

HOLLEY NAVARRE WATER SYSTEM
SPECIAL BOARD MEETING REGARDING

MEMORANDUM OF AGREEMENT

OCTOBER 15TH, 2019

5:12 P.M. - 6:00 P.M.

MIKE KENNEDY, PRESIDENT

YVONNE HARPER, VICE PRESIDENT

KEVIN LANIER, SECRETARY-TREASURER

DARYL LYNCHARD, DIRECTOR

FRED TERASA, DIRECTOR

MARK MILLER, DIRECTOR

WILL GOULET, DIRECTOR

ROB WILLIAMSON, CEO HNWS

BARBARA CARAWAN, OFFICE MANAGER HNWS

PHIL PHILLIPS, P.E. MESI

ALSO PRESENT:

WILL DUNAWAY, ESQUIRE, CLARK PARTINGTON

DEBORAH KHARUF, COURT REPORTER

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

2 MR. KENNEDY: All right. Is everybody
3 here? I will call this meeting to order. It's a
4 discussion on the MOA.

5 I guess the goal here is final discussions
6 on the MOA, because it's on the agenda for vote. So we
7 are going to discuss it. Any other stuff that we need to
8 discuss, let us do to it now.

9 MR. GOULET: I have got three concerns.

10 MR. KENNEDY: Go, Will.

11 MR. GOULET: I still haven't seen the
12 Addendum A in the breakdown, the \$1.74 million has
13 already been spent by SRC that required 56 percent,
14 approximately \$974,000. I did not see it in here.
15 Addendum A was not in here.

16 MR. KENNEDY: And that's correct. I agree
17 with you. I am with you there.

18 MR. GOULET: I have not seen a breakdown
19 of what they have actually spent money on. Not that I
20 don't trust the County, but I don't trust the County.
21 Sorry.

22 MR. WILLIAMSON: I think that Addendum was
23 provided; wasn't it?

24 MR. KENNEDY: Rob, is there a breakdown of
25 the \$1.7 million?

1 MR. WILLIAMSON: \$1.7 million, yeah, very
2 detailed breakdown from the County.

3 MR. GOULET: Okay. I am just asking. I
4 haven't seen that. I will give you my second concern.

5 MR. PHILLIPS: I can probably put my hands
6 on it.

7 MR. TERASA: I haven't seen it.

8 MR. KENNEDY: I haven't seen it, either.
9 But did you guys review what they said
10 that they did?

11 MR. WILLIAMSON: Yeah. Specifically --

12 MR. DUNAWAY: I thought it was attached to
13 that that went to you with the letter. And it would have
14 been --

15 MR. GOULET: I looked at all my emails and
16 I didn't see it.

17 MR. LYNCHARD: I don't recall seeing it.

18 MR. TERASA: I have never seen it.

19 MR. WILLIAMSON: I thought it was meant to
20 be part of the email that we sent out with the MOA --

21 MR. GOULET: That's why I asked for it
22 last time and I didn't see it. And then, when you
23 brought this book down to me, it wasn't in there, either.
24 That's why I was questioning where it was. I didn't know
25 where it went.

1 MR. TERASA: Well, surely someone has a
2 copy of it.

3 MR. PHILLIPS: Yeah. Do you want me to go
4 get a copy --

5 MR. KENNEDY: Well, more importantly, have
6 you guys reviewed that?

7 MR. PHILLIPS: Yeah.

8 MR. KENNEDY: And do you have any concern
9 with what they want?

10 MR. PHILLIPS: There it is right there.

11 MR. KENNEDY: They are summing up.

12 MR. TERASA: Say, again? You have no
13 concerns; Phil?

14 MR. PHILLIPS: No, I don't. It all
15 appeared to be -- the task orders that have been approved
16 by the Board specifically related to --

17 MR. TERASA: I'm sorry. I can't hear you.
18 What?

19 MR. PHILLIPS: It appears to be the task
20 order specifically related to, you know, the project,
21 this project.

22 MR. MILLER: Was there any time value of
23 money included in that estimate of what have identified
24 that, you know --

25 MR. PHILLIPS: No.

1 MR. MILLER: -- they spent money 20 years
2 ago? They are putting the actual amount they spent 20
3 years ago?

4 MR. PHILLIPS: Correct.

5 MR. GOULET: Are you ready for the second
6 one?

7 MR. DUNAWAY: Yes.

8 MR. GOULET: Okay. My concern is the
9 language in the section of the MOA where it says, "Use of
10 premises."

11 "The utilization of additional capacity
12 should be only for Holley Navarre Water System, SRC, and
13 not only for the increased need of the two identified
14 plants, may not be sold or leased to a third party."

15 We need to make sure this is protected for
16 use by Navarre and Navarre Beach.

17 Here's my suggestion: Let's either take
18 the other 1.6 for ourselves, but let's put some verbiage
19 in there where they sell it to Midway, Gulf Breeze,
20 Milton. For whatever reason, I don't trust the County on
21 this. If we don't put that in, I am afraid the other
22 1.6., they could possibly sell it to somebody else.

23 MR. WILLIAMSON: And we talked about that
24 additional 1.6. Here's where we are trying to thread the
25 needle as it is written currently. And that is that if

1 we go after the extra 1.6 now, then the split goes from
2 56/44 to 60-something.

3 It goes up and we would end up paying a
4 larger percentage. If we leave the 1.6 unaccounted for
5 until after we get Phase 1 done, then we are looking at
6 paying 56 percent. We get the 3 MGD that we need. And
7 then, if we decide to make a move on the golf course or
8 if we decide to do something else at any time, we would
9 have access to that 1.6. But we would pay for it at that
10 time.

11 If we go from 3 to 4.6 in the original
12 agreement, then it stands that they want us to pay the
13 larger percentage for basically restricting that
14 remaining capacity.

15 MR. LYNCHARD: Aren't we going to pay for
16 it anyways?

17 MR. WILLIAMSON: Well, that would be up to
18 the Board if at some point later, if, let's say --

19 MR. LYNCHARD: I mean, on the build-out,
20 we are going to have to build the whole thing out before
21 the County steps in.

22 MR. KENNEDY: We are at running costs.

23 MR. LYNCHARD: We are going to be money
24 out on that, regardless.

25 MR. WILLIAMSON: Only for the capacity

1 that we would need initially as provided for in the
2 agreement. The 3 MGD is what we would build out
3 initially for --

4 MR. GOULET: The biggest thing I am
5 concerned with is when you build the building, it's never
6 big enough five years down the road. And if we can
7 capture that now instead of later or they may -- my
8 biggest concern is if Milton decides, "Hey, you have got
9 a place we can dump our effluent at."

