

HOLLEY NAVARRE WATER SYSTEM
REGULAR BOARD MEETING

APRIL 19, 2022

6:00 P.M. - 7:30 P.M.

JOE CAMPBELL, PRESIDENT

MARK MILLER, VICE PRESIDENT

BILL THIEL, SECRETARY TREASURER

MIKE KENNEDY, DIRECTOR

DON LINNELL, DIRECTOR

DARYL LYNCHARD, DIRECTOR

JAMES DABNEY, DIRECTOR

DALLAS PEAVEY, CEO, HNWS

TY CAMPBELL, HNWS

EMERALD MCDANIEL, HNWS

CHRIS BOND, IT HNWS

PHIL PHILLIPS, MESI

CORY SNYDER, MESI

JARROD CROSS, HNWS

CHRIS LEGG, HNWS

ALSO PRESENT:

WILL DUNAWAY, ESQUIRE

DEBORAH KHARUF, COURT REPORTER

HANSEN HASENBERG, NAVARRE PRESS

MR. JOHNSTON, RANDALL HEATON,

MR. SMOOT, SUZIE KENNEDY

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

2 MR. JOE CAMPBELL: I will call the meeting
3 to order. Who wants to do the prayer? Mr. Mark?

4 If you will stand for the prayer?

5 MR. MILLER: Everyone, please bow your
6 heads and pray with me.

7 (INVOCATION GIVEN BY DIRECTOR MILLER.)

8 (PLEDGE OF ALLEGIANCE LED BY PRESIDENT JOE CAMPBELL.)

9 MR. JOE CAMPBELL: All right. We have a
10 full house today. We have a quorum of seven.

11 Audio and video recorders are in use. And
12 if you would like to speak with the Board, if you would
13 please fill your name in at the Member Forum sign-up
14 sheet at the back on the table with the white tablecloth.

15 Okay. Looking to approve some minutes and
16 transcripts from our last meeting on March 15th?

17 MR. THIEL: I have a couple of
18 corrections, Mr. President --

19 MR. JOE CAMPBELL: Okay.

20 MR. THIEL: -- to the transcripts. The
21 minutes were fine. Page 10, Line 1, these are both
22 quotes attributed to me that I -- unless I garbled the
23 words, I think, were in error.

24 Dr. Pritchard -- I don't know who he is.
25 I meant Commissioner Piech. We were talking about the

1 Eglin lease. So that should be changed to Commissioner
2 Piech.

3 And on page 26, Line 12, me and Phil were
4 talking about I&I and I made the comment that it's not
5 been raining much the first two months of the year and
6 the word "Not" is missing. So I submit those for
7 correction.

8 MR. JOE CAMPBELL: Okay. Anything else?
9 Director Lynchard?

10 MR. LYNCHARD: I believe President Joe
11 Campbell was the Board President that night, not Mike
12 Kennedy.

13 MR. JOE CAMPBELL: On the minutes. Did
14 Ms. Emerald get that?

15 DR. PEAVEY: Yes.

16 MR. JOE CAMPBELL: Okay. Any other
17 comments, discussion, about the minutes?

18 (NO AUDIBLE RESPONSE.)

19 MR. JOE CAMPBELL: I would like to
20 entertain a motion --

21 MR. KENNEDY: Motion to approve with
22 changes to the March 15th, 2022, regular meeting minutes
23 and transcripts.

24 MR. JOE CAMPBELL: Director Kennedy
25 motions. Any seconds?

1 MR. LYNCHARD: Second.

2 MR. JOE CAMPBELL: Director Lynchard. Any
3 other discussion?

4 (NO AUDIBLE RESPONSE.)

5 MR. JOE CAMPBELL: All in favor say "Aye"?

6 MR. KENNEDY: Aye.

7 MR. LYNCHARD: Aye.

8 MR. LINNELL: Aye.

9 MR. DABNEY: Aye.

10 MR. THIEL: Aye.

11 MR. MILLER: Aye.

12 MR. JOE CAMPBELL: Any opposed?

13 (NO AUDIBLE RESPONSE.)

14 MR. JOE CAMPBELL: All right. Approval of
15 members. Kind of standard, 322 new members, canceled
16 310, with four transfers. That's pretty much the norm.
17 Just a normal Board action to approve members as required
18 by our bylaws.

19 MR. KENNEDY: Motion to approve.

20 MR. LYNCHARD: Second.

21 MR. JOE CAMPBELL: Daryl -- Daryl

22 seconded. All right. Any other discussion?

23 (NO AUDIBLE RESPONSE.)

24 MR. JOE CAMPBELL: All in favor say "Aye"?

25 MR. KENNEDY: Aye.

1 MR. LYNCHARD: Aye.

2 MR. LINNELL: Aye.

3 MR. DABNEY: Aye.

4 MR. THIEL: Aye.

5 MR. MILLER: Aye.

6 MR. JOE CAMPBELL: Any opposed?

7 (NO AUDIBLE RESPONSE.)

8 MR. JOE CAMPBELL: Motion carries. All
9 right. Unfinished business. Customer service, 1809
10 Frontera Street. Dr. Peavey, you are going to give us
11 some updated information?

12 DR. PEAVEY: Yes, sir. Gentlemen, you
13 have in your packet information, a historical bit of
14 information including from the start to finish from 2017
15 to current. You also have in your packet the research
16 that we did to validate the offer that was made for that
17 address and the reasoning.

18 So this is for your information and your
19 review. It was a proposal that was sent and given to
20 Mr. Johnston.

21 MR. JOE CAMPBELL: Is Mr. Johnston here?

22 MR. JOHNSTON: Yes.

23 MR. JOE CAMPBELL: Okay. Any Board
24 discussion? If I remember correctly, Dr. Peavey, you
25 actually had proposed a payment plan?

1 DR. PEAVEY: That's correct, sir.

2 MR. JOE CAMPBELL: This was overuse of
3 water, swapping the lines. The neighbor was paying, vice
4 versa, and that other member got a refund.

5 DR. PEAVEY: Yes, sir. He got a service
6 credit. Yes, sir.

7 MR. KENNEDY: I guess, Mr. President,
8 again, I am wondering why we are even reviewing this.
9 What is it? What is the request? What are we here to
10 discuss?

11 DR. PEAVEY: The Board had asked for the
12 CEO to review the matter for Mr. Johnston to come back
13 and give this bit of information. And I put together a
14 proposal for Mr. Johnston's approval.

15 MR. JOE CAMPBELL: I think some of the
16 discussion was whether the CEO could, should, would do a
17 payment plan. A couple of Directors asked the question.

18 I had made the comment, "If it was within
19 his spending limits, why would he not?" So I guess if we
20 are looking for a Board motion to that effect?

21 MR. KENNEDY: I guess that's the
22 question.

23 MR. LINNELL: Well, I don't know if that
24 is what the customer wants.

25 MR. JOE CAMPBELL: Okay. Mr. Johnston,

1 any other comments for us before we move forward?

2 MR. JOHNSTON: I certainly do.

3 MR. JOE CAMPBELL: Okay.

4 MR. JOHNSTON: I came before you yesterday
5 or last time around last month, in regards to this. And
6 my thought at the time was that the Holley Navarre Water
7 System would absorb the cost of that.

8 I don't know the legality of going back
9 that far -- five years ago. I haven't pressed the test
10 on that particular issue on a legal matter because I kind
11 of thought common sense and doing the right thing and all
12 of that stuff would apply. My thoughts at the time --

13 I understand that they will never do this
14 to you, but I know everyone on this Board here wouldn't
15 put up with that from any other company.

16 I mean, if Cox Cable came up to anybody on
17 this Board and said, "Hey, remember five years ago when
18 you signed up for our service? Well, we gave you the
19 super sports package. And you haven't been paying for it
20 for five years. So what we are going to do now is charge
21 you \$2100 and it's due first of the month."

22 None of you would put up with that. And
23 you know that is not right.

24 MR. JOE CAMPBELL: Right. Which is when
25 we asked the CEO to go through and do a payment plan. Is

1 that is not acceptable to you? You just want us to write
2 off that whole \$2100?

3 MR. JOHNSTON: That was kind of -- I was
4 under the impression that you thought -- you mentioned
5 something to the effect of that the CEO had miscellaneous
6 money. I don't recall the exact word you used. But it
7 was miscellaneous money to pay that off.

8 MR. JOE CAMPBELL: No. That's not what --

9 MR. JOHNSTON: That's not? Okay.

10 MR. JOE CAMPBELL: No.

11 MR. JOHNSTON: I will go back to it.

12 MR. JOE CAMPBELL: The CEO -- the Board
13 has given the CEO a spending limit. And, normally, if it
14 is in day-to-day operations within that spending limit,
15 he doesn't come to the Board for permission because the
16 Board has already given that. So the fact that it was
17 within his spending limit, he had the authority to spread
18 those payments out in a payment plan.

