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HOLLEY NAVARRE WATER SYSTEM  
BOARD OF DIRECTORS MEETING  
SEPTEMBER 21, 2021  
6:00 P.M. - 6:32 P.M.

- MIKE KENNEDY, PRESIDENT
- MARK MILLER, VICE PRESIDENT
- WILLIAM THIEL, SECRETARY TREASURER
- JOE CAMPBELL, DIRECTOR
- JO ANN CAVE, DIRECTOR
- DON LINNELL, DIRECTOR
- DALLAS PEAVEY, CEO, HOLLEY NAVARRE WATER
- PHIL PHILLIPS, MESI
- CLINTON WELLS, HNWS
- JASON MONTGOMERY, HNWS
- EMERALD MCDANIEL, HNWS
- CHRIS BOND, HNWS, IT
- ASHLEY FERGUSON, HNWS

ALSO PRESENT:

- WILL DUNAWAY, ESQUIRE
- DEBORAH KHARUF, COURT REPORTER
- NICK ACEVEDO, NAVARRE PRESS

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

2 MR. KENNEDY: I call the meeting to order.  
3 Director Miller, will you lead us in prayer?

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

6 (INVOCATION GIVEN BY DIRECTOR MILLER.)

7 MR. KENNEDY: Director Campbell, pledge of  
8 allegiance?

9 MR. CAMPBELL: Please join me in the  
10 pledge of allegiance.

11 (PLEDGE LED BY DIRECTOR CAMPBELL.)

12 MR. KENNEDY: Thank you. We do have a  
13 quorum. A reminder that audio and video recorders are in  
14 use. If anyone has a comment, the member sign-up sheet  
15 is in the front there.

16 One comment, change of venue for next  
17 month. The Board -- regular Board meeting for Holley  
18 Navarre Water System will be held at the Club at Hidden  
19 Creek due to the remodeling that is going to be going on  
20 here at the Water System.

21 So I will just reiterate that for those  
22 that are watching, next month's regular Board meeting  
23 will be at the Club at Hidden Creek at 6:00 p.m. regular  
24 time.

25 All right. Has everybody had a chance to

1 review the minutes for September 21st, 2021?

2 (NO AUDIBLE RESPONSE.)

3 MR. KENNEDY: Okay. Do I have a motion to  
4 approve the September 21st, 2021, regular meeting minutes  
5 and transcripts as presented?

6 MR. LINNELL: So moved.

7 MS. CAVE: I will second.

8 MR. MILLER: Discussion?

9 MR. KENNEDY: Yes, sir.

10 MR. MILLER: We did not get transcripts in  
11 our meeting back-up.

12 MR. KENNEDY: Our meeting minutes? Okay.

13 MR. MILLER: The transcripts weren't in  
14 our back-up, though, so I don't think we can't approve  
15 them, if we haven't seen them.

16 MR. KENNEDY: Were those the transcripts?

17 MR. MILLER: They are not in our meeting  
18 back-up, unless I missed them.

19 MR. CAMPBELL: Is there something that is  
20 not in the minutes that you think is in the transcripts?

21 MR. MILLER: I just -- I am not going to  
22 approve transcripts if I haven't seen them. The  
23 transcript is something we are voting to approve.

24 MR. CAMPBELL: The motion was to approve  
25 the minutes, not the transcripts.

1 MR. MILLER: Your motion was to approve  
2 the minutes and transcripts.

3 MR. KENNEDY: All right. So if we are  
4 missing the actual transcripts, then, would someone like  
5 to amend the motion just to approve the minutes?

6 MR. MILLER: I make a motion that we  
7 approve the special meeting minutes and the regular  
8 meeting minutes for August.

9 DR. PEAVEY: Mr. President --

10 MR. KENNEDY: Yes, sir.

11 DR. PEAVEY: -- the transcripts of the  
12 meeting minutes were sent and they were approved and we  
13 posted them to the website, so they were approved.

