mr.
4 Lynchard will go to the Fire Department to say, okay,
5 this is what you are wanting. Provide us that
6 information so that we can then take that information
7 internally and determine what is going to happen.

8 MR. LYNCHARD: Well, that's kind of what I
9 was wondering. Is "We," the Board of Directors? Or is
10 "We," staff?

11 MS. HARPER: I didn't add -- the last
12 Board meeting I had mentioned you and --

13 MR. LANIER: What I interpreted from this
14 whole project was this is the Board coming up with the
15 strategy and direction for the staff to take and that we
16 have done our part. Now it's staff's job to bring that
17 back to us as completed.

18 MR. TERASA: We have stated what our
19 priorities are in rank order today, or as of two weeks
20 ago, and, yes, we expect staff to operate and make those
21 things happen and keep us informed.

22 MR. WILLIAMSON: I understand.

23 MS. HARPER: I am having a blonde moment.
24 Please forgive me. So how do we increase fire protection
25 in our franchise area? And, again, I apologize for not

1 being able to make the workshop, so I am sure this is
2 redundant for all of you with the exception of me, so --

3 MR. KENNEDY: No, actually, we didn't
4 discuss the details. We just said what was important.

5 MS. HARPER: Okay. So in order for the
6 staff, because all of the issues are Holley Navarre Water
7 System related except for number nine. So are -- is the
8 staff going to do the leg work of the Fire Department?

9 Is the Fire Department going to state,
10 "This is the areas that are protected. This is the areas
11 that we need to be protected. And this is how Holley
12 Navarre Water can help us get protected."

13 MR. KENNEDY: And, let me, from my
14 perspective, right, is that the staff would be the ones
15 that would go out and do all the leg work on exactly
16 that, you know, meeting with the Fire Chief.

17 MR. LANIER: Report back to the Board.

18 MR. KENNEDY: Because I have a lot of
19 questions before we even go down that number nine, like
20 what did we do in the past? What was the cost in the
21 past? How did it even get done? What's the involvement
22 of the County, right, all of these huge number of
23 questions?

24 So, me personally, I would say that the
25 staff needs to go and say -- if we want to improve our

1 fire protection, this is -- these are the steps that
2 we -- they need to follow-up on.

3 MR. MILLER: And some of that will happen
4 at our 2020 budget workshop in August because we have
5 discussed if we are going to provide any funding for line
6 extensions, it will have to be in the 2020 year because
7 we don't have anything allocated for that in this year.

8 It's going to be a process, but I think
9 the meeting that we spelled out that is one of the
10 priorities that we want to continue to work toward is,
11 you know, work with the Fire Department and work with the
12 residents of those areas that will benefit from it to we
13 are coming up with a way to pay for that.

14 MR. KENNEDY: Yeah.

15 MS. HARPER: I just request that they do
16 the leg work and then come to us with the bulk of the
17 information, as opposed to us, because, again --

18 MR. LYNCHARD: Oh, don't worry. I will
19 never talk to anybody else again about anything dealing
20 with the Holley Navarre Water System.

21 MS. HARPER: I am sorry. I don't really
22 understand what this has to do with your feelings or
23 that --

24 MR. LYNCHARD: Don't worry about it. Just
25 go ahead.

1 MS. HARPER: I am sorry. Where is that
2 coming from?

3 MR. LYNCHARD: Just go ahead.

4 MR. KENNEDY: Well, I think to your
5 point --

6 MS. HARPER: Just go ahead with what?

7 MR. LYNCHARD: Whatever it was you were
8 going to say.

9 MR. KENNEDY: So, Yvonne, to your point --

10 MS. HARPER: Okay. So you are going to --
11 okay, well, we can do assumptions -- spell out assume
12 once.

13 MR. LYNCHARD: Whatever.

14 MS. HARPER: So it -- I just want to make
15 sure the staff is clear on what they are doing.

16 MR. KENNEDY: That's correct.

17 MS. HARPER: You know, so that they are
18 not spending time doing something that really should be
19 done by the Fire Department staff to be brought back --

20 MR. KENNEDY: Oh, yeah.

21 MS. HARPER: -- so all the leg work is
22 done by them, and then, they come to the Water Company,
23 and then, the staff is, like, "Okay. This is what we
24 need."

25 And then, there's that partnership that

1 begins -- instead of the Water Company spending time and
2 energy doing what the Fire Department should be doing.
3 So I definitely agree that there should be that
4 partnership there.

5 I just don't -- what I am hearing -- and I
6 could be wrong -- is that the staff is going to do the
7 bulk of that leg work that really the Fire Department
8 should be doing with determining what they need, because
9 they know their need better than the Water Company does.

10 MR. TERASA: Yeah. I don't think that --
11 obviously, the Fire Department has to give us -- give
12 staff the starting point. Here's where we are short on
13 fire protection. Now, staff has to analyze and figure
14 out what the best method is for us to achieve, provide
15 that protection out there. And at the same time, then,
16 we have to also look at cost. And I --

17 MR. KENNEDY: How is it budgeted?

18 MR. TERASA: And the other leg of that, I
19 see that as a three-legged stool. It's still the County.
20 I know we may not be able to count on them, but they
21 ought to be at the table, at least, if nothing else,
22 understand what we are doing on their behalf,
23 essentially.

24 MR. WILLIAMSON: I appreciate Director
25 Harper's comments, I really do, in trying to add some

1 specificity in what staff is supposed to do so that we
2 know what our efforts should be directed on. And as it
3 relates to number nine, it's the ninth ranked topic or
4 issue out of 13.

5 So from staff's perspective, I would think
6 that the Board is directing us to be focused in on these
7 priorities, but in this priority order to where we have
8 already spent a lot of time talking about one topic that
9 is on the lower end of the list that I think we only got
10 two votes.

11 So I would think that you would want us
12 spending the majority of our time on these other issues,
13 and then, as they come up, the Board is going to direct
14 us to either change those priorities or change where we
15 are allocating staff time.

16 But I kind of looked at this as these are
17 the initial priorities and we need to report back to the
18 Board on what we are doing on these priorities. And what
19 will be very helpful, if the Board, maybe in that August
20 meeting would say, "Look, these top four, we want to know
21 when these are going to be done and coming out the other
22 end of the funnel. And then, we can decide what is going
23 to move up.

24 Because if we are charged with working on
25 all 13 of these, let's say equally, I think that is going

1 to be very difficult for us to accomplish. So I'm kind
2 of looking at, we are going to be looking at things that
3 got the highest votes and have the highest priorities.
4 And we would be working on those things first.

5 MR. KENNEDY: Could I make a suggestion to
6 everyone's point here? One, two -- the next step is --
7 we will call it a project plan, but it's not. It's
8 really just a listing.

9 And at the next meeting kind of like when
10 or if the dates that we could start on those -- like a
11 start date or something on, you know, we can sit and talk
12 about those and what not and bring that back to the Board
13 so they are listed. And if they are going to have start
14 dates and that kind of thing. Does that help? In other
15 words, all we are doing right now is setting up a
16 project.

17 MR. WILLIAMSON: For all 13, you would
18 like to have a start --

19 MR. KENNEDY: Not all.

20 MR. TERASA: I would like to take Rob to
21 task on this just a little bit. And I can't quantify how
22 many of these you are already working on, but I know you
23 are working on Number One. You have been doing some
24 things already.