19 MR. JOHNSTON: Uh-huh.

20 MR. JOE CAMPBELL: The internal Board
21 discussion was the policy of whether the Board gave him
22 that or not. So that's a separate issue, but I don't
23 know that -- I mean, you did use the water. And since
24 it's been corrected, you are using the same amount of
25 water --

1 MR. JOHNSTON: I don't know. I am going
2 off their word that's what happened. Actually, I was the
3 one that told them that may be what happened.

4 MR. JOE CAMPBELL: Okay.

5 MR. JOHNSTON: When I told them that, a
6 whole bunch of other stuff came into play.

7 MR. JOE CAMPBELL: I guess since my
8 understanding is that since the lines were corrected that
9 your water usage is the same as it was --

10 MR. JOHNSTON: Well, that was Part Two of
11 the whole equation is why is this meter over here, me and
12 my wife, are doing three to four times the water usage of
13 my next door neighbor, him and his wife.

14 I mean, are we washing -- he -- his last
15 month, his normal usage plus filling up his pool was
16 almost the same as my meter.

17 MR. JOE CAMPBELL: Okay.

18 MR. JOHNSTON: And I don't know how
19 accurate it is that -- I actually went out there and did
20 what they call a leak check.

21 It's like somebody told me this. Turn off
22 everything in your house. Go out, take a meter check,
23 wait a half hour and see if you have got a leaky pipe or
24 something.

25 I went and did that. Didn't have a single

1 leak. I mean, it was right where it was 45 minutes
2 later. I thought, "Okay. It's not a leaky pipe."

3 Hooked up my garden hose, the hose gives a
4 little trickle that was thin and the meter was perfect.

5 Then, I started squirting stuff out. And
6 I am not so sure -- you know, I am not a meter reader
7 guy, but I am not so sure about the accuracy of this
8 thing.

9 So I went into -- I actually Googled the
10 company that makes those meters. And low and behold,
11 it's literally class action lawsuit after class action
12 lawsuit from California, Louisiana --

13 MR. JOE CAMPBELL: Okay.

14 MR. JOHNSTON: -- even Panama City.

15 MR. JOE CAMPBELL: Okay.

16 MR. JOHNSTON: And I am just wondering:
17 Is there something wrong with my meter? I mean, I am not
18 washing tons and tons of dishes.

19 MR. JOE CAMPBELL: Well, we would have to
20 go through every meter that the Water System has, but
21 let's -- let's not digress from that. I am guessing I am
22 looking to any -- is there any Board member that would be
23 willing to make a motion per se. I know I personally am
24 not willing to forego that. I think it -- we come up
25 with --

1 MR. JOHNSTON: There is some more
2 information, Mr. President, that --

3 MR. JOE CAMPBELL: Do we have
4 everything -- Dr. Peavey, so we have everything in our
5 packets that we were going to review. Has the Board
6 members reviewed the packets?

7 MR. KENNEDY: Mr. President, if I could
8 ask a question?

9 MR. JOE CAMPBELL: Yes, sir.

10 MR. KENNEDY: So, sir, is your request
11 right here before the Board for us to absorb the --

12 MR. JOHNSTON: Initially, it was \$2105.62.

13 DR. PEAVEY: That's correct.

14 MR. KENNEDY: That is why you are here in
15 front of us asking the Board right now to --

16 MR. JOHNSTON: Just absorb the cost.

17 MR. KENNEDY: Absorb the cost --

18 MR. JOHNSTON: To me, that is a business
19 expense.

20 MR. JOE CAMPBELL: You are asking the
21 other members to absorb the cost, not the Board.

22 MR. KENNEDY: Mr. President, I make a
23 motion to deny any absorbing of a cost.

24 MR. JOE CAMPBELL: Okay. We have a
25 motion. Do we have any second?

1 MR. LINNELL: State the motion again. I
2 didn't hear it.

3 MR. JOE CAMPBELL: Deny the request to --

4 MR. LINNELL: Oh, I will second that.

5 MR. JOE CAMPBELL: Okay. Any other
6 discussion? Director Miller?

7 MR. MILLER: Yeah. I -- it seems to me
8 that the meters getting crossed were a mistake that our
9 member had nothing to do with. And he didn't find out
10 until a while later that this mistake was made.

11 And now, he is having to go back and make
12 up this difference. And even though we are setting up a
13 payment plan for him, I just have some concerns that, you
14 know, he is now in a financial hardship of sorts that,
15 you know, he is having to pay for someone else's mistake.

16 Even though he used the water, you know,
17 he normally would have been required to pay for it. He
18 would have been required to pay for it a little bit each
19 month, rather than having to all of a sudden pay his
20 current water bill and make up all of these back
21 payments.

22 So I am not so sure that's the right thing
23 to do if we made a mistake. I think we need to own up to
24 it. And I don't know how the mistake was made. I saw a
25 little meeting backup that showed, you know, what the

1 I wanted to touch base with. I went to pay my water bill
2 at the beginning of the month because I didn't want to
3 get my water turned off. And I knew I would have to come
4 back to this meeting.

5 And the CEO did email me a payment plan --

6 MR. JOE CAMPBELL: Okay.

7 MR. JOHNSTON: -- and it was -- initially,
8 it was, "Give us \$2100 the first of the month."

9 And, last month, I came here. You agreed
10 to direct the CEO to put that off until we came up with
11 some better option. Thank you very much.

12 The better option -- I thought last time
13 that you had agreed that they should absorb the cost with
14 this money. I may have misheard that.

15 MR. JOE CAMPBELL: Okay.

16 MR. JOHNSTON: Anyway, it comes around
17 where I got called up by the Billing Department saying,
18 "Hey, we can do this. You can pay \$709 and then \$100 a
19 month, plus your bill."

20 And I said, "I thought the President said,
21 "X, Y, Z." And, obviously, I was mistaken on that.

22 But I said, "I can't do that."

23 She said, "How much can you get?"

24 And I thought, "Gosh, it's just a money
25 grab around here. It's just get whatever you can."

1 And I said, "Well, this has been accrued
2 since 2017." Not my fault. And I -- I don't want to say
3 how much I agree with you that it's not my fault that
4 this happened. I had nothing to do with it.

5 I purchased the service. I got billed for
6 the service. I paid for the service. And it went on for
7 five years.

8 MR. JOE CAMPBELL: So what you are really
9 looking for is an amicable payment plan?

10 MR. JOHNSTON: I made the suggestion, just
11 because I thought it was such a money grab, and that's
12 all it seemed to be of importance was "Give us a check.
13 Give us money."

14 I said, "Well, this has accrued over five
15 years. Just pick four years. Let's say 48 months.
16 Split it up into 48 payments. Take this \$2105, split it
17 up 48 ways and add that to my bill every month."

18 And that didn't cut the mustard. No. Did
19 not. So I went over and talked to my neighbor who has
20 been overbilled for all of this time. You know what they
21 did with him?

22 Suddenly, the money issue wasn't all that
23 important. They didn't issue him a check for the \$2105
24 he overpaid for all of these years. They gave him a
25 credit.

1 Now, he has got to deal with that for five
2 or six years, whittling his credit down. How come it is
3 not good for me, but it's fine for your staff?

4 MR. JOE CAMPBELL: Okay.

5 MR. JOHNSTON: You know, I am just --
6 sorry for getting perturbed and --

7 MR. JOE CAMPBELL: So 48 months? Over 48
8 months is what you are really looking for, not to just --

9 MR. JOHNSTON: I put that out -- I didn't
10 think I should be paying any of it. I put it out there
11 in that format because it seemed to be just a money grab.

12 MR. JOE CAMPBELL: Okay.

13 MR. JOHNSTON: And low and behold, it is a
14 money grab because they wouldn't accept that. But they
15 have no problem paying my next door neighbor that way.
16 What is good for the goose is good for the gander kind of
17 thing.

18 MR. JOE CAMPBELL: Thank you for you
19 input. Any other Board discussion?

20 MR. MILLER: If I can just say this, if we
21 could work out the payment terms of 48 months, then that
22 would be fairly comparable to what your neighbor is
23 getting. He is getting his money back over that extended
24 period. You would be allowed to pay it over that
25 extended period --

1 (BOTH SPEAKING OVER EACH OTHER AT THE SAME TIME.)

2 MR. JOHNSTON: Apples to apples.

3 MR. MILLER: And nobody is benefiting
4 because you are each, in the end, you are paying for the
5 extra water that you weren't billed for and he is getting
6 a credit for the water he didn't use that he paid for.

