

HOLLEY NAVARRE WATER SYSTEM  
CLUB AT HIDDEN CREEK  
BOARD OF DIRECTORS COMBINED MEETINGS  
MAY 18, 2021  
6:00 P.M. - 6:55 P.M.

MIKE KENNEDY, PRESIDENT

MARK MILLER, VICE PRESIDENT

WILLIAM THIEL, SECRETARY TREASURER

JOE CAMPBELL, DIRECTOR

JAMES DABNEY, DIRECTOR

DALLAS PEAVEY, CEO, HOLLEY NAVARRE WATER

JASON MONTGOMERY, HNWS

PHIL PHILLIPS, MUNICIPAL ENGINEERING

CLINTON WELLS, HNWS

CHRIS BOND, HNWS

MELISSA MILLER, HR ADMIN

ASHLEY FERGUSON, HNWS

ALSO PRESENT:

WILL STOKES, ESQUIRE

DEBORAH KHARUF, COURT REPORTER

DARYL LYNCHARD, CARMEN REYNOLDS

CHUCK POLHMANN, SUSIE KENNEDY

PAUL BACZEWSKI

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

2 MR. KENNEDY: All right. I will call this  
3 meeting to order. Director Miller, would you lead us in  
4 a prayer?

5 MR. MILLER: Please bow your heads and  
6 pray with me.

7 (MR. MILLER GIVES INVOCATION.)

8 MR. KENNEDY: Director Thiel?

9 MR. THIEL: Ladies and gentlemen, please  
10 face the flag and repeat after me the pledge of  
11 allegiance to our great nation.

12 (MR. THIEL LEADS PLEDGE OF ALLEGIANCE.)

13 MR. KENNEDY: Announcements: We do have a  
14 quorum. Reminder, we have audio and video recorders in  
15 use.

16 If anybody would like to address the Board  
17 on any agenda, there is a sign-in sheet there at the  
18 door, which means we will move right into our first  
19 agenda item, which is the approval of the minutes and  
20 transcripts for April 13th, 2021, special meeting  
21 minutes, and April 20th regular meeting minutes and  
22 transcripts.

23 Has everybody had a chance to review the  
24 minutes? I did have one comment, so, ultimately, there's  
25 been some comments that the CEO in the last meeting, he

1 did not have the authorization to make membership  
2 changes. And I just want to say that, you know, per our  
3 legal opinion, the CEO, given in the March 25th meeting,  
4 the CEO was lawfully and authorized per the bylaws, he  
5 had the authorization of this Board to be able to manage,  
6 plan, and coordinate all activities for the Club at  
7 Hidden Creek.

8 Are there any other discussion points  
9 about the meeting minutes?

10 Hearing none --

11 MR. THIEL: Motion to approve the minutes.

12 MR. KENNEDY: All right. I have a motion.

13 Is there a second?

14 MR. MILLER: Second.

15 MR. KENNEDY: Any further discussion?

16 (NO AUDIBLE RESPONSE.)

17 MR. KENNEDY: All those in favor say

18 "Aye"?

19 MR. THIEL: Aye.

20 MR. MILLER: Aye.

21 MR. DABNEY: Aye.

22 MR. CAMPBELL: Aye.

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

24 (NO AUDIBLE RESPONSE.)

25 THE COURT: Motion carries.

1                   Approval of the memberships. So we had  
2 353 new members, 338 canceled members, and zero  
3 transfers. Do I have a motion to approve the memberships  
4 as presented?

5                   MR. CAMPBELL: I will make a motion --

6                   MR. DABNEY: I will second.

7                   MR. KENNEDY: All right. I have a second.  
8 Discussion?

9                   (NO AUDIBLE RESPONSE.)

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

12                  MR. THEIL: Aye.

13                  MR. CAMPBELL: Aye.

14                  MR. MILLER: Aye.

15                  MR. DABNEY: Aye.

16                  MR. KENNEDY: All those opposed say "No"?

17                  (NO AUDIBLE RESPONSE.)

18                  MR. KENNEDY: Motion carries.

19                  No unfinished business, so that leads us  
20 to new business. Employee Recognition. Dr. Peavey?

21                  DR. PEAVEY: Mr. President and Board, we  
22 want to take a few minutes to have recognition of our  
23 employees, those that are outside customer service.  
24 Folks work with. We have had the public come back and  
25 say what they would like to do is talk a little bit about

1 that.

2 We have our admin in HR who is going to  
3 talk a little about employee recognition and then the  
4 awards and congratulatory that was given.

5 MS. MILLER: Thank you, Dallas. Thank you  
6 for coming tonight. And we are initiating our employee  
7 recognition for staff here at Holley Navarre. But also  
8 we are honoring first responders and essentially workers.  
9 These groups are here 24/7, 365 days a year.

10 The water is flowing and the wastewater is  
11 being treated, and I have a tremendous amount of respect  
12 for them and appreciate what they do every day, rain or  
13 shine.

14 For the program, each month, we are going  
15 to highlight different functional areas and tonight is  
16 our technical -- service technicians, sorry, guys. And  
17 they are the ones who come out and they read your tap,  
18 turn it on. If there is a leak -- they are always  
19 helping our customers.

20 With that being said, I am going to  
21 introduce Amber Bucholtz. She is the supervisor of our  
22 customer service department.

23 MS. BUCKHOLTZ: I would like to start by  
24 just telling you a little bit about what our field  
25 service technicians do while they are out in the field.

1 They are the ones when you come in, you start your  
2 service. They go out and turn your water on and make  
3 sure everything is running correctly.

4 But if they notice that your meter is  
5 still running, they leave it off at the curb so they  
6 won't cause any damage in your home.

7 They also turn the water off if you have  
8 discontinued your service. They are responsible for  
9 doing the reheating. If you have low pressure in your  
10 home and you call the office, they are the ones that go  
11 out and test the pressure on the line. They respond to  
12 service line breaks.

13 And a lot of times, if the customer has  
14 questions, they go out and meet with the customers in  
15 order to answer those questions among other things that  
16 they do for us. So we appreciate them greatly,  
17 especially in our customer service office.

18 But I would like to go ahead and introduce  
19 our field technicians, if they can come on up, I would  
20 like you to meet them.

21 (CUSTOMER SERVICE TEAM APPROACHES.)

22 MS. BUCHOLTZ: Thank you, guys. This is  
23 Nick and he is our supervisor. He has been with Holley  
24 Navarre Water System for ten years, maybe a little bit  
25 longer, you know, he had a little bit of an absence. But

1 ten years.

2 Mike Sharrard, (phonetic) he has been with  
3 us for 16 years in October. He has been with the company  
4 a long time and we depend on him. He knows the ins and  
5 outs.

6 Fred Davis, who couldn't be with us  
7 tonight, he has been with us for a year and a half now.  
8 We appreciate what he does for the company.

9 And then, we have DuJuan Vaughn. He has  
10 been with us for three months. He is one of our new  
11 service techs. But we appreciate everything that they do  
12 while they are out working in the rain, the sun, the  
13 heat, all of it.

14 Thank you, guys.

15 (APPLAUSE.)

