

HOLLEY NAVARRE WATER SYSTEM

THE CLUB AT HIDDEN CREEK

COMBINED BOARD MEETINGS

SEPTEMBER 22, 2020

6:00 P.M. - 7:00 P.M.

DARYL LYNCHARD, PRESIDENT

JAMES DABNEY, VICE PRESIDENT

MIKE KENNEDY, DIRECTOR

MARK MILLER, DIRECTOR

FRED TERASA, DIRECTOR

BARBARA CARAWAN, HNWS OFFICE MANAGER (PHONE)

PHIL PHILLIPS, MESI (PHONE)

TORIN BRAND, IT HNWS (PHONE)

CLINTON WELLS, HNWS (PHONE)

CHRIS LEGG, HNWS (PHONE)

MARK TURNER, HNWS (PHONE)

AMBER BUCHOLTZ, HNWS (PHONE)

DANNY HAWKINS, HNWS (PHONE)

CINDY CALLEN, GM, CLUB AT HIDDEN CREEK (PHONE)

ALSO PRESENT:

KEITH KILPATRICK, ESQUIRE

DEBORAH KHARUF, COURT REPORTER

CARMEN REYNOLDS, MIKE MATTHEWS

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

2 MR. LYNCHARD: All right. I would like to
3 call this meeting of Holley Navarre Water System to
4 order.

5 We have a quorum present. Please silence
6 all cell phones.

7 And, Mark, would you lead us in prayer?

8 (INVOCATION GIVEN BY DIRECTOR MILLER.)

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

11 (PLEDGE OF ALLEGIANCE LED BY DIRECTOR LYNCHARD.)

12 MR. LYNCHARD: Please be seated. I would
13 like to remind everybody that audio and video recorders
14 are present. And, hopefully, soon, we will be
15 livestream.

16 We need to approve the minutes and
17 transcripts of the August 18th Board meeting.

18 MR. MILLER: Motion to approve as
19 presented.

20 MR. KENNEDY: Second.

21 MR. LYNCHARD: We have got a motion and a
22 second. Is there any further discussion?

23 (NO AUDIBLE RESPONSE.)

24 MR. LYNCHARD: None noted. All those in
25 favor say "Aye"?

1 MR. MILLER: Aye.

2 MR. KENNEDY: Aye.

3 MR. DABNEY: Aye.

4 MR. TERASA: Aye.

5 MR. LYNCHARD: Any opposed?

6 (NO AUDIBLE RESPONSE.)

7 MR. LYNCHARD: Motion carries.

8 We need to approve the memberships. We
9 had 365 new memberships in August, 341 canceled
10 memberships, and 2 transfers.

11 MR. MILLER: Motion to approve as
12 presented.

13 MR. KENNEDY: Second.

14 MR. LYNCHARD: We have a motion and a
15 second to approve our memberships for the month of
16 August. Is there any further discussion?

17 (NO AUDIBLE RESPONSE.)

18 MR. LYNCHARD: None noted. All those in
19 favor say "Aye"?

20 MR. MILLER: Aye.

21 MR. KENNEDY: Aye.

22 MR. DABNEY: Aye.

23 MR. TERASA: Aye.

24 MR. LYNCHARD: Any opposed?

25 (NO AUDIBLE RESPONSE.)

1 MR. LYNCHARD: Motion carries.

2 Administrative. Has everyone had a chance
3 to review the financial statements?

4 MR. MILLER: Yes.

5 MR. LYNCHARD: Do I hear a motion?

6 MR. MILLER: I move to approve the
7 financials, August financials, as presented.

8 MR. TERASA: Second.

9 MR. LYNCHARD: We have a motion and a
10 second to approve our August 2020 financial statements.
11 Is there any further discussion?

12 MR. KENNEDY: Looks like a good month.

13 MR. LYNCHARD: Yeah. We did pretty good.
14 None noted. All those in favor say "Aye"?

15 MR. MILLER: Aye.

16 MR. KENNEDY: Aye.

17 MR. DABNEY: Aye.

18 MR. TERASA: Aye.

19 MR. LYNCHARD: Any opposed?

20 (NO AUDIBLE RESPONSE.)

21 MR. LYNCHARD: Motion carries.

22 Wellfield protection area Land Development
23 Code change. I think me and Mark both want to talk on
24 this item.

25 Right now, the -- I did verify it a little

1 earlier -- the way this -- at their Land Development Code
2 meeting, I believe it was an eight-hour meeting, and
3 about five hours into it, they had one of the people that
4 owns a borrow pit in our wellfield protection area where
5 we get our water from decided that they were going to --
6 they wanted to ask to expand their pit and add that to
7 Land Development Code.

8 And there seemed to be much discussion.
9 And one or two County Commissioners were in favor of it,
10 but they sent it back to the County -- the County
11 Commission decided to send it back to Planning and
12 Zoning.

13 And my understanding of the process at
14 this point is that Planning and Zoning is going to
15 discuss it. And if they decide to proceed with it, they
16 will send it to the County Commission. If the County
17 Commission agrees with it and they decide to proceed with
18 it, they will send it to the Florida DEP. And if DEP
19 approves it and proceeds with it, it will go back to our
20 County Commission for final approval.

21 I am not sure that it's going to be on
22 Planning and Zoning's agenda for October. I know the
23 County Commission has decided that it will not come
24 before the current sitting Board. It will come before
25 the new Board once they are seated some time after at

1 least November 11th. Correct?

2 MR. MILLER: I think so.

3 MR. LYNCHARD: But this is something that
4 we all need to be very aware of and we need to be
5 proactive. Once they do start discussing it, we need to
6 start, in my opinion, we need to be against it, and we
7 need to make sure that nothing like this passes.

8 MR. MILLER: I will say that not only did
9 they -- is the ball in Planning and Zoning's court, but
10 the Commissioners directed staff to get language that
11 would amend the current wording in the Land Development
12 Code, the proposed Land Development Code, because our
13 whole Land Development Code for the whole county is
14 getting a total rewrite.

15 And there were a lot of changes
16 recommended in that eight-hour meeting, this being one of
17 them, but they did direct staff to write language that
18 would allow for the expansion of borrow pits in the
19 wellfield protection area, which, as far as our water
20 quality goes, would not be a good thing for us and our
21 water quality.

22 And the argument that was made by the
23 gentleman that owns the borrow pits was that a borrow pit
24 is no different than a retention pond. And that couldn't
25 be further from the truth in my opinion. I am not an

1 expert on these things, but a retention pond is designed
2 to filter water before it gets into the water table.

3 It is designed to take that run-off and
4 hold it and allow it to filter through vegetation and
5 layers of sand and silt.

6 And a borrow pit is -- basically a
7 constant digging and removal of sand. And they don't
8 have nice sloped walls, so you end up with erosion and
9 calving and all kinds of things that happen there.