10 And they decide they want to attach to it,
11 and Santa Rosa County says, "We will sell you a million
12 gallons of ours, capacity in this plant," how can we stop
13 them?

14 MR. MILLER: Does the Eglin lease prohibit
15 anyone other than Santa Rosa County and Holley Navarre
16 Water from utilizing that property?

17 MR. DUNAWAY: It does not. The Eglin
18 lease contemplated a regional supply, but it contemplated
19 that being you, the County, and Gulf Breeze. Gulf Breeze
20 is not at this point playing in this situation.

21 And to make a comment on your point, which
22 is a good point, but, fortunately, in this situation, we
23 are actually not building a building. And I know you
24 know that. But we are building a pipe, and then, we have
25 capacity for the RIB, RIBS. Now, you are going to build

1 the RIBS for your initial use, the 1.6. The land is
2 already out there.

3 MR. PHILLIPS: 1.5 to 3 for us.

4 MR. DUNAWAY: Right. 1.5 to 3. But you
5 have got a pipe that's going up there. It's going to
6 have additional -- it will have more capacity and pumps
7 all out for that. So as your Director said, our concern
8 was we were trying to keep your costs a little lower but
9 have that whole 3.

10 So we grab the 3 instead of the 1.5, but
11 not the additional 1.6. And then, let either, whoever,
12 pays for it come on board.

13 MR. TERASA: Phil, say we build 3. Okay.
14 3 up there. Or we build 1.5. But we have the ability to
15 build 3. Is that what we are here?

16 MR. PHILLIPS: Yes.

17 MR. TERASA: So if we build 1.5, we are
18 going to have 3 total already with the golf course and
19 that 1.5; correct?

20 MR. WILLIAMSON: 1.9 and 1.5. We are at
21 1.968 right now.

22 MR. PHILLIPS: Or 1.9 plus 3.

23 MR. TERASA: 3.4, then?

24 MR. PHILLIPS: 4.9 total capacity
25 reserves.

1 MR. TERASA: So then, you have got
2 another -- so you already go to 5, basically, 4.9, if at
3 the 3.0 scenario. That makes sense.

4 And I, like, right now, because I was
5 going to ask later, but I want to ask now about our
6 funding issue, because I am concerned about that. But I
7 like the lower threshold because of the funding issue.

8 MR. LYNCHARD: I have got one for you.
9 When we build the project, the County is not going to be
10 involved. So we are going to build everything up to the
11 RIB system.

12 MR. KENNEDY: And we are going to pay for
13 everything.

14 MR. LYNCHARD: And we are going to pay for
15 everything. We are going to pay for our 3 million -- 1.5
16 to 3 million gallons of RIBS. And then, we are going to
17 the County's, what is it, 3 million gallons or --

18 MR. PHILLIPS: 2.4.

19 MR. LYNCHARD: 2.4 million gallons and the
20 additional 1.6 million gallons, which, at some point in
21 the future, we expect to get reimbursed for.

22 MR. KENNEDY: Uh-huh.

23 MR. LYNCHARD: But our cost -- what is our
24 additional cost of saying, "We want the extra 1.6 million
25 gallons," because we have already built the

1 infrastructure.

2 There is nothing in that contract that
3 said that we have to build out that RIB system for the
4 additional 1.6 million gallons.

5 MR. KENNEDY: So, really, what you are
6 saying is our reimbursement is actually going to be -- we
7 would have to reduce our reimbursement. Do you see what
8 he is saying?

9 MR. LYNCHARD: In other words --

10 MR. KENNEDY: We own it already.

11 MR. LYNCHARD: That additional 1.6 million
12 gallons isn't going to cost us a penny.

13 MR. KENNEDY: Right. We own it already.

14 MR. LYNCHARD: We own it already.

15 MR. PHILLIPS: No. Yeah.

16 MR. LYNCHARD: We are just -- in the
17 future --

18 (EVERYONE SPEAKING AT THE SAME TIME.)

19 MR. GOULET: Somebody explain to me why --

20 MR. PHILLIPS: Rob or Will hit it on the
21 head here. So, right now, in the agreement, we have
22 reserved 3 and they have reserved 2.4.

23 And the split based on that of all the
24 reimbursement is 56/44. If we today say, "We want the
25 other 1.6," we will now have 4.6 versus their 2.4, which

1 means the split will now be 75/30 (sic) instead of 56/44.

2 We will have to pay for a larger
3 percentage of the infrastructure now today --

4 MR. LYNCHARD: No.

5 MR. PHILLIPS: -- instead of potentially
6 in the future.

7 MR. LYNCHARD: No. We will get reimbursed
8 for a lower portion of the infrastructure at some point
9 in the future.

10 MR. PHILLIPS: That's correct. This is
11 the same as what I am saying.

12 MR. GOULET: Because we are paying for it
13 already up front. We are front-loaded on this. The back
14 side, we are going to get less back, but we own more.

15 MR. PHILLIPS: That's correct.

16 MR. DUNAWAY: Except for you do have to
17 account for the Addendum A, which is why I think you lead
18 with needing to see these figures, that 1.7.

19 So that 1.7 is money that the County has
20 already outlaid of which they will be looking to you for
21 your percentage and you will --

22 MR. GOULET: But they are not getting that
23 when we sign this.

24 MR. DUNAWAY: No.

25 MR. GOULET: They don't get that until

1 they hook up.

2 MR. DUNAWAY: It's when the math, when
3 they hook up. But if the math is as it is written now,
4 it's the 56/44.

5 MR. GOULET: Right. I understand that.

6 MR. DUNAWAY: As opposed to others, so you
7 will be --

8 MR. MILLER: So they would reimburse 44
9 percent less the 1.7 million.

10 MR. PHILLIPS: Less than -- it would be
11 the --

12 MR. TERASA: That's our percentage --

13 MR. PHILLIPS: It wouldn't be more than
14 44. It would be less than 44. It would be --

15 MR. TERASA: The 1.7 reimbursable, we get
16 our percentage of that. Right?

17 MR. WILLIAMSON: 66 percent, Phil. If we
18 do the 4.6, then we are at 66 percent.

19 MR. PHILLIPS: Okay. You have already
20 figured it out.

21 MR. KENNEDY: But if I can summarize, the
22 thing is what -- I think what Will is saying is, "Why
23 don't we just go ahead and say we are taking the 1.6"?

24 MR. LYNCHARD: That's what I said.

25 MR. KENNEDY: Oh, whatever. Okay.

1 MR. DUNAWAY: And that's the difference
2 between 54 and 66.

3 (EVERYONE SPEAKING AT THE SAME TIME.)