16 DR. PEAHEY: What I want to say is this  
17 group is out there in the sun, rain, shine, cold,  
18 weekends, nighttime, holidays. Everything that you do  
19 exemplifies what this Board and this staff say every day.  
20 It's customer service, customer satisfaction, actions,  
21 professionalism. And every single one of you have done  
22 that and you have shown us ever since I have been here --  
23 in the five months I have been here.

24 I am very proud of them -- it's not just  
25 this group that does that every day. It's day in and day

1 out all of our staff provide that same level of service.  
2 I am very proud of all of them.

3           It just so happens that this group was the  
4 very first one that was recognized by the public and I  
5 will tell you over the last three weeks, this one  
6 gentleman himself has been notified by us and our  
7 customers of -- he has gone above and beyond what the  
8 expectations were.

9           Of course, that's saying every morning, he  
10 is in here at 6:30 in the morning. He doesn't leave  
11 until 4:30, 5:00 in the afternoon. He is here to make  
12 sure he serves you. And he gets that from these guys  
13 that have been here for years and the rest of the staff.

14           But what I want to say to this young  
15 man -- congratulations. We appreciate everything you do.  
16 And because of that, we have a little gift for you.

17           This is just a small token of our  
18 appreciation for this young man. There are other things  
19 that go with it, because this is Holley Navarre Water  
20 System, we wanted him to have this, because every day he  
21 is out there. Every day, he is hot, thirsty and  
22 sweating, so we want to take care of that for you.

23           (APPLAUSE.)

24           DR. PEAHEY: We would like the president  
25 of the Board to present this to you. There you go.



1 MR. KENNEDY: Congratulations.

2 Thank you for your service. Again, as you  
3 can see, we want to also promote the positive side of how  
4 well our employees are doing and you guys are all a  
5 leading example. Right. I mean, You guys are what makes  
6 us proud. We can also make you proud working with you.

7 So thank you very much for being here.  
8 Thank you for already getting such great reviews from our  
9 customers and continue to do a great job. Thank you.

10 (APPLAUSE.)

11 (PHOTOGRAPHS TAKEN.)

12 MR. KENNEDY: Again, that's just a  
13 wonderful thing the staff is doing to be able to promote  
14 our accomplishments and everything like that so others  
15 can see that we have staff that works diligently for  
16 everybody in this room and in this community. So thank  
17 you again, gentlemen.

18 Financial review. This is a review of the  
19 April 2021 financials. Dr. Peavey?

20 DR. PEAHEY: Yes, sir. Mr. President and  
21 the Board, this was reviewed on yesterday with the  
22 Board's financial committee -- subcommittee. As you saw,  
23 there was no issues, no concern. We feel we are on  
24 target for the year, year-to-date, and for the month. So  
25 unless there is any questions, I would ask that the Board

1 approve this.

2 MR. KENNEDY: Okay. Has everyone had a  
3 chance to look at the April financial statements?

4 MR. MILLER: I have a question. This is  
5 the first meeting that I can remember where the Club at  
6 Hidden Creek is not an agenda item. We don't have the  
7 financials for Club at Hidden Creek. All we have is  
8 Holley Navarre Water System and MESI.

9 I know we did set up a three-person  
10 management team to make decisions for that, but I believe  
11 this Board still needs to have some oversight and needs  
12 to know what the financials are on a month-to-month basis  
13 for the Club at Hidden Creek.

14 MR. KENNEDY: Right. So, ultimately, the  
15 way that it is set up right now under the LLC, it's got  
16 their own Board of Directors. They do roll up to us, but  
17 we will be updated on a quarterly basis, so right now --

18 MR. MILLER: MESI has their own Board of  
19 Directors. But we get financials on MESI. Why aren't we  
20 getting financials on the Club at Hidden Creek?

21 DR. PEAHEY: I would like to speak about  
22 that. The reason that we don't share the financials for  
23 the Club is because it is a competitive business. It is  
24 a private business, an LLC.

25 And because of the rates, we discuss

1 rates, rounds, costs, those figures, our competitors  
2 would then have an advantage, as they have had in the  
3 past.

4 And so, the reason that legal counsel and  
5 the Board agreed to set this up as a separate LLC is not  
6 to report those financials on a monthly basis. They do,  
7 in fact, in the financial, but there is not a break down  
8 of that. Director Miller?

9 MR. MILLER: They -- I understand not  
10 reporting those financials to the public, but the Board  
11 should have oversight of the financials.

12 DR. PEAVEY: Well, the three member board  
13 of the LLC has financial responsibility to oversee the  
14 financials of that company.

15 MR. MILLER: I think the seven member  
16 Board of Holley Navarre Water System needs to see the  
17 financials of that asset or that company, just like you  
18 see the financials of MESI. It's a much bigger  
19 financial --

20 DR. PEAVEY: I'm sorry, but even with that  
21 company, those financials are not discussed in public,  
22 again, because of the competitive nature of the business.

23 MR. MILLER: But we are still provided in  
24 our packet, but we didn't get anything on the Club at  
25 Hidden Creek. I haven't seen financials for the Club in

1 a couple of months now.

2 DR. PEAVEY: Okay.

3 MR. KENNEDY: And, ultimately, Director  
4 Miller, if we want to bring this up as an agenda item, we  
5 can do that. We can bring it up in the next meeting  
6 to --

7 MR. CAMPBELL: I think there is ongoing  
8 legal issues that we need to do in a special meeting.

9 MR. KENNEDY: Okay. Right.

10 MR. CAMPBELL: I hear what you are saying,  
11 Mark, but there -- for right now, I would ask you to hold  
12 that in abeyance.

13 MR. MILLER: I mean, the Club at Hidden  
14 Creek isn't even on our agenda tonight. And, you know, I  
15 would like the Board to get a monthly update on what is  
16 going on at the Club.

17 I mean, we are getting updates from other  
18 entities. We are getting updates from engineering. We  
19 are getting updates from our finance committees. Why  
20 aren't we getting an update on the Club tonight?

21 MR. KENNEDY: And, ultimately, again, if  
22 we want to put that on the agenda to discuss --

23 MR. MILLER: But why is it not on  
24 tonight's agenda is what I want to know. The first time  
25 it hadn't been on the agenda in years.

1 MR. KENNEDY: And we all discussed this in  
2 a legal meeting, Director Miller, that we were not going  
3 to be discussing this, when we had Will Dunaway in that  
4 meeting. And I guess maybe it was unclear we were not  
5 going to do this, but I think the rest of this Board was  
6 under the understanding that we would not be doing this.

7 Am I mistaken?

8 MR. MILLER: So the Board is not going to  
9 be getting updates on what is going on at the Club at  
10 Hidden Creek?

11 MR. KENNEDY: We will be getting quarterly  
12 updates.

13 MR. MILLER: I don't think that is often  
14 enough. I think we need an update every month.

15 MR. KENNEDY: And, also, we can make that  
16 an agenda item and this Board can decide this for next  
17 month, if you would like to. Okay?