10 You have got heavy equipment operating
11 down there that if they were to leak oil or gas or
12 transmission fluid or any of that, that could seep down
13 into the water table. They are just not designed the
14 same as a retention pond.

15 So I think we have got to oppose this.
16 This is right up around where all of our Fairpoint wells
17 are. And at our Fairpoint meeting today, we did move
18 forward with taking some steps to oppose it. But I think
19 Holley Navarre Water as an entity should oppose it and we
20 encourage our other water users in Fairpoint to oppose
21 this, and at basically every level, not let it get, you
22 know, past zoning out to the County. But if it does, not
23 let it get past County to DEP.

24 We have got to make sure that our voices
25 are heard there so that our water quality is protected.

1 MR. TERASA: Two questions, sir.

2 MR. LYNCHARD: I was just going to respond
3 to Mark real quick. I spoke to our lobbyist, Liberty
4 Partners, Jennifer Green in particular, and they are
5 willing to help us from Day One, if we cut them loose on
6 it. They will represent us at the Planning and Zoning,
7 at the County Commission, DEP, back to County Commission
8 again, if need be.

9 But I didn't know if -- I wanted to let
10 the Board know about that, so that is an option, too,
11 so --

12 MR. TERASA: So two questions: One, was
13 there anybody that opposed that at that meeting that
14 brought up the obvious that you are speaking of when
15 someone says X and you know it's Y? And no one brought
16 that up?

17 MR. MILLER: I didn't hear anyone. Of
18 course, this was not an agenda item that was publicly
19 noticed. So it was an open workshop where anyone and
20 everyone could get up and speak. So you had developers
21 speaking. You had people with certain concerns about the
22 Land Development Code speak on different issues, so --
23 but this man, obviously, convinced enough of the
24 Commissioners that there was nothing wrong with having
25 the borrow pit, that they instructed staff to move

1 forward with making that change to the Land Development
2 Code.

3 It also requires a change to the
4 comprehensive plan so there is additional layers of
5 improvement. And there will be public input based on
6 that, because that does require public notice and input
7 before they can do that.

8 MR. TERASA: Okay. Second: You had
9 already talked about Fairpoint. So what did y'all decide
10 you are actually going to do to stop this?

11 MR. LYNCHARD: Fairpoint decided that they
12 were going to let MESI handle it.

13 MR. MILLER: MESI and also an
14 environmental consultant to advise on the environmental
15 impacts to this.

16 MR. LYNCHARD: They actually asked Phil
17 for MESI to get with the -- to hire the environmental
18 consultant, so --

19 MR. KENNEDY: This kind of puts us back to
20 the same question we had at Fairpoint. What is our plan?
21 Right? I think this is why you are bringing this up --

22 MR. LYNCHARD: Yeah.

23 MR. KENNEDY: -- is let's lay out our
24 little plan --

25 MR. LYNCHARD: That's right.

1 MR. KENNEDY: -- and, you know, Fairpoint
2 as well as Gulf Breeze, Midway, and Holley Navarre Water
3 System were all getting ramped up to oppose this on all
4 different levels. But here, we are Holley Navarre Water
5 System, and so, are you looking for a --

6 MR. LYNCHARD: We also need to get with
7 the operators of the Navarre Beach Water System --

8 MR. KENNEDY: Yes.

9 MR. LYNCHARD: -- and get them to oppose
10 it, also.

11 MR. KENNEDY: Yes. So it would be a
12 coordinated opposition. But at the same time, do we
13 need -- are you looking for approval to bring in the
14 lobbyist or --

15 MR. LYNCHARD: Just looking for discussion
16 at this point, for a plan, see what people want to do,
17 see what we want to do on how we want to proceed. We are
18 at a pretty early stage right now at this.

19 MR. MILLER: I don't know if I am in favor
20 of bringing in lobbyists now, because Planning and
21 Zoning, I don't know that that's going to, you know,
22 change anything. They are looking at the whole
23 comprehensive plan of the Land Development Code.

24 But once it becomes time for public input,
25 and I think at that point, we can consider, because there

1 will be a cost associated with bringing a lobbyist in.

2 MR. LYNCHARD: Obviously.

3 MR. MILLER: I do think, you know, having
4 Phil be present and speak to that as well as the
5 environmental consultant that is going to be there for
6 Fairpoint, I think those are adequate.

7 But what I would be in favor of doing
8 tonight is to direct staff, Phil, to be present at those
9 meetings and speak against it at any opportunity where it
10 comes up for discussion, whether it is Planning and
11 Zoning, County, or whatever.

12 MR. TERASA: Now, obviously, we are
13 watching this. It's our responsibility to our
14 constituents, the people we serve. But those folks in
15 Navarre, the people in Gulf Breeze, Midway, all need to
16 understand that is happening and the potential impact on
17 their water.

18 So I think there is an element where -- I
19 don't know if Fairpoint needs to let that cat out of the
20 bag, but something has got to be out in the newspaper
21 that says, "Hey, this is what is going on. This puts us
22 in jeopardy." And why this puts us in jeopardy.

23 MR. LYNCHARD: Well, our partners at
24 Fairpoint were at Fairpoint, so they all know about it.
25 The County knows it, so the beach knows about it. So I

1 think everybody knows about it.

2 It's our -- obviously, we want them to do
3 their part, but on the other hand, we need to act in our
4 best interest and hope that they do the right thing, too.
5 But we don't -- I don't think we need to try to run their
6 business, so --

7 MR. KENNEDY: Well, and --

8 MR. LYNCHARD: To try and -- we don't --
9 we need to take care of our house is what I mean and not
10 worry about what Gulf Breeze and they are doing.

11 MR. TERASA: I don't mean that we are
12 going to tell them what to do, but they all need to get
13 exercised and -- but I hope just like your -- does
14 anybody else know what is happening?

15 AUDIENCE: She told me.

16 MR. MILLER: I agree that there will need
17 to be at some point a public information campaign
18 especially when it comes time for public input. I think
19 rather than it coming from Holley Navarre Water that this
20 is bad and we don't want it, I think the environmental
21 consultant, Phil, people that know way more than any of
22 us do about these things and how they can potentially
23 affect our water supply, once they review the language
24 that the County comes up with, and, you know, what it
25 will actually mean, they can give us a professional

1 opinion.

2 And that needs to be what gets
3 disseminated out in the public, so they know, "Hey, the
4 County is looking at doing this. And these are
5 professional opinions of what the impacts could be."

6 MR. TERASA: So let me ask one other
7 question. Forgive me. You know me. All right. So what
8 was Phil's reaction to this? I mean, is he pretty much
9 up in arms about it and understands --

10 MR. LYNCHARD: Phil understands that it is
11 early on in this process and we need to be aware of it
12 and we need to stop it once it begins and we have the
13 opportunity to stop it. But right now, it's -- it has to
14 be taken up by Planning and Zoning before we can oppose
15 it.