4 MR. KENNEDY: And if I understand what you
5 are saying --

6 MR. WILLIAMSON: It's one of those things,
7 when do you think we would need that --

8 MR. GOULET: Well, here's the thing,
9 though, if you have plenty, man, it's awesome. But the
10 thing is we don't have to pay them until they hook up.
11 And Pete has already said it's going to be five years
12 plus because they are planning on using BP money for it,
13 which, who knows, I guarantee they don't hook up in seven
14 or eight years. I guarantee it.

15 MR. KENNEDY: Just trying to take the 1.6
16 extra in a contract, make them squeamish over there.

17 MR. GOULET: I think it would make them
18 happier.

19 MR. PHILLIPS: I don't have a clue.

20 MR. WILLIAMSON: I think they would love
21 that because it would reduce the amount that they would
22 have to outlay. And bottom line, if the Board is looking
23 to have the flexibility to possibly remove the golf
24 course from the equation and that effluent, then it makes
25 sense to go ahead and reserve that upfront, because,

1 then, you have ultimately more options.

2 You could -- that's the only way you could
3 truly say that you did not need the golf course is if you
4 reserve 4.6 million gallons. That would take care of all
5 you would need up to and exceeding the current capacity
6 of the plant that we have. It is just a matter of paying
7 that money up front, like you said.

8 So there are two ways to do it. You
9 either write in stronger language into the agreement.
10 That basically guarantees that, you know, that 1.6 could
11 be ours, but we are not going to pay for it now, if that
12 could somehow be worded in there. Or you go ahead and
13 this Board decides that you want to write it into the
14 agreement that we pay 66 percent of Phase 1.

15 MR. LYNCHARD: But you said, "Paid up."
16 We would have to pay more money up front. We are going
17 to pay the same money, regardless.

18 MR. KENNEDY: We are going to pay the --

19 MR. WILLIAMSON: If we end up using the
20 1.6.

21 MR. LYNCHARD: No. Regardless of how much
22 capacity we get today, we are going to have the same
23 infrastructure costs.

24 MR. GOULET: The same line going there.

25 (EVERYONE SPEAKING AT THE SAME TIME.)

1 MR. LYNCHARD: Yeah. But we don't have to
2 build the RIBS.

3 MR. GOULET: But we are saying the line,
4 the transmission line --

5 MR. WILLIAMSON: The transmission line --

6 MR. GOULET: -- is the same.

7 MR. WILLIAMSON: -- is going to be built
8 to deliver 7 MGD.

9 MR. KENNEDY: I think it's the difference
10 of how we are thinking about who owns, you know, it's the
11 same thing. But it's just we are saying we are going to
12 be building it. We own it.

13 MR. WILLIAMSON: The RIBS are the only new
14 incremental costs on top of what --

15 MR. GOULET: That's true.

16 MR. LYNCHARD: But I don't believe that
17 the contract states that if you take the 1.6 million
18 gallons additional you have to build the RIBS
19 immediately.

20 MR. KENNEDY: Yeah. Mark, you got a
21 question?

22 MR. LYNCHARD: We could say, "Hey, we want
23 the 1.6 million." It may be 20 years before we build the
24 RIBS. But we have already reserved that capacity.

25 MR. MILLER: With the capacity, and, you

1 know, the infrastructure already being at the golf
2 course, you know, our cost of maintaining that are
3 minimal. So I don't know why we want to get rid of that
4 at that point.

5 But Phil, what would you say would be a
6 projection? And this is just a ballpark shot in the dark
7 as when we, based on current use and growth and
8 everything, when would we get to a point where we would
9 need that 1.6, as long as we still had the golf course
10 operational?

11 MR. KENNEDY: Or even if we didn't have
12 the golf course.

13 MR. PHILLIPS: Well, I can't give you an
14 exact date, Mark, but I will point you toward --

15 MR. MILLER: 10, 20 years?

16 MR. PHILLIPS: We started the sewer system
17 in '89. Right?

18 MR. GOULET: '89. Right.

19 MR. PHILLIPS: And it's 2019 right now.
20 And we are at about 1.6 million gallons a day. You have
21 got a plant that is capable of treating 3 million gallons
22 a day.

23 So if you don't sell the golf course and
24 you build 1.5 up there, you have got more than you need
25 for the capacity of your plant, if you keep the golf

1 course.

2 It took us 30 years to get to where we are
3 now. Now, there is 17,000 water customers and 9,000
4 sewer customers, so there is not a whole lot of area to
5 build to add big capacity until the place starts to
6 re-develop at a higher density, but you have got to catch
7 up between the 9 and the 17.

8 How many of those will ever come on the
9 sewer? Not all of them will ever come onto the sewer.
10 How many? But again, you are kind of 30 years into this
11 thing and you are at 1.6 and you have got 3 capacity at
12 the plant.

13 MR. GOULET: So then, it is just a
14 decision of the Board whether --

15 MR. PHILLIPS: It's a long time, let's put
16 it that way.

17 MR. GOULET: Yeah.

18 MR. PHILLIPS: 20 years, at least.

19 MR. GOULET: Stronger language to reserve
20 the 1.6. I mean, that's --

21 MR. KENNEDY: Did you have a question,
22 Fred?

23 MR. GOULET: -- that's my opinion.

24 MR. TERASA: Well, my real question is
25 now, in my mind, again, I am not brightest mind here. I

1 am not even the sharpest knife in the drawer most of the
2 time.

3 I am concerned that if we -- I like the
4 stronger language. I don't like biting 4.0 right now,
5 because I am concerned, there still is a cost to us
6 ultimately. And I don't know if we need to bear that
7 cost today. So, I mean, and I really going back to what
8 is the project financing plan. I didn't get that, asked
9 that last time we met. We may not even be able to
10 discuss that in any detail, but I am concerned that I
11 want to be able to tell people if I have to do a rate
12 increase or some crazy thing like that, I had better have
13 a cogent reason why -- "Oh, yeah. By the way, we have
14 got capacity for the next 50 years."

15 The members are going to say, "I don't
16 care about 50 years. What about 20 years?" You know,
17 so --

18 MR. KENNEDY: And preferably not increase
19 their rate.

20 MS. HARPER: So maybe a compromise,
21 because as Will said, just to make the language stronger,
22 so that something reflects that before this 1.6 is used
23 that we have right of first refusal.

24 MR. TERASA: There you go.

25 MS. HARPER: So if the County wants to do

1 something with it, other than themselves using it --

2 MR. MILLER: Other than Navarre Beach.

3 MR. GOULET: Or, I said --

4 MS. HARPER: Or Navarre Beach, then, we
5 have the right of -- they have to come to us first.

6 MR. GOULET: Or you can put, "Both parties
7 must agree upon usage." That way, they have to agree, we
8 are going to buy it. Or they are going to buy it. Or
9 vice versa.