18 MR. MILLER: Okay.

19 MR. KENNEDY: Any other discussion on the  
20 financials?

21 Director Thiel and myself met with Dr.  
22 Peavey and staff to review the budget. Everything is  
23 proceeding fine. Nothing major to report on that front.

24 All right. Do I have a motion to approve  
25 the April 2021 financial statements as presented?

1 MR. THIEL: Mr. President, I move to  
2 approve the financial statements for Holley Navarre Water  
3 System and MESI's as presented.

4 MR. KENNEDY: All right. I have a motion.

5 MR. CAMPBELL: I will second.

6 MR. KENNEDY: And a second. Any further  
7 discussion?

8 (NO AUDIBLE RESPONSE.)

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

11 MR. THEIL: Aye.

12 MR. CAMPBELL: Aye.

13 MR. MILLER: Aye.

14 MR. DABNEY: Aye.

15 MR. KENNEDY: All opposed say "No"?

16 (NO AUDIBLE RESPONSE.)

17 MR. KENNEDY: Motion passes.

18 Financial Committee updates. Director  
19 Thiel?

20 MR. THIEL: Okay. For those of you who  
21 before were on the Financial Committee that I am the  
22 chair of -- and I have four subcommittees that meet on a  
23 monthly basis or as required. The four ones are the  
24 Eglin project, the other one is capital improvements.  
25 One is bonds, and one is budget.

1                   The Eglin project was Director Terasa. He  
2 resigned last month, so Mike Kennedy picked up in the  
3 interim. So, Mike, do we have any updates on the Eglin  
4 project?

5                   MR. KENNEDY: Yes, sir. So we did have a  
6 meeting with the engineering company on just the status  
7 of the project. Everything looks fine. We are moving  
8 along just fine and nothing major to report, sir.

9                   MR. THIEL: Okay. For those of you who  
10 don't know, the Eglin project is to put a RIB system on  
11 the Eglin range to take some of the water from the plant,  
12 the reclaimed water, and spread it around so we don't  
13 have to put so much on the golf course. Because the golf  
14 course can't handle all that we are getting to have, so  
15 that is coming down the line in 2023, is that right,  
16 Phil? That's what the schedule is, anyway.

17                  MR. PHILLIPS: Right.

18                  MR. THIEL: That's going to require a big  
19 dig. That's going to require putting a pipe under East  
20 Bay. So you can imagine how much a project like that  
21 will be. It will be very expensive.

22                  Okay. Capital Improvement. Director  
23 Campbell?

24                  MR. CAMPBELL: We did meet with the  
25 guidance of our new Chief Financial Officer. We had

1 proposals that came back that we are not quite satisfied  
2 with. We are going to go back and look to see if we can  
3 roll some of those up into the bigger Eglin financial  
4 proposals for that.

5 I would have to look at my calendar to see  
6 when the next meeting is --

7 DR. PEAHEY: It is a week from this  
8 Friday.

9 MR. CAMPBELL: There you go.

10 MR. THIEL: I would encourage to lock  
11 those in as soon as you can for interest rates because I  
12 can see interest rates --

13 MR. CAMPBELL: Yeah. They are a little  
14 bit higher than we expected and our new Chief Financial  
15 Officer thinks going nationally and expanding that out,  
16 he may give us a lower rate, based on the sums of money?  
17 Am I correct?

18 DR. PEAHEY: Yes.

19 MR. MILLER: I have a question. Would  
20 that project be eligible for any of the State Revolving  
21 Fund money?

22 DR. PEAHEY: Yes.

23 MR. PHILLIPS: Mark, we qualify. Holley  
24 Navarre qualified for water funds but not for sewer  
25 funds.



1 MR. PEAVEY: Right.

2 MR. PHILLIPS: Would it -- I doubt  
3 seriously financially in terms of a break and the timing  
4 of it that it would work for you right now. But you  
5 certainly could do all of the water system improvements  
6 through the -- through that program.

7 Eglin is a sewer project, obviously -- if  
8 you just want to run down? Eglin is a sewer project, but  
9 the master boost pump station and the ground storage  
10 tank, that's a water project.

11 The two projects for the offices would  
12 probably be split, so you can obtain partial funding for  
13 those. On the unrestricted side, there really isn't much  
14 water at all, Mark. Most of it is sewer, so there is not  
15 much of an opportunity to fund through.

16 MR. MILLER: But there would be some  
17 advantages to utilizing that.

18 DR. PEAVEY: If it is available, our new  
19 Director of Finance can certainly look at that, Mark.  
20 Anything we can do to bring an advantage to any of those  
21 projects, any of those systems as a whole for the  
22 company, that's exactly what we are going to do.

23 MR. MILLER: That's why I brought it up.  
24 I figured it would be a --

25 MR. CAMPBELL: Mark, if you want to attend

1 the next meeting?

2 MR. MILLER: What's that?

3 MR. CAMPBELL: If you want to attend the  
4 next meeting --

5 MR. MILLER: Okay.

6 MR. CAMPBELL: -- you can get the update  
7 on some of that stuff because we go through literally  
8 line by line by line.

9 MR. MILLER: See, that's going to spill  
10 over to the Bond Committee. If we have a bond issue --

11 MR. CAMPBELL: As long as we don't have  
12 three as a quorum, you are more than welcome to. We will  
13 just kick Mike out --

14 MR. KENNEDY: I will happily withdraw.

15 MR. THIEL: Recognize Carmen.

16 MR. KENNEDY: One second, Ms. Carmen, I  
17 will come back to you.

18 Okay. Does anybody on the Board have any  
19 comments?

20 (NO AUDIBLE RESPONSE.)

21 MR. KENNEDY: Ms. Carmen? Yes, please.  
22 Name and address. We don't know who you are.

23 MS. REYNOLDS: Thank you. Carmen  
24 Reynolds. I live in Navarre. I was just wanting to know  
25 if the Board was aware of the \$1 trillion dollar tranche

1 that President Biden just recently released for water  
2 infrastructure for projects?

3 That is a new program and I have heard him  
4 say a very small portion is water. But depending on what  
5 portion, some money is better than no money. So I have  
6 information on that, just let me know who to get it to.

7 MR. KENNEDY: Yes, ma'am. See me after  
8 the meeting.

9 DR. PEAHEY: Mr. President --

10 MR. KENNEDY: Yes?

11 DR. PEAHEY: We are aware of those funds  
12 being available with our partners out of Tallahassee. We  
13 have had that discussion, so --

14 MR. KENNEDY: Okay. So, Ms. Reynolds, we  
15 are on top of that one. Thank you.

16 MR. THIEL: Okay. Bonds subcommittee?

17 MR. MILLER: We have not met yet. We will  
18 be meeting soon, though, because --

19 DR. PEAHEY: I would expect after this  
20 one. Yes.

21 MR. THIEL: Okay. And, finally, the  
22 budget?

23 MR. KENNEDY: Yes, sir. Just repeat. We  
24 went through the budget with staff and it seemed fine.

25 MR. THIEL: Okay. The last item in my

1 hands is with Director Teresa resigning, we need a new  
2 permanent member for the Eglin subcommittee, Eglin  
3 Project Subcommittee. So we would entertain -- do we  
4 have any volunteers from the Board that would like to sit  
5 on that?