7 MR. JOHNSTON: Right.

8 MR. MILLER: Would that be amicable to
9 you?

10 MR. JOE CAMPBELL: Go ahead. Dallas?

11 DR. PEAVEY: His neighbor could have
12 requested the payment immediately. He could have got a
13 check, so it wasn't a money grab. He was satisfied with
14 that. That was the offer that he got.

15 MR. JOHNSTON: If my neighbor would have
16 been informed -- if my neighbor would have been informed
17 that he had been overpaying for five years --

18 MR. JOE CAMPBELL: All right, Mr.
19 Johnston.

20 DR. PEAVEY: He was.

21 MR. JOHNSTON: No, he wasn't.

22 MR. JOE CAMPBELL: Let us solve this.

23 MR. KENNEDY: So my motion still stands,
24 though.

25 MR. JOE CAMPBELL: All right. So the

1 motion still stands with a second. So any further
2 discussion? You would not be willing to redact it and --

3 MR. KENNEDY: No.

4 MR. MILLER: So let me ask you this: The
5 motion is just to deny the request for writing the bill
6 off?

7 MR. LINNELL: That's what I said.

8 MR. KENNEDY: That's correct.

9 MR. MILLER: No discussion from me on
10 that.

11 MR. JOE CAMPBELL: Any other discussion?
12 So the motion is not to write the bill off?

13 MR. KENNEDY: Correct.

14 MR. JOE CAMPBELL: All in favor of not
15 writing the bill off say, "Aye"?

16 MR. KENNEDY: Aye.

17 MR. LYNCHARD: Aye.

18 MR. LINNELL: Aye.

19 MR. DABNEY: Aye.

20 MR. THIEL: Aye.

21 MR. MILLER: Aye.

22 MR. JOE CAMPBELL: Any opposed?

23 (NO AUDIBLE RESPONSE.)

24 MR. JOE CAMPBELL: Okay.

25 MR. MILLER: I would like to make a motion

1 that we give this man 48 months to make up the --
2 whatever the balance is -- \$2100.

3 We spread it out over 48 months. I think
4 that's an equitable amount. It's actually a shorter
5 amount of time than what this overage occurred over.

6 And if he is okay with that, I would like
7 to make that motion that we give him 48 months to pay it.

8 MR. LYNCHARD: I will second it.

9 MR. DABNEY: Second.

10 MR. JOE CAMPBELL: Daryl and James
11 seconds. Any other discussion on that?

12 MR. KENNEDY: Yeah. I would not be in
13 favor of that at all.

14 MR. JOE CAMPBELL: Okay.

15 MR. KENNEDY: Again, sir, your -- you used
16 the product over the last five years. The issue here is,
17 you know, if you are going to wind up giving this
18 gentleman 48 months to be able to make a payment, what
19 are we going to do for anybody else? So I would not be
20 in favor of that.

21 MR. MILLER: Well, it was our mistake, you
22 know. It was not his.

23 MR. KENNEDY: I -- would you address that?

24 DR. PEAVEY: It was not the company's
25 mistake. It was the contractor, the builder mistake.

1 They brought the pipes up out of the ground and said
2 this -- "These pipes belong to this lot. This one to
3 this one."

4 They came. They didn't even have the
5 meter box installed. We installed the meters as per the
6 contractor and the builder.

7 But that was the policy. That was the
8 inspections and that was the connections that were made.

9 MR. MILLER: Okay. Maybe it wasn't our
10 mistake that they were connected, but we did not verify
11 that pipe connection. If you look at the situation over
12 at Midway and Gulf Breeze, they didn't actually make the
13 connection, but they were responsible in the end for
14 those connections being switched because they didn't
15 inspect it, so --

16 MR. JOE CAMPBELL: Thank you, Mark. One
17 more comment? Anyone? Don?

18 MR. LINNELL: In my opinion, it doesn't
19 matter -- in my opinion, it doesn't matter who made the
20 mistake. I think the thing we have all agreed on is our
21 member did not.

22 So I think we should just stay focused on
23 that. Our member did not. And is there something we can
24 or should do or leave it as it --

25 MR. JOE CAMPBELL: okay.

1 MR. LINNELL: To me, it's irrelevant who
2 made the mistake.

3 MR. JOE CAMPBELL: The only thing I am
4 going to ask, would you mind amending it to say that if
5 Mr. Johnston leaves the property within this 48 months,
6 we get the outstanding debt?

7 MR. MILLER: I will amend the motion for
8 what you said.

9 MR. JOE CAMPBELL: Okay. There is an
10 amended motion.

11 MR. DABNEY: I will second that.

12 MR. JOE CAMPBELL: Okay. There is an
13 amended motion and a second. All right. Any other
14 discussion?

15 (NO AUDIBLE RESPONSE.)

16 MR. JOE CAMPBELL: So the motion is to
17 allow Mr. Johnston to repay over a 40-month period?

18 MR. JOHNSTON: 48.

19 MR. JOE CAMPBELL: 48-month period. You
20 said 48?

21 MR. JOHNSTON: Yes.

22 MR. JOE CAMPBELL: Okay.

23 MR. MILLER: I do have one technical
24 question --

25 MR. JOHNSTON: I do have some follow-up

1 information I would like to --

2 MR. JOE CAMPBELL: Okay.

3 MR. MILLER: -- relative to making sure
4 that if he sells the property that that is taken care of,
5 Well, there's a certain thing called a municipal lien
6 search. Will that show up? That may be a question for
7 customer service.

8 I know in the municipal lien service they
9 have to find out are there any outstanding balances due
10 to utility companies --

11 DR. PEAHEY: We don't. The company
12 doesn't file liens.

13 MR. MILLER: Okay. I know we don't file
14 liens. But do we, as a rule, verify whether or not there
15 is any outstanding balances on the utility? Do we get
16 calls from title companies for that?

17 MR. JOE CAMPBELL: We have to --

18 DR. PEAHEY: Yeah. It's still in the
19 customer's name. If he ever came back in the system,
20 then we would know.

21 MR. JOE CAMPBELL: So you would know that
22 he had moved --

23 DR. PEAHEY: If he had moved --

24 MR. JOE CAMPBELL: All right. I think we
25 have heard enough. So the motion is to allow Mr.

1 Johnston to repay that \$2100 over a 40 month -- over 48
2 months. All in favor?

3 MR. LYNCHARD: Aye.

4 MR. LINNELL: Aye.

5 MR. DABNEY: Aye.

6 MR. MILLER: Aye.

7 MR. JOE CAMPBELL: Any opposed?

8 MR. THIEL: Nay.

9 MR. KENNEDY: Nay.

10 MR. JOE CAMPBELL: Okay. Motion carries.

11 All right, Mr. Johnston, thank you very much. Okay.

12 Next --

13 MR. JOHNSTON: Do you want me to stick
14 around for the --

15 MR. JOE CAMPBELL: If you have other
16 member forum, yes, please. Let us move on with the -- if
17 you want to come back and discuss something during open
18 forum, yes.

19 MR. JOHNSTON: Well, something that
20 pertains to this issue.

21 MR. JOE CAMPBELL: Let us get through the
22 rest of the agenda and then --

23 MR. JOHNSTON: Okay. I will wait.

24 MR. JOE CAMPBELL: All right. Water
25 adjustments. Mr. Cory? Mr. Phil?

1 MR. PHILLIPS: So as I understand it, the
2 question is the change in policy to not allow a credit
3 when a person fills a pool when they have sewer service.

4 So let me try and just make it real quick.
5 So Holley Navarre is subject to regulation through the
6 Water Management District through two permits. One is a
7 Water Use Permit and the second is the Fairpoint Water
8 Use Permit.

9 In this Fairpoint Water Use Permit, there
10 was a stipulation that all of the utilities in the
11 peninsula could no longer allow yard meters.

12 There's two primary purposes for a yard
13 meter. One, the primary purpose is to avoid paying sewer
14 for a use at your residence that doesn't go through the
15 sewer system. But there is two primary uses that people
16 requested yard meters in the past.

17 One was for irrigation purposes and one
18 was for pools and other esthetic uses of water. So that
19 was the primary. So the Water Management District has
20 said we are no longer allowed to do those and we had to
21 get rid of them.

22 We could leave the yard meter in place,
23 but we had to penalize the use -- in other words, charge
24 full value of sewer if sewer was available to that lot.

25 So what Holley Navarre had been doing --

1 and we only discovered this relative recently -- we keep
2 running into situations that we are continually having to
3 question the District and those regulations.

4 But, essentially, the way the District
5 looks at this issue is -- okay, you don't have a yard
6 meter, but you still gave them the credit through their
7 regular meter for filling a pool. That's just like them
8 having a yard meter and not paying sewer service.