10 MR. WILLIAMSON: We have that, I think --
11 Will, don't we have that in there now where --

12 MR. GOULET: It's kind of vague.

13 MR. DUNAWAY: No. The way it's in there
14 now is it says, "Should either party," which would be
15 Holley Navarre or the County, "should decide to utilize
16 any portion of the remaining 1.6 MGD designated capacity
17 on the property, then such use is permissible, provided
18 that party pay us their proportionate cost share."

19 MR. GOULET: And like I said, if --

20 MR. WILLIAMSON: We can to take a run if
21 you wanted to, Will --

22 MR. GOULET: -- should either of the
23 parties, Holley Navarre Water or the County, decide to
24 utilize that portion of the passive property, then such
25 both parties must agree. Do you know what I am saying?

1 MR. TERASA: And, Will, I am kind of --

2 MR. MILLER: If you agree to let us have
3 it, though --

4 (EVERYONE SPEAKING AT THE SAME TIME.)

5 MR. KENNEDY: I was going to say, I am
6 kind of where --

7 MR. WILLIAMSON: Let's take a run at the
8 1.6 and just leave the percentages as they are. Do you
9 know what I mean? We just put that we want to reserve
10 the 1.6 and see if the County wants to ask for any
11 additional money.

12 MR. KENNEDY: I want it.

13 MR. WILLIAMSON: Do you know what I mean?
14 We go ahead and ask for it. Or we go ahead and reserve
15 it. We just don't change the percentages and see if they
16 catch it.

17 MR. KENNEDY: I don't think that's --

18 MR. WILLIAMSON: I think we are going to
19 have to pay 67 percent now for -- the Board needs to
20 determine, you know, is that capacity something that --
21 Phil just laid it out. It's likely that we would never
22 in a million years need that additional 1.6.

23 MR. KENNEDY: Yeah.

24 MR. MILLER: But it does say that the
25 additional 1.6 shall not be used by any entity other than

1 Navarre Beach or Holley Navarre Water System without the
2 other entity getting first right of refusal or something
3 to that effect because --

4 MR. TERASA: That's first right of
5 refusal.

6 MR. MILLER: Only Navarre Beach or Holley
7 Navarre Water has access to that 1.6.

8 MR. DUNAWAY: Well, we know, and then, we
9 can certainly write that in there. We know that no one
10 can tap into your line without telling you that. And so,
11 it would have to come from the north.

12 MR. TERASA: But that's the point --

13 MR. GOULET: That's what I am afraid of.

14 MR. DUNAWAY: No. If it came from the
15 north.

16 MR. LYNCHARD: They have been looking for
17 capacity.

18 MR. GOULET: They have been looking for
19 capacity.

20 MR. WILLIAMSON: When I asked about that,
21 Phil's answer was basically that it was not -- it was not
22 cost feasible to run it that long.

23 MR. KENNEDY: But it might be soon, if you
24 are hurting hard enough, they might say it's feasible.

25 MR. GOULET: We are saying Milton might

1 want to run a reuse line to the RIB system.

2 MR. PHILLIPS: Okay. That's a long dang
3 way. You would expect the military would be the one that
4 would want to.

5 MR. TERASA: Another point then, if we are
6 at basically 3 million between the golf course and our
7 initial 1.6 whatever. And our plant is 3 million, what
8 you are telling me is if we want to use that additional
9 capacity, we are going to have to build more plants.

10 MR. GOULET: Well, actually --

11 MR. TERASA: Am I correct?

12 MR. GOULET: We have the plant in Holley,
13 also.

14 MR. LYNCHARD: And that's one thing I
15 wanted to ask so I would know for sure -- that everybody
16 else would know.

17 Our plant is at at 2.99999 million
18 gallons, because if it wasn't, we would have to be
19 operational --

20 MR. GOULET: 24/7.

21 MR. LYNCHARD: 24 -- we would have to be
22 staffed 24 hours a day, seven days a week.

23 MR. PHILLIPS: Correct.

24 MR. KENNEDY: Oh --

25 MR. LYNCHARD: So what is the theoretical

1 capacity of our plant if we build it out?

2 MR. PHILLIPS: It's 3 MGD. The way they
3 have us permitted now --

4 MR. LYNCHARD: But we have got room for
5 more than what is up there.

6 MR. PHILLIPS:: Oh, yes. More structure?

7 MR. LYNCHARD: Yes.

8 MR. PHILLIPS: I think we could probably
9 -- it would be -- it would cost a ton of money, but I
10 think you can get another million gallons worth of
11 capacity from our main plant site. You can -- the Holley
12 plant is a quarter of a million designed --

13 MR. LYNCHARD: Holley doesn't matter at
14 this point because nobody wants to hook up sewer.

15 MR. PHILLIPS: There is a site up there
16 for about three quarters or a million at the most.

17 MR. LYNCHARD: Yeah.

18 MR. TERASA: All right. We are still back
19 to the point that we don't need 4.6.

20 MR. KENNEDY: Correct.

21 MR. TERASA: Okay. But I still like the
22 idea that we have the right of first refusal.

23 MR. PHILLIPS: Well, can I throw one more
24 thing out there that hadn't -- nobody has brought up. If
25 you reserve it now, Daryl is correct. we are going to pay

1 the same amount of money to run up everything up there
2 today. It's just in the future we are going to get less
3 money back. But that's not the first thing that popped
4 into my head.

5 If we claim that now, certainly they are
6 going to change the percentage. It would only make
7 sense. But they are also going to change the percentage
8 of the upkeep of all this stuff. And the percentage of
9 this and everything incidental to this.

10 MR. KENNEDY: For the maintenance and
11 everything.

12 MR. DUNAWAY: All of their briefings have
13 been based on the fact that you have asked and claimed 3.
14 And someone else has --

15 (SPEAKING OVER EACH OTHER.)

16 MR. PHILLIPS: -- Do you really want to
17 pay for that percentage of maintenance until you need
18 that capacity?

19 MR. GOULET: I think after hearing what
20 you just said, we are better off putting stronger
21 language in there.

22 MR. PHILLIPS: I like his language almost
23 exactly what he said.

24 MR. WILLIAMSON: Yes. Protect the 1.6
25 without having to pay for it. That would be our goal.

1 MR. TERASA: Right. Exactly.

2 MR. GOULET: That's fine.

3 MR. KENNEDY: Good enough. Cool. I like
4 it. And just to summarize real quick -- is this a true
5 statement, then? We have a 3 -- I am just rounding it
6 up -- 3 million capacity per day plant --

7 MR. PHILLIPS: Average daily flow plant.

8 MR. KENNEDY: We do 1.6 to 1.8 a day?

9 MR. PHILLIPS: I think we are right at
10 1.6. You are going to see here just --

11 MR. KENNEDY: 1.6 million a day. So we
12 still have a plant that is only half capacity, roughly --

13 MR. PHILLIPS: That's correct.

14 MR. KENNEDY: So -- and that took us,
15 what, 30 years to get there?

16 MR. WILLIAMSON: That's the daily average,
17 though.

18 MR. KENNEDY: Sure. I am with you.

19 MR. PHILLIPS: Yes.

20 MR. KENNEDY: And we -- so we push -- we
21 know we pushed 1.6, whatever, and we have a golf course
22 that can almost hold it. We are going to ship that
23 amount or a little bit more up to the RIBS. And so,
24 yeah, cool. All right.