14 Director Thiel does that after the  
15 meeting, so --

16 MR. MILLER: For August?

17 DR. PEAVEY: Yes.

18 MR. MILLER: But the Board usually  
19 approves the August --

20 MR. THIEL: They are usually in our  
21 package.

22 MR. MILLER: Yeah. They are usually in  
23 our packet and we vote to approve them.

24 DR. PEAVEY: We will include them from  
25 this point on. I mean, they were --

1 MR. MILLER: I am sure they were small. I  
2 am making the point that they are not in there, so I  
3 can't --

4 DR. PEAVEY: And I accept the reminder, so  
5 we will make sure that from this point on they are in  
6 there.

7 MR. MILLER: Okay.

8 MR. KENNEDY: But at the same time, we  
9 have still got --

10 MR. CAMPBELL: I will second Mark's motion  
11 to approve the minutes and special meeting minutes. That  
12 was your motion?

13 MR. MILLER: That was my motion.

14 MR. CAMPBELL: And I will second that  
15 motion to amend the meeting minutes.

16 MR. KENNEDY: Just the meeting minutes?

17 MR. CAMPBELL: Check.

18 MR. KENNEDY: Any further discussion?

19 (NO AUDIBLE RESPONSE.)

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

21 MR. MILLER: Aye.

22 MR. THIEL: Aye.

23 MS. CAVE: Aye.

24 MR. CAMPBELL: Aye.

25 MR. LINNELL: Aye.

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

2 (NO AUDIBLE RESPONSE.)

3 MR. KENNEDY: Motion carries.

4 Approval of the memberships. In August,  
5 we had 359 new memberships, 339 canceled memberships, and  
6 7 transfers. Do I have a motion to approve the  
7 memberships as presented?

8 MR. LINNELL: I so move.

9 MR. KENNEDY: Do I have a second?

10 MS. CAVE: Second.

11 MR. KENNEDY: Okay. Any further  
12 discussion?

13 (NO AUDIBLE RESPONSE.)

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

15 MR. MILLER: Aye.

16 MR. THIEL: Aye.

17 MS. CAVE: Aye.

18 MR. CAMPBELL: Aye.

19 MR. LINNELL: Aye.

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

21 (NO AUDIBLE RESPONSE.)

22 MR. KENNEDY: Motion carries.

23 Finance review. Ms. Ferguson?

24 MS. FERGUSON: It is a very standard  
25 month. We had \$20,000 in net income. And we met with

1 the Finance Committee yesterday and discussed the  
2 details. And unless anyone has any questions, there were  
3 no variances from the prior months.

4 MR. LINNELL: I have got a couple quick  
5 questions, if you don't mind?

6 MR. KENNEDY: Sure.

7 MR. LINNELL: I am sure we have covered  
8 them, I just forgot. So what's being depreciated or  
9 amortized that wasn't on there? I mean, there is no  
10 budget for almost 700 K. It was depreciation and  
11 amortization. Just wondering, what is it?

12 MS. FERGUSON: I'm sorry. That was a  
13 question for --

14 MR. LINNELL: There was no budget showing  
15 for it.

16 MS. FERGUSON: Well, the depreciation and  
17 amortization is the process of disposing fixed assets  
18 over the course of their useful life. So this would have  
19 been a premiums purchase in 2019 and earlier.

20 I mean, anything purchased later in the  
21 year, we would start depreciating and then true up with  
22 the audit.

23 MR. LINNELL: So we weren't before that?  
24 We never forecast that each year?

25 MS. FERGUSON: Well, that never has been

1 included in the budget because it's not a cash note item.

2 MR. LINNELL: Okay. So the only other  
3 question I had is the increase subsidy. Why it is more  
4 than planned? The importance is we have started making  
5 money at Hidden Creek, so why would we pay a higher  
6 subsidy than what we had planned?

7 MR. KENNEDY: We have to.

8 MR. LINNELL: If we have to, that's fine.  
9 I just want to be clear with that.

10 DR. PEAVEY: Is this for this meeting  
11 about the company? Because we had said that while the  
12 financials would be in this, they wouldn't be discussed  
13 at this meeting.

14 MR. LINNELL: Correct.

15 MR. THIEL: But the subsidies were  
16 approved by the previous Board for this year in the  
17 budget.

18 MR. LINNELL: The budget says 8300.

19 DR. PEAVEY: That is based on -- there was  
20 a certain amount approved on a monthly basis, Director  
21 Linnell, but because there was a 12-month deal, it was  
22 less than the amount that was approved by the Board on a  
23 monthly basis, but the total was the same.