9 So it's not allowed. That's just the
10 simple way to look at it right there. We are just not
11 allowed to do that.

12 MR. JOE CAMPBELL: We did in the past, but
13 we should not have been doing it?

14 MR. PHILLIPS: Yeah. Actually, we were --

15 MR. JOE CAMPBELL: You had me at "We
16 shouldn't have been doing it."

17 MR. MILLER: Can I speak?

18 MR. JOE CAMPBELL: Sure.

19 MR. MILLER: I had asked to get a copy of
20 our Water Use Permit and on -- just for the record, it's
21 on page 5 of 14, and it's Item Number 8 that addresses
22 Holley Navarre Water System et al shall not provide for
23 the installation of yard meters and shall develop a plan
24 for the removal of existing yard meters and shall provide
25 a restructure," -- and it goes on and on about yard

1 meters.

2 Then, the very next paragraph, Item Number
3 9, "Holley Navarre Water System shall not provide water
4 to customers to fill or augment the level of water body
5 use for esthetic, irrigation, or other similar
6 non-potable purposes, excluding swimming pools."

7 MR. PHILLIPS: So what that means is -- so
8 what that means -- what that means is if you had a
9 high-end house that had a fountain in front of it, we
10 would have had to cut your service off until you
11 disconnected the fountain from your -- that's an esthetic
12 use.

13 We could still serve your pool through
14 your meter, but we have to charge you the full rate per
15 the previous paragraph.

16 MR. MILLER: Well -- and I understand
17 that. And, yes, if somebody has a fountain in their
18 service, then we charge them for the sewer. But it
19 actually specifically excludes swimming pools.

20 So nothing in this -- nothing in this that
21 I read says we have to bill someone sewer services for
22 filling a pool. It's a one-time event.

23 It's not an ongoing use like a -- like
24 when somebody waters their yard, they water their yard
25 every day throughout the summer. Filling a swimming pool

1 is a one-time event, and they have to document it.

2 My understanding is the policy for years
3 has been in order to get that credit, they have to
4 actually document that they are filling a pool, you know,
5 some type of documentation, how many gallons the pool
6 holds. And they get a credit for that amount.

7 My stance on this is that the fair thing
8 to our members since we know that they have documented,
9 that this money is not going into our sewer system, it is
10 going into a pool, we should not be charging them for
11 sewer services when we are not having to treat that
12 water.

13 And it is a one-time event. It's not
14 something that happens on an ongoing basis. There is
15 no -- it actually makes a specific exception for filling
16 up swimming up pools in here. So, I mean, I think the
17 fair thing to our customers is to continue the previous
18 policy that we had.

19 I am a little upset that this caught us
20 blindsided. The Board had no knowledge that this policy
21 was going to change or this procedure or whatever you
22 want to call it was going to change. We got blindsided
23 at our last meeting on this.

24 And the only other point I will make is
25 it's penalizing somebody that has access to sewer. There

1 is no penalties for someone that has septic tank and
2 fills their pool. They are not paying a sewer charge,
3 even though they are filling a pool.

4 So, to me, there is a disparity there.
5 People that have sewer, even though they are not putting
6 water into the sewer are paying extra. And someone that
7 has a septic tank is not.

8 MR. JOE CAMPBELL: So my question to
9 Legal, though, and to Phil, and the CEO would be if
10 Northwest Florida Water Management finds out that we are
11 doing this, what are our ramifications? They pull our
12 permit?

13 MR. MILLER: No. It says, "Excluding
14 swimming pools."

15 MR. SNYDER: Can I clarify that one?

16 MR. JOE CAMPBELL: That's why I am asking
17 that --

18 MR. SNYDER: That means that we can
19 actually have a meter for a swimming pool, but if there
20 is sewer attached to that that is associated with the
21 pool, it has to pay a sewer charge.

22 DR. PEAVEY: And that is why --

23 MR. SNYDER: It just means we could have a
24 meter for it.

25 MR. MILLER: It doesn't say anything about

1 having to pay a sewer charge.

2 DR. PEAVEY: And how long has this been in
3 place?

4 MR. JOE CAMPBELL: That's why I asked the
5 legal guy.

6 DR. PEAVEY: How long has it been in
7 place?

8 MR. SNYDER: 2003.

9 DR. PEAVEY: Mark, this didn't just come
10 up. This has been in place since 2003. However, the
11 Board allowed those things to happen even though it
12 wasn't correct. So we are trying to correct them so that
13 we don't --

14 MR. MILLER: What happened in 2003?

15 MR. JOE CAMPBELL: This has been in place
16 since 2003.

17 DR. PEAVEY: That's where the --

18 MR. PHILLIPS: That's when the Fairpoint
19 permit was issued.

20 MR. MILLER: No, I know. But the
21 Fairpoint permit doesn't say we can't allow people to
22 fill a swimming pool and that we have to charge them for
23 sewer.

24 MR. PHILLIPS: So, again, if you read it
25 literally, the item that you read that says, "Excluding

1 swimming pools," allows us just to have a meter for you
2 to be able to fill your swimming pool.

3 If you had a fountain, if you had a duck
4 pond, if you had anything else, and even though that
5 service fed your house, too, we couldn't allow you to
6 have service to your house until you cut those uses off.

7 All that statement does is allow us to let
8 you have a swimming pool that can be filled from your
9 service.

10 DR. PEAVEY: Correct.

11 MR. THIEL: But you still pay sewer.

12 MR. PHILLIPS: Where it says in the
13 previous thing, it is clear that yard meters are not
14 allowed.

15 MR. MILLER: But this isn't a yard meter.
16 This is a swimming pool --

17 MR. PHILLIPS: It is an attempt to get
18 around a yard meter. The other alternative would be if
19 we said we won't allow you to do that, because, one, we
20 can't measure it, and we don't know the size of your
21 pool, we are depending on you.

22 So we will give you a separate meter, just
23 like we would give you a separate meter for irrigation.

24 MR. JOE CAMPBELL: All right. Let another
25 Director --

1 MR. KENNEDY: Mr. President?

2 MR. JOE CAMPBELL: Yeah?

3 MR. KENNEDY: Mr. Dunaway?

4 MR. DUNAWAY: Yes?

5 MR. JOE CAMPBELL: He should have said,
6 "Yes," when I asked him that question. Go ahead.

7 MR. DUNAWAY: Yeah. That's correct. The
8 exception is the difference between what is established
9 as a yard meter and what is established when you have
10 sewer, so you can have it and you can fill the pool, but
11 the rate that you apply to the water is the rate that
12 also includes sewer.

13 So that's the difference between that
14 section. So what Phil was saying is the correct
15 interpretation of the permit. Now, if you don't follow
16 the permit, you know, I mean, consequences can be, you
17 know, they can tell you, "Please follow your permit."

18 Or they can be as consequential as, you
19 know, violate -- being in violation of the permit. The
20 reason for this is because you are in the area of
21 critical concern for water here on the peninsula.

22 So the -- what we want to do and what we
23 are continuing to do is have a really good relationship
24 with the Northwest Florida Water Management District. So
25 we certainly want to be in compliance with all spirit and

1 intent of the permit, just as if we would be in
2 compliance with every letter of the law.

3 MR. JOE CAMPBELL: Okay. So as I
4 understand it now, the policy is we do not allow pools to
5 be filled without charging the -- there has been no
6 requests for filling a pool without the actual sewer
7 charge to go with it. Is that what I am --

8 Go ahead, Daryl.

9 MR. LYNCHARD: I have got a question. The
10 policy passed in 2003. Is this the first time we have
11 ever charged somebody sewer?

12 MR. PHILLIPS: No.

13 MR. DUNAWAY: No.

14 MR. PHILLIPS: Well, I am speculating
15 here. I will let Cory because Cory, Clinton, and Amber
16 have way more to do with enforcing all of these and
17 trying to interpret all these little weird things that
18 happen relative to those clauses in that permit.

19 Most people that fill a pool never come
20 into this utility and ask for that credit.

21 DR. PEAHEY: Yeah.

22 MR. PHILLIPS: It's only a very few.

23 Correct me if I'm wrong?

24 MS. MCDANIEL: You are correct.

25 MR. PHILLIPS: Okay.

1 MR. JOE CAMPBELL: Okay.

2 MR. LYNCHARD: So we have charged people
3 in the past and --

4 MR. PHILLIPS: Everyone that has a --
5 there are no yard meters.

6 MR. JOE CAMPBELL: Every time I fill my
7 pool when my pool goes down --

8 MR. PHILLIPS: Yard meters have been
9 completely eliminated in the Holley Navarre Water System.
10 Everyone that has a pool, that has his own sewer system,
11 is charged sewer to fill their pool.

12 Only the few people that took advantage of
13 that policy that was passed and came in and asked were
14 getting the discount. The vast majority never even knew
15 the rule existed and never came in and asked.