6 MR. CAMPBELL: I would be interested to  
7 help there. Sure.

8 MR. THIEL: Director Campbell. Anybody  
9 else?

10 (NO AUDIBLE RESPONSE.)

11 MR. THIEL: Okay. I move for the Board to  
12 appoint Director Campbell as chairman of the sub -- the  
13 Eglin Project Subcommittee.

14 MR. MILLER: Second.

15 MR. KENNEDY: Okay. I have a motion and a  
16 second. Any discussions?

17 (NO AUDIBLE RESPONSE.)

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

19 MR. THEIL: Aye.

20 MR. MILLER: Aye.

21 MR. DABNEY: Aye.

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

23 (NO AUDIBLE RESPONSE.)

24 MR. KENNEDY: Motion carries.

25 MR. THIEL: Okay. That's it,

1 Mr. President.

2 MR. KENNEDY: Okay. That gets us to  
3 engineering. Mr. Phillips?

4 MR. PHILLIPS: Not really much to report.  
5 We talked about Eglin. We talked about capital  
6 improvements. It's hard to believe that last month we  
7 actually had a deficit in I&I with all of that rain, so  
8 that's the good news.

9 Obviously, we have somewhere made some  
10 improvements there, although they are still diligently  
11 working on solving some of the problems. But we did have  
12 more water sold than wastewater processed, which is a  
13 good, good thing.

14 MR. KENNEDY: Okay. Board?

15 MR. CAMPBELL: I have one question.  
16 Remember when Mark briefed us on the new chemical that we  
17 were going to put into the Coral plant? Have we received  
18 that and started using it?

19 DR. PEAVEY: We started that about two  
20 months ago, that process with that new chemical. Since  
21 then, we have had a couple where we used different  
22 variations of that chemical. And it seems to be working  
23 well now.

24 MR. CAMPBELL: The reason I asked is there  
25 seemed to be a little kerfuffle about smell down there

1 and they realized it was something coming from the north.  
2 So I don't know if we put it out to our members that we  
3 have done that and the money they have saved?

4 DR. PEAVEY: We will put that out. We  
5 thought we would do that in June.

6 MR. CAMPBELL: Okay. That's all I have.

7 MR. KENNEDY: Okay.

8 MR. MILLER: Yeah. I noticed. I was, on  
9 Saturday, downwind from the lift station there at Highway  
10 87 and 98, and there was a pretty strong smell from that,  
11 so I don't know if --

12 MR. WELLS: It hasn't gone through that  
13 yet.

14 MR. MILLER: It hasn't gone through that  
15 yet? Okay.

16 MR. CAMPBELL: That's all I have.

17 MR. KENNEDY: Anything further from the  
18 Board?

19 (NO AUDIBLE RESPONSE.)

20 MR. KENNEDY: All right. We will move on  
21 the Board of Directors candidate vetting update.

22 Mr. Miller?

23 MR. MILLER: We have had three candidates  
24 submit their bios and resumes, other qualifications for  
25 the Board. They all live in our service area. And I

1 don't see any reason why we can't go ahead and appoint  
2 based on those bios that we have received.

3 MR. KENNEDY: Any comments from the Board?

4 MR. CAMPBELL: I thought I saw somewhere  
5 in our emails that we still had to do the vetting. Are  
6 you moving for next month? Or are you talking this  
7 month?

8 MR. MILLER: I am talking about tonight,  
9 you know, up until a couple of days ago, I think that was  
10 our plan to review the bios and appoint tonight.

11 And we have got three people that are  
12 qualified. Our bylaws say that we -- when a seat is  
13 vacated, we shall appoint someone for the remainder of  
14 the term.

15 Grant Summers has been gone for several  
16 months now and we haven't appointed a seat. I know we  
17 have had people that have said they would do it and then  
18 changed their mind. And, you know, so we -- you know, we  
19 are at a point now where we have got three people  
20 interested in filling two seats.

21 MR. CAMPBELL: Do they meet all of the  
22 qualifications? They themselves are a current member in  
23 good standing, have gone through the background check,  
24 just like we had to do? Anybody know that?

25 DR. PEAHEY: We have gone through to check

1 on the member in good standing. Do they have a  
2 certificate? And two of the three did not. And we  
3 notified the Board members of that. What we are asking  
4 now is we are still waiting on two of those to come back  
5 and do that very same process.

6 MR. THIEL: All it requires is a  
7 submission of the paperwork. Right?

8 DR. PEAHEY: And then --

9 MR. THIEL: The application?

10 DR. PEAHEY: -- the application, and we  
11 will check that. And then, the last thing is do we do  
12 the criminal background check that is required of all the  
13 Board members.

14 If you say "No," that's a call from the  
15 Board based upon past history.

16 MR. KENNEDY: From my perspective, I would  
17 prefer we follow the process just like we do with the  
18 Board members, so we have three candidates --

19 Mark has done due diligence on them and  
20 will get them together and everything. So now I would  
21 suggest that the Board might be that we round up -- they  
22 are coming in to fill out the proper paperwork. They do  
23 the proper vetting and we will run background checks.  
24 Then, we would vote on them so that we are all following  
25 our own proper process.



1 MR. CAMPBELL: But I do agree with Mark, I  
2 make a motion that without fail the Board appoint  
3 replacements at the next June Board meeting or just  
4 before the next June Board meeting.

5 MR. THIEL: I would like to amend that  
6 motion that we do it, call a special meeting once they  
7 have the paperwork completed --

8 MR. CAMPBELL: I will amend that. I will  
9 amend to call a special Board meeting once they meet the  
10 qualifications to appoint --

11 MR. KENNEDY: And I do like that, because  
12 if we can appoint the two candidates before the June  
13 meeting, that will give them opportunities to sit with  
14 staff to ramp up, so if -- do we have a motion?

15 MR. CAMPBELL: Are you okay with that,  
16 Mark?

17 MR. KENNEDY: Yes, sir, if you give us --

18 MR. MILLER: I am, but I want to talk  
19 about this background check issue. That arose because of  
20 the liquor license and it would be a liability to the  
21 Board because of the way our liquor license was set up to  
22 have someone with a felony conviction on the Board. I  
23 guess the license was in the name of Holley Navarre  
24 Water.

25 Now that those are a separate LLC, only

1 those Board of Directors for Hidden Creek would need to  
2 undergo that background check for that reason.

3 Now, I am not saying there is not another  
4 reason that we would want to do it, but there is nothing  
5 in the bylaws that says you have to have a background  
6 check in order to be eligible to run on our Board.

7 MR. CAMPBELL: Do you do that for  
8 employees? A background check?

9 DR. PEAHEY: Yes, of course.

10 MR. KENNEDY: Actually, Mr. Miller, we  
11 have a process. You would probably know better than me  
12 because you have been here longer. But we actually have  
13 a process that state these are the qualifications for a  
14 Board member.

15 There are eight parts to it, I guess,  
16 Holley Navarre Water System has been using for a while,  
17 so I would advise against going away from the process.

18 So if you think that we shouldn't be doing  
19 something, we can put it in the agenda item to change the  
20 process, but right now, the process is set.