24 MR. KENNEDY: Okay.

25 MR. LINNELL: That's it.



1 MR. KENNEDY: So, right, if there is any  
2 further questions on the financials, there --

3 DR. PEAVEY: Certainly. I will follow-up.

4 MR. KENNEDY: You will follow-up. Yes,  
5 sir.

6 DR. PEAVEY: Absolutely.

7 MR. KENNEDY: So Director Thiel and I met  
8 with the staff to discuss the Operations and Maintenance  
9 Budget. So here are some of the highlights that we  
10 looked at.

11 Water and sewer taps are a little lower  
12 this month of 2020 (sic) being compared to 2020 of  
13 August. This is dependent upon, you know, commercial and  
14 residential building and growth in the area, so we have  
15 no control over that.

16 If you, the Board had noticed, you will  
17 see next month's, there is a Landrum service expense. We  
18 will be replacing that service.

19 Dr. Peavey?

20 DR. PEAVEY: Yes, sir. The staff went out  
21 for market-based cost and different groups that offer HR  
22 management and payroll services. We narrowed it down to  
23 two.

24 Landrum is going to be replaced with  
25 Paylocity. That will save this company about \$80,000

1 among the four groups on an annual basis going forward.

2 MR. KENNEDY: All right. So excellent job  
3 by staff to go out there and find us a solution that  
4 saves us money.

5 We also noticed -- at least Director Thiel  
6 pointed out that there was an \$18,000 vehicle expense and  
7 that was due to Truck 1 being fixed.

8 DR. PEAHEY: That's correct.

9 MR. KENNEDY: Ms. Ferguson told us that  
10 the insurance would be paying \$17,000 of that, so we have  
11 a \$4,000 deductible. And then, as Ms. Ferguson  
12 mentioned, we are \$20,000 to the good, so it's a solid  
13 month.

14 Director Thiel, do you have anything?

15 MR. THIEL: Nothing to add.

16 MR. KENNEDY: Okay. Does the Board have  
17 any questions about the information or the finances for  
18 August 2021?

19 (NO AUDIBLE RESPONSE.)

20 MR. KENNEDY: All right. Hearing none, I  
21 will entertain a motion.

22 MR. THIEL: Motion to approve the August  
23 2021 financial statements as submitted.

24 MR. KENNEDY: Okay.

25 MR. CAMPBELL: I second that one.

1 MR. KENNEDY: Okay. We have a motion and  
2 a second. Any further discussion?

3 (NO AUDIBLE RESPONSE.)

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

5 MR. MILLER: Aye.

6 MR. THIEL: Aye.

7 MS. CAVE: Aye.

8 MR. CAMPBELL: Aye.

9 MR. LINNELL: Aye.

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

11 (NO AUDIBLE RESPONSE.)

12 MR. KENNEDY: Motion carries.

13 Finance Committee updates. Director  
14 Thiel?

15 MR. THIEL: Okay. Four subcommittees.  
16 Eglin project, Director Campbell. Mr. Campbell?

17 MR. CAMPBELL: So we had our meeting last  
18 Wednesday. We are on track. We are getting the  
19 easements. All the permitting we need is in the works  
20 between ourselves and Jacobs.

21 So our portion, Phase 1, is rolling around  
22 on track. We don't see any real obstacles between now  
23 and then working with the County to get the easements we  
24 need.

25 Other than some of the costs going up

1 because of the inflation, I think that was the biggest  
2 thing for the whole meeting, so --

3 MR. THIEL: The long pull in the tent  
4 right now, I believe, is getting the final lease approval  
5 from the Air Force; right?

6 DR. PEAVEY: That's the hold-up to date.

7 MR. THIEL: That's the hold-up to date.

8 DR. PEAVEY: And it's out of our  
9 control --

10 MR. THIEL: And it's out of our control.

11 DR. PEAVEY: -- and our responsibilities.

12 MR. MILLER: Did we have any kind of idea  
13 what kind of timeframe we are looking at? Or we don't  
14 know?

15 DR. PEAVEY: Phil, you can comment. I  
16 know we have tried our resources. The County has said  
17 that they have looked and done everything that they can.  
18 It resides with the Secretary of the Air Force.