16 Obviously, we can make public statements
17 such as tonight. We can get with the press. We can
18 start our publicity campaign today. But from a
19 governmental standpoint, the process really hasn't
20 started.

21 MR. KENNEDY: It's in the machine.

22 MR. LYNCHARD: It's going to start. We
23 know it's going to start. It just hasn't yet, so --

24 MR. TERASA: And where do I find
25 information about which County Commissioners are in favor

1 of such a move?

2 MR. MILLER: I believe that --

3 MR. DABNEY: It's in public record.

4 MR. LYNCHARD: It's public record.

5 MR. MILLER: You can go back and watch
6 their regular meeting, which was August 29th, I think it
7 was -- no, August 27th is where they put it up for a vote
8 to move it forward.

9 MR. KENNEDY: Around five and a half hours
10 into it?

11 MR. LYNCHARD: Uh-huh.

12 MR. MILLER: Well, the Public Workshop on
13 August 26th was where about five and a half hours, you
14 can watch the man who spoke in favor of doing it. And I
15 think later Bob Cole indicated that he would be in favor
16 of supporting that, but they decided not to vote it at a
17 workshop. They decided to vote on it at their regular
18 meeting, which was the next day.

19 And then, the next day, they did move
20 forward with directing staff to draw up the language that
21 would allow for that.

22 MR. TERASA: Okay.

23 MR. MILLER: So I don't think it was
24 opposed by any Commissioners. I believe it was moved
25 forward without objection. But I am not positive about

1 that.

2 MR. LYNCHARD: I think it has to go
3 through Planning and Zoning and Planning and Zoning has
4 to approve, well, I guess they would approve or deny it
5 either way and it would still go to County Commission.
6 It has got to go through that process before.

7 MR. MILLER: Like you said, there are
8 steps all along the way and it could fail on its own
9 anyway, at any point through that. But we won't want to
10 put that up for chance.

11 MR. LYNCHARD: That's right.

12 MR. MILLER: We want to make sure we speak
13 against it.

14 MR. KENNEDY: And to your point, Daryl, it
15 was kind of like what we were discussing at Fairpoint
16 today -- or do we find that we want to tag MESI with lead
17 on this? Or is that where we are going? Again, we want
18 MESI to lead this? Or do one of us want to volunteer to
19 lead this?

20 MR. LYNCHARD: What I would suggest is
21 that Fairpoint has tagged MESI to lead their charge. And
22 since we own MESI, maybe we should allow -- tag them to
23 lead our charge, also, since they are already going to be
24 doing it.

25 MR. KENNEDY: Makes sense.

1 MR. LYNCHARD: You know, rather than
2 trying to do, double up on the work. That's what I would
3 suggest, but that's a Board decision for all of us.

4 MR. MILLER: I agree.

5 MR. KENNEDY: I think that's a good
6 motion.

7 MR. MILLER: And we have got another
8 meeting in October where we could decide on additional
9 measures, you know, Liberty Partners, or whoever, but for
10 now, I think that's a good first step to just make sure
11 that we are getting out there being vocal and --

12 MR. TERASA: And Planning and Zoning's
13 agenda is on?

14 MR. MILLER: It's not up yet, so I do not
15 know.

16 MR. TERASA: I mean, somebody can --

17 MR. LYNCHARD: We don't know that it will
18 be on this month's agenda.

19 MR. TERASA: Yeah. I understand.

20 MR. MILLER: October 8th is the meeting,
21 and they usually publish the agenda the week prior to
22 what all is going to be on their agenda. But it won't
23 just be this item. It will be the review of the revised
24 Land Development Code, which is a beast of a document,
25 so -- and lots of changes --

1 MR. KENNEDY: Small subsets you have to
2 catch.

3 MR. MILLER: So this would be a small
4 item, you know, tons of changes were recommended for that
5 document, so --

6 MR. KENNEDY: Do we need a motion for this
7 that we -- or is this just information?

8 MR. LYNCHARD: I don't know that we need
9 a -- it says, "Board to direct." So I don't know if we
10 need a motion or if we just know we have a plan going
11 forward. Or if somebody wants to make a motion?

12 MR. MILLER: I would like to make a motion
13 that our official stance on this that we are opposed to
14 allowing expansion of borrow pits in the wellfield
15 protection area, that Holley Navarre Water System is
16 officially opposed to it.

17 MR. KENNEDY: And that we are going to
18 direct MESI to --

19 MR. MILLER: MESI to --

20 MR. KENNEDY: -- spearhead or keep us
21 informed.

22 MR. TERASA: Second.

23 MR. LYNCHARD: All right. We have got a
24 motion and a second. Is there any further discussion?

25 (NO AUDIBLE RESPONSE.)

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

3 MR. DABNEY: I just had one question.

4 MR. LYNCHARD: Oh, go ahead.

5 MR. DABNEY: Do we know the gentleman who
6 was proposing it?

7 MR. MILLER: He is a man that is on the
8 East Milton Water Board as well and he was speaking not
9 just for himself, but for himself and other borrow pit
10 owners, according to --

11 MR. DABNEY: The reason I asked, I will
12 probably abstain from voting if it's the guy I think it
13 is.

14 MR. LYNCHARD: Yeah. I believe it is that
15 person.

16 MR. DABNEY: Very personal friend of
17 mine.

18 MR. MILLER: Yeah.

19 MR. LYNCHARD: So we have a motion and a
20 second. All those in favor say "Aye"?

21 MR. MILLER: Aye.

22 MR. KENNEDY: Aye.

23 MR. TERASA: Aye.

24 MR. LYNCHARD: Any opposed?

25 (NO AUDIBLE RESPONSE.)

1 MR. LYNCHARD: Any abstain?

2 MR. DABNEY: Yes.

3 MR. MILLER: James abstains.

4 MR. LYNCHARD: Motion carries.

5 Personnel Committee.

6 MR. KENNEDY: Do you want me to give you a
7 quick update?

8 MR. LYNCHARD: Quick update.

9 MR. KENNEDY: So we have -- we have
10 started a CEO search. The Personnel Committee, with
11 Director Goulet as chair, and myself, Daryl, we were
12 planning to have -- we were going to have the CEO
13 interview, three CEO interviews last week, but Miss Sally
14 kind of messed that up. So we are starting our CEO
15 interviews tomorrow.

16 MR. LYNCHARD: Okay.

17 MR. KENNEDY: And we have two tomorrow.
18 We will have another one next week. And then, we also
19 have two other candidates. So it looks like we have got
20 five solid candidates and these are all candidates that
21 have some real water and wastewater experience. Some
22 are --

23 MR. DABNEY: Where is that taking place
24 at, Daryl?

25 MR. LYNCHARD: At here. Well, it's going

1 to be a -- is it Zoom? Or it is just teleconference?