21 MR. MILLER: And I couldn't see the  
22 attachment, the email that you sent that had the process,  
23 I didn't see the attachment there. So I went looking for  
24 that and couldn't find it, so -- but whatever that  
25 process is, my concern is if it's not something that is

1 required in the bylaws and we have somebody, a member  
2 that wants to run and be on the Board, can we disqualify  
3 them because they don't pass our background check?

4                   There's nothing in the bylaws that say  
5 they can't run, they can't serve as a --

6                   MR. CAMPBELL: Common sense to Joe  
7 Campbell says if we are going to do a background on  
8 employees, why wouldn't we background check the Board  
9 that has oversight of X millions of dollars?

10                  MR. KENNEDY: I think that would make it a  
11 different decision making for a Board member.

12                  MR. CAMPBELL: We are talking two weeks,  
13 Mark.

14                  MR. MILLER: I am arguing that point that  
15 now that it's not required for a liquor license that  
16 someone not have a felony conviction, you know, I  
17 don't -- I think we are probably going against the bylaws  
18 by saying you have to pass our background check in order  
19 to be eligible to be on our Board.

20                  MR. THEIL: I think what Director  
21 Campbell's point is we require our employees to undergo a  
22 background check. I don't see how we cannot require this  
23 Board to do the same.

24                  MR. DABNEY: I don't know. Why don't we  
25 ask the guy to the far right over there and ask him? I

1 would, you know, venture to say he knows a little bit  
2 more about it than we do.

3 MR. STOKES: I was going over it. Holley  
4 Navarre Water System is, of course, a non-profit  
5 corporation and there are qualifications that are set by  
6 statute for serving as an officer or director of a  
7 non-profit. I am fairly certain that does include status  
8 of a non-felon.

9 MR. KENNEDY: Okay.

10 MR. DABNEY: Those old Florida statutes  
11 get you every time.

12 MR. KENNEDY: Yes, sir.

13 MR. THIEL: Dr. Peavey, how long do you  
14 anticipate a background check will take? Is it just a  
15 matter of getting the information from them in a couple  
16 days?

17 DR. PEAVEY: That's what we hope to have  
18 this done by Tuesday of next week. So we thought if the  
19 Board, if we can get it done by Tuesday or Wednesday of  
20 next week, then the following Friday, you can have your  
21 special Board meeting.

22 MR. KENNEDY: And, of course, we will  
23 publish this and it will be open to the public and  
24 everything like that. And I understand what you are  
25 saying, Mark. We will talk about it and we will just

1 review whether or not our policies are correct.

2 MR. MILLER: Okay.

3 MR. KENNEDY: But right now, I have got a  
4 motion. I think I had a second. Is that correct?

5 MR. THIEL: Second.

6 MR. KENNEDY: All right. Any further  
7 discussions?

8 MR. THIEL: Amended motion, I second.

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

11 MR. THEIL: Aye.

12 MR. CAMPBELL: Aye.

13 MR. MILLER: Aye.

14 MR. DABNEY: Aye.

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

16 (NO AUDIBLE RESPONSE.)

17 MR. KENNEDY: Motion passes.

18 All right. We are on to member forum. I  
19 will remind everyone that you will have three minutes. I  
20 will put you on a timer. I will let you know when you  
21 get to 30 seconds.

22 Name and address when you get to the  
23 podium. And I will call on Mr. Chuck Polhmann.

24 MR. POLHMANN: My name is Chuck Polhmann.  
25 I reside at 2956 PGA Boulevard in Navarre. First of all,

1 we have had some discussion about the financials being  
2 discussed on the Board for Hidden Creek. And I  
3 respectfully disagree with Mr. Peavey and the decision  
4 that the Board is going to make.

5 I know there is an LLC set up, three  
6 member, Board members, to look at Hidden Creek. The  
7 water board should see the financials. And I agree with  
8 Mark Miller. You should see the financials on a  
9 month-to-month basis. I have been coming to water  
10 meetings for years, and we have always discussed Hidden  
11 Creek and the financial situation it is in.

12 So how can you make the decisions as water  
13 board members except for the three that is going to come  
14 to you and suggest to you what you are going to spend  
15 money on and things of that nature?

16 I think the Board needs to review it on a  
17 month-to-month basis. Quarterly is too far gone. You  
18 are already past 90 days and something is going to happen  
19 that you can't recover. I just think it is too long  
20 drawn out. So you need to rethink that.

21 Second thing is I asked in January to  
22 rezone the golf course. I don't know what has been done  
23 about it. Somebody told me on the Board that you got it  
24 on the Board agenda, or it's going to be looked at. We  
25 have talked about it. It's zoned right now as

1 residential. I asked it to be zoned as parks and  
2 recreation.

3                   There's a lot of members, not only me, but  
4 we are worried about somebody on the Board gets a big  
5 person that comes in with a lot of money and they want to  
6 buy that golf course. They want to buy your golf course.  
7 They want to buy my golf course. Okay. And they also  
8 want to develop houses and not be a golf course.

9                   And I know we talked about deeds,  
10 restrictions, and things of that nature. But I think if  
11 it was zoned or re-zoned, I should say, as parks and  
12 recreation, it would be a big uproar if a developer came  
13 in there and said, "We want to change this and we want to  
14 go back to residential and we want to build homes  
15 behind where Hidden Creek is now, all of that."

16                   And I don't know what the value of that  
17 land is, but I heard it's valuable.

18                   MR. KENNEDY: Yes, sir.

19                   MR. POLHMANN: Okay. So I don't know why  
20 we are not acting as a water board on that. We need to  
21 act on that to help prevent and to help us, you know, get  
22 over the fear of it going somewhere else.

23                   Last thing is that there is a company out  
24 there called K&S. They presented a proposal to do  
25 something with this golf course to run it separately. I

1 don't think the Board or the three people on the LLC can  
2 run it properly and manage it properly. It needs to be  
3 turned over to an outside person like K&S Golf and get  
4 this thing done and get it going and get it survivable.

5 Okay. It needs -- we need somebody that  
6 has got expertise and I think they have the expertise.

7 MR. KENNEDY: Thank you, sir.

8 MR. MILLER: I would like to address the  
9 point that Chuck made about the rezoning. When that was  
10 brought up, I think a lot of our Board felt like it was a  
11 good idea, but we, at the time, were fielding proposals  
12 to sell it.

13 And our requirement, as part of that  
14 process, if we sell it, was to put deed restrictions in  
15 place that would, you know, protect it as a golf course.

16 And we felt like deed restrictions would  
17 be more permanent than zoning, which, you know, could be  
18 changed. It would be difficult to change the zoning once  
19 you move it to parks and recreation back to residential.

20 But a deed restriction is more of a  
21 permanent nature. I think we might want to take a look  
22 at that again. I mean, we don't have enough to go on  
23 tonight. There are some costs involved with rezoning,  
24 but it's not cost prohibitive to do that. And I think  
25 that would be beneficial for the golf course and



1 especially the residents that live around that have  
2 concerns about, you know, at some point it getting  
3 developed.