19 MR. CAMPBELL: For visual context, we do  
20 know that it was at the Air Force Civil Engineering  
21 Command at Lakeland in April. That's the last we know.

22 MR. MILLER: I am not surprised. I just  
23 didn't know if we had any timeline that we are expecting  
24 that. When would be a time when it would push us past  
25 our time period when we need to have that? What's our

1 drop dead time on that?

2 DR. PEAVEY: Most of that would be  
3 effecting potential RFPs that are going out for funding.  
4 Because nobody is going to give funding if you don't have  
5 a piece of property that you are going to build all of  
6 that on.

7 Outside of that, that would be the big  
8 hold-up. Because we can't get anything else until we  
9 have the property. And that's the County's sole  
10 responsibility in regards to the Eglin project for us --  
11 the County MOU that we have with them.

12 MR. MILLER: Who is our point of contact  
13 with the County that is working on that? Is that the  
14 County Administrator? Or who is handing it?

15 MR. PHILLIPS: It's Mike Schmidt right  
16 now.

17 MR. MILLER: Now.

18 MR. PHILLIPS: I don't know what his title  
19 is, quite frankly, Mark. He is in charge of the beach,  
20 so that's -- he is the contact person.

21 DR. PEAVEY: And we have talked to  
22 Commissioner Piech about this. We have talked to others.  
23 We have done everything we know, but we have no influence  
24 whatsoever from our side.

25 MR. MILLER: I know.

1 MR. CAMPBELL: And that's all I have.

2 MR. THIEL: Director Campbell, Capital  
3 Improvements?

4 MR. CAMPBELL: Yes. So another good one.  
5 Staff has done really well on projecting. You have seen  
6 some issues with all the rain we have had. The capital  
7 improvements are moving forward with lift stations.

8 Our procurement folks have already saved  
9 us that 40 -- was it 30 or \$40,000 apiece for the standby  
10 generator -- so money is moving.

11 I&I is -- the folks over there are  
12 addressing that. With all the rain, I guess Phil is  
13 telling us that that helps having a lot of rain to  
14 address the I&I. If we could keep members from putting  
15 pumps and putting storm water into the sewer system, that  
16 would help, but -- we supposedly caught some members  
17 doing that over the weekend.

18 But other than that, on track. Ms. Ashley  
19 keeps us moving forward and within budget overall with  
20 capital improvements.

21 MR. THIEL: Director Miller, anything on  
22 bonds?

23 MR. MILLER: Nothing to report on bonds  
24 yet.

25 MR. THIEL: And Director Kennedy --

1 President Kennedy, you don't have anything more on the  
2 budget. Do you?

3 MR. KENNEDY: No, sir.

4 MR. THIEL: Okay. That completes  
5 everything else for the Finance Committee.

6 MR. KENNEDY: Okay. Does anybody have any  
7 questions on any of those?

8 (NO AUDIBLE RESPONSE.)

9 MR. KENNEDY: Employee Medical Benefits.  
10 Ms. Ferguson?

11 MS. FERGUSON: Our plan year begins  
12 October 1st of this year. We are going to move to a  
13 Florida Blue plan. United Healthcare renewal was  
14 exorbitant, so we went out for quotes with Aetna and  
15 Florida Blue.

16 We received a total of eight quotes over  
17 various plan options. And in your packet, you will see  
18 that we have selected -- it's near -- the benefits are  
19 nearly identical to what the team currently has.

20 But we will only experience a 12 percent  
21 increase over the current paying year versus the 39  
22 percent United Healthcare had proposed.

23 MR. KENNEDY: Anybody have any questions  
24 on that?

25 MR. MILLER: Is there going to be a -- I

1 know when we change healthcare plans, there are a  
2 different networks of doctors that have those plans.

3 Is there going to be a huge change to  
4 that? Have y'all looked at that?

5 MS. FERGUSON: This is a very robust  
6 network. It actually is going to be an expanded network  
7 over what we had with United Healthcare.