2 MR. KENNEDY: Just teleconference.

3 MR. LYNCHARD: Yeah. Just teleconference.

4 MR. DABNEY: Just teleconference?

5 MR. KENNEDY: I guess we are still
6 planning to meet here; is that correct?

7 MR. LYNCHARD: Yes.

8 MR. DABNEY: Who is going to be the one
9 that -- you and --

10 MR. LYNCHARD: Me and Mike and Will at
11 this point. And Phil Phillips is going to be sitting in
12 on the interviews.

13 The process that we had come up with, that
14 I hope everybody is okay with, is the first interviews
15 just we are going to go over -- we are going to meet with
16 the people, get a feel for them.

17 Second interviews, we are going possibly
18 to whittle down the field a little bit. Maybe not.
19 Maybe we will have the same ones. But we want to get
20 either -- probably get the managers from Holley Navarre
21 Water System and MESI and the Golf Course to sit in on a
22 second interview.

23 Once we get past the second interview,
24 that's when we want the Committee to have some
25 strong recommendations and to bring them to the Board and

1 for the Board of Directors to be in on those interviews.

2 MR. DABNEY: Do we know the five
3 candidates already?

4 MR. KENNEDY: No. These are -- they
5 are -- you mean, personally know them? They are not
6 local candidates.

7 MR. DABNEY: I am just asking the
8 question.

9 MR. KENNEDY: They are actually
10 nationwide.

11 MR. LYNCHARD: We have got their resumes,
12 but we haven't spoken to them or know anything about them
13 personally. Is that an okay process with everybody?

14 MR. KENNEDY: I am good with that. So
15 that's where we are at so far --

16 MR. DABNEY: And it's open to any Board
17 member if they want to sit in and listen?

18 MR. LYNCHARD: You can if you would like
19 to.

20 MR. DABNEY: Well, I am not -- I don't
21 have time obviously --

22 MR. KENNEDY: Sure.

23 MR. DABNEY: -- but I am just asking.

24 MR. LYNCHARD: Yeah.

25 MR. MILLER: I would assume you are

1 looking to narrow it down to two or three?

2 MR. LYNCHARD: That's it.

3 MR. MILLER: Before bringing the whole
4 Board in?

5 MR. LYNCHARD: Yeah. Before bringing the
6 whole Board in.

7 MR. MILLER: I agree with that. That's a
8 good process.

9 MR. KENNEDY: We will do evaluations. We
10 will have an evaluation sheet and take some notes, kind
11 of like, well, this person is great there but just not
12 what we are looking for -- and try to whittle it down
13 like Daryl said. So I am excited about it.

14 MR. TERASA: What is the timeframe, Mike?
15 And what are you thinking? Are we talking a month?

16 MR. LYNCHARD: We are looking for somebody
17 to lead us into the future.

18 MR. KENNEDY: Yeah.

19 MR. LYNCHARD: I think it takes however
20 long it takes.

21 MR. KENNEDY: You know Fred. He needs a
22 timeframe.

23 MR. MILLER: By the same token, if these
24 people are looking for a job sooner rather than later --

25 MR. LYNCHARD: They are all currently

1 employed and looking --

2 MR. MILLER: They might get a better job
3 offer somewhere else and no longer be a candidate, so --

4 MR. KENNEDY: And that's the reason our
5 search company is actually pushing us about it. She is
6 making sure that we don't lose their interest.

7 MR. LYNCHARD: That's right.

8 MR. MILLER: We want to --

9 MR. LYNCHARD: So we are moving forward.
10 Yeah, we are.

11 MR. DABNEY: So the whole process should
12 take less than a month to do for five candidates.

13 MR. KENNEDY: I sure hope so. But let's
14 say, as Daryl said, it could take longer, but we are
15 shooting for --

16 MR. LYNCHARD: Yeah. A month.

17 MR. KENNEDY: -- a month.

18 MR. LYNCHARD: Yeah. That would be
19 great.

20 MR. KENNEDY: Yeah, that would be.

21 MR. LYNCHARD: Assuming we don't have any
22 more storms.

23 MR. DABNEY: You only need a boat.

24 MR. KENNEDY: So that's my update, sir.

25 MR. LYNCHARD: Thank you, sir.

1 Golf Committee. Fred?

2 MR. TERASA: I think Cindy is going to
3 give her financials. Are you there, Cindy?

4 MR. LYNCHARD: Well, we have got to get to
5 the golf course -- that ends the Holley Navarre Water
6 System portion of our meeting.

7 And now, we get to Cindy. Are you there?

8 MS. CALLEN: I am here.

9 MR. LYNCHARD: All right.

10 MS. CALLEN: Okay. As far as financials
11 for August, they were really good. Our course revenue is
12 \$165,787, with expenses of \$128,320. This gives us a
13 course operating income before depreciation of \$35,457.

14 So year-to-date course operating income is
15 \$172,795 plus, to the good, after depreciation, year to
16 date course operating income is a negative \$8,333. So
17 that's pretty much the financials in a snapshot.

18 MR. MILLER: My documents show expenses of
19 \$151,255 with an operating cost of \$14,500. Am I missing
20 something?

21 MR. LYNCHARD: What's that?

22 MR. MILLER: My financials show expenses
23 of \$151,255 with an operating profit of \$14,531.

24 MR. KENNEDY: Yeah.

25 MR. DABNEY: That's what I have.

1 MR. KENNEDY: Cindy, do you see that?

2 MS. CALLEN: Where?

3 MR. KENNEDY: So you have got \$128 (sic)
4 on the expense --

5 MR. LYNCHARD: Yeah. That's --

6 MR. KENNEDY: It's \$151 (sic) --

7 MR. LYNCHARD: That's after -- no, that
8 includes depreciation.

9 MR. KENNEDY: No. No. Total expenses.
10 It's just reported wrong.

11 MR. LYNCHARD: Okay. I'm sorry.

12 MS. CALLEN: So the 128,320 is --

13 MR. MILLER: On the income -- I am looking
14 at the income statement for August.

15 MR. KENNEDY: It's \$151,255.

16 MS. CALLEN: For that?

17 MR. MILLER: It's different from the
18 spreadsheet.

19 MR. KENNEDY: I think she is still right
20 on the course operating income.

21 MR. TERASA: The bottom line is right
22 here.

23 MS. CALLEN: Yeah.

24 MR. KENNEDY: And especially after -- so
25 the 14,431 is after depreciation, which is in your income

1 statement. I think the total expenses are incorrect.

2 MS. CALLEN: Okay. I will get that
3 corrected.

4 MR. LYNCHARD: Okay.

5 MR. KENNEDY: So I make a motion to
6 approve the financials as presented.

7 MR. TERASA: Second.

8 MR. LYNCHARD: We have a motion and a
9 second. Is there any further discussion?

10 MR. DABNEY: When we are asking on the
11 total expenses, what were you saying?

12 MR. KENNEDY: The 128 --

13 MR. DABNEY: I see that.

14 MR. KENNEDY: That's incorrect. If you
15 look at the income statement at the total expenses, it's
16 really 151 (sic).