25 MR. KENNEDY: Yeah.

1 MR. TERASA: Number Two --

2 MR. KENNEDY: Working on that one.

3 MR. TERASA: -- is up there. Starting
4 five in process. Six is in progress. Seven is a
5 decision. Do we want to go down that road? Shouldn't
6 take a lot of staff time.

7 My point is these are our priorities and I
8 expect you to be looking at all of them. And I
9 understand, you have got to -- you, as CEO, have got to
10 manage the staff and figure out how you are going to use
11 your time best.

12 I am not going to tell you how to suck
13 eggs or anything in that area. But the point is these
14 are priorities and we are going to have to massage them
15 and that's why I say it's living, because some of these
16 are going to get crossed off pretty quickly.

17 You know, how far -- how much time do we
18 want to use on residential re-use. And I will bet if we
19 sat down and again said, "Okay. That has a price tag of
20 \$10 million to start." I don't -- I am just throwing
21 something out there. Okay. \$20 million.

22 Guess what, it falls off the plate pretty
23 doggone quick as far as Fred Terasa is concerned. So it
24 takes no staff time. So we have said these are our
25 priorities. They are critical for running this company

1 and I expect all of them to be worked on and reported
2 out.

3 I realize you have to say, hey, next
4 month, we will start working on that one, Director
5 Terasa, but we are walking on getting there. Okay?

6 MS. HARPER: How long would it take staff
7 to get a -- "This is where are right now," with each one?
8 Because as he said, some of these are obviously being
9 worked on, so 20 percent there, 10 percent there, working
10 on it, been working on it, haven't started working on it,
11 just the very basic preliminary, "This is where we are."
12 How long?

13 MR. WILLIAMSON: I was thinking that I
14 could possibly have something like that ready by August.
15 That's why I mentioned that we would have that -- I am
16 talking about very rudimentary, you know, when could this
17 possibly be started.

18 And this is something that I would be
19 working on solo, because we also have water and
20 wastewater that we have do on a daily basis as well. So
21 we are already working on a great many projects right now
22 ongoing, and I think if you want to know where we are on
23 the status of these, that is going to require us to take
24 efforts away from other things that we are working on to
25 where we can prepare a brief for the Board that would be

1 ready for public consumption and that we would be willing
2 to put our name on in public in a Board meeting.

3 If you just want to know, you know, the
4 most basic of status updates, which is what I was
5 thinking of, that's something that I think we can provide
6 for you in August to try to wrap that into the budget
7 workshop that we are going to have.

8 MR. TERASA: I can buy in August, but I
9 would think if we are going to make cogent decisions with
10 respect to budget items beginning in August, then some of
11 these have got to be figured out before August or in that
12 pro section, at least.

13 MR. LANIER: Well, I am sure they are not
14 just going to stick it in a drawer until August. I mean,
15 they will be looked at and figured out, so --

16 MR. TERASA: I hope so. I hope so.

17 MR. WILLIAMSON: But, you know, you
18 mentioned this like should we pursue residential re-use?
19 That's not a ten-minute conversation. That requires a
20 lot of research. That requires cost projections. That
21 requires us to provide you enough information to where
22 you can make an informed decision -- informed policy
23 decision on that one issue. So, yeah, I know that we may
24 be working on --

25 (DIRECTOR AND CEO SPEAKING AT THE SAME

1 TIME.)

2 MR. TERASA: I thought I made it pretty
3 easy on you. Just tell me it costs us \$20 million and we
4 will let it go away. I mean -- I don't know how it could
5 be any easier, Rob. I'm sorry.

6 MS. HARPER: Well, I do want -- you said
7 something going solo. We don't expect you to take -- to
8 go solo and I understand the mindset where you are coming
9 from. But it is important because you do have -- I
10 think -- I have had conversations with Mr. Wells
11 regarding like re-use.

12 So there is a lot of information, I think,
13 where they can do just brief bullet points, or, you know,
14 quick summaries of things like that, only because we have
15 had conversations since you seem to have a lot of
16 knowledge about the re-use issue -- smiling and
17 nodding --

18 (DIRECTOR HARPER AND CEO WILLIAMSON
19 SPEAKING AT THE SAME TIME.)

20 MR. WILLIAMSON: The reason he is
21 smiling --

22 MS. HARPER: So I definitely --

23 MR. WILLIAMSON: -- might be something
24 completely different.

25 MS. HARPER: There's a lot of --

1 MR. WILLIAMSON: They are looking at me
2 like if they add one more thing to my plate right now,
3 I'm going to walk out.

4 MS. HARPER: There's a lot of information
5 at the table right here. So, you know, and each person
6 is an expert in what they do. And then, there is also
7 that broad knowledge. So I don't think we expect you to
8 get all this by yourself. Right?

9 So we definitely -- not that you are not
10 doing that, but delegate. Give it to Mark over there.

11 MR. WILLIAMSON: I appreciate that. I
12 guess what I was trying to say is the work load we are
13 operating under right now is extraordinary. And I think
14 maybe it's up to me to recalibrate the Board's
15 expectations on how long it will take to put forward
16 briefs on 13 items that we just learned about a week and
17 a half ago.

18 And I think it is pretty unrealistic to
19 expect with what we are doing right now that we are going
20 to lean in and provide a brief that we can put our name
21 on, be proud of, and that you would be comfortable making
22 a policy decision on. So what I am asking for is this is
23 great direction from the Board. We genuinely appreciate
24 knowing that these are your priorities and where we
25 should be focusing our efforts.

1 Now, give us an opportunity to kind of
2 digest that and come back to you with a status report,
3 which is what I think everybody is saying they want to
4 see. And if you don't like the status report and you
5 want a greater level of detail in the status report we
6 provide, then we can take that step. But hopefully, the
7 status report will give you -- will give you some level
8 of comfort on, okay, on items 2 and 7 and 9, they are
9 doing what they should be doing.

10 You know, on items 10 and 11, we want to
11 see a greater level of detail. We want to see the
12 priorities shift, what have you, but let us get a jumping
13 off point first.

14 MR. TERASA: I can live with August.

15 MR. WILLIAMSON: Thank you.

16 MR. KENNEDY: And knowing that, I think
17 the Board is asking where -- it's, you know, at least we
18 can see the listing of these, and then, we can keep track
19 of them, I guess, is what I am saying.

20 MR. WILLIAMSON: Okay.

21 MR. TERASA: I am good.

22 MR. KENNEDY: Is there any other direction
23 on this?

24 (NO AUDIBLE RESPONSE.)

25 MR. KENNEDY: Okay. All right. That was

1 just information. Thank you.

2 Next is the Greskovich maintenance
3 equipment. Mr. Williamson?

4 MR. WILLIAMSON: Thank you, Mr. Chairman.
5 You have got some information in your back-up where we
6 were able to get three quotes for the tractor. This is a
7 specialty piece of equipment so we could do quotes on the
8 tractor but not on the rake.

9 For Board members like Director Lynchard
10 that has been here for a while, he is probably very
11 familiar with the fact that the Greskovich RIB site has
12 had some maintenance issues because of the hydrology of
13 the site, the northern pond drains differently than the
14 south pond does.

15 And staff is trying to do their best over
16 the course of last year to identify different options
17 that we could use to properly maintain those RIB sites as
18 well as our RIB sites in Holley that would allow us to
19 maintain regulatory compliance.