25 (EVERYONE SPEAKING OVER EACH OTHER.)

1 MR. MILLER: I have another question.

2 MR. LYNCHARD: One thing I want to ask
3 Phil so he can tell everybody. The averages, obviously,
4 we can't go over 2 -- we can't go over 3 million gallons
5 a day.

6 But it's not calculated per day. Is it
7 monthly? Quarterly? Annually? What does our average
8 have to be?

9 MR. GOULET: Where is the peak at?

10 MR. PHILLIPS: Go back. Go back to the
11 conversation. The plant as designed can handle 3 million
12 gallons per day, annual average daily basis, which means
13 we have it designed during peak flow periods to handle
14 like 4 million gallons a day.

15 They have not arbitrarily -- we asked --
16 we asked for the plant to be rederated to 2.99 million
17 gallons per day, annual average daily flow, and they
18 stuck it to us.

19 And what they said, "Well, if you are
20 going to play with the numbers like that," right now, our
21 permit is 2.99 MGD max month is what it is.

22 But they will change the permit to what
23 they want it to. It's just we would have to go to all
24 the extra staffing and all the extra testing and all the
25 stuff like that.

1 MR. LYNCHARD: Oh, yes, definitely. But
2 it's a monthly average, not a daily average.

3 MR. PHILLIPS: Currently. The plant is
4 designed to handle 3 million gallons a day annual average
5 daily flow, which means that during the peak summer, it
6 will handle the peak of those days, more than the 3
7 million gallons.

8 MR. LYNCHARD: The question is: If we hit
9 3.2 million gallons one day during the year, does that
10 affect anything?

11 MR. PHILLIPS: No, it does not. That
12 effective capacity in those facilities --

13 (EVERYONE SPEAKING OVER EACH OTHER.)

14 MR. KENNEDY: Is that it?

15 MR. GOULET: No. I have got one more.
16 Actually, I have got two more, but --

17 MR. TERASA: Will, you said you had
18 three --

19 MR. GOULET: This one, I just forgot.
20 Where it says, "Holley Navarre Water System," for the
21 point of contact, instead of listing Phil, you need to
22 list the Board President.

23 Okay? Just the Board President. That
24 would be perfect. Right there. Perfect. No name. Just
25 President of Holley Navarre Water System. That's simple

1 and easy.

2 MR. LYNCHARD: Because Phil doesn't work
3 for Holley Navarre Water System.

4 MR. GOULET: Exactly. He works for a
5 sub -- another company of the Water System. Okay. So
6 here is my other one.

7 I seen a thread and I am just asking --
8 that's why I got to ask -- between Kevin and Daryl on the
9 website -- why aren't we following the written Holley
10 Navarre Water procedures securing three bids for the
11 engineering for this project. We have only got one.
12 It's always been policy to get three.

13 Now, I understand in some circumstances,
14 we haven't been able to find three companies. I
15 understand that. Is there three companies that can bid
16 on this?

17 MR. PHILLIPS: Sure. Absolutely. You can
18 advertise this up front. It's a \$10 million Phase 1
19 project. You will have all kinds of --

20 MR. GOULET: We are just going against
21 policy. That's why I wanted to ask.

22 MR. PHILLIPS: Here is what is going to
23 happen, so let me explain my perspective of it. It's on
24 you to go around the purchasing policy, but you are not
25 going to receive bids on this project.

1 If -- if -- if you can get the County to
2 even agree not to use their engineer, which they have all
3 but said they are going to select, they are going to make
4 you go through a CCNA process. So the CCNA process, what
5 that does, is you will advertise it and you will get --
6 you will select the three best qualified firms.

7 And then, from those, you can give
8 presentations or interviews or whatever you want to do
9 and you are going to pick one of them and that firm is
10 going -- that's the only firm that is ever going to give
11 you a price. So you are not going to get three bids.

12 You are going to follow CCNA. You are
13 only going to get one price. And that price is going to
14 be based on the current whatever standard fee curve that
15 is used.

16 MR. GOULET: So I guess the only problem I
17 have is how do we fix this, because policy can only be
18 changed. It can't be modified or ignored. So how do we
19 fix this?

20 MR. PHILLIPS: Well, I think that's for
21 him --

22 MR. TERASA: We ignore it all the time --
23 (EVERYONE SPEAKING OVER EACH OTHER.)

24 MR. GOULET: I understand what he is
25 saying --

1 (EVERYONE SPEAKING OVER EACH OTHER

2 MR. LANIER: All right. One at a time,
3 please.

4 MR. TERASA: The whole point was that the
5 approach is that basically you want to find the person
6 most qualified. Well, guess what? Jacobs has been on
7 it -- how many years have they been on this, Phil?

8 MR. PHILLIPS: Yeah. It's hard to argue.

9 MS. HARPER: Can I clarify the policy?
10 Since we are talking about the policy, the policy is,
11 from my understanding, Phil, please correct me if I am
12 wrong, based on what I hear you saying, this right here,
13 when we go out for a bid for a tractor, to build a
14 building, whatever --

15 MR. LYNCHARD: Anything over \$25,000 --

16 MS. HARPER: -- they give us a quote. You
17 get this service, this product, this construction, for X
18 number of dollars. We are not going to get that here is
19 what I hear you saying --

20 MR. PHILLIPS: Yeah. Let me be -- let me
21 be --

22 MS. HARPER: We are not going to get a
23 price on what we want done. Is that correct?

24 MR. PHILLIPS: I believe that to be true.
25 And let me be absolutely clear here. Holley Navarre

1 Water System can do anything you want to do. You are not
2 required to comply with CCNA whatsoever.

3 You can -- if this was your own job, you
4 could advertise this and you could make as part of the
5 solicitation everyone give you a proposal for a price to
6 design this job.

7 You could ask for that and you would get
8 three prices. But what I am telling you is the County
9 cannot do that. The County has to comply with CCNA.
10 They are going to -- however they can try and find the
11 money to reimburse us for this, they are going to protect
12 their rights any way they can.

13 Not only that. They are going to protect
14 their rights to get who they want on this job and there
15 is just no getting around that in my mind. They want
16 Jacobs to do this job. They sat in a meeting and say
17 they want Jacobs.