8 MR. MILLER: Okay.

9 MR. KENNEDY: I would entertain a motion.

10 MR. MILLER: I will make a motion to  
11 approve the recommended change to the employee medical  
12 benefits.

13 MR. THIEL: Second.

14 MR. KENNEDY: Any further discussion?

15 (NO AUDIBLE RESPONSE.)

16 MR. KENNEDY: Those in favor say, "Aye"?

17 MR. MILLER: Aye.

18 MR. THIEL: Aye.

19 MS. CAVE: Aye.

20 MR. CAMPBELL: Aye.

21 MR. LINNELL: Aye.

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

23 (NO AUDIBLE RESPONSE.)

24 MR. KENNEDY: Motion carries.

25 System IT Project. Mr. Peavey?



1 DR. PEAVEY: Mr. President and Board, what  
2 I just want to do is update the Board that we found that  
3 there was a need in our IT group for the company, all  
4 four of our companies, because of the issues with both  
5 the current and planned system expansion which includes  
6 the SCADA systems, the concern that we had for the  
7 security of the system, for SCADA and otherwise, we found  
8 that there was a reason, a valid reason to bring in two  
9 separate auditing companies, one for the hardware, one  
10 for the software security and just updating the Board  
11 that we are going through that process to make it the  
12 best that we can do.

13 And those costs, we will bring back to the  
14 Board at the appropriate time. Just wanted the Board to  
15 be aware of that we were looking at that and identifying  
16 it because the Board has identified this as the public --  
17 the security of the system, in particular between  
18 Fairpoint and here, the SCADA system is under control.  
19 It was a concern of ours.

20 MR. KENNEDY: Okay.

21 MR. MILLER: Is the projected cost of  
22 doing this in our budget for this year?

23 DR. PEAVEY: It is, in fact, for the  
24 hardware and the software. What we did, Director Miller,  
25 was you see that we had three IT personnel. One of those

1 we didn't renew. He left. We are not going to renew  
2 that. Part of that will be an offset line item to offset  
3 the cost.

4 MR. KENNEDY: Okay. And, obviously, it's  
5 a very important project because we take the safety and  
6 security of our system seriously.

7 DR. PEAHEY: The water system, the  
8 wastewater system, wastewater treatment plant,  
9 absolutely.

10 MR. KENNEDY: Okay.

11 DR. PEAHEY: That's just as an update.

12 MR. KENNEDY: Okay. Any further  
13 questions?

14 (NO AUDIBLE RESPONSE.)

15 MR. KENNEDY: All right. Onto the next  
16 one. Financial loan, request for proposal. Ms.  
17 Ferguson?

18 MS. FERGUSON: We are pretty far along in  
19 the year to begin this process, but we are ready to  
20 publish an RFP to request financing for restricted  
21 capital improvement projects over the next -- it looks  
22 like it's a ten-year plan.

23 The RFP is in your packet. It is  
24 intentionally broad. We are throwing a broad net out to  
25 a broad audience and seeing what sort of actions various

1 groups come back to us with. Because this is a good time  
2 to borrow money.

3                   So I guess just let me know if you have  
4 any questions on those details. But it is very broad.  
5 We are looking -- we are requesting a five-year draw  
6 period, which is a long time. But the various groups  
7 that I have spoken with do not see that as an obstacle.

8                   DR. PEAVEY: It works to our advantage.

9                   MS. FERGUSON: Which is to our advantage.  
10 Yes.

11                   MR. CAMPBELL: Do you want to explain that  
12 drop period, the loan -- the money is there, but you  
13 don't start paying interest on it until you --

14                   MR. THIEL: And each of the draws have to  
15 be approved by the Board. Is that not true?

16                   DR. PEAVEY: Well, I have never done this  
17 before, but, yes, I would expect that would be the case  
18 because of the amounts for those projects. Yes, sir.