20 And they have finally identified a
21 specialty piece of equipment. It's basically a rake like
22 you would see at the beach. And it has -- it is a very
23 specialty piece of equipment that is going to allow us to
24 have any vegetation come up, grass, weeds, that type of
25 stuff come up, but it leaves the sand material there.

1 So it is a one-time purchase, but this
2 product would -- this set-up would allow us to service
3 and maintain the Greskovich RIB sites, the Holley RIB
4 sites. And then, when the Eglin RIB sites would come
5 online, it would allow us to maintain that as well.

6 And, currently, you are looking at about
7 90 -- 96 man hours total labor hours to maintain the
8 Greskovich RIBS one time, the north and the south pond.
9 This would take those man hours down to about 16 man
10 hours. So it's a great job by staff to identify a piece
11 of equipment that will allow us to innovate, be
12 efficient, be more productive, and at the end of the day,
13 save a whole bunch of money by the end of the year.

14 MR. KENNEDY: All right.

15 MR. WILLIAMSON: Kudos to Clinton and
16 Chris for doing the homework on this. And we have some
17 before and after pictures. Are they part of the power
18 point?

19 MR. KENNEDY: Yes.

20 MR. WILLIAMSON: We can show you.

21 MR. KENNEDY: They are in our back-up.

22 MR. WILLIAMSON: They are in your back-up
23 material.

24 MR. TERASA: So this was actually a demo
25 that John Deere put on?

1 MR. WILLIAMSON: Yeah. That's another
2 kudos to Chris and Clinton. They worked with this
3 company to -- this is what it looks like here. You can
4 see this has amazing horsepower.

5 MR. KENNEDY: I can see how that would
6 pick up --

7 MR. WILLIAMSON: That's how we were able
8 to get it done so quickly. And we just drove it right
9 into the ditch. Yeah. They were able to identify this
10 piece of equipment that is going to get it done faster.
11 The before and after pictures you can see where the
12 vegetation is there.

13 Normally, we have to scrape that with a
14 Bobcat. You are taking off the top layer of material.
15 If you do that over a period of time, then you are going
16 to end up having to buy sand to come back in there
17 afterwards and you have to haul the material off. And
18 this just sifts through it.

19 And they did that and we watched the demo
20 in an hour. I mean, you are talking about something that
21 normally takes a half a day, and we are all looking
22 around going, "This is amazing." So we realize it's a
23 significant one-time expense. And getting the demo unit
24 saves us a little over \$18,000.

25 And he twisted their arm to get a set of

1 tynes provided so we also get a free set of metal
2 replacement tynes right off the bat, too.

3 MR. LANIER: We have got the actual rake
4 hardware that you are looking at and also a tractor to
5 pull it?

6 MR. WILLIAMSON: That's correct. That's
7 the request before the Board now.

8 MR. MILLER: And this equipment will be
9 able to be used at other RIB sites as well; correct?

10 MR. WILLIAMSON: Yes, sir.

11 MR. MILLER: Okay.

12 MR. LYNCHARD: How many tractors do we
13 currently own?

14 MR. WILLIAMSON: This would be the only
15 tractor of this type --

16 MR. WELLS: We have got a little farm
17 tractor, but it doesn't have the hydraulic system to run
18 it.

19 MR. LYNCHARD: Okay. So all we got is one
20 tractor? Okay. Are you asking to buy the demo equipment
21 or the new equipment?

22 MR. WILLIAMSON: The demo, sir.

23 MR. LYNCHARD: Okay.

24 MR. WILLIAMSON: The warranty was the same
25 on it, Director Lynchard, so --

1 MR. LYNCHARD: Yeah. If that's the case,
2 I can't see a reason not to save \$20,000.

3 MR. KENNEDY: So before -- I guess, before
4 we get into --

5 MR. LEGG: He said a set of types, but I
6 talked to them, Nicole, the sales manager today. They
7 are going to provide us with all new hydraulic hoses, a
8 whole new set of tynes and a new smooth -- it's a rubber
9 strip for the back that smoothes it off. They are going
10 to restore the machine to like-new status once we
11 purchase it.

12 MR. LANIER: This is the one that is
13 \$51,282?

14 MR. LYNCHARD: No. \$48,500. And then --

15 MR. LANIER: I was looking at the tractor.
16 I'm sorry.

17 MR. LYNCHARD: Yeah. And then, are we
18 asking to approve the Beard Equipment tractor for
19 \$51,087.88?

20 MR. WILLIAMSON: Yes, sir. I think that's
21 what you saw.

22 MR. LYNCHARD: I make a motion to approve
23 the purchase of the equipment that staff has directed.

24 MR. LANIER: Second.

25 MR. KENNEDY: Is there any further

1 discussion?

2 (NO AUDIBLE RESPONSE.)

3 MR. KENNEDY: No? Those in favor say
4 "Aye"?

5 MS. HARPER: Aye.

6 MR. LANIER: Aye.

7 MR. LYNCHARD: Aye.

8 MR. MILLER: Aye.

9 MR. TERASA: Aye.

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

11 (NO AUDIBLE RESPONSE.)

12 MR. KENNEDY: Motion carries.

13 And, by the way, I just think that's --
14 you know, when we were at the symposium, one of the items
15 that they were really talking about is to be innovative
16 in your own box. You don't go outside your own box now.
17 You be innovative in your own box. And I think this is a
18 very good example of you guys being very innovative in
19 what you know. So well done on finding this.

20 All right. We are moving on to the Club
21 at Hidden Creek.

22 MR. LANIER: Personnel issues?

23 MS. HARPER: Just to --

24 MR. KENNEDY: I'm sorry. Personnel.

25 MS. HARPER: Just some things that will be

1 coming down in the future, job descriptions. There will
2 be some retirement pension issues that will be discussed
3 that will be brought to the Board.

4 Everything is still being firmed up, but
5 just to let y'all know, and since it's personnel, again,
6 I can't overstate just what a great job the staff does.
7 So I really appreciate everyone on the staff and what
8 they do, especially to help us. Thank you.

9 MR. KENNEDY: Thank you.

10 MR. WILLIAMSON: Thank you.

11 MR. KENNEDY: Club at Hidden Creek.

12 Are we -- you don't have anything here; do
13 you?

14 MR. TERASA: No.

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

16 MS. CALLEN: I have got a couple of
17 different items to discuss. First one is the finances.
18 We had another profitable month with a revenue of
19 \$164,711. Expenses of \$148,694 with a course operating
20 income of \$16,017.

21 With that, we had a couple expenses that
22 were not expected. We put additional chemicals out to
23 take care of the poana weeds. That has greatly helped
24 the course. It's looking really good. And we had the
25 roof of the Club House and the cart barn cleaned, so it

1 looks really nice now.

2 MR. MILLER: I drove by the other day. It
3 does. It's looks amazingly -- it looks like a brand new
4 roof, so --

5 MR. KENNEDY: I mean, it's -- you guys are
6 firing on all cylinders. The course is coming around
7 wonderful. Poana is dying. Greens are coming in.

8 MS. CALLEN: The ground finally warmed up
9 enough to cooperate with us.

10 MR. KENNEDY: Amazing.

11 MS. CALLEN: The next issue I would like
12 to discuss is the net. We do have a little problem with
13 the net.

14 MR. LYNCHARD: Do we need to approve the
15 financial statements first?

16 MS. CALLEN: Yes.

17 MR. LYNCHARD: I make a motion to approve
18 for discussion.

19 MR. MILLER: Second.

20 MR. KENNEDY: Now, is there any further
21 discussion?

22 MR. LYNCHARD: What makes up prepaid dues
23 of \$128,742, which would be approximately seven or eight
24 months of membership dues.