4 MR. KENNEDY: Yeah. Ultimately, if you  
5 want to talk to Dr. Peavey about that, it sounds like  
6 something we can follow up on.

7 MR. MILLER: And I would like to -- you  
8 know, we decided not to sell it. We decided to keep it.  
9 I believe several of our Board members have expressed  
10 direction that we want someone professional managing it,  
11 whether it is K&S Golf or a manager being hired that has  
12 golf course management experience.

13 I would encourage our three member board  
14 to take another look at that, take a look at K&S Golf,  
15 see if there is some other level, other than being  
16 brought in as a fulltime manager. If they could be  
17 brought in on some type of consulting basis or whatever,  
18 just so that we take advantage of that opportunity.

19 From what I have seen, K&S does have some  
20 really good connections and some really good ideas for  
21 things that could happen out there, tournaments, bringing  
22 in some celebrities, getting the weekly tournament or  
23 something similar back out there again that would bring  
24 in more recognition, you know. Anyway, that's my  
25 comment.

1 MR. KENNEDY: Thank you, sir.

2 All right. Mr. Lynette (phonetic)?

3 MR. THIEL: I think he just signed in.

4 MR. KENNEDY: Is he still here?

5 UNIDENTIFIED AUDIENCE: Yes.

6 MR. THIEL: Do you got anything to say?

7 UNIDENTIFIED AUDIENCE: No. I just signed  
8 it. I thought I had to sign in to be here.

9 MR. KENNEDY: Name and address, please?

10 MRS. KENNEDY: I did put here for full  
11 disclosure, for those that don't know, I am married to  
12 Mike Kennedy. I play golf. I live on the golf course.

13 I have no local business. I am not  
14 running for any paid political or otherwise position and  
15 have no intention to, unless you ask me.

16 But I wanted to say that in response to  
17 other people I have been hearing, through no fault of its  
18 own, our golf course has not been handled correctly.

19 And I am a big big proponent for the golf  
20 course, because I play golf. I like the kids to play  
21 golf. I'm on the first tee at PGA League. I want my  
22 family more involved. I love the golf course. I love  
23 living on the golf course like everybody else here, so I  
24 want that to continue.

25 But I have something that -- we haven't

1 been running it, so we have owned it since 2012, and I  
2 think for nine years, we have not been running it well.  
3 This is from a lot of things I have been hearing.

4                   So I find it interesting that now there is  
5 people coming up and giving us solutions who truly  
6 haven't access to all the data, and myself either, so I  
7 am hearing other solutions for how to solve this problem,  
8 of course, of not being run properly. How about the  
9 Board being looking at that, which I come to the next  
10 part.

11                   We hired a CEO. This is the first really  
12 qualified CEO the water board has ever had to my  
13 knowledge. Is that correct?

14                   MR. LYNCHARD: That is correct.

15                   MS. KENNEDY: Because I went back. I  
16 actually looked through Sunbiz, by the way, and you can  
17 look and see who all has been on the Board and who has  
18 been running this company. This is the first time we did  
19 it. And now, we all want to run up here and give  
20 solutions.

21                   Please. I am a business person with  
22 35-plus years, and a lot of these people who actually  
23 left the room have as well. And I don't work. I am  
24 happily retired. But when we are studying a problem, we  
25 need to look at all of the alternatives and the solutions

1 and the pros, the cons, the return on the investment.

2                   So I do really care for the public,  
3 including myself, coming up here and trying to tell you  
4 what the solution should be. And I have already read one  
5 in the paper and I heard one tonight.

6                   I think you are on track for trying to  
7 find profit, for discovering how many inadequacies, how  
8 undisciplined we have been running this course.

9                   MR. KENNEDY: 30 seconds.

10                  MRS. KENNEDY: So -- and it's no one's  
11 fault, guys. We have a revolving Board of Directors.  
12 And it's just like what we saw with the Presidential  
13 election. Back when everything got over turned. Well,  
14 the same thing happens when we revolve into a different  
15 Board. So this is very difficult.

16                  Am I running out of time, boss?

17                  MR. KENNEDY: You have five seconds.

18                  MRS. KENNEDY: So let the Board do the  
19 job -- I mean, let the CEO do the job that we now have a  
20 CEO to do it. Let's have a chance to find out what are  
21 good alternatives, what are the solutions, and I am sure  
22 with his business background that he would be the first  
23 person to find a buyer or a management company or  
24 whatever other ideas you have, or turn it into a park.

25                  I don't know. But he will be the first to

1 find profit for Holley Navarre, for building a community  
2 with the golf course and having -- because that is  
3 important to all of us -- and the community part is real  
4 important to everybody at Holley Navarre Water, not just  
5 those that play golf. You have all your sports and  
6 athletics. Last thing I will close with: How can I  
7 help?

8 MR. KENNEDY: Thank you.

9 (APPLAUSE)

10 MR. DABNEY: It was in your best interest  
11 you didn't interrupt.

12 MR. KENNEDY: Kenny? You were just  
13 signing in? Okay.

14 UNIDENTIFIED AUDIENCE: -- asked me to  
15 come and share with you what --

16 MR. CAMPBELL: I just need to clarify. Is  
17 this meeting for members only? Or are you allowed to  
18 bring guests?

19 MR. KENNEDY: Oh, that's a good point.

20 Yeah. I'm sorry, sir. You won't be able  
21 to speak because you are not a member.

22 UNIDENTIFIED AUDIENCE: Oh, that's great.

23 MR. CAMPBELL: But does it actually say  
24 how we --

25 MR. BACZEWSKI: Mike, am I good? I didn't

1 sign up. I just wanted to -- my name is Paul Baczewski,  
2 7092 Summit Drive. Just backing off of what Suzie said,  
3 I thought that was excellent.

4 Y'all Board members here aren't the  
5 original Board members that made a difference in a  
6 negative way, in my own personal opinion.

7 I go back to you talking about financial  
8 losses and I completely agree that the golf course needs  
9 to be self-sufficient, standing on its own two feet,  
10 whether it needs to be profitable or it needs to be  
11 breaking even, I mean, that's a conversation we all can  
12 have in the future.

13 You look at things -- and in my head right  
14 now, I have a long list going on. You look at things  
15 where they built a wall between the bar and the  
16 restaurant. There is a very reputable builder, by  
17 reputable, not in building homes. He built buildings.  
18 He builds Walmarts. He says that wall was worth \$12,000  
19 to \$15,000 worth of material and labor.

20 That contract was given to somebody that  
21 sat on the Board. He is not up there right now,  
22 obviously, for \$80,000.

23 Was that considered a loss against the  
24 golf course? We fired our GM but ended up a \$100,000  
25 payout. Is that considered a loss against the golf

1 course?

2                   It's obvious we have the potential lawsuit  
3 coming against us. Is that going to come as a loss  
4 against the golf course? The lists of expenditures that  
5 had to come from Hidden Creek has come from Turkey Bluff  
6 Road. You take those out and what has the golf course  
7 really been?

8                   So it's just my two cents. And I  
9 completely agree with everything that Suzie said. We all  
10 want this place to succeed. But let's make it succeed as  
11 a profitable business and as a sensible business.