19                   MS. FERGUSON: I would have to defer.

20                   MR. THIEL: That will be in the capital  
21 improvements plan -- the project?

22                   DR. PEAVEY: We would come to that  
23 subcommittee first and then bring it before the rest.

24                   MR. KENNEDY: And you are looking for us,  
25 really, just approval for this request for proposal.

1 DR. PEAVEY: Yes. For an RFP to go out.

2 Yes.

3 MR. KENNEDY: To go out and find the  
4 options and what is out there?

5 DR. PEAVEY: Yes, sir.

6 MR. KENNEDY: Okay.

7 DR. PEAVEY: Affirmative response.

8 MR. KENNEDY: Any other questions on this  
9 request for proposal?

10 MR. MILLER: I don't really have a  
11 question, but I will just say that I was not in favor of  
12 spending this much money when we had our budget  
13 discussion and I voted against that --

14 MR. KENNEDY: Last year.

15 MR. MILLER: -- then, and so, I know it's  
16 included in our financial planning and budget, but I see  
17 a lot of spending that is happening all at once. And  
18 it's a pretty big number that we are looking into going  
19 into debt on, and I am not in favor of that, so that's my  
20 comment.

21 MR. KENNEDY: Okay.

22 MR. CAMPBELL: Well, half of it is Eglin.

23 MR. MILLER: I understand. I am in favor  
24 of Eglin.

25 MR. CAMPBELL: It's over five years. And

1 because there has been no real capital improvement in  
2 infrastructure, you know, master booster pump station and  
3 that sort of thing, so at the end of the day, okay, I  
4 mean, I will make a motion that we approve the release.

5                   And then, we can discuss the rest about do  
6 we draw, which is why, Mark, I asked the question  
7 intentionally of Ms. Ashley was -- even though we get  
8 this and even though we have the tents of money there, we  
9 don't have to draw it. There is no penalty if we don't  
10 take it.

11                   MS. FERGUSON: Well, I don't have  
12 proposals --

13                   MR. CAMPBELL: Like I am saying, she has a  
14 proposal to get, which is the best in our interest, you  
15 know, you either borrow the money now and it sit lower  
16 with inflation going up than you borrow it at a higher  
17 rate next year or the year after.

18                   So I make a motion that we approve the RFP  
19 release to see what we get back. That's my motion.

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

21                   MR. LINNELL: Second.

22                   MR. KENNEDY: All right. I have a motion  
23 and a second. Any further discussion?

24                   (NO AUDIBLE RESPONSE.)

25                   MR. KENNEDY: All right. Those in favor

1 say, "Aye"?

2 MR. THIEL: Aye.

3 MS. CAVE: Aye.

4 MR. CAMPBELL: Aye.

5 MR. LINNELL: Aye.

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

7 (NO AUDIBLE RESPONSE.)

8 MR. MILLER: I will say "Nay," just  
9 because of the dollar amount.

10 MR. KENNEDY: Okay. Motion carries.

11 MR. LINNELL: Mr. President, I have a  
12 question on the IT. Do we need to approve anything on  
13 the IT? Or was that only for --

14 DR. PEAVEY: That was only for update.

15 MR. LINNELL: Thank you.

16 MR. KENNEDY: Yeah. Sorry. I had the  
17 wrong thing on there. It should have been for info only.

18 So that gets us to the annual meeting  
19 election update. Mr. Peavey?

20 DR. PEAVEY: Yes, sir, Mr. President and  
21 the Board, at the end of September, we must go forward  
22 and advertise the election that will come up in December.

23 For that election cycle that is coming up,  
24 there will be three Board availabilities that will -- the  
25 terms are for three years, and then, the fourth will be

1 for a one-year term. That will be the one year remaining  
2 on the previous Director Grant Summers' three-year term.

3 MR. KENNEDY: Okay.

4 DR. PEAVEY: So we need to advertise it  
5 post haste.

6 MR. KENNEDY: All right. Does anyone have  
7 any questions about the upcoming news -- press release or  
8 anything like that?

9 MR. LINNELL: Where are we going to  
10 advertise? Where did we advertise in the past?

11 MR. MONTGOMERY: Navarre Press.

12 DR. PEAVEY: Navarre Press. South Santa  
13 Rosa.

14 MR. THIEL: I think those got sent out in  
15 the water bills, too. Don't they?

16 MS. FERGUSON: Yes.

17 DR. PEAVEY: Yes. They got sent out on  
18 the website and --

19 MR. MILLER: I make a motion that we  
20 approve the annual meeting notice as presented.

21 MR. KENNEDY: Okay.

22 MS. CAVE: I will second.

23 MR. KENNEDY: We have a motion and a  
24 second.

25 Any further discussion?

1 (NO AUDIBLE RESPONSE.)