16 MR. JOE CAMPBELL: Okay. But that's the
17 second point, because you said, "Asked for it and got the
18 discount."

19 MR. PHILLIPS: Correct.

20 MR. JOE CAMPBELL: So what should we --

21 MR. PHILLIPS: Mark is correct. They had
22 to come in and they had to document the pool size and say
23 what it was and they got credit for it.

24 MR. JOE CAMPBELL: Any other discussion?
25 So do we need to do anything about enforcing this policy?

1 Do we need a Board motion to do it? Or do we just take a
2 consensus on this is the policy and this is what needs to
3 happen?

4 MR. LYNCHARD: I think it's the policy and
5 the rules of Northwest Florida Management District
6 explained that it would be a violation of our permit to
7 give a credit, and then, certainly, we understand we
8 can't do that.

9 MR. JOE CAMPBELL: I am just going to ask
10 the CEO to ensure that we do not give pool credit in the
11 future per the policy.

12 DR. PEAHEY: Yes, sir.

13 MR. JOE CAMPBELL: Any more discussion on
14 that?

15 MR. MILLER: Yeah. I still have
16 discussion on this.

17 MR. JOE CAMPBELL: Okay.

18 MR. MILLER: I have a real problem --

19 MR. JOE CAMPBELL: Okay. Then, make a
20 motion and let's move forward.

21 MR. MILLER: What is that?

22 MR. JOE CAMPBELL: If you have a motion, I
23 guess?

24 MR. MILLER: Oh, well, my motion would be
25 that we discontinue the current practice or policy of

1 charging customers sewer charges for filling a pool.

2 MR. JOE CAMPBELL: Okay. That's your
3 motion?

4 MR. MILLER: Yes.

5 MR. JOE CAMPBELL: Okay. Director Miller
6 just made a motion. Do I hear a second?

7 MR. LINNELL: I will second it because I
8 want to have a specific conversation on it.

9 MR. JOE CAMPBELL: Okay. All right. Go
10 ahead. A couple more and then we need to move on.

11 MR. LINNELL: Okay. And the point I want
12 to push and not just argue -- I might misunderstand. I
13 am not seeing this as a policy. I thought it was a
14 regulation for a requirement, not our policy.

15 MR. JOE CAMPBELL: Right.

16 MR. LINNELL: We don't have a policy to
17 change.

18 MR. JOE CAMPBELL: Right. We were
19 erroneously giving credit for something that --

20 MR. LINNELL: And I was going to say, we
21 are calling it a policy, I mean, in Mark's motion was we
22 should discontinue the policy.

23 MR. MILLER: Practice or policy, whatever
24 you want to call it, it has been the practice of this
25 Water Board for many years when someone comes in and

1 says, "I am filling my pool. I want my -- I don't want
2 to be charged sewer."

3 MR. PHILLIPS: And just to clarify, there
4 actually is a policy that was approved by this Board that
5 allowed that to happen, just so everyone is aware of
6 that.

7 MR. LYNCHARD: Is that policy still in
8 force?

9 MR. PHILLIPS: That policy --

10 DR. PEAVEY: That's the reason it has
11 been --

12 MR. PHILLIPS: -- up until a month ago or
13 two months ago, whenever this came up, was being followed
14 by customer service.

15 MR. MILLER: But this Board did not make a
16 policy that would reverse that.

17 MR. PHILLIPS: I can't speak to that,
18 Mark. I don't know.

19 MR. JOE CAMPBELL: No. But the CEO and
20 the staff has kept us from Northwest Florida getting into
21 legal trouble.

22 MR. MILLER: But what I am saying is if
23 you read this whole Northwest Florida permit, it does not
24 talk -- it talks about yard meters.

25 MR. JOE CAMPBELL: Mark, I love you, but

1 can we finish?

2 MR. MILLER: Can I finish what I am
3 saying?

4 MR. JOE CAMPBELL: We had the lawyer
5 already go through it.

6 MR. MILLER: I know. What I am saying is
7 there is a specific clause in here that says "Excluding
8 swimming pools," that we can't provide water to customers
9 to fill or augment water bodies, excluding swimming
10 pools.

11 So the reverse of that is, "We can allow
12 customers to fill swimming pools." And it does not say
13 anywhere that we have to penalize them to do that.

14 Find that in that Water Use Permit and I
15 will reverse my decision. But there is -- nowhere it
16 says we have to charge people sewer charges for filling a
17 swimming pool.

18 If you can find that in that Water Use
19 Permit, I will reverse my opinion.

20 MR. JOE CAMPBELL: No. Your motion
21 stands. But we have had -- Will and Mike and I have
22 asked Will to --

23 MR. MILLER: But where does it say that?
24 Somebody point that out.

25 MR. JOE CAMPBELL: All right. We are

1 ready. You made a motion to allow refunds for sewer when
2 filling a pool. Right? Yes?

3 MR. MILLER: Yes. That's my motion.

4 MR. KENNEDY: I may have a follow-up
5 question, if I may?

6 MR. JOE CAMPBELL: Go ahead.

7 MR. KENNEDY: We already have this is what
8 you are saying.

9 MR. PHILLIPS: Already have --

10 MR. KENNEDY: We already have a policy
11 that allows -- again, state your motion once more.

12 MR. MILLER: Well, it was my understanding
13 that the policy was changed without Board approval. And
14 Phil is saying that there is a policy that allows us to
15 give a credit to someone for --

16 MR. KENNEDY: On a case-by-case basis.

17 MR. MILLER: Right.

18 MR. KENNEDY: I assume that people --

19 MR. PHILLIPS: I don't know how the policy
20 would change. I just know that two months ago, one month
21 ago, whatever it was, we were having a staff meeting.
22 And we were particularly discussing items related to
23 this, what we can and can't do.

24 We are in the process of renewing that
25 Fairpoint permit. Undoubtedly, there are going to be new

1 restrictions that come down in that permit. It has
2 always been to Holley Navarre's benefit, as I have
3 discussed with several of you, to make sure we are
4 compliant. We see the result of being compliant at
5 Holley Navarre Water System.

6 So we were having a staff meeting, and
7 Amber just -- just as conversationally in response to one
8 of us saying something said, "Oh, you know what we do?
9 We give people a credit for filling their pool."

10 And our opinion, and I think Will
11 addressed it, that -- and as we understand from the
12 District, that is not allowable. That is just giving
13 someone a yard meter through their regular meter and
14 getting around it.

15 MR. JOE CAMPBELL: Thank you, Phil. Go
16 ahead, Bill.

17 MR. THIEL: I have just got one comment.
18 So what you are telling me, the way I understand this in
19 my way of thinking is the policy that was established is
20 against a regulation?

21 DR. PEAVEY: A violation --

22 MR. THIEL: Yeah. It is a --

23 DR. PEAVEY: -- violation of the permit.

24 MR. THIEL: So, therefore, it should have
25 never been instituted as a policy.

1 MR. PHILLIPS: Bill, I don't know when
2 that policy was enacted relative to the regulation.

3 MR. SNYDER: It was in 2013.

4 MR. PHILLIPS: So, yes, if the policy to
5 allow the credit was passed in 2013, it would violate the
6 2003 Water Management District Permit.

7 MR. SNYDER: It was a 20-year permit,
8 so --

9 MR. PHILLIPS: Right.

10 MR. KENNEDY: The question, though, Mark's
11 motion is not the same thing?

12 MR. JOE CAMPBELL: I think Mark's motion
13 is really to continue the policy of giving credit if they
14 ask for it.

15 MR. KENNEDY: Okay.

16 MR. JOE CAMPBELL: Right?

17 MR. KENNEDY: Okay.

18 MR. MILLER: Yes.

19 JOE CAMPBELL: Is that what you are --

20 MR. MILLER: Yes.

21 MR. KENNEDY: Okay.

22 MR. JOE CAMPBELL: That's the motion.

23 MR. KENNEDY: All right.

24 MR. JOE CAMPBELL: Just so we understand,
25 Mark's motion was seconded by Don for discussion.

1 MR. MILLER: It is not a violation of the
2 Water Use Permit unless you can show me in there where it
3 says you can't do this. You can't give somebody a credit
4 for sewer. It doesn't say that.

5 MR. JOE CAMPBELL: All right. We are
6 going to have to agree to disagree with this.

7 MR. MILLER: I have got it right here. If
8 you can find it --

9 MR. JOE CAMPBELL: Your motion stands.
10 All right. So the motion is if you want to continue the
11 practice of allowing sewer against the permit policy,
12 then you need to vote, "Aye."