25 MS. CALLEN: There is 12 different members

1 that purchased a five-year membership plan.

2 MR. LYNCHARD: Okay. How much were those?

3 MS. CALLEN: I believe \$25,000.

4 MR. WILLIAMSON: Are we talking about
5 lifetime members?

6 MS. CALLEN: No. A couple of years ago,
7 we sold some five-year plans. Mr. Morgan did that. And
8 they stretched it out --

9 MR. MILLER: Weren't they \$10,000 apiece?

10 MR. LYNCHARD: I thought that -- that's
11 what I was thinking, but if it is 12 at \$10,000, that's
12 \$120,000.

13 And we have booked \$128,000, so that
14 doesn't seem to add up.

15 MS. CALLEN: There was one ten-year plan
16 that was prior to that a year prior than the five years
17 were out.

18 MR. LYNCHARD: Well, we should be still
19 below \$128,000. Shouldn't we?

20 MS. CALLEN: I have got the records I can
21 send to you.

22 MR. LYNCHARD: Okay. That will work.

23 MR. WILLIAMSON: Basically, it's prepaid
24 memberships.

25 MS. CALLEN: It's prepaid memberships.

1 MR. WILLIAMSON: So we are not getting any
2 dues and they are paying cart fees. It's basically what
3 they prepaid for -- the time period.

4 MS. CALLEN: Correct.

5 MR. LYNCHARD: Prepaid dues is listed as
6 an asset. It should be a liability.

7 MR. WILLIAMSON: They pay \$10,000 for five
8 years. That's a pretty big hit.

9 MR. KENNEDY: All right. Any further
10 discussion?

11 MR. MILLER: There was some question on
12 that one.

13 MR. LYNCHARD: After it happened.

14 MR. MILLER: Yes.

15 MR. WILLIAMSON: Hopefully, we are
16 correcting that and that's part of the update tonight is
17 something we would let the Board know about as far as
18 rates go, something in the works now for about four
19 months.

20 MR. KENNEDY: Any further discussion on
21 the financials?

22 (NO AUDIBLE RESPONSE.)

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

24 MS. HARPER: Aye.

25 MR. LANIER: Aye.

1 MR. LYNCHARD: Aye.

2 MR. MILLER: Aye.

3 MR. TERASA: Aye.

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

5 (NO AUDIBLE RESPONSE.)

6 MR. KENNEDY: Motion carries.

7 MS. CALLEN: So the next issue is the net.

8 We did have a problem with the net. I was working -- I
9 am working with Keith now to try to get our net installer
10 to respond to rectify the issues with the net. Last he
11 was out was March 27.

12 He hardwired it so we cannot use the
13 pulley system right now. And he is no longer taking my
14 calls. So we have an appointment with him --

15 MR. KILPATRICK: Tomorrow at 4:30.

16 MS. CALLEN: To try to see how we can get
17 it fixed.

18 MR. KILPATRICK: Sorry. Yeah. I was
19 informed early -- or late last week. So I contacted
20 David, which is the net guy. And I tried to meet with
21 him Sunday. I asked him to set a date and time this past
22 weekend so he and I could get together. He cancelled
23 that. Actually wasn't returning my phone calls for a
24 while.

25 And then, I believe, Monday, yesterday, he

1 wound up calling and -- or texting me and telling me that
2 tomorrow he would be available to meet at 4:30 at the
3 golf course. Because what I want to do is I want to get
4 onsite with him and find out what we can do to rectify
5 the situation.

6 The problem that we have is that we don't
7 have any legal documentation that he has any obligation
8 to a warranty. So what I am going to do is try to engage
9 him to give me all the manufacturer's warranty so we can
10 get this net fixed.

11 He is blaming on, one, our maintenance
12 people saying that they removed the clips on the bottom
13 to edge underneath it, so that's problematic.

14 And, two, he is saying that because of
15 that, that's whenever -- whenever the storm came in at a
16 35 miles an hour -- which it should be rated for 85 miles
17 an hour, that's what whipped it and that's what separated
18 the net and that's why it is kind of hanging there.

19 He then dropped off wire, I believe, to
20 Ms. Callen. And Cindy, she informed me that it is white,
21 so we needed black wire. So I have got him to bring that
22 tomorrow. So, hopefully, we will be able to settle it.
23 If not, I am not sure what legal rights we have to go
24 after him. Now, obviously, we have the manufacturer, but
25 any labor, the Board is going to have to, you know,

1 maintain this thing.

2 But there is just really -- there is no
3 paperwork when we entered into the contract. And I don't
4 know how that fell through.

5 MR. WILLIAMSON: Is this something that we
6 take on a larger amount of liability if we were to -- if
7 the Board were to decide that they didn't want to have a
8 net up anymore?

9 MR. KILPATRICK: No. There is an
10 assumption of risk when you move on a golf course. So
11 when you live on a golf course, obviously, you are
12 assuming some sort of risk that your golf ball could
13 potentially hit the house or something to that effect.

14 MR. LYNCHARD: I think we had this
15 discussion whenever we bought the net --

16 MR. KILPATRICK: Right. Yeah. This
17 was --

18 MR. WILLIAMSON: I jogged by there this
19 morning and there is 20 golf balls on the other side of
20 the net and in people's front yards. You know, it's
21 almost --

22 MR. KILPATRICK: They are all friends.

23 MR. WILLIAMSON: You have got golf balls
24 there whether we have a net or not, so what we have got
25 is the -- I would imagine increased liability because now

1 we have a net. So if any damage happens while the net is
2 up, it's going to be because we didn't maintain it
3 properly or we did something wrong is going to be the
4 perception. So, as you say, there is a risk that is
5 involved with living there.

6 The net of the golf course was there
7 before any of those houses were there. I just -- I don't
8 know. I mean, it seems like we are going to be taking on
9 a consistent expense with this net, especially
10 considering one of the things that Keith -- this guy was
11 supposed to be there on Sunday. He didn't, like, call
12 and cancel or anything.

13 Cindy was there all day waiting around for
14 him. She had no contact. She has been contacting this
15 guy since January 22nd, and he had missed numerous
16 meetings where he said he was going to do something and
17 didn't. And we have no recourse here.

18 And the reason that there was a tear in
19 the net, it wasn't lowered, as we are supposed to have
20 the capability to. It was because he had fixed it at the
21 top to where we couldn't lower it. So to maintain this
22 is going to be significant money going forward and I
23 would just ask the Board to consider, do we really want
24 to maintain this moving forward? Because we pretty much
25 have to do it in-house.

1 MR. MILLER: I think the people that live
2 on the golf course assume a certain risk because they
3 bought on the golf course, knowing that there are golf
4 balls. But people that drive down the street or walk
5 down the street with their baby in a stroller, if they
6 get hit by a golf ball, you know, they are not
7 necessarily prepared for that risk that, you know, they
8 are going to get hit by a golf ball just by driving down
9 the road.

10 That was part of the reason. The house at
11 the end of the driving range that kept getting hit by
12 golf balls. I think it was a challenge to a lot of the
13 folks at the driving range to see if they could hit the
14 house. I think that was part of the driving force.