18 MR. GOULET: Can I ask a question? Did
19 the County put this out for three bids prior to hiring
20 Jacobs for this job?

21 MR. PHILLIPS: No. They complied with
22 CCNA, which mean they put -- I went -- we went after it.
23 They put a solicitation out on the street. And from that
24 solicitation, they picked three firms. And then, those
25 three firms went before the Board of County Commissioners

1 and made a presentation. It cannot have anything to do
2 with price. Price does not come into place.

3 The Board of County Commissioners picks an
4 engineering firm and negotiates a fee. If they fail to
5 negotiate successfully a fee, they move to the second
6 person. But you can't come back to number one and use it
7 to do that.

8 MS. HARPER: So, see, this is different
9 than what we typically do when you go out for bids. This
10 is a different process.

11 MR. PHILLIPS: Holley Navarre is free of
12 all those rules. You can do whatever you want to do.
13 Holley Navarre --

14 MR. MILLER: It affects, too, because we
15 are in a situation where it's not us going for the bid.
16 We are in partnership with a Government entity that is
17 doing this, so we have to play by that rule. So our
18 policy doesn't apply.

19 MS. HARPER: So they did actually do the
20 three -- not bids, but they actually spoke to three
21 firms --

22 MR. KENNEDY: CCNA.

23 MR. PHILLIPS: Correct.

24 MS. HARPER: Those firms came in. They
25 went through that process. It's just not a bid process

1 in the way that we would think.

2 MR. PHILLIPS: It's not a -- yeah, you
3 don't get a price. And they have told us, they have told
4 us that the solicitation that was done that Jacobs has
5 been currently selected under will not allow Jacobs to do
6 anything beyond what they have been tasked to do, to
7 actually design their portion, finally design their
8 portion.

9 They will have to do another solicitation
10 to pick an engineer. And you know who they are going to
11 pick. I mean, is is a foregone conclusion, short of
12 Jacobs making some huge mistake.

13 MR. DUNAWAY: May I point out that in
14 paragraph 6, the second paragraph of number 6, we tried
15 to cover this for you by inserting the language, "Subject
16 to a suitable fee and scope of work being negotiated with
17 standard engineering fee tables. Holley Navarre Water
18 System will hire the County's engineer."

19 So the idea is that we --

20 MR. PHILLIPS: But now --

21 MR. LYNCHARD: Is it okay to put in a
22 contract that we are willfully violating our own rules?

23 MR. WILLIAMSON: Well, I had asked Keith
24 about that because I know that some of you asked. There
25 is nothing in our --

1 MR. LYNCHARD: Does that protect us?

2 MR. WILLIAMSON: Well, there is nothing in
3 our governing documents that says we must get three bids.
4 This is a Board policy. The Board can --

5 MR. LYNCHARD: It was enacted how long
6 ago?

7 MR. WILLIAMSON: The Board can decide if
8 they want to select this company this way. You are the
9 fiduciary. So the Board created a policy and the
10 purchasing policy that we adhere to. And in this
11 instance, if the Board wants to go away from that policy
12 and approve using Jacobs, there is nothing in the
13 governing documents that would keep you from doing that.

14 MR. LYNCHARD: I agree with that.

15 MS. HARPER: This isn't a purchasing bid
16 like what he was saying. So this falls under -- it's a
17 different set of criteria that is being used to solicit
18 the company. So it's not a purchasing policy. We are
19 not purchasing.

20 MR. KENNEDY: It's like a partnership
21 buying thing.

22 MS. HARPER: I mean, I understand what
23 your intent was. I do believe I do, but when I am
24 reading the language here and when I am listening to Phil
25 and when listening to how the County does it and that

1 selection process, it is vastly different than what your
2 typical selection process is. So I think we are trying
3 to put an apple into the skin of an orange.

4 MR. PHILLIPS: But you can satisfy
5 everyone, though. You can instead of saying in this
6 document, "We are going to use their engineer," you can
7 put in this document, "We are going to follow -- we are
8 going to do a CCNA process to select" --

9 MR. LYNCHARD: That's what I was going to
10 get to.

11 MR. PHILLIPS: It's just --

12 MR. TERASA: Why? Why? Why?

13 (TALKING OVER EACH OTHER.)

14 MR. PHILLIPS: It boggles my --

15 MR. TERASA: Why on earth do we want to do
16 that?

17 (EVERYONE TALKING OVER EACH OTHER.)

18 MR. LYNCHARD: If the Board wants to
19 change policy, let the Board change policy.

20 MR. KENNEDY: But it's -- we are not --

21 MR. LYNCHARD: If the Board wants to
22 violate the policy, then, by God, put it on the record.
23 But don't just sit here and say --

24 MS. HARPER: Nobody is violating the
25 policy.

1 MR. LYNCHARD: But don't just sit here and
2 say that we are going to do what we want to do whenever
3 it suits us.

4 MR. HARPER: But it's not violating policy
5 because this is a different --

6 MR. LYNCHARD: Yes, it is.

7 MR. MILLER: I disagree. It's --

8 (EVERYONE TALKING OVER EACH OTHER.)

9 MR. TERASA: That's a good one coming from
10 you, Daryl. A good one coming from you.

11 MR. KENNEDY: Okay. We have got three
12 minutes here.

13 MS. HARPER: Would it satisfy your concern
14 if the language was changed to state that --

15 MR. LYNCHARD: We would follow CCNA? Yes.

16 MS. HARPER: Okay. Then let's just do
17 that, because I don't --

18 MR. TERASA: A CCNA is going to still --
19 it's in our best interest to have Jacobs do this, for
20 goodness sake.

21 MR. MILLER: We would still pick Jacobs.

22 MR. TERASA: Be realistic about it.

23 MS. HARPER: We would still have Jacobs.

24 MR. TERASA: And what's that going to cost
25 us, Phil?

1 MR. KENNEDY: Hang on one second. So what
2 does changing the wording to using "CCNA," do to the
3 contract?

4 MR. PHILLIPS: I can only predict --

5 MR. DUNAWAY: Time.

6 MR. PHILLIPS: So, yes, so time is the big
7 deal. That -- so here is what will happen. I predict
8 this. I am not saying this is absolutely true, but I
9 predict this because we do have partner in this.

10 If this was changed to say that we will
11 comply with the CCNA requirement, the County is going to
12 want to have a vote on that selection. So they will want
13 to be part of that selection.

14 So instead of, you know, us being able to
15 write a contract with someone almost immediately to get
16 started, we are going to have to get to the end of the
17 process, to come to this agreement with whatever language
18 that they want to add to be part of this selection
19 process, because they would want to, and they deserve to
20 be because they are going to reimburse.