2 MR. KENNEDY: Those in favor say, "Aye"?

3 MR. MILLER: Aye.

4 MR. THIEL: Aye.

5 MS. CAVE: Aye.

6 MR. CAMPBELL: Aye.

7 MR. LINNELL: Aye.

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

9 (NO AUDIBLE RESPONSE.)

10 MR. KENNEDY: Motion carries.

11 We are up to engineering. Mr. Phillips?

12 MR. DUNAWAY: Mr. Chairman, if I could

13 just point --

14 MR. KENNEDY: Yes.

15 MR. DUNAWAY: -- so a motion was made to

16 approve the annual notice, but an annual notice is

17 actually not for you.

18 So is the motion to direct staff to draft

19 in the annual notice? This was an information-only item.

20 I just wanted to clarify as to what it is.

21 MR. MILLER: Well, we were given in our

22 packet for immediate release. It's the wording of the

23 notification, so that was my motion to approve the

24 wording that's in the meeting notice.

25 MR. DUNAWAY: And that's perfect. That's



1 perfect. I am just clarifying that. If you could just  
2 clarify that.

3 That is the clarification of the motion.  
4 The second still stands. And then, just ask them.

5 MR. KENNEDY: Okay. All right. Does  
6 everyone understand what -- where we are at?

7 (NO AUDIBLE RESPONSE.)

8 MR. KENNEDY: All right.

9 Those in favor say, "Aye"?

10 MR. MILLER: Aye.

11 MR. THIEL: Aye.

12 MS. CAVE: Aye.

13 MR. CAMPBELL: Aye.

14 MR. LINNELL: Aye.

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

16 (NO AUDIBLE RESPONSE.)

17 MR. KENNEDY: Motion carries.

18 Thank you, Counsel.

19 Mr. Phillips?

20 MR. PHILLIPS: I will first add one thing  
21 to Joe's report and that is the proposed lease for the  
22 property at the Boulevard has gone back to that owner for  
23 their review. I think we are real close to having a  
24 lease executed by both parties.

25 But other than that, you have the

1 Operations Report, and you can see that we had 258,000  
2 gallons of I&I -- at least 258,000 gallons of I&I last  
3 month.

4                   Generally, water sold is, you know,  
5 greater than what would come back to the plant, so I  
6 guess you could say that in some way it's good that it  
7 was only 258,000 gallons a day. But it was 258,000  
8 gallons a day.

9                   MR. CAMPBELL: Any projection on what it  
10 is this month?

11                   MR. PHILLIPS: I have no --

12                   MR. CAMPBELL: Over? Under?

13                   MR. PHILLIPS: I have specifically avoided  
14 asking Chris Legg what the flow to the plant has been the  
15 last week and a half.

16                   MR. CAMPBELL: While we are still green  
17 and yellow, there is nothing that is going to take us  
18 in --

19                   MR. PHILLIPS: Yes, sir. If you look at  
20 2021 average to date, the average to date still looks  
21 pretty good. You know, you have to have that I&I for at  
22 least six or seven months, like it did years ago, to make  
23 us worry about the annual average limit that we can have,  
24 so --

25                   MR. KENNEDY: So, Mr. Wells, it sounds

1 like our I&I initiative is working now?

2 MR. WELLS: It's working. Yes. There is  
3 a lot more identified, but we have fixed a lot. And the  
4 crews worked very hard through all of that rain. And as  
5 far as I know, I don't think we had one lift station  
6 flood with all of that rainwater.

7 MR. PHILLIPS: And Joe said something  
8 earlier, you know, historically, Holley Navarre has had  
9 problems with people popping manholes and opening service  
10 laterals up. And that kind of went away.

11 But the longer it rains and the more  
12 flooded people's yards are, the more -- the greater the  
13 temptation it is to go out there and chance it and open  
14 those up.

15 MR. KENNEDY: And I do want to reiterate  
16 that, just for the people that might be watching, it is  
17 illegal for you to pump and open those manholes and be  
18 pumping the water from your land into those manholes.