17 MR. MILLER: It includes the depreciation
18 expense of \$22,935.

19 MR. LYNCHARD: Okay. No. She had -- the
20 total expense figure on this doesn't include
21 depreciation.

22 MR. KENNEDY: Oh, if you add --

23 MR. LYNCHARD: See, if you add the 22,935
24 back in to give you the \$151 (sic) --

25 MR. KENNEDY: So that is correct.

1 MR. LYNCHARD: That is correct.

2 MS. CALLEN: For some reason, the
3 depreciation is taken out.

4 MR. KENNEDY: I see. Have we always been
5 doing it that way?

6 MR. KILPATRICK: I think you asked her
7 last time to do that.

8 MS. CALLEN: Yes, we have.

9 MR. KILPATRICK: Oh, that's correct,
10 because --

11 MR. TERASA: We have never showed
12 depreciation before; have we?

13 MR. KENNEDY: She is doing depreciation at
14 the bottom.

15 MR. DABNEY: The numbers still don't add
16 up. You can't take a zero and make it 5 and still get 3,
17 last time I checked.

18 MR. MILLER: Well, course operating income
19 is still \$37,457. The net profit after depreciation is
20 \$14,531.

21 MR. KENNEDY: Absolutely. Yes.

22 MR. MILLER: So net profit is \$14,531.

23 MR. LYNCHARD: That's correct.

24 MR. DABNEY: Then the profit number is
25 right. It's just expenses are wrong.

1 MS. CALLEN: Yes.

2 MR. DABNEY: Yeah.

3 MR. KENNEDY: Okay. Sorry, Cindy. So I
4 will reiterate, the updated expenses, total expenses of
5 \$128 (sic) are correct. You are just taking out the
6 depreciation. Is that correct?

7 MS. CALLEN: That is correct. Then, it is
8 taken out at the bottom of the summary.

9 MR. KENNEDY: Got you. Right. 22 to 935,
10 (sic) if you were to add that back to 128 (sic) gets you
11 back to 151 (sic).

12 MR. DABNEY: No.

13 MS. CALLEN: Correct.

14 MR. DABNEY: Unless you can make a zero a
15 5.

16 MR. TERASA: Just saying.

17 MR. LYNCHARD: You see that right there?

18 MR. KENNEDY: Yeah.

19 MR. LYNCHARD: 63.

20 MR. KENNEDY: But I do want to point out
21 we have a real net profit of 22,000.

22 MS. CALLEN: We did. We -- it was at the
23 end of August.

24 MR. KENNEDY: And you had a net profit of
25 \$35,000 the month before.

1 MR. LYNCHARD: That is correct.

2 MR. TERASA: I guess we have got a --

3 MR. LYNCHARD: Yes. We have a motion and
4 a second. Is there any further discussion?

5 (NO AUDIBLE RESPONSE.)

6 MR. LYNCHARD: None noted. All those in
7 favor of approving the August 31st, 2020, financial
8 statements for the Club at Hidden Creek say "Aye"?

9 MR. MILLER: Aye.

10 MR. KENNEDY: Aye.

11 MR. DABNEY: Aye.

12 MR. TERASA: Aye.

13 MR. LYNCHARD: Any opposed?

14 (NO AUDIBLE RESPONSE.)

15 MR. LYNCHARD: Motion carries.

16 MR. MILLER: I do have a question
17 regarding the golf carts. At our last meeting, Cindy,
18 you were going to discuss that lease, I guess, that is up
19 for renewal. Where are we on that?

20 MS. CALLEN: I have talked to a Yamaha
21 representative on it and he said that he didn't see a
22 problem with extending our lease for a month or two, but
23 he is talking to his supervisors about it.

24 MR. MILLER: So we don't have an answer
25 yet on that? Any idea when you will know for sure?

1 MS. CALLEN: That's all I have. For this
2 next meeting, if I get a reply before then, I can send
3 out an email, if you would like?

4 MR. KENNEDY: Yes, please.

5 MR. MILLER: Thank you.

6 MS. CALLEN: Absolutely.

7 MR. KENNEDY: And then --

8 MR. LYNCHARD: And if you -- Cindy, if you
9 have any questions or -- I am not sure who the rep is
10 that you are dealing with now. I am the one that
11 originally helped set up that contract or facilitate it.

12 So if you need to get in touch with
13 anybody else at Yamaha, let me know.

14 MS. CALLEN: Okay. It is the original rep
15 that we started with.

16 MR. LYNCHARD: Okay. That will work.

17 MR. TERASA: Okay. Let's go back a little
18 bit. How many days were we down for COVID-19 back when?
19 How many days? Was it 18 or 19?

20 MS. CALLEN: I believe it was 23.

21 MR. TERASA: 23. Okay. And now, what, we
22 are down another week now with the --

23 MR. LYNCHARD: I wouldn't even try to
24 calculate it.

25 MR. TERASA: How are you doing? I know

1 you guys are working your tails off. I hear good things
2 from people that live on the course and what not. So do
3 you have any idea when it might happen?

4 MS. CALLEN: There is a lot of variables
5 on how much rain or how much water we received and how
6 fast we can put it out.

7 We did record 35 inches of rain. We lost
8 over 100 trees on the course. We had a ton of debris.
9 As of this time, we have excessive water on holes number
10 2, 5, 7, 8, 9, 10, and 16.

11 Four of our boards were damaged for our
12 irrigation system. We do have those repaired. We are
13 still working on one irrigation board. So we are pumping
14 out and spraying the water as much as possible.

15 The lake has gone down, but it is still
16 very high. My best guess, with no more rain, we might be
17 able to open by October 2nd.

18 MR. TERASA: Okay.

19 MR. KENNEDY: October 2nd? Holy cow,
20 really?

21 MS. CALLEN: Have you seen all of the
22 water out there?

23 MR. TERASA: Oh, yeah.

24 AUDIENCE: Tiger Point is opening up
25 Thursday.

1 MR. KENNEDY: Wow.

2 MR. DABNEY: Do y'all need a boat? I got
3 a lot of extra ones.

4 MR. LYNCHARD: Boat?

5 MR. DABNEY: Do you need a boat? I got a
6 lot of extra ones.

7 MR. LYNCHARD: You should have plenty of
8 something. All you got to do is float them.

9 MR. KENNEDY: We had one floating by the
10 house.

11 MR. TERASA: Daryl, we are, as golfers,
12 just cringing, but, hey, we appreciate the great effort.
13 You can only do what you can do. You did hire another
14 company to -- have they been taking off the trees? Is
15 that what they are doing?

16 MS. CALLEN: They are helping cut trees
17 down.

18 MR. TERASA: Yeah.

19 MR. KENNEDY: I will leave this to Daryl
20 to -- I mean, my question is: Can we also send out to
21 the members and/or people what that expectation of the
22 course coming back?