21 And then, once this, once this is
22 completed, then you will have to go through the
23 advertisement process and the proposal process --

24 MS. HARPER: Okay. Can you just -- can
25 you just --

1 MR. WILLIAMSON: It will cost us at least
2 four months.

3 MS. HARPER: Can you just do, "Hire the
4 County's engineering consultant and utilize that firm
5 formally associated with the project," based on the
6 County utilizing the acronym, please, CCNA.

7 MR. PHILLIPS: I would have loved to have
8 been able to use that language, in other words, tie our
9 agreement to the fact that the County could already bind
10 them, had already selected, but the County told me and
11 Will the day we met with them that the solicitation that
12 has been done right now doesn't cover the scope of the
13 work to design their part of it going forward, other than
14 this 30 percent they are done.

15 It can't cover them doing the final design
16 and they will have to solicit again. So I can't --
17 that's the whole point of why we asked them that day
18 because I was hoping it would be easy.

19 MR. DUNAWAY: Phil, the only reason it's
20 in here -- the only reason it is in here like this and
21 this procedure is because there was no other way that we
22 could meet your timeline for November 1st, 2022.

23 MR. TERASA: Okay. Do we not remember we
24 have got have a deadline of November --

25 MR. LANIER: Fred, may I speak to try and

1 speed this up?

2 MR. TERASA: Yeah.

3 MR. LANIER: Phil, can you come up with
4 the policy that you explained about how that process
5 works with the CCR and -- and make it so that what we are
6 doing this time, not necessarily CC -- what?

7 MR. PHILLIPS: CCNA.

8 MR. LANIER: CCNA.

9 MR. PHILLIPS: Consultants Competitive
10 Negotiation Act.

11 MR. LANIER: Okay. In lieu of doing that,
12 do a policy where the Board can vote on how we need to
13 structure this to get Jacobs. And that would be tied --
14 that would be tied to a process where if the bid is over
15 a certain amount of money that we can single-source it
16 without having to do the three bids.

17 MR. PHILLIPS: I mean, of course,
18 obviously, you can't rig a solicitation.

19 MR. LANIER: Well, I wasn't saying rig it
20 as far as the CCNA.

21 MR. PHILLIPS: Well, that's kind of --
22 that is kind of what we tried to do after the concern was
23 expressed at the last meeting is ultimately at the end of
24 the day, you -- after you go through a CCNA selection,
25 your negotiation with an engineer is going to be based on

1 someone's standard of fee.

2 You are going to either use the Rule of
3 Development Fee Curve or the DEP SRF Fee Curve or the
4 State of Florida General Services Fee Curve.

5 And somebody is going to pick a standard
6 by which I get a fee and you are not going to get a penny
7 more than that because that's what X, Y, and Z says it is
8 going to cost to do this job.

9 That's what we tried to address in here in
10 that language was to limit the fee to that.

11 MR. LANIER: Well, in our motion to
12 approve this document, we can include the language that
13 we are deviating from established three bid --

14 MR. PHILLIPS: That's all up to y'all.

15 MR. LANIER: And that way, you know, we
16 are not changing the policy for three bids. We are just
17 just making -- carving out the exception for this
18 document.

19 MR. LYNCHARD: The Board can change the
20 rule by a motion. And I would suggest that you do that.
21 Otherwise, I am going to vote against it.

22 MR. TERASA: So moved.

23 MR. KENNEDY: Well, make a motion.

24 No. I think on the table right now is we
25 have -- we have wording that needs to go. I think we

1 have got an agreement on what the wording goes for the
2 changes that are going to go here. Then, we need to
3 decide on this -- okay, so we need to decide, then.

4 All right --

5 MR. WILLIAMSON: Adopt Director Miller's
6 language that needs to be --

7 (EVERYONE TALKING OVER EACH OTHER.)

8 MR. KENNEDY: Give me a motion on Number 1
9 for Director Miller's language. Someone give me a motion
10 on him --

11 MR. WILLIAMSON: And then, the CCNA
12 language aboard, there is not any direct instruction for
13 the staff at this point.

14 MR. MILLER: Okay. So you want me to
15 restate the last --

16 MR. WILLIAMSON: I would state this as a
17 matter whether we should not have a motion here. We
18 should have it in the public forum. This is meant to
19 have a discussion. That's what the Board had always said
20 that they wanted.

21 MR. KENNEDY: That's a good point.

22 MR. WILLIAMSON: And these negotiations
23 that we don't want to air in public, I think if we are to
24 the point of making a motion, we know these minutes, the
25 Board is going to release these minutes after an

1 agreement has been executed. But the only thing I would
2 add as far as looking at language for the CCNA and all
3 that stuff, we are up against the timeframe now.

4 And every month that we lose -- or if we
5 were to decide to do this -- implement the CCNA process,
6 we are behind schedule right now on the November 2022
7 deadline as it today.

8 And if we go another four months, then
9 that puts us five months behind and we start to get into
10 an area that the Board probably doesn't want to get into.
11 Right now, the County is ready to go. You are going to
12 get to another look at this. But even if we do what we
13 are talking about today, we are going to have to create
14 another version.

15 Will is going to have to create another
16 version and get that to the Board for a Board action
17 without a meeting approval and --

18 MR. KENNEDY: But you are not going to
19 approve it if we don't address the CCNA, which brings us
20 all the way back to another --

21 MR. LYNCHARD: No. If you don't address,
22 if you don't address the --

23 MR. WILLIAMSON: It would be November.

24 (EVERYONE TALKING OVER EACH OTHER.)

25 MR. LYNCHARD: I am talking about policy.

1 MS. HARPER: All right. So can we not --
2 can we motion for tonight, for tonight, can -- prior to
3 voting on this MOA, not to move forward, can we motion to
4 have an exception or a variance to the bid process to
5 allow in this instance for the MOA with the County to
6 follow the County's CCNA process of selecting engineers.
7 Can we do that?

8 MR. LYNCHARD: Most certainly.

9 MS. HARPER: Okay. Then, let's do that in
10 the meeting.

11 MR. MILLER: So we will do that prior
12 to -- we will do that prior to approving the document.

13 MS. HARPER: Yes.

14 MR. LYNCHARD: Right.

15 MR. MILLER: And then, I will make the
16 motion the document be approved with the additional
17 language added regarding no other entity being allowed to
18 use the additional 1.6.

19 MS. HARPER: Yes.

20 MR. WILLIAMSON: And, Phil, as recommended
21 by Yvonne, would that kick in that process that would add
22 an extra three to four months?

23 MR. PHILLIPS: I don't think so.

24 MS. HARPER: It's just an internal --

25 MR. PHILLIPS: You did mention CCNA again

1 as part of the motion and I was confused --

2 MS. HARPER: It's for Holley Navarre Water
3 System because you have got the three bid process, so it
4 allows us to then say, "Yes," to the County that we will
5 allow -- we will honor their CCNA process is what it is
6 without us going out for bids.