13 So that's the motion. So all in favor of
14 allowing the policy to continue, say "Aye"?

15 MR. MILLER: Aye.

16 MR. JOE CAMPBELL: All opposed to allowing
17 the policy to continue?

18 MR. THIEL: Nay.

19 MR. KENNEDY: Nay.

20 MR. LINNELL: Nay.

21 MR. DABNEY: Nay.

22 MR. JOE CAMPBELL: No? All right.

23 So now --

24 MR. LYNCHARD: I abstain.

25 MR. JOE CAMPBELL: Okay. I'm sorry. We

1 have one abstention.

2 MR. LYNCHARD: Yeah. I am abstaining
3 because I believe that we can't violate our policy. I
4 also believe that if it's not a violation of our permit,
5 then we should be doing this.

6 MR. DABNEY: So is this going to be for
7 further discussion? Or is it going to -- I have the same
8 question that Daryl had.

9 MR. JOE CAMPBELL: I think now I am going
10 to look for a -- all right -- Mike?

11 MR. KENNEDY: If I could, I guess I would
12 like to make a motion that I would ask staff to bring to
13 us, unless we have enough, but I want to revoke the old
14 policy, in other words, to revoke.

15 MR. JOE CAMPBELL: Will, with us voting to
16 discontinue the policy, is that the same as --

17 MR. DUNAWAY: So I needed to clarify on
18 that vote because I -- it was a voice vote, but I
19 couldn't figure out --

20 MR. JOE CAMPBELL: It was five, one, one
21 abstain.

22 MR. DUNAWAY: Okay. I got it.

23 MR. DABNEY: I abstain. I had the same
24 question as Daryl.

25 MR. JOE CAMPBELL: All right. Hang on.

1 (SPEAKING OVER EACH OTHER.)

2 MR. DUNAWAY: To be clear, what I heard --

3 MR. JOE CAMPBELL: Hang on. Four and two
4 abstain. Motion still carries. All right. Go ahead,
5 Will.

6 MR. DUNAWAY: Yeah. I am a little bit
7 confused because I heard Director Miller's motion as the
8 motion was to discontinue the policy --

9 MR. MILLER: The practice or policy that
10 we currently are using that says --

11 MR. DUNAWAY: Which is the new, which is
12 different than the policy that is actually written. So
13 to --

14 MR. JOE CAMPBELL: He wanted to continue
15 the policy that the previous Board has said to give --

16 MR. MILLER: -- and discontinue the
17 current practice and policy of charging people for
18 filling a swimming pool.

19 MR. DUNAWAY: And that failed, so we got
20 that. So, now, what it seems to be that we have a policy
21 in place that staff has determined is in violation of the
22 permits so they are not following that policy.

23 That's what the status is right now. So
24 then, Director Campbell's motion would be appropriate if
25 he wanted to so make a motion to, you know, disapprove

1 the policy or cancel the policy.

2 MR. JOE CAMPBELL: Right. Well, we have
3 two abstaining because they think there is some --

4 (SPEAKING OVER EACH OTHER.)

5 MR. LYNCHARD: I just wanted to voice my
6 opinion on my abstention.

7 MR. JOE CAMPBELL: I get it.

8 MR. KENNEDY: Are we able to remove this
9 policy? Okay. I make a motion that we are going to
10 remove the policy where we give credit for --

11 MR. JOE CAMPBELL: Wastewater when filling
12 a pool.

13 MR. KENNEDY: Yeah.

14 MR. JOE CAMPBELL: All right. Everybody
15 understand that motion?

16 MR. LINNELL: I'll second that.

17 MR. KENNEDY: And to add to that, follow
18 the policy and permit.

19 DR. PEAVEY: As required by Northwest
20 Florida --

21 MR. LINNELL: So what did we just say now?

22 MR. KENNEDY: Again --

23 MR. JOE CAMPBELL: Follow the -- go ahead,
24 Mike.

25 MR. KENNEDY: So my motion is that we

1 discontinue or revoke the Old Board policy where we give
2 credit for filling up the pool as wastewater and follow
3 the policy of our permit.

4 MR. LINNELL: I'll second.

5 MR. JOE CAMPBELL: All right. Any other
6 discussion?

7 MR. LYNCHARD: I am okay with it as long
8 as it is a violation of the policy.

9 MR. JOE CAMPBELL: Okay.

10 MR. LYNCHARD: If it's not, then I think
11 we should --

12 MR. JOE CAMPBELL: Any last words?

13 MR. MILLER: Yeah. I would still like to
14 know where it says in there we can't do it and I am happy
15 to do that privately with staff, but, you know, if they
16 can't show me where it says in there we can't do that,
17 the equitable thing for our customers, our members, is to
18 not charge them for something they are not using. So
19 that's my position on it.

20 And one other thing is I am still not
21 comfortable with the fact that all this happened behind
22 the scenes and the Board was not - not that we -- you
23 know, should have made the decision or not made the
24 decision. That's irrelevant.

25 Our input was not even asked for and we

1 were not even informed that this policy or practice
2 changed. We got blindsided from a customer by saying,
3 you know, "Hey, y'all are doing this now."

4 I am just -- I have a real concern that
5 the Board was not informed that this happened.

6 MR. JOE CAMPBELL: Okay. Any other
7 discussion?

8 (NO AUDIBLE RESPONSE.)

9 MR. JOE CAMPBELL: All in favor say "Aye"?

10 MR. KENNEDY: Aye.

11 MR. LINNELL: Aye.

12 MR. THIEL: Aye.

13 MR. MILLER: Nay.

14 MR. JOE CAMPBELL: Four ayes. One nay.

15 MR. LYNCHARD: I abstain.

16 MR. DABNEY: I abstain.

17 MR. JOE CAMPBELL: Two abstains. All
18 right. And you are going to do additional research?

19 MR. MILLER: Yes.

20 MR. JOE CAMPBELL: All right. Mission
21 Statement. Item 3. What page is that? We talked about
22 this a little at the strategic meeting. We asked staff
23 to come back for some options and changes.

24 MR. KENNEDY: Are we to be voting that?

25 MR. JOE CAMPBELL: Dallas, any other

1 input?

2 DR. PEAVEY: No. The Board on the 16th of
3 March had asked for a comparison from 2021, and then,
4 these were the options, the vision and core values, with
5 the changes and options, and that is in your package.

6 MR. JOE CAMPBELL: So we -- really, you
7 have got a statement. We met our vision and we have the
8 core values?

9 DR. PEAVEY: Yes, sir.

10 MR. JOE CAMPBELL: You wanted the whole
11 Board to vote which one they prefer?

12 MR. KENNEDY: Again, it looks like -- I
13 think the mission statement sort of -- the options,
14 really -- oh, I see there, right there is one of three
15 mission statements.

16 MR. JOE CAMPBELL: Yeah. One is where
17 we -- and, you know, James had that --

18 MR. KENNEDY: Yeah, for me, I like Number
19 One. I think that's our mission statement.

20 MR. JOE CAMPBELL: Okay. Let's start with
21 that, then.

22 MR. KENNEDY: Okay.

23 MR. LINNELL: I like Number One.

24 MR. JOE CAMPBELL: Okay. James, any
25 druthers, since you thought of most of that Number One?

1 MR. DABNEY: Not from me.

2 MR. JOE CAMPBELL: Okay.

3 MR. KENNEDY: Yeah. I make a motion to --
4 for a mission statement to adopt Option Number 1.

5 MR. THIEL: Second.

6 MR. JOE CAMPBELL: Okay. Any other
7 discussion? Any druthers?

8 (NO AUDIBLE RESPONSE.)

9 MR. JOE CAMPBELL: All in favor say "Aye"?

10 MR. KENNEDY: Aye.

11 MR. LYNCHARD: Aye.

12 MR. LINNELL: Aye.

13 MR. DABNEY: Aye.

14 MR. THIEL: Aye.

15 MR. MILLER: Aye.

16 MR. JOE CAMPBELL: Any opposed?

17 (NO AUDIBLE RESPONSE.)

18 MR. JOE CAMPBELL: Motion carries.

19 All right. The vision statement had some
20 minor changes.

21 MR. KENNEDY: And would it be, Mr.

22 President, interesting to read it out to --

23 MR. JOE CAMPBELL: Would you like me to?

24 Or would you like to?

25 MR. KENNEDY: If you want to, just so

1 everybody kind of knows what we are saying.

2 MR. JOE CAMPBELL: So the vision statement
3 we just adopted:

4 "To be a premiere water and wastewater
5 utility company dedicated to helping members and
6 dependably serving and actively protecting a
7 life-sustaining resource, your water."