23 MR. LYNCHARD: I think we just did, but I
24 would imagine that October --

25 MR. KENNEDY: Like an email?

1 MR. LYNCHARD: Oh, can we send them an
2 email?

3 MR. KENNEDY: Yeah. Just a communication
4 that -- because I didn't know if we were opening this
5 week by Friday or, you know, October 2nd.

6 MR. LYNCHARD: Does Cindy have an email
7 list of all the members? I would suggest that that would
8 be a good --

9 MS. CALLEN: You have a list, but it's
10 going to be -- I don't want to put out that we could open
11 October 2nd, and then, we get rain or we get more water
12 and it will damage the course if we open.

13 MR. LYNCHARD: See, that's the only thing
14 because we are really early in this process here. And I
15 would hate to say it's going to be October 2nd and it not
16 be October 2nd.

17 MR. MILLER: I would say we anticipate
18 being closed through the end of September and we will
19 keep you posted and then send a second email as we get a
20 little bit closer.

21 MR. KENNEDY: Just keeping us updated, but
22 I didn't -- I mean, I get it.

23 MR. LYNCHARD: Yeah.

24 MR. KENNEDY: But it's like -- it's -- not
25 that it matters, but we make roughly five grand a day in

1 revenue. But I mean, she can't open when it's flooded.
2 I get that.

3 MR. LYNCHARD: Remember when I sent out
4 the email today and said over 166 million gallons of
5 water fell? That was based on 30 inches.

6 MR. KENNEDY: Oh, wow.

7 MR. TERASA: Yeah.

8 MR. KENNEDY: So -- and by the way, that
9 really helped out, by the way, that little analysis, that
10 help prove that we need every bit of chunk of land that
11 we have just to handle the 100-year floods, the
12 hurricanes.

13 MR. LYNCHARD: Yeah.

14 MR. KENNEDY: You know, so that she can
15 clear out a golf course as fast as possible. Because we
16 are going to be down two and a half, three weeks.

17 MR. MILLER: I think the advantage that we
18 will have once Eglin is online is we won't have to
19 dispose the water in an event like we had there where we
20 have no choice. The water still had to be sprayed.

21 MR. LYNCHARD: It has to go.

22 MR. KENNEDY: The cost of sending it up
23 there.

24 MR. TERASA: In my mind, I think the
25 laundry list of what is going on and what has occurred,

1 100 trees, I think a simple capturing that for the
2 membership to give them a sense of the magnitude.

3 You know, I am only a half mile away. I
4 only had 20 inches, but I made sure that was -- I think
5 that alone, 35 inches, you know, just this expression,
6 "Hey, this is what we are dealing with. We will keep you
7 abreast."

8 MR. LYNCHARD: Yeah. Sounds like a plan.

9 MR. KENNEDY: And then, one final thing,
10 Cindy, not that it matters, but I take it the net issue
11 has kind of been resolved now from the wind?

12 MS. CALLEN: Yeah. I have got one bid and
13 I am hoping to get another bid in for a new net, but I
14 still have not heard anything -- I would like to get that
15 requested.

16 MR. KENNEDY: Yeah. I looked at that and
17 I thought I saw only one sliver of a net left.
18 Everything else is gone. It looks good now.

19 AUDIENCE: Do you have loss of business
20 insurance?

21 MR. KENNEDY: I don't even think of that
22 one.

23 MR. LYNCHARD: I'm not sure.

24 MR. DABNEY: That's a good question.

25 MR. KENNEDY: Have we got loss of business

1 insurance, Cindy?

2 MS. CALLEN: I believe we do.

3 MR. KENNEDY: Okay. So we are actually --

4 MS. CALLEN: I don't know the deductible.

5 MR. KILPATRICK: The deductible on that is
6 \$10,000.

7 MR. DABNEY: It all depends on your
8 numbers.

9 MR. MILLER: We lost \$10,000 in two days'
10 profit, so --

11 MR. KENNEDY: That's five a day --

12 MR. MILLER: It might be worth it -- or it
13 might not be worth it. But it will be worth it filing a
14 claim.

15 MR. LYNCHARD: Yes. Definitely. We will.

16 MR. KILPATRICK: I can talk to Jim Grace
17 and that's who handles the policy, so --

18 MR. LYNCHARD: Yeah. Once we find out how
19 many days we are going to be closed.

20 MR. MILLER: Right.

21 MR. KENNEDY: Okay. Cool. All right.

22 That's all I have. Thank you.

23 MR. TERASA: Do I give the update?

24 MR. LYNCHARD: Do you want me to give the
25 update?

1 MR. TERASA: Yeah.

2 MR. LYNCHARD: The update right now is we
3 are still waiting on the final sales agreement from the
4 attorneys and the, more importantly, the effluent
5 disposal agreement, and then, we will present it to the
6 Board to go over.

7 Thank you, Cindy.

8 Engineering. Phil? There you are.

9 MR. PHILLIPS: I am right here. Fred, you
10 will be happy to know I think we finally have an
11 executable agreement for the Eglin project. I would say
12 attorneys, but Keith is in the room. That's why it took
13 a couple of extra weeks, but that's the way it goes.
14 They are there to protect us, I guess.

15 Anyway, I do believe they sent the revised
16 copy back this afternoon, so Daryl can now execute that
17 and we can move on with that project.

18 Everybody remembers that an issue DEP had
19 with Fairpoint was stopping general permits from being
20 issued to Holley Navarre Water System. That issue seems
21 to be resolved, although we don't have a letter or an
22 email from DEP that specifically states that.

23 We do have an email that says they are
24 back to issuing general permits and they have issued one
25 in the last week or so for Holley Navarre. So that seems

1 to have been cleared up.

2 Y'all have the operational reports. And
3 what has come before is nothing compared to what we are
4 going to see next month on the I&I as to whether it's a
5 real problem or whether it is something that resolves
6 itself really quickly.

7 Of course, going forward, that's kind of
8 critical to the timeline for the Eglin project so we will
9 just have to see what happens as it occurs.

10 I think that's all I have to report. I am
11 sure staff probably has, you might have some questions
12 related to the storm. I think most of the staff is
13 listening in on the call, if you do. So, otherwise, if
14 anyone has any questions?

15 MR. KENNEDY: I have a question on Eglin.
16 So we have got the paperwork from the attorneys, then?
17 You still comfortable with the timeline?

18 MR. PHILLIPS: We were hoping, Mike, to
19 start October 1 was kind of the date we were kind of
20 shooting for, so we are going to make that date. I think
21 the schedule for biddable plans is 270 days.

22 And that leaves us something like a year
23 plus to get it online before the critical period during
24 the year. And the construction schedule right now says
25 that we have time, so -- and, of course, there has been

1 some I&I improvement.