15 So Chris Stapleton came to the Board
16 several times last year and asked us to put some kind of
17 netting up. At one time, there was some netting and it
18 went away, and so, we are replacing what was there. Or
19 we replaced what was there. I think there is a good
20 reason to keep the net there.

21 MR. KENNEDY: Keith, Director Miller
22 brings up a good point. I mean, I have been there when a
23 first tee person drove by in their car and got hit in the
24 car. It went into the windshield. Is all liability, I
25 mean, I know we say that if you live on a golf course --

1 MR. KILPATRICK: The liability would fall
2 on the golfer because he is the one that is hitting the
3 ball. I think we are limiting any exposure that we are
4 going to have by keeping the net up there. I think it
5 would be a good idea to try and maintain the net since we
6 have already got it up there, as far as that goes, to
7 protect people that are walking and driving, as far as
8 that goes, but --

9 MR. KENNEDY: So it doesn't really matter,
10 I guess, if you hit a house or you hit a car, it's
11 whoever did the hitting is technically liable. But
12 anybody could take us to to court anyway. Right?

13 MR. KILPATRICK: You might be able to beat
14 the crime, but not the ride.

15 MR. WILLIAMSON: We are seeing the will of
16 the Board, so we will engage a company to try to maintain
17 it, I guess, on our own, if this guy is not going to be
18 responsive.

19 MR. KENNEDY: Well, not so much the will
20 of the Board but maybe options.

21 MS. HARPER: So when this was purchased,
22 was there -- there was absolutely zero warranty with the
23 purchase of this and the installation? There wasn't
24 anything within that contract?

25 MR. WILLIAMSON: Pre-dated my time. I

1 don't know.

2 MR. KILPATRICK: There was nothing that
3 was ever presented to me or to the Board that it was
4 just -- I think it was presented to the Board. I mean,
5 there was just an estimate that was given, and then, it
6 was given to Cindy and that was who did it.

7 But after talking with him, you know, I
8 will be able to find out some options and find out, you
9 know, what the Board can do to follow-up with that. But
10 there's no warranty, per se, to him. But we do have a
11 manufacturing warranty, though.

12 MS. HARPER: May I ask a couple of golfing
13 questions? And Fred, you can step in -- and Cindy. So
14 with the direction of that driving range, is it possible
15 to change the direction in which the golfers stand so
16 that it's less apt to go toward the street or toward that
17 house?

18 And I do know that Mr. Stapleton replaced
19 the roof to withstand hail size, you know, coming down at
20 200 miles, because he understands that people do that.
21 Or the type of clubs that are allowed. Does that have an
22 effect on how far those balls are --

23 MR. TERASA: I can explain that. I mean,
24 right now, you are not supposed to hit anything over 200
25 yards. You see people out there driving -- I can't hit

1 200 yards, but I see guys out there with drivers all the
2 time. And, again, it goes back to the point that
3 individual is taking the risk.

4 And there was some conversation about
5 moving the direction of the range even to the point where
6 we got floating range balls out there that go in the
7 lake, and then, they eventually scoop them up because --

8 MS. HARPER: So you are not supposed to
9 use drivers? Is that my understanding?

10 MR. TERASA: Yeah. There is out there
11 posted, "Don't use a driver." Well, anything over 200
12 yards --

13 (EVERYONE SPEAKING OVER EACH OTHER.)

14 MR. WILLIAMSON: You could change the
15 direction and you could aim more toward the maintenance
16 yard and you have got to be John Daily that hits 300 to
17 get out to there. It's more the errant shots that end up
18 going that direction and leaving the road.

19 And, really, you would be looking at
20 significantly impacting member experience, those people
21 that like to practice and may be better players by
22 restricting the clubs they could use because you want to
23 protect basically one home that, you know, when that home
24 was built, the driving range was there. They knew what
25 they were -- I mean, I don't mean to sound --

1 MR. LYNCHARD: That's exactly it. We
2 built the net to protect that one home.

3 MR. KENNEDY: That's right. In the road.

4 MS. HARPER: There are cars -- because my
5 car, when I first got here, still has a nice golf-sized
6 ding from when it was hit. And you go over there and you
7 have four golfers. You can guess how many said, "Oh,
8 yeah, that was me."

9 MR. KENNEDY: Yeah. They all run.

10 MS. HARPER: So, you know, if it hits a
11 windshield, if it hits a -- it's one of those things.
12 It's not the houses, obviously, because, again, you know,
13 if you buy a golf course -- a home on a golf course,
14 there is that assumed risk, but it is to minimize or to
15 attempt to minimize, as you were saying, the individuals
16 that are walking, running --

17 MR. KILPATRICK: I think that in Florida
18 you get free windshields, anyway.

19 MS. HARPER: Yeah. But they didn't pay to
20 replace my door or to fix it.

21 MR. KILPATRICK: Right.

22 MS. HARPER: So it's not just -- you are
23 right about the windshield, though.

24 MR. KENNEDY: For me personally, I
25 would -- go ahead Director Lynchard.

1 MR. LYNCHARD: No. I have just got a
2 question. And I think it was my question whenever we
3 originally purchased it. If we -- if under the Florida
4 law, Keith, we are really limited on our liability and
5 it's the golfer that has the problem --

6 MR. KILPATRICK: That's correct.

7 MR. LYNCHARD: Now we have got the net up,
8 and it has failed, if we have a problem, have we assumed
9 liability by building that net that is faulty?

10 MR. KILPATRICK: I would say no. I think
11 that, you know, the courts would find that, you know, we
12 did our due diligence in trying to protect and make sure
13 that, you know --

14 MR. LYNCHARD: But we didn't maintain it
15 properly if it's failed.

16 MR. KILPATRICK: Well, at this point, if
17 we, you know, I mean, even then it would still be on the
18 golfer, but we do need to maintain it. I agree. I think
19 that the more the net is not maintained, the more
20 exposure you have to liability. Yes.

21 MR. LYNCHARD: But if we didn't have the
22 net, we would only -- we wouldn't be exposed at all.

23 MR. KILPATRICK: That's correct.

24 MR. LYNCHARD: Okay.

25 MR. KENNEDY: So, I mean, for me, I would

1 be interested in was it required for us to take the net
2 down? Was it required to get a real -- if it is going to
3 be a new net and a proper installer if even possible, you
4 know, a few options, and let us --

5 MR. WILLIAMSON: We will work on it.

6 MR. KENNEDY: -- let us know.

7 MR. KILPATRICK: I should know Sunday or
8 tomorrow and I can brief Rob and we can go from there.

9 MR. KENNEDY: Great.

10 MR. TERASA: Cindy, wasn't the whole idea,
11 though, that it was supposed to be the net could come
12 down? He had fixed it?