8 Okay. So that was One. All right. So
9 for the vision -- Daryl --

10 MR. LYNCHARD: No.

11 MR. JOE CAMPBELL: Are we good with the
12 changes? Or do we want to keep it as it?

13 MR. MILLER: Did you want to read that --

14 MR. JOE CAMPBELL: After the -- if the
15 Board votes on it --

16 MR. LINNELL: The 2022 version?

17 MR. JOE CAMPBELL: The 2022 with changes?
18 Or keep it to 2021?

19 MR. LINNELL: I like the 2022.

20 MR. JOE CAMPBELL: There's not a lot into
21 it, but , okay. Was that a motion?

22 MR. LINNELL: Yeah. I make a motion we
23 adopt the vision statement from 2022 changes.

24 MR. LYNCHARD: Second.

25 MR. JOE CAMPBELL: 2022.

1 MR. LYNCHARD: Second.

2 MR. JOE CAMPBELL: And Daryl seconds. All
3 right. Any other discussion?

4 (NO AUDIBLE RESPONSE.)

5 MR. JOE CAMPBELL: All in favor say "Aye"?

6 MR. KENNEDY: Aye.

7 MR. LYNCHARD: Aye.

8 MR. LINNELL: Aye.

9 MR. DABNEY: Aye.

10 MR. THIEL: Aye.

11 MR. MILLER: Aye.

12 MR. JOE CAMPBELL: Any opposed?

13 (NO AUDIBLE RESPONSE.)

14 MR. JOE CAMPBELL: All right. So the
15 vision for members is:

16 "To provide members with water, wastewater
17 treatment, and other public services as outlined in the
18 Articles of Incorporation and the bylaws. Expansion and
19 upgrading of services will be undertaken as required to
20 satisfy the growing needs of the community. Service
21 rates will remain as low as possible while offering
22 quality service and ensuring that all the organization's
23 obligations are met."

24 Okay. Last, core values.

25 MR. THIEL: I make a motion to approve the

1 core values for 2022 with changes as presented.

2 MR. JOE CAMPBELL: All right. I am just
3 trying to make sure I see the change Anybody remember
4 what the changes are?

5 MR. LINNELL: It wasn't much.

6 MR. JOE CAMPBELL: Okay.

7 MR. LYNCHARD: Second.

8 MR. JOE CAMPBELL: Okay. Second. All in
9 favor say "Aye"?

10 MR. KENNEDY: Aye.

11 MR. LYNCHARD: Aye.

12 MR. LINNELL: Aye.

13 MR. DABNEY: Aye.

14 MR. THIEL: Aye.

15 MR. MILLER: Aye.

16 MR. JOE CAMPBELL: Any opposed?

17 (NO AUDIBLE RESPONSE.)

18 MR. JOE CAMPBELL: All right. I will read
19 it. Mike, why don't you read this one?

20 MR. KENNEDY: All right.

21 "Core values: One dream, to become a
22 company known for delivering innovative quality and safe
23 products to the community. One team, as we are in the
24 people business, creating a team culture that promotes
25 performance, creativity, honesty, integrity, and

1 sensitivity to employees, members, and partners is our
2 utmost responsibility. One customer at a time."

3 "Holley Navarre Water System is committed
4 to aligning our organization to serve the unique needs of
5 each of our members, to deliver greater value,
6 responsiveness, quality, security, and innovation."

7 MR. JOE CAMPBELL: All right. Thank you
8 for that.

9 MR. KENNEDY: Thank you, sir.

10 MR. JOE CAMPBELL: All right. On to new
11 business. Finance. Ty Campbell and Dallas. March 2022.

12 MR. TY CAMPBELL: Thank you very much,
13 Mr. President. March was not a banner month, as you guys
14 can see from the results, although I would offer some
15 commentary to share some mitigation as well as some
16 silver lining.

17 Revenue was down approximately \$75,000
18 this month, mostly driven by taps. We are down 43 to 51
19 percent against projected budget in those numbers.
20 That's a fairly significant move, although we -- although
21 in the expense categories that we can control, we have
22 mitigated G&A expense against budget is down seven
23 percent.

24 Overall, we maintained our expenses. Our
25 taps and our water sales were down. I would also point

1 out that we are -- where we -- I went out to our auditors
2 and we discussed some opportunities to reclass
3 appropriate expenses for a digester and some other R&M
4 expenses that show up in the expense statement this month
5 around \$53,000 that were booked into repair and
6 maintenance and do qualify for CIP reclassifications,
7 which, in essence, will reduce the negative number by
8 approximately that amount.

9 You also see that we booked a pension,
10 third quarter, fourth quarter 401-K match into this first
11 quarter. We had to wait for the JHB and -- which is our
12 actuaries -- and auditors to finish, so that's an
13 additional \$40,000 recognized this month.

14 We had some utilities that were two months
15 booked from last month to this month, and, of course, we
16 have some new charges for safety equipment and things
17 that -- prior to this day has not been seen to it -- we
18 didn't have anyone to assess those against the budget.

19 It isn't the most robust month, but it is
20 fully explainable. And if you have any more questions, I
21 will be glad to answer them.

22 MR. JOE CAMPBELL: So, basically, from
23 January down through March and even last year, the sales
24 of wastewater and water -- is that historical?

25 DR. PEAHEY: Have come down.

1 MR. TY CAMPBELL: Yes. It has been.

2 MR. JOE CAMPBELL: Is that historical?

3 MR. TY CAMPBELL: Yes. As you can see
4 that from the graph, it's been -- it is the trend.

5 MR. JOE CAMPBELL: Okay.

6 MR. MILLER: I have a question and it may
7 be more for engineering than finance. You know, our sale
8 of taps are down. Sometimes, our engineering department
9 kind of has a little crystal ball and knows what is
10 coming up.

11 Are we looking at some new developments or
12 projects that -- where we will see some tap revenue
13 recovery in the near future? Or where are we?

14 MR. SNYDER: Before the end of the year.
15 Yeah. So we have actually got a ton of projects within
16 the last couple of months, probably ten new projects.
17 Half of those are restaurants. Those usually carry heavy
18 impact fees.

19 But we have also got two subdivisions
20 under construction that will be completed before the
21 end of the year -- probably middle of this year.

22 MR. PHILLIPS: You also have about 250
23 apartment units that have impact fees -- the impact fees
24 have been delayed because of the lease, the lease issue,
25 but --

1 MR. SNYDER: Right. But as soon as they
2 finish construction, they will pay the impact fee before
3 activating the meter.

4 MR. PHILLIPS: I think that was like
5 \$400,000.

6 MR. SNYDER: Yeah. \$400,000 or \$500,000
7 with that project alone.

8 MR. MILLER: And we are expecting that
9 before the end of the year more than likely?

10 MR. PHILLIPS: Yeah. It has to be,
11 according to our timeframe.

12 MR. MILLER: Okay. All right. That was
13 just it. I figured there was some daylight at the end of
14 tunnel. I just wanted to confirm.

15 MR. TY CAMPBELL: I would add that
16 year-to-date was 102 including depreciation, so we sit on
17 an operational basis fairly solid, although the headline
18 number isn't anything anyone wants to put on --

19 DR. PEAVEY: For the month.

20 MR. TY CAMPBELL: For the month. It's
21 not, you know, kind of what I want to italic, but
22 year-to-date, we seemed to have managed well, sharp, and
23 we are working through that.

24 MR. JOE CAMPBELL: All right. What I hear
25 you saying is the revenue is down but also the expenses

1 are mostly down of what we can control.

2 MR. TY CAMPBELL: That's correct.

3 MR. JOE CAMPBELL: Okay. Any other
4 comment from the Board?

5 MR. KENNEDY: Yeah. Mr. President,
6 Director Thiel and myself, we had our budget meeting as
7 we do every month. And, again, just to reiterate, I
8 mean, the impacts, it was on the revenue side, which it
9 is not something that we can control, but they control
10 the expenses very well, being seven percent down in
11 expenses.

12 And so, like you said, they have already
13 got scenarios, A, B, C, and Z planned for the rest of the
14 year on their budget to plan. So we came out of the
15 meeting a little bit more, you know, feeling a little
16 more secure about the entire year, so bad month, but
17 should be -- should streamline out by the end.

18 MR. JOE CAMPBELL: Okay. Anybody want to
19 make a motion to approve the financials? Daryl? James?
20 Don?

21 MR. LYNCHARD: I will.

22 MR. JOE CAMPBELL: Okay.

23 MR. LYNCHARD: I make a motion to approve
24 the financials as presented.

25 MR. MILLER: I will second.

1 MR. JOE CAMPBELL: Any other discussion?

2 (NO AUDIBLE RESPONSE.)

3 MR. JOE CAMPBELL: Okay. All in favor say
4 "Aye"?

5 MR. KENNEDY: Aye.

6 MR. LYNCHARD: Aye.

7 MR. LINNELL: Aye.

8 MR. DABNEY: Aye.

9 MR. THIEL: Aye.

10 MR. MILLER: Aye.

11 MR. JOE CAMPBELL: Any opposed say "Nay"?

12 (NO AUDIBLE RESPONSE.)