2 As to whether that improvement is real or
3 perceived, we really don't know yet. We will find out
4 here in the next four or five weeks. But, yeah, so we
5 think that we are good right now.

6 MR. KENNEDY: Is Chris on?

7 MR. PHILLIPS: Sir?

8 MR. KENNEDY: Is Chris Legg on?

9 MR. LEGG: I am here.

10 MR. KENNEDY: So, Chris, did you get any
11 sleep?

12 MR. LEGG: I think about Sunday we did,
13 yeah.

14 MR. KENNEDY: Well, I am sure you guys did
15 a great job. And I just want to applaud you guys and
16 staff for all you -- I mean, we had lift stations out.
17 We had power out. Mark and staff were on it. Chris was
18 on it. Clinton was on it. I mean --

19 MR. LYNCHARD: They did it. Nobody's
20 house flooded so far.

21 MR. KENNEDY: Here is what I find
22 interesting. Right? So I have no power at my house, but
23 you have water. Right?

24 MR. LYNCHARD: That's right.

25 MR. KENNEDY: That is an amazing --

1 MR. PHILLIPS: I don't think Fairpoint or
2 Holley Navarre ever lost water pressure. There were no
3 parts of that system that lost pressure.

4 MR. KENNEDY: I mean, a major hurricane.
5 And houses do not lose the water, so that's a testament
6 to your dedication. So thank you all.

7 MR. MILLER: Did we have any insurable
8 losses from this hurricane?

9 MR. LYNCHARD: I think we are still --
10 they are still gathering the data to make sure. I saw an
11 email from Barbara where we were asking Department heads
12 if they have any damages that we may have, but I haven't
13 seen any reports yet.

14 MR. LEGG: We had a little bit of fence
15 damage to Greskovich but nothing major.

16 MR. TERASA: To dovetail on what Mike just
17 said, you know, we are always thinking about the problems
18 and whatnot, and we are very blessed with a staff that
19 actually -- and employees that manage our system and run
20 it properly so we are in a position like this where we
21 actually come through and there is no hiccups in terms of
22 the customer.

23 And I am one of them. I am very
24 appreciative. I didn't have problems with the power. It
25 flickered a couple of times.

1 MR. KENNEDY: I found out I am too old to
2 be trying to camp out at my house for days at a time. I
3 just don't care to do it anymore. I am done.

4 MR. MILLER: Try having -- we had a
5 hurricane in July.

6 MR. KENNEDY: Yes. We were blessed that
7 it was not July.

8 MR. LYNCHARD: So is there anything any
9 Board member has for our -- or, Phil, any more
10 engineering?

11 MR. PHILLIPS: No.

12 MR. LYNCHARD: Okay. Does any Board
13 member have anything else to bring before the Board?

14 MR. KENNEDY: Sure.

15 MR. LYNCHARD: Then, we will begin member
16 forum. Does any of our members like to -- do we have the
17 list at the back?

18 MR. KILPATRICK: Might as well head up
19 here, Carmen.

20 MR. LYNCHARD: All right, Carmen. Name?
21 Address?

22 MS. REYNOLDS: Carmen Reynolds, 9621
23 Sunnybrook Drive, Navarre, Florida. I am a member of
24 Holley Navarre Water System.

25 I will race quickly through these as

1 quickly as I can because I know you guys are always
2 prompting me on time, but I have got to do some
3 background work on this, too, because I am a strong
4 supporter.

5 First of all, I wanted to thank our Board
6 tonight sincerely for all of your volunteer efforts and
7 your focus on a critical utility for this community,
8 especially in light of Hurricane Sally, when many people
9 realized how important this utility actually is -- power,
10 lights, intercom, telephone, and water.

11 With regard to the situation of the borrow
12 pits expanding into the wellfield protection area in East
13 Milton, I want to encourage each and every one of you
14 that your priority focus on this Board, allegiance is to
15 this Board.

16 And even though you may not be voting on
17 that issue, you are going to recuse yourself, not to
18 share critical information that would prejudice the
19 effort of this Board, because there may be business
20 conflicts of interest.

21 October 8th is when this is coming up and
22 it will be referred to the Zoning Board on that date. I
23 agree with Mr. Terasa on the public information media
24 campaign. People don't really know about it. But when
25 you deem it's right, it needs to be done, because the

1 people can be a powerful force if they understand the
2 severity of this impact.

3 And this can steamroll over us and you
4 will find out very quickly if you don't get in front of
5 it. Our water is such a critical resource that the
6 Department of Homeland Security has created systems and
7 grants to secure and monitor the alarms to negate
8 terrorist activity with fencing to eliminate disruption,
9 destruction, and poisoning of water supplies.

10 Be advised that there are six terrorist
11 training camps within hours of here located most closely
12 in Marian, Alabama, Georgia, and South Carolina. And
13 some of their goals are to poison water supplies.

14 With regard to the hiring of your CEO,
15 critical information on management of the CEO and your
16 system are included in the special Grand Jury report on
17 air and water quality from 1900 addressing Escambia and
18 Santa Rosa County, page 111.

19 I have forwarded that to one of the Water
20 Board members. And, hopefully, if you're interested, you
21 can get that from Mr. Miller. And, in addition, there is
22 a 2018 ECUA Grand Jury report that has just been made
23 available within the last year because it was being held
24 secretively.

25 And I would implore you to look at that

1 just to make sure that we are doing things correctly.

2 And, finally, it's so important to our
3 County right now, not a lot of people know it, it's a
4 Citizen Business and Damage Assessment so that they can
5 compile the totality of property destruction in our
6 County for the Federal Emergency Disaster Designation and
7 the decision as to whether FEMA is going to come in here
8 and assist whatsoever so that reporting can be done by
9 citizens and businesses by going to the website of the
10 County, santarosa.fl.gov.

11 You scroll down the middle, probably about
12 the second line, you will see a picture, the citizen
13 damage report. That is how they are going to tell the
14 Feds what has been impacted. If your fence is down, your
15 ditch is falling in, your roof is leaking. You have lost
16 all of your food.

17 That's how they are going to accumulate
18 all of that. Thank you very much.

19 MR. LYNCHARD: Thank you, Carmen.

20 MR. KILPATRICK: Thank you. Great
21 information.

22 MR. LYNCHARD: Mr. Matthews.

23 MR. KILPATRICK: Name and address?

24 MR. MATTHEWS: Mike Matthews, 2193 Bellman
25 Circle. Nine months. Nine months, I haven't heard a

1 peep about my motion to find out whether it was legal to
2 change the work agreement. Because the State -- you told
3 the State that you were going to provide services from
4 the main to the property line. Right? And then --

5 MR. LYNCHARD: I don't know what that --

6 MR. MATTHEWS: I know it's been busy.

7 MR. KILPATRICK: I know you have been
8 speaking with Will; is that correct, Mike?

9 MR. MATTHEWS: No.

10 MR. LYNCHARD: No. I think he has been
11 talking to me. So what is it that you are --

12 MR. MATTHEWS: Yeah. So, in 2018, I went
13 and saw Cory and I told him I had a project and he was,
14 like, "I wish more people would do this. Should work
15 out. Everything sounds okay."