13 MS. CALLEN: That's correct.

14 MR. TERASA: Well -- and there is no -- we
15 have no contract that states what --

16 MR. KILPATRICK: There is an invoice,
17 so --

18 MS. CALLEN: He gave us a bid, and then,
19 he invoiced us and we paid it. It was a much lower bid
20 than a lot of the other ones and --

21 MR. TERASA: But did it have language in
22 it that talked about the idea that --

23 MS. CALLEN: There was no warranty on it.

24 MR. TERASA: What sort of -- did we do an
25 RFP?

1 MR. LYNCHARD: Nope.

2 MS. CALLEN: We did not do. I think --

3 MR. LYNCHARD: Actually, we did.

4 MR. MILLER: We got multiple bids.

5 MS. CALLEN: We got some bids. I believe
6 they got some bids.

7 MR. LYNCHARD: Yeah. We got at least
8 three bids. That's what we do.

9 MR. TERASA: Again, were there any
10 specifications given to the bidding? I mean, the whole
11 idea, the expectation was that it could be dropped to
12 prevent wind damage --

13 MR. WILLIAMSON: The installer, basically,
14 the last time he came out to try and fix the problem with
15 the net, his fix was to render that option inoperable, to
16 where you can't -- we can't lower the net anymore now,
17 so --

18 MR. KENNEDY: So was it installed like
19 that?

20 MR. WILLIAMSON: So we know the direction
21 of the Board is to come back with options, but we are
22 going to operate under the assumption that we need to
23 hire somebody to go out and maintain the net ourselves.
24 So we will look into doing that.

25 And I'll work with Cindy on who best can

1 entertain us and it's probably going to be Chip. And we
2 will have to -- you know, we are not budgeted to do that
3 this year, but we will figure out what it is going to
4 take to where we can be in compliance to make Keith
5 happy. And we will go with that.

6 I mean, the other option is --

7 MR. KENNEDY: Rip it out.

8 MR. WILLIAMSON: -- rip it out. And, you
9 know, I don't know that that's the will of the Board to
10 do that right now.

11 MR. MILLER: I think part of David
12 Gionotti's contract included the hardware to be able to
13 raise and lower the net. And he came out and rendered
14 that inoperable and the net failed because we weren't to
15 lower it, then I think there is some liability on him to
16 fix the net.

17 MR. TERASA: That was my point.

18 MR. MILLER: And, you know, there was an
19 expectation that he would do the work that the contract
20 required and, you know, do good workmanship. So whether
21 there was a written warranty included, you know, whether
22 or not, I think, you know, isn't there some type of
23 expectation of, you know, workmanship will be done
24 according to --

25 MR. KILPATRICK: Not necessarily.

1 MR. MILLER: -- like a bid was?

2 MR. KILPATRICK: That's why you put stuff
3 like that in contracts, you know.

4 MR. MILLER: But we don't have a contract
5 every time we buy a piece of equipment. It's a bid and
6 an invoice, you know.

7 MR. KILPATRICK: This is more of a service
8 not a product --

9 MR. MILLER: Right.

10 MR. KILPATRICK: -- is what the difference
11 would be. You do definitely need to get warrants on
12 service as opposed to the actual like product. I mean,
13 they put their own --

14 MR. LYNCHARD: So if we have a bid to put
15 up a retractable fence and he gave us a bid on it, and it
16 didn't retract anymore?

17 MR. KILPATRICK: Well, hold on. When
18 he -- what his argument is that when he put the fence up,
19 he put it up properly and it worked fine. I guess for
20 now, what I am knowing now is that he came back out after
21 it was ripped, and then, he modified it some way or
22 another to try and fix what broke, I guess. I don't
23 know.

24 MR. LYNCHARD: He modified it? Or we did?

25 MR. KENNEDY: He.

1 MR. KILPATRICK: That's -- they are saying
2 he did. I have never met the gentleman.

3 MS. CALLEN: The net started falling apart
4 and drooping. So I called him up, and I said, "The net
5 is drooping. What can do you?" And he said that it
6 loosened up and he would come and tighten it up.

7 The net started falling apart so he just
8 hard-clipped them to the top to where you couldn't use a
9 pulley system -- said once he got the manufacturer to get
10 the net repaired, then he would put it back on the pulley
11 system.

12 MR. LYNCHARD: So we have got a
13 manufacturer's problem and an installer problem then?

14 MR. TERASA: Yeah.

15 MS. CALLEN: Yes.

16 MR. LYNCHARD: Okay.

17 MR. KENNEDY: And just looking at this, is
18 this like a lesson learned going forward that we can make
19 sure that we put something in place if it is a service or
20 a --

21 MR. KILPATRICK: Product.

22 MR. KENNEDY: -- product that we make sure
23 we get some kind of --

24 MR. KILPATRICK: Written warranty, year
25 warranty or two-year warranty on the service and the

1 actual product. I mean, if you can't stand behind your
2 own product, then --

3 MR. LANIER: We don't want you.

4 MR. KENNEDY: Exactly. We don't
5 necessarily need the lowest bid. Although you guys kind
6 of did.

7 MR. WILLIAMSON: We keep that moving
8 forward.

9 MR. KENNEDY: All right. Anything else,
10 Ms. Callen?

11 MS. CALLEN: Yes.

12 MR. WILLIAMSON: Oh, yeah.

13 MS. CALLEN: Oh, yeah. So let me start --

14 MR. WILLIAMSON: Tell them the good news
15 about the restaurant today.

16 MS. CALLEN: The restaurant received their
17 liquor license today --

18 MR. TERASA: Yay.

19 MS. CALLEN: -- temporary liquor license,
20 so they are going to open officially June 1.

21 MR. WILLIAMSON: However, if you happen to
22 be out at the golf course over the Memorial Day
23 Weekend --

24 MS. CALLEN: They will probably be
25 cooking.

1 MR. WILLIAMSON: You will probably be
2 enjoying some food at that time as well. I think they
3 are going to do this big to-do, this big opening that
4 restaurants that typically aren't successful do, they get
5 bum-rushed with 200 people on Day One.

6 And they are very savvy. They are going
7 to organically grow that and they have been serving
8 members and now we are going to be opening up to the
9 public. But all indications are they are going to do --
10 they are going to do just fine.

11 MR. KENNEDY: Thank you.

12 MS. CALLEN: Yes.

13 MR. KENNEDY: We are ecstatic about this.

14 MS. CALLEN: We are very excited.

15 So my last item I would like to discuss is
16 Jamie, Rob, and myself have been working very hard and we
17 are suggesting a price increase on the public rack rate
18 for the golf and modifying our discounts. We want this
19 to take place on June 1st.

20 So right now, we are charging the same as
21 when you purchased us. We -- it's common that the prices
22 fluctuate throughout the year and it goes up in the
23 summer and then down in the winter. Usually, we have a
24 March increase. This year, we did not increase in March
25 because we had so much poana, the grass. It was a weedy

1 time, and we really couldn't justify raising the rates
2 back then. So right now is the right time.

3 We shopped around. So in Tiger Point
4 right now, it's \$51. Stonebrook is \$45 and Indian
5 Bayou's rates are \$95.

6 MR. MILLER: Those are the weekend rates?

7 MR. WILLIAMSON: Uh-huh.

8 MS. CALLEN: And Tiger Point, when I
9 talked to the General Manager about a month ago, he said
10 they were going up to \$65. I haven't seen it yet, but
11 that is what he told me. We are looking at modifying our
12 discounts a little bit. We are looking at doing a 15
13 percent for military and veterans instead of full Home
14 Town Heroes discount.

15 We need to make the changes to become
16 profitable so we can be a stand-alone without that
17 additional money that you give us every month.

18 MR. LYNCHARD: So what are we talking
19 about going to on the rates?

20 MS. CALLEN: We are looking at going to
21 \$59 for our highest rack rate. I have given everybody a
22 letter that I would like to publish and send out to all
23 of our members. And I have our existing rates and
24 requested rates.