12                   I work -- I work for a family-owned  
13 business. It happens to be one of the top 20 businesses  
14 in the world. It's a \$5 billion dollar business. I am a  
15 \$4 million business entity of it.

16                   If I lose money, my boss will say, "Hey,"  
17 the owner, "We understand that you lost money. What's  
18 the recovery plan?"

19                   We have lost money now you said for how  
20 many years, ten years, whatever, Holley Navarre has owned  
21 this. There has never been a recovery plan. So let's  
22 take a plan and move forward.

23                   MR. KENNEDY: Thank you.

24                   (APPLAUSE.)

25                   MR. LYNCHARD: I am not signed in, so I

1 want to be last, if that's okay?

2 MR. KENNEDY: Okay. Well, we have Ms.  
3 Carmen Reynolds.

4 MS. REYNOLDS: Carmen Reynolds, Navarre.  
5 My comments: Action and professionalism, I heard those  
6 two words tonight in the awards ceremony. My comments  
7 are not meant to be adversarial. I am a member of this  
8 body. And I am an owner, and I come to these meetings  
9 religiously.

10 The majority of the things I bring up are  
11 never followed up on or never mentioned again. So I will  
12 stick with the facts. And by allowing members to  
13 participate, cautioning them to terminate their remarks  
14 at three minutes is offputting when people spend their  
15 time to come here to these meetings. Even the County  
16 agreed to extend their three-minute time to four minutes.  
17 So I would encourage y'all to extend the time for members  
18 of this body to come talk with you.

19 First thing I would like to bring your  
20 attention to is a special grand jury report of ECUA,  
21 where they delegated their responsibilities as a Board to  
22 their CEO without any oversight and they were called out  
23 for that because they ended up spending a million dollars  
24 in attorney's fees because they had no oversight.

25 I have a copy of that report should you



1 need it, rather than setting a precedent that may, with  
2 all the LLCs that you guys have floating around. I was  
3 here a few months back when a member brought up the  
4 question about a standardized tap fee list.

5 I understand you all were working on that  
6 because in the past, this person said it had been  
7 subjective and partial in nature.

8 I am very interested in seeing that  
9 published tap fee list. Also, the specific subdivisions  
10 that the water company is working on, and what those  
11 hook-ups are costing for each subdivision developer.

12 This would be helpful to the membership,  
13 so that we see within the last year what those fees were  
14 assessed. As an aside, I will say, Holley is being  
15 turned into a flood zone because all of these properties  
16 on East Bay are being put into there with a 100-acre  
17 wetland.

18 And septics are going in at the same  
19 time -- that we are spending \$3 million of Restore Money  
20 to do septic-to-sewer conversions in Gulf Breeze -- 160  
21 units.

22 The specifics of the public's hook-up on  
23 the east side of the county, \$400,000 for the water  
24 system to hook them up. And we are being told that you  
25 all aren't going to monitor the lift station or maintain

1 it.

2 This is the question in the mind of many  
3 citizens who have asked me to bring this to your  
4 attention tonight. I would like some answers.

5 The lift station on High School Boulevard,  
6 questions are coming to me, why is it all -- why are the  
7 crews always there? Why is it always smelling bad? I  
8 don't know the answers. Only you all do.

9 Recently, the 6.2 percent increase that  
10 occurred in the first of the year in the same time as the  
11 1.5 percent cost of living allowance across the board for  
12 the employees happened. It was based on maintenance and  
13 equipment. That was how it was justified.

14 Toward that end, I would think the members  
15 deserve an inventory listing of all of the equipment and  
16 the inventory, all the vehicles, and a monthly or at  
17 least a quarterly report of the maintenance, repair,  
18 replacement, and recycle of all of the equipment in the  
19 inventory so we know what is being done with that. I  
20 don't even know what the policy is as to how often you  
21 replace your vehicle.

22 MR. KENNEDY: 30 more seconds.

23 MS. REYNOLDS: Okay. Specifically, this  
24 could include the water tanks, the death of the  
25 generators, and brought to our attention, especially if

1 there is any significant mission impact because of  
2 maintenance equipment fault. Thank you.

3 MR. KENNEDY: Thank you, Ms. Reynolds.

4 (APPLAUSE.)

5 MR. KENNEDY: And Mr. Lynchard?

6 MR. KENNEDY: Thank you, Mr. President. I  
7 wouldn't want to get up here, but I feel it is necessary  
8 to correct the record.

9 I think you had confused two projects. We  
10 did have a project in the past where we built the wall  
11 between the restaurant and the bar. But the specific  
12 project you were talking about where the gentleman that  
13 was on the Board, I think you said \$80,000. I am not  
14 certain of the amount, but I know that was close.

15 But that was for the retaining wall on the  
16 side wall. And I believe that's Hole Number 9, which was  
17 collapsing. It was beside a large pond.

18 MR. KENNEDY: It's 9.

19 MR. LYNCHARD: It was a project that that  
20 particular Board member had done for -- I want to say it  
21 was \$20,000 to \$30,000 less than the lowest competitive  
22 bid we had submitted to the Board.

23 The reason that I bring this up is because  
24 that particular Board member's name is Troy Bossier with  
25 Cajun Contractors. And he volunteered to let us use,

1 basically, his back yard to put a drilling rig in that  
2 that will run for 24/7 for probably a month or more to  
3 build the Eglin project.

4 And I want to make sure that we do nothing  
5 but praise that man, because I can't think of a reason  
6 that I would want a drilling rig in my backyard for that  
7 long, running 24 hours a day.

8 Thank you, Mr. President.

9 MR. KENNEDY: Thank you, sir.

10 And I do want to go ahead and make a final  
11 statement about Hidden Creek in terms of the spray field.  
12 I know there has always been a little bit of confusion.

13 There is a master plan here at Holley  
14 Navarre Water System. And that master plan, they  
15 calculate how many units in the franchise area that we  
16 are going to have that is going to deal with water and  
17 wastewater.

18 The golf course will always be used as a  
19 spray field. It is permitted by DEP. We need that in  
20 conjunction with Eglin. So just to let you know, in case  
21 there is any discussion or what not, the master plan  
22 includes the capacity that the golf course can provide to  
23 Holley Navarre Water System. Okay?

24 MR. CAMPBELL: Mr. President, one comment.  
25 I would just like to say to Ms. Reynolds and the

1 members -- that if members want to find out what is going  
2 on, the point of contact is the CEO. And for release of  
3 information of company as a member, the CEO is the person  
4 to go to. Instead of different members asking me, "Well,  
5 how do I find out about that?"

6 So if it's not releasable, if there is a  
7 release of information, the CEO will direct you to that.

8 I can assure some folks that the CEO is  
9 not sitting there without oversight. And I think  
10 Mr. Lynchard can attest to some of that. So I just  
11 wanted to say that.

12 MR. KENNEDY: Thank you, sir. Any further  
13 comments?

14 MR. MILLER: Yeah. Joe is correct. I  
15 mean, members have a right to look at financial records.  
16 Our corporation, I think, it's in the Florida Statutes as  
17 well that members can do a records request and look at  
18 financials. So anyone that feels like they need to dig  
19 deep in that, they have a right to do that, but there are  
20 some requirements for doing that, but that is a -- that's  
21 the right of any member in our organization.