16 And then, I don't know how long, a week or
17 two or three, I am kind of patient, I have emails and
18 actually used to sign into the book. But you stopped
19 doing that after a while, too.

20 And then, it was that the work agreement
21 had changed and this is why they are not going to perform
22 any work. And I asked, kind of like what are we going to
23 do?

24 And it basically became an ultimatum.
25 "You are going to do the work under our supervision."

1 And I am, like, "Okay."

2 And then, as I watched other builders in
3 the same subdivision do everything that I was not allowed
4 to do -- split laterals, run low pressure sewers.

5 Yeah. That would have been fantastic if I
6 could run low pressure sewers into my one lateral. That
7 would have been great. But I had to dig up the road and
8 run individual sewers, sewer mains to the main.

9 MR. LYNCHARD: We -- if -- I can tell you
10 for a fact that we don't do -- we don't allow split
11 laterals. That cost us \$30,000 this year.

12 MR. MATTHEWS: I talked to you about that.

13 MR. LYNCHARD: And if you have seen that,
14 then, it's not something that we have permitted.

15 MR. MATTHEWS: You did. Tal (phonetic)
16 did it on Palo Alto the same time -- actually after,
17 because when Cory told me that I had to do that work, I
18 was, like, "Shoot, I need to go make some money."

19 So I went and built another house and then
20 came back and then it got worse.

21 MR. LYNCHARD: Okay. Could I get you to
22 write down that address for me after this meeting,
23 because I want to find out about that. If that is
24 something that we have done --

25 MR. KILPATRICK: What did you call it --

1 Palo Alto?

2 MR. MATTHEWS: Palo Alto.

3 MR. KILPATRICK: They were right before
4 y'all.

5 MR. MATTHEWS: And now, we got another
6 builder, and I see all road, though, you know --

7 MR. LYNCHARD: Well, are there laterals
8 run already to the lots?

9 MR. MATTHEWS: Well, he has told me that
10 somebody looked on a map and said that there was two and
11 then they split it, you know, so here we go again, you
12 know.

13 MR. LYNCHARD: We will find out. Why
14 don't you call and set up a meeting and let's all sit
15 down in a room and go over everything and get it handled?
16 Because I remember talking to you.

17 And I have told -- I have been told one
18 thing by staff, and then, it sounds like you are saying
19 that we are doing it. So we have got conflicts going on
20 here and I want to get it done.

21 MR. MATTHEWS: I think the proof is in the
22 registry when I signed it that I beat that quasi-date. I
23 mean, that was instituted to say why we are not going to
24 do the work.

25 MR. LYNCHARD: Okay. I am not sure.

1 MR. MATTHEWS: Like I said, I got emails.

2 MR. DABNEY: What was the amount of the
3 expense? Wasn't it like \$15,000 or something?

4 MR. MATTHEWS: \$15,000. I was talking to
5 Rob Williamson. He is, like, "Oh, there will be some --
6 we can work something out."

7 I am, like, "Cool."

8 I go see him, and then, he is, like,
9 "Yeah. I am not going to do anything unless the Board
10 makes me."

11 And I am, like, "Why did you even waste my
12 time?"

13 MR. LYNCHARD: Yeah. Because I am not
14 sure what -- I know -- I know what I have been told --

15 MR. MATTHEWS: You were willing to do the
16 work. Like that's how it started. Like this is like an
17 extra dillybop to him.

18 And they were, like, "No. We don't do
19 that."

20 I am, like, "What the heck?"

21 MR. LYNCHARD: Well, I know that, you
22 know, a subdivision gets built and Holley Navarre Water
23 System doesn't get any money off of it. You know, so
24 whenever we come in, we charge for the sewer taps, which
25 reimburse our members for the --

1 MR. MATTHEWS: But this is an existing --

2 MR. LYNCHARD: It's an existing
3 subdivision?

4 MR. MATTHEWS: It's an unrecorded
5 subdivision.

6 MR. DABNEY: Wasn't it two lots?

7 MR. MATTHEWS: And I bought two lots,
8 so -- but back in the day, one lateral was split. That
9 was normal procedure. And you said, "Okay."

10 So I figured we are going to work
11 something out on the one lot. I created one more lot
12 because I had the land density to do so.

13 And then, yeah, we are going to need it.
14 But now, another builder has built five homes on two-inch
15 low pressure they push into a manhole. I mean --

16 MR. LYNCHARD: Yeah. Something doesn't
17 sound right.

18 Then, let's get down -- let's get a
19 meeting and get it straightened out once and for all.

20 MR. KILPATRICK: Who does he need to call
21 to set a time?

22 MR. LYNCHARD: Who is it? Do you want to
23 call Cory? Or do you want to call the office?

24 MR. MATTHEWS: No. I don't want to call
25 Cory.

1 MR. LYNCHARD: Well, then, call me
2 tomorrow and I will get with everybody and we will sit
3 down and go over this thing and get it wrapped up.

4 MR. DABNEY: I remember vaguely giving him
5 a timeline that we were going to have it resolved.

6 MR. LYNCHARD: Yeah. I do, too. That was
7 before --

8 MR. DABNEY: I thought it was already
9 done.

10 MR. LYNCHARD: Yeah.

11 MR. MATTHEWS: Yeah.

12 MR. LYNCHARD: So we will get it -- we
13 will sit down and get it all wrapped up.

14 MR. MATTHEWS: Cool.

15 MR. LYNCHARD: All right. Just get with
16 me tomorrow.

17 MR. MATTHEWS: All right.

18 MR. LYNCHARD: All right. Thanks.
19 Anything else?

20 MR. PHILLIPS: All good.

21 MR. LYNCHARD: Meeting is adjourned.

22 WHEREUPON, THE BOARD OF DIRECTORS MEETING
23 FOR HOLLEY NAVARRE WATER SYSTEM CONCLUDED AT 7:00 P.M.

24

25

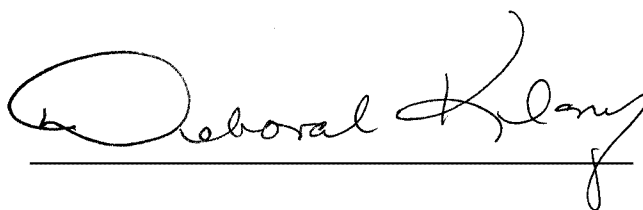
CERTIFICATE OF REPORTER

STATE OF FLORIDA

COUNTY OF SANTA ROSA

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

Dated this 3rd day of October, 2020.

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

DEBORAH G. KHARUF

Court Reporter and Notary Public,

State of Florida at Large.

Commission number GG 310633

My commission expires July 6, 2023.