7 MR. PHILLIPS: Well, see --

8 MS. HARPER: It's not in the agenda --
9 it's not in the MOA. It's a separate motion.

10 MR. PHILLIPS: But when you make that
11 motion, aren't you going to make our selection of them
12 contingent upon their future CCNA selection --

13 MR. DUNAWAY: Waiting for them. We don't
14 know when that is going to be.

15 MS. HARPER: No. No. It's the process --
16 it's the process itself that in lieu of the three bid
17 process, that we will follow the CCNA process.

18 MR. WILLIAMSON: We can't approve that
19 process unless we do it, unless we follow it. Do you
20 know what I mean? And to follow it would require us to
21 go to all --

22 MR. KENNEDY: We are going to have to
23 table this because we are going to let them in.

24 MR. TERASA: We can't afford to table this
25 because of the timeline.

1 MR. KENNEDY: Do you guys want to continue
2 this afterwards? After the meeting tonight?

3 MR. LYNCHARD: Oh, no. I want to continue
4 it during the meeting.

5 MR. KENNEDY: No. Because we can't. The
6 whole idea here is we need to try to keep some of this
7 under wraps. We are going to release the minutes after
8 we are done, but it's not a free-for-all for everybody,
9 kind of like --

10 MR. DUNAWAY: Remember, this document has
11 not gone to the County yet.

12 MR. KENNEDY: Right.

13 MR. DUNAWAY: So we have not even begun
14 the negotiations with the County.

15 MR. LYNCHARD: I am going to discuss
16 this --

17 MR. KENNEDY: And kind of like, if you are
18 making a motion, I would like it more cryptic, not saying
19 exactly what you said about us winding up taking the 1.6
20 million because that is going to be in our public
21 meetings.

22 MS. HARPER: Can we schedule a meeting for
23 Friday so we can nail down the language and get
24 everything? And then, is that going to adversely affect
25 the timeline?

1 MR. PHILLIPS: I don't want to be here
2 Friday night.

3 MS. HARPER: It could be any time Friday,
4 if that works for y'all.

5 MR. KENNEDY: Well --

6 MR. TERASA: Why can't we simply waive the
7 three bid process, realizing what the County has already
8 done?

9 MR. LYNCHARD: You are more than welcome
10 to as long as you do it with a motion and a vote of the
11 Board of Directors.

12 MR. TERASA: Okay.

13 MR. KENNEDY: Yeah. So right now --

14 MR. TERASA: We have got to make that
15 happen before we --

16 (EVERYONE TALKING OVER EACH OTHER.)

17 MR. MILLER: So we can make a motion that
18 the County has already gone through the CCNA process to
19 select --

20 MR. LYNCHARD: Recognizes -- recognizes in
21 the minutes that it is violating its own policy, I am
22 good with it.

23 MR. KENNEDY: I think -- I think that we
24 are nowhere near to where we are going to make a motion
25 tonight. I think we still have to have more

1 conversations, unfortunately.

2 MR. MILLER: And I don't think it is just
3 us that would be making the decision. But if it was us
4 making a decision, getting three bids is one thing. We
5 are not going to be the ultimate decision makers.

6 MR. LYNCHARD: Yeah. I mean, personally,
7 I have reservation about the County even being able to
8 accept this if we say that we are going to go against the
9 CCNA process and they are required to follow it.

10 Are they not just outsourcing it to us so
11 we can violate CCNA laws?

12 MR. DUNAWAY: I can address that. This is
13 here -- this is in here because your -- for your need to
14 move forward to make the deadline that you had. And the
15 County said that they want Jacobs. They are going to go
16 through a process. They have to go through another
17 process because the one they have now will not allow them
18 to expand the scope.

19 But they have indicated that they are
20 going to go through that process and select Jacobs. If
21 we want -- if they -- we got out ahead of them. If you
22 get out ahead of them, they are okay with that, as long
23 as you are out ahead of them with Jacobs.

24 If you are out ahead of them -- otherwise,
25 you are going to be waiting on them. And when they are

1 ready, then you will get to go.

2 MR. PHILLIPS: They won't control us.

3 (EVERYONE TALKING OVER EACH OTHER.)

4 MR. WILLIAMSON: We are using Jacobs --

5 MR. LYNCHARD: Don't anybody get me wrong.

6 Phil has already convinced me that Jacobs is going to do
7 this project.

8 MR. KENNEDY: You are looking through
9 the --

10 MR. GOULET: 100 percent. 100 percent
11 Jacobs.

12 MR. LYNCHARD: I wanted the process to be
13 correct on the largest project that Holley Navarre Water
14 System has ever contemplated.

15 MR. KENNEDY: So we have gotten nowhere,
16 truthfully, on this that I can see --

17 MR. TERASA: Well, if you will give --

18 (EVERYONE TALKING OVER EACH OTHER.)

19 MR. LANIER: Well, we have Will's
20 questions and concerns --

21 MR. TERASA: -- me what you want me to
22 say, I will say it.

23 MR. KENNEDY: Well, the only thing that
24 would come up then if whether or not, if we wanted to, we
25 could make a motion on the -- on the way it is now. And

1 we can go ahead, if you guys want to do it tonight, we
2 can vote on your change and --

3 MR. WILLIAMSON: Get it approved to move
4 it forward -- if the County needs changes in the
5 language, that John Miller (sic) has directed --

6 MR. KENNEDY: Yeah. So that's where
7 we are at right now.

8 MR. TERASA: Are you okay with that? Do
9 you want me to clear that up for you?

10 MR. LYNCHARD: I didn't hear you. Go
11 ahead and clear it up for me, sir.

12 MR. TERASA: Okay.

13 MR. KENNEDY: So I need to adjourn this
14 meeting. Meeting is adjourned.

15

16 WHEREUPON, THE SPECIAL MEETING CONCERNING
17 THE MOA CONCLUDED AT 6:00 P.M.

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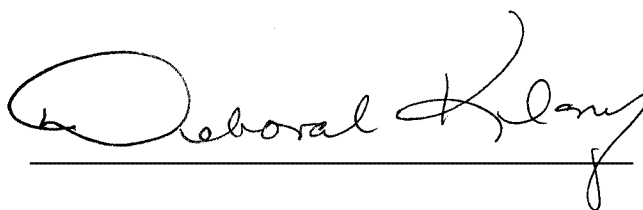
CERTIFICATE OF REPORTER

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 foregoing Special Meeting of the Board of Directors of Holley Navarre Water System regarding the Memorandum of Agreement and that 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 18th day of October, 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.