25 MR. WILLIAMSON: This is information only.

1 I want to make sure the Board is aware of changes like
2 this, because obviously any time there is changes like
3 this, typically the Board members are going to be the
4 first to hear about it and the staff at the golf course.
5 So trying to make sure that we do things in the proper
6 way and in the proper order.

7 We did around 2,630 paid rounds this past
8 month. And around \$16,000 in net profit, net operating
9 income. But we know that that net operating income on
10 those 2600 and so rounds comes with a subsidy, right? So
11 there really was a loss. We need to get to about an
12 extra \$5 a round on our blended rate, which currently
13 stands at about \$26 and some change.

14 So the goal would be to get an average of
15 \$5 more per round. That \$5 more per round in the month
16 of April, for example, would have had us with a -- close
17 to a \$10,000 profit without a subsidy from Holley Navarre
18 Water System. And ultimately the goal, so you know, you
19 are talking about in this instance with some of our rates
20 that people would be paying an extra \$4 per nine.

21 The golf course is one of the best
22 condition golf courses day in and day out in the area.
23 If if you live in Navarre, to get a comparable golf
24 course, and I don't consider Tiger Point a comparable
25 golf course, you would have to drive an hour to go to

1 Destin -- to get comparable consistent conditions that
2 are provided at Hidden Creek.

3 It's been an unbelievable value. And we
4 looked at our rounds and who is playing golf there and we
5 discount 60 percent -- 64 percent of our plays is a
6 discounted round of golf. So there's a reason why we
7 don't have more members joining because people are just
8 doing the math and they are saying, "Well, I don't need
9 to join if I can pay 35 bucks at 9:00 o'clock in the
10 morning on Saturday."

11 We need to return more value to the
12 members that are -- they have been patrons and have been
13 supporting this Club for years and do on a daily basis,
14 and one of the ways we can do that is by protecting our
15 rates and maintaining the integrity of those rates to
16 show that that membership would have value.

17 So if somebody is paying dues, they are
18 going to see more value in that. And we think ultimately
19 the result of this moderate increase will be -- you will
20 have additional revenue coming in, but you will notice an
21 increase in the membership numbers.

22 And we hope that will -- it may completely
23 eliminate the subsidy, folks, but we believe that we will
24 be very close, very close.

25 MR. LYNCHARD: Have we -- you mentioned --

1 you said that we hadn't raised rates since we purchased
2 the course. Didn't we raise rates a few -- several years
3 ago?

4 MR. WILLIAMSON: We did, but it went back
5 down to where they have kind of popped --

6 MR. LYNCHARD: I just want to make sure
7 nobody tells -- when someone approaches us and says, "Why
8 did you raise the rates?"

9 And we say, "Well, we never have before,"
10 and they throw it back in our face --

11 MR. WILLIAMSON: Well, it's that the rates
12 are the same now as they were in 2012 when the Water
13 System acquired the golf course. I think if somebody
14 were to ask you, public play wise, why are you raising
15 the rates?

16 I would say, "It's pretty simple. The
17 cost of everything has gone up." And if we want to keep
18 that golf course -- if the community wants to keep that
19 golf course and they believe that it's a valuable asset
20 to the community, which I think we all do, yes, it
21 provides us the ability to put out 1.2 million gallons of
22 treated effluent a day. And that's pretty darn important
23 to the Water System.

24 I think it was a good decision that they
25 probably needed to buy it, but also, to the community,

1 what does it provide in the way of benefits to property
2 values? We know that property values in golf course
3 communities where golf courses close, they go down by 25
4 percent on average.

5 So we know that it's helping with property
6 values. We know that it's helping with youth. We know
7 that it's providing a place for recreation. We know that
8 it is providing a meeting place, a gathering place. It
9 is more than just a golf course. So for us to have an
10 opportunity for that to be sustainable, we have got to
11 charge a fair price.

12 And, right now, for the product that we
13 are putting out there and the service levels, especially
14 given the commitment of this Board and this company, for
15 all the money that has been put into investing in that
16 facility, I think we are more than justified with the
17 rates that we are talking about here.

18 MR. MILLER: It looks like, you know, the
19 biggest increase is the early morning tee times on the
20 weekends going from \$45 to \$59. But that is only until
21 10:00 a.m. After 10:00 a.m., it drops back down to \$49.

22 Do you foresee any impact in the number of
23 rounds that people, you know, will sign up to play?

24 MS. CALLEN: They will go down for the
25 immediate, and then, they will gradually come back. I

1 mean, it will be a shock when the prices go up, and we
2 are expecting a little bit of that. I expect a lot of
3 people to transfer over to memberships.

4 MR. WILLIAMSON: You will see an impact,
5 but that's your prime time.

6 MR. MILLER: Right.

7 MR. WILLIAMSON: And so, right now, you
8 know getting \$35 for somebody to play before 10:00
9 o'clock. You can't say this is doing it.

10 And so, the 15 percent discount for active
11 and retired military and veterans, that will still be
12 there, but you have other folks, other groups that were
13 discounted, that they were paying the \$35 or \$39 before
14 10:00 o'clock.

15 Now they are going to be asked to pay \$49
16 and we will maintain the integrity of that rate. We will
17 still offer discounts from time to time. But, yeah, I
18 think it is going to have an impact initially. Those
19 people that were paying 35 bucks to play at 9:00 o'clock,
20 they are probably going to go to Tiger Point and they are
21 going to tell us that they will never come back.

22 But the reality is our golf course is one
23 of the best condition golf courses around. It's a great
24 facility. And I will put it up against Tiger Point or
25 Stonebrook. If people want to drive an hour to go play

1 Stonebrook for \$10 less, I don't think they will do that
2 too often. I think they will come back.

3 Will they go to Destin and drive an hour
4 and a half to pay \$20 more? I don't know. Maybe they
5 will. But I think that -- we think they will come back.

6 MR. KENNEDY: And just to reiterate, you
7 and staff have done the analysis that this is your way to
8 financial independence. I mean, we have got to do
9 something.

10 MR. WILLIAMSON: We have more cuts to find
11 at this point.

12 MS. HARPER: Is two weeks' notice enough
13 time for members? Or do you think it should become
14 effective July 1st?

15 MS. CALLEN: This is not for members.
16 This is for public.

17 MS. HARPER: I'm sorry. Let me rephrase
18 that. For the public, do you think two weeks is enough
19 time?

20 MS. CALLEN: I think so. I know a lot of
21 courses, they will just fluctuate in a week's time. Or
22 even daily, they might fluctuate, depending on how busy
23 they plan to be. So we are going to post it. We are
24 going to send out to all the members and all the email
25 addresses we have, we are going to send out notices.

1 MS. HARPER: I support it. I do think --
2 and we spoke about at this at length. It needs to be
3 comparable to the surrounding -- but the golf course
4 needs to be self-sufficient. And while it is making a
5 profit, there still is that subsidy and that money could
6 be better spent at Holley Navarre. So I think it is a
7 wise decision to move toward that independence.

8 MR. TERASA: My comment would be that --

9 MR. WILLIAMSON: I just wanted, if I
10 could, to speak to that. Look, in the first couple two
11 or three weeks, we get regulars that come in. Staff
12 knows them by name. And if it's their first time, they
13 haven't heard about this, you know, they are -- they
14 might get a pass that first time.