22 And what is the first thing you said, Joe?

23 MR. CAMPBELL: I must not have been that  
24 smart. I didn't -- to contact the CEO if they had  
25 questions, if there is something that --

1                   MR. MILLER: No. Before that. Oh, no, it  
2 was what Mike was saying, as far as, you know,  
3 piggybacking on the Club at Hidden Creek being part of  
4 our plan for being used as a spray field, I would just  
5 like to say that the logic of that is if we give that up,  
6 if we give that spray field up and don't use it, we have  
7 got to turn around and replace that capacity somewhere  
8 else.

9                   And the Eglin project, we reserved a  
10 certain amount of capacity up there that we say we are  
11 going to need for the next 20 years. We want this  
12 capacity. That's part of our plant.

13                  The County has reserved capacity for  
14 disposition of effluent from Navarre Beach. If we give  
15 up the golf course, then we have got to pay additional  
16 money to expand Eglin and to reserve additional capacity  
17 up there, which will cost us a lot more than what it  
18 would be worth to try to, you know, get rid of that golf  
19 course.

20                  That's why it's part of our master plan  
21 and will continue to be part of our master plan for the  
22 foreseeable future.

23                  MR. KENNEDY: Okay. Yes. Ms. Carmen?

24                  MS. CAMPBELL: For the record, Carmen  
25 Reynolds, Navarre. Director Campbell, thank you for your

1 comments, but I have attempted and made numerous attempts  
2 to obtain information. And you all are inaccessible.  
3 And the staff at many times has been inaccessible.

4 I have called. I have tried to reach Mr.  
5 Wells. I have called on his office phone. I have called  
6 on his cell phone. I have tried to reach out to you all  
7 to find out if you were going to put in any adequate  
8 protections to the Land Development Code workshop  
9 updates. And I received an email back from your Board  
10 attorney that was very offputting. So did another  
11 member.

12 So the connections have been broken here.  
13 And some of us are really trying hard to do what is right  
14 for our community. We have to go to meetings. We have  
15 to provide updates. We need information quickly. And  
16 when we can't get ahold of people, we are stuck coming to  
17 this meeting with a limit of three minutes to try to  
18 obtain that information.

19 And I just want it on the record that if  
20 we can improve this accessibility, then you won't see me  
21 here at the microphone monthly identifying all of the  
22 things that I couldn't get the answers to previously.  
23 Thank you.

24 MR. KENNEDY: Thank you, ma'am.

25 All right. Any further questions?

1                   One more? Chuck Polhmann. Do I need to  
2 put you at three minutes?

3                   MR. POLHMANN: Chuck Polhmann, 2956 PGA  
4 Boulevard. Since you won't let Kenny talk about what he  
5 has got going on and the presentation that he has given  
6 to the Board and Mr. Peavey, I am going to correct  
7 something that was stated last meeting about this company  
8 that negotiations broke down.

9                   Well, from what I understand, and a lot of  
10 members, there have been no negotiations with Kenny and  
11 his company. None whatsoever. There's been a lot of  
12 requests and he has given requests to Mr. Peavey.

13                   And I don't know if anybody on the Board  
14 has seen it, but there has been no response back to him  
15 and his company. And I don't think that's the way to do  
16 business. And, to me, it seems like you are getting all  
17 of the information that he provided, his company provided  
18 to the Board and to Mr. Peavey and not including him on  
19 making these decisions.

20                   If you don't want his company, you need to  
21 tell him you don't want his company and you need tell him  
22 the reason why. And I don't understand, members don't  
23 understand it -- I looked through his presentation. I am  
24 not the guy that is going to make the decision, but it  
25 looks pretty good to me.



1                   You know, I don't know all the details and  
2 I don't see the numbers, but I just think the way y'all  
3 have handled it with this guy's company is a wrong way of  
4 doing it.

5                   And there were no negotiations with him.  
6 None whatsoever. All of a sudden, March 29th,  
7 Mr. Peavey's communications stopped. He never heard back  
8 from him since.

9                   MR. KENNEDY: All right. Thank you.

10                  And I am only going to comment on this in  
11 the sense that your information is absolutely wrong. But  
12 let me just say, Mr. Polhmann, the Board analyzed every  
13 one of the submitted applications for our requirements  
14 and none of them qualified. So all were rejected,  
15 including using the lawyer to be able to vet them.

16                  So it was just not the Board doing this.  
17 We had the lawyer to be able to vet them, whether they  
18 met our requirements. None of them met our requirements.

19                  MR. MILLER: That's for the sale; right?

20                  MR. KENNEDY: Yes, sir. For the sale.

21                  MR. MILLER: He is talking about a  
22 management company.

23                  MR. KENNEDY: And at the end of the day,  
24 the Board has already voted that we are going to run this  
25 course.

1 MR. MILLER: It was keep or sale?

2 MR. KENNEDY: Yes. Keep or sale.

3 MR. MILLER: It can include hiring someone  
4 with management experience to run the course.

5 MR. CAMPBELL: I think Mr. Paul is correct  
6 when he said he didn't know all the details and all the  
7 facts, and I just think we need to leave it there for the  
8 time being.

9 MR. MILLER: I want to know all of the  
10 details and the facts because none of that was shared  
11 with me.

12 MR. POLHMANN: So why was a contract asked  
13 from K&S Golf?

14 MR. KENNEDY: Sir, if you have any  
15 questions, you are welcome to submit them in an email,  
16 but we are not going to have any of the discussions on  
17 any contract in an open forum.

18 MR. POLHMANN: Okay.

19 MR. KENNEDY: Thank you so much.

20 MR. CAMPBELL: I make a motion to adjourn.

21 MR. KENNEDY: I have a motion.

22 MR. THIEL: Second.

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

25 (NO AUDIBLE RESPONSE.)

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

3 MR. THIEL: Aye.

4 MR. DABNEY: Aye.

5 MR. MILLER: Aye.

6 MR. CAMPBELL: Aye.

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

8 (NO AUDIBLE RESPONSE.)

9 MR. KENNEDY: Meeting adjourned.

10

11 WHEREUPON, THE BOARD OF DIRECTORS MEETING

12 FOR HOLLEY NAVARRE WATER SYSTEM ADJOURNED AT 7:00

13 O'CLOCK.

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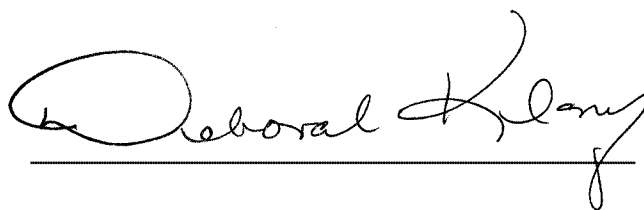
CERTIFICATE OF REPORTER

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 Holley Navarre Water System Board of  
Directors meeting 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 3rd day of June, 2021.

A handwritten signature in cursive script, 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.