19 MR. WELLS: Or discharge that storm water.

20 MR. KENNEDY: Right.

21 MR. PHILLIPS: Any intentional  
22 introduction of storm water into the waste water system  
23 isn't right.

24 MR. KENNEDY: So what they are telling  
25 you, people, is do not touch the manholes. And do not

1 pump water. I understand, but that is illegal, so --

2 MR. THIEL: We have lift stations overrun  
3 in the past?

4 MR. WELLS: Yes, sir. Years ago. Yeah.  
5 The deluge that we had, we had a lift station completely  
6 under water.

7 MR. THIEL: I am just wondering if the  
8 impact, if you think that the impact that you had by  
9 fixing the I&I has been -- helped that situation.

10 MR. WELLS: It has helped. Yes.

11 DR. PEAVEY: The other part of that is  
12 it's not just the I&I, it's cleaning up the lift stations  
13 as they do, that improvements on those lift stations that  
14 have deteriorated over the period of time because of lack  
15 of work being done to them. It's a combination.

16 MR. KENNEDY: And that all ties back to  
17 our CIP project and the funding that we are asking for  
18 that we can always provide better service to our members.

19 DR. PEAVEY: Absolutely.

20 MR. KENNEDY: Exactly. So, again,  
21 congratulations. I know we have been talking about I&I,  
22 at least for me, for two years. And, you know, it looks  
23 like we have a positive on what you are doing. Well  
24 done, Mr. Wells.

25 Anything else, Mr. Phillips?

1 MR. PHILLIPS: No. That's it. Unless  
2 anybody has any questions?

3 MR. KENNEDY: Any questions?

4 (NO AUDIBLE RESPONSE.)

5 MR. KENNEDY: All right. That leaves us  
6 to VT SCADA. Mr. Wells?

7 MR. WELLS: VT SCADA for Holley Navarre is  
8 kind of on hold right now. We have bought a new VPN to  
9 put on all of our servers that we are fixing to purchase  
10 and some software that goes on with it.

11 We are implementing the VT SCADA for  
12 Fairpoint first. That's what is happening right now. As  
13 soon as we get Fairpoint up and running, fully  
14 operational, we will move on with Holley Navarre.

15 It appears that we can possibly have VT  
16 SCADA for Holley Navarre completed mid-December, if we  
17 don't run into any snags.

18 MR. KENNEDY: Okay. Does anybody have any  
19 questions about VT SCADA?

20 (NO AUDIBLE RESPONSE.)

21 MR. KENNEDY: Very good. We will move on  
22 to the member forum. Mr. Barnett?

23 MR. BARNETT: I don't have anything.

24 MR. KENNEDY: Okay. All right. Before we  
25 adjourn, again, I will make a reminder to everyone that

1 our regular Board meeting is scheduled at 6:00 P.M. at  
2 the Club at Hidden Creek, October 19th.

3 I will entertain a motion for adjournment.

4 MR. CAMPBELL: Motion for adjournment.

5 MR. THIEL: Second.

6 MR. KENNEDY: All right. All those in  
7 favor say "Aye"?

8 MR. MILLER: Aye.

9 MR. THIEL: Aye.

10 MS. CAVE: Aye.

11 MR. CAMPBELL: Aye.

12 MR. LINNELL: Aye.

13 MR. KENNEDY: All right. Meeting  
14 adjourned.

15  
16 WHEREUPON, THE BOARD OF DIRECTORS MEETING  
17 FOR HOLLEY NAVARRE WATER SYSTEM CONCLUDED AT 6:32 p.m.

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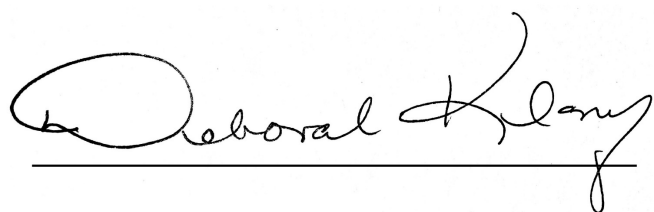
CERTIFICATE OF REPORTER

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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' for Holley Navarre Water System 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 October, 2021.



DEBORAH G. KHARUF  
Court Reporter and Notary Public,  
State of Florida at Large.  
Commission number GG 310633  
My commission expires July 6, 2023.