15 But the understanding is the next time
16 they come back. So, I mean, we are going to try to phase
17 this in as best we can to take care of those folks that
18 are regular customers but to also let them know that that
19 is the new normal.

20 It's kind of what we have to do. And,
21 quite frankly, we are hoping that we get the support of
22 the community. If you love the golf course, then you are
23 going to understand, this is what is going to be
24 required, because the next thing to close after the
25 restaurant is something that I don't think people want to

1 talk about.

2 MR. TERASA: Yeah.

3 MR. WILLIAMSON: You know, the next thing
4 to close after the restaurant, we will all be driving to
5 Stonebrook or Destin if we want to play golf.

6 MR. KENNEDY: Okay.

7 MR. TERASA: Yeah. I see this golf course
8 as a wonderful community asset, number one. And thank
9 God for Holley Navarre Water System for having the wisdom
10 to see it that way as well as obviously benefiting from
11 the effluent disposal aspect. But as we experience,
12 what, we are on our fourth different superintendent and
13 we have got to make sure that we keep Chip, the current
14 guy.

15 And I don't know what that means exactly.
16 I think he is happy. But that's the critical -- that's
17 the linchpin. That is the golf course -- is what that
18 superintendent is able to do. I speak to all you guys --

19 MR. WILLIAMSON: Cindy's got a great team.

20 MR. TERASA: He has got team. And so,
21 that is the critical link that we have got to make sure
22 that we spend the money to maintain that. And I am sure
23 you both are aware of that. It's just preaching to the
24 choir, probably.

25 MR. WILLIAMSON: They have done everything

1 I have asked them to do.

2 MR. TERASA: Oh, he is awesome.

3 MR. WILLIAMSON: And they are -- Cindy has
4 got a heck of a team down there. Jamie as well. And
5 everything is lined up right now.

6 MR. KENNEDY: All right. Any other
7 discussions or questions about that?

8 MR. TERASA: Do we need to approve this?

9 MR. WILLIAMSON: It's just information
10 only.

11 MR. KENNEDY: Anything else, Ms. Callen?

12 MS. CALLEN: That's all I have.

13 MR. KENNEDY: Very nice.

14 MR. LYNCHARD: So we are not going to
15 approve the rate increase?

16 MR. WILLIAMSON: Safe drive to Nebraska
17 for Cindy, too, because now she is going to visit family
18 for a well-deserved vacation.

19 MR. LYNCHARD: Approve rate increase?

20 MR. KENNEDY: I just --

21 MS. CALLEN: It's never been approved
22 before. We just wanted to get the information to you.

23 MR. LYNCHARD: Okay. I thought we
24 approved for a rate increase in the past; haven't we?

25 MR. WILLIAMSON: I don't know why you

1 would. You want us to be profitable and hold us
2 accountable to operating at the highest levels so we are
3 going to try to do that for you.

4 MR. LYNCHARD: Just going based on
5 history.

6 MR. KENNEDY: All right. Good enough.

7 MR. WILLIAMSON: If the Board wanted to
8 vote a resolution of support of the increase, then we
9 would certainly accept that, but we are not asking for
10 it, but we would certainly be willing to take it if you
11 give it.

12 MR. KENNEDY: Are you good with
13 everything?

14 MR. LYNCHARD: I am good with it.

15 MR. KENNEDY: We are solid. Information
16 only. We will leave it up to you to run the business
17 profitable.

18 MS. CALLEN: Thank you.

19 MR. KENNEDY: Engineering. Mr. Phillips?

20 MR. PHILLIPS: I don't have anything
21 specific other than to entertain questions on the
22 Operations Report. I will just point out the I&I went
23 down a little bit relative to the annual average so far.

24 And Cory is going to give you an update on
25 Clarifier Number 4.

1 MR. KENNEDY: All right.

2 MR. SNYDER: Well, Clarifier Number 4, you
3 all do know, was finished up. They formed the rebar for
4 the base slab, got everything ready for a pour last
5 Tuesday. And we were on our third and final truck and
6 the form blew out.

7 So unfortunately right now, they are in
8 the process of getting it ready for another pour. That's
9 supposed to take place next Tuesday. We were a little
10 bit ahead of schedule, I would say, at the time of that
11 pour, so this has kind of put us right back on schedule.

12 MR. WILLIAMSON: Cory, should I play that
13 video?

14 MR. SNYDER: Sure. It's Clinton the one
15 that's doing the yelling.

16 MR. WILLIAMSON: I will see if I can dig
17 that up.

18 MR. PHILLIPS: You will kind of have to
19 scrub the sound on some of it.

20 MR. SNYDER: It won't embarrass me.

21 MR. KENNEDY: Is this the form that blew
22 out right here?

23 MR. LYNCHARD: It's one of those. Yeah.

24 MR. WILLIAMSON: When that happened, our
25 Water Ops Manager, Clinton Wells, had some choice words

1 to say --

2 MR. KENNEDY: This is rated G.

3 MR. WILLIAMSON: He didn't realize he was
4 being video recorded.

5 MR. SNYDER: As did the contractor.

6 MR. WILLIAMSON: Right.

7 MR. SNYDER: It's going well besides that.
8 We are knocking on wood that's an early mistake. Hope to
9 keep those few and far behind.

10 MR. LANIER: What's our ETA for
11 completion?

12 MR. SNYDER: August 10th.

13 MR. LANIER: August 10th?

14 MR. KENNEDY: Okay. All right. Any other
15 questions or comments? All right. We are onto our
16 member forum section.

17 I am not sure if anybody needed to sign
18 in, but if you would like to speak, feel free. Did
19 anybody sign in?

20 MS. CARAWAN: No.

21 MR. KENNEDY: All right. Well, we are
22 going straight to adjournment. Do we have a motion for
23 adjournment?

24 MR. LYNCHARD: So moved.

25 MR. TERASA: Second.

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

3 MS. HARPER: Aye.

4 MR. LANIER: Aye.

5 MR. LYNCHARD: Aye.

6 MR. MILLER: Aye.

7 MR. TERASA: Aye.

8 MR. KENNEDY: Meeting adjourned.

9 WHEREUPON, THE MEETING OF THE BOARD OF DIRECTORS FOR
10 HOLLEY NAVARRE WATER SYSTEM AND THE CLUB AT HIDDEN CREEK
11 GOLF COURSE ADJOURNED AT 7:24 P.M.

12

13

14

15

16

17

18

19

20

21

22

23

24

25

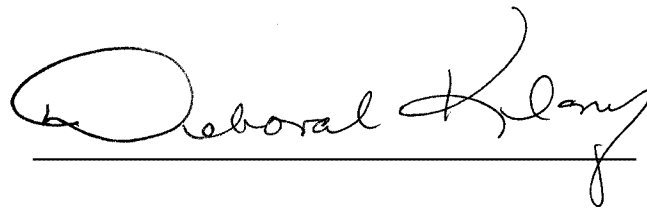
CERTIFICATE OF REPORTER

STATE OF FLORIDA
COUNTY OF SANTA ROSA

I, DEBORAH G. KHARUF, Court Reporter and Notary Public, State of Florida at Large, hereby certify that I was authorized to and did stenographically report the following Board of Directors meeting for the Holley Navarre Water System and the Club at Hidden Creek and this transcript reflects a true record of said meetings.

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 June, 2019.

A handwritten signature in black ink, reading "Deborah G. Kharuf", is written over a horizontal line. The signature is cursive and includes a large initial 'D'.

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