13 MR. JOE CAMPBELL: Motion carries.

14 Finance Committee, Director Thiel.

15 MR. THIEL: Okay. We will cover the three
16 subcommittees. Director Lynchard, do you have any update
17 on the Eglin project for us, please?

18 MR. LYNCHARD: I really have -- still
19 moving forward with the permitting process, still waiting
20 on the lease. We did have a meeting with the County
21 to -- and Dallas or Mr. Dunaway can probably talk more
22 about their part in that.

23 But we are -- the letters for the property
24 acquisitions have been sent to the County, and I believe
25 they will be voting on that very soon.

1 MR. JOE CAMPBELL: Will, do you want to
2 expand on that?

3 MR. DUNAWAY: Yes, sir. As is correct,
4 Director Lynchard says the entire packages were delivered
5 to the County Attorney.

6 And when I say, "These packages," these
7 are the written -- official written notices of the need
8 for the property for the 12 different individuals a part
9 of the right-of-way acquisition.

10 When we last reported to you, we
11 had engaged the appraiser. The appraiser came back with
12 those appraisals. That was delivered to the County.
13 What is going before the Board of Commissioners for
14 approval is their approval of sending those packages out
15 to the individual property owners and making them an
16 offer based on the appraised value.

17 So we expect that to be on the agenda for
18 next week, Commissioner Piech indicated, so -- and I am
19 working with the County Attorney to ensure that
20 everything is right and ready, and then, it will go out
21 to those property owners.

22 We will then have an opportunity during
23 that time to negotiate and either execute voluntarily
24 those acquisitions which we hope to be the case. And,
25 again, the County will be taking the lead on that.

1 MR. JOE CAMPBELL: Okay. Dallas, anything
2 else on that?

3 DR. PEAVEY: No, sir. That's it.

4 MR. JOE CAMPBELL: And the CEO and I will
5 be at the Board of County Commissioner meetings on Monday
6 with the hope that they will have some extra special news
7 for us, but don't hold your breath.

8 We are hoping to have some movement soon
9 on the lease, so -- okay. Sorry.

10 MR. THIEL: Capital Improvements, Director
11 Linnell?

12 MR. LINNELL: No. We had the meeting, as
13 you mentioned, no surprises per se. The main thing we
14 talked about, I already touched on, just the repurposing
15 of the adjusting of the foreign influence. That would be
16 it.

17 MR. THIEL: We did talk about moving over
18 that thing which was capital improvement things, those
19 expenses that were charged --

20 MR. TY CAMPBELL: Absolutely. That's
21 correct.

22 MR. THIEL: -- probably incorrectly, to
23 normal maintenance.

24 MR. TY CAMPBELL: You will see that in
25 the --

1 MR. THIEL: Okay. Director Kennedy,
2 anything on the budget subcommittee?

3 MR. KENNEDY: No, sir. Already updated.

4 MR. THIEL: Okay. I am going to give an
5 update to the Board on the Club at Hidden Creek -- we
6 told you we would give you a quarterly update, a big
7 picture overview.

8 For the month, the three months ending in
9 March, on budget, we are supposed to, again, in the
10 golfing business and historically, you lose money in the
11 first quarter and the last quarter because of the winter
12 months. You don't get as much play. And you make up for
13 it in summer.

14 So we budgeted that way. We budgeted to
15 lose \$23,983. Actuals for January through March, we made
16 422 bucks. So I know it's not a large amount of money.
17 Considering what we forecasted to lose, I think we did
18 pretty good.

19 Main credit to that goes to the staff, of
20 course. They did improvements have saved us a boatload
21 of money making improvements to the course, which if you
22 have been out there you notice.

23 Now, some other similar things that we
24 were going to do, we were going to do some modification
25 to the pond on Number 9, but that the bids came back too

1 high, so we are going to be re-looking at that.

2 We are finalizing bids to put aerators in
3 the ponds, the three ponds that exist, the one on 7, the
4 one on 8, and the one on 9, those will be both esthetic
5 improvements, plus they will help with algae mitigation
6 and improve the appearance, obviously, for the Club.

7 And so, we will be looking at that. And
8 that's pretty much it. Everything is on track. It looks
9 like the staff is -- if they continue to perform this way
10 to the end of the year, we should have some really good
11 news at the end of the year, but I will keep my powder
12 dry.

13 MR. MILLER: And to clarify about the \$422
14 we made was without any subsidy from Holley Navarre
15 Water.

16 MR. THIEL: That's absolutely correct.

17 MR. JOE CAMPBELL: There is no subsidy
18 from the Water System.

19 MR. THIEL: There is no subsidy from the
20 Water System.

21 MR. KENNEDY: And that also includes
22 depreciation, so that's a straight-up, real number. We
23 are not taking out depreciation or anything like that.

24 MR. JOE CAMPBELL: Funny how if you manage
25 it properly -- any questions on finance?

1 (NO AUDIBLE RESPONSE.)

2 MR. JOE CAMPBELL: Okay. Dr. Peavey,
3 committee inception of development.

4 DR. PEAVEY: Yes, gentlemen. In the March
5 16th Board meeting, we had had discussions on the various
6 types of developments that we would like to pursue to
7 keep our costs down and going forward.

8 And so, I had made the request -- and I
9 will make the request now to the Board that we set up a
10 development subcommittee. And, for that, I would request
11 three members at this point in time to work on the
12 various projects. So I would request that the Board set
13 up or approve for set up the Development Committee.

14 MR. JOE CAMPBELL: Okay. And you have
15 recommendations for it?

16 DR. PEAVEY: Yes, sir, I do. The three
17 members I would like to be on this Board's subcommittee
18 would be Mr. Daryl Lynchard, Mr. Joe Campbell, and Mr.
19 Mike Kennedy.

20 MR. JOE CAMPBELL: Okay. All right. Any
21 discussion above and beyond what we did in the strategic
22 planning?

23 MR. MILLER: When I was thinking about the
24 make-up of that committee, I was thinking that there
25 would be a value of having Don Linnell on there because

1 he is a new Board member. He tends to have good
2 questions about why we do things. I think he thinks
3 outside the box. And I would personally like to see Don
4 on there, if he would be open to being on nominated on
5 it?

6 But I don't know how we are going to do
7 this. Are we going to give nominations? Or just throw
8 three names out there? What's the procedure?

9 MR. JOE CAMPBELL: Well, those are the
10 recommendations, so unless there is a motion -- do you
11 want to share with me what you --

12 MR. LINNELL: So I was very interested. I
13 am very interested. However, for at least this year, I
14 am going to request to back out because there might be
15 some changes at work that could make it a little
16 difficult for me to take on more tasks here than what I
17 am doing right now.

18 So I am interested, Mark. I was
19 definitely interested, but the timing right now would not
20 be best for me.

21 MR. MILLER: Okay.

22 MR. JOE CAMPBELL: The other reason for
23 those in particular is that Daryl has relationships with
24 some of these people that are going to -- sorry --

25 Mike has relationships with some of these.

1 That's a lot of the reasons why. I know he has got a lot
2 of history and a lot of of relationships developed, so
3 that's part of the reason those names --

4 MR. MILLER: I agree. You know, I just --
5 I definitely was in favor of Daryl being on there, but
6 Don is one of the people I liked just because he is newer
7 and he questions things. And that's what I like.

8 MR. JOE CAMPBELL: Can I get a motion on
9 any of this one way or the other? Anybody?

10 MR. KENNEDY: I make a motion to stand up
11 the development -- what do we call it?

12 MR. JOE CAMPBELL: Development
13 Subcommittee.

14 MR. KENNEDY: Development subcommittee
15 with the names recommended by staff.

16 MR. LINNELL: I will second

17 MR. JOE CAMPBELL: Second. Any other
18 discussion?

19 MR. DABNEY: I just want to be in a
20 committee or a subcommittee. I feel left out.

21 MR. JOE CAMPBELL: All right. Any other
22 discussion?

23 (NO AUDIBLE RESPONSE.)

24 MR. JOE CAMPBELL: All in favor say "Aye"?

25 MR. KENNEDY: Aye.

1 MR. LYNCHARD: Aye.

2 MR. LINNELL: Aye.

3 MR. DABNEY: Aye.

4 MR. THIEL: Aye.

5 MR. MILLER: Aye.

6 MR. JOE CAMPBELL: Any opposed?

7 (NO AUDIBLE RESPONSE.)

8 MR. JOE CAMPBELL: Motion carries.

9 All right. Now, some good stuff.

10 Mr. CEO?

11 DR. PEAVEY: Board and Mr. President, I
12 would like to recognize before the Board and the crowd
13 two of our Directors for their work, their exceptional
14 volunteer work, both within the company, outside the
15 bounds of what I would consider normal work hours and
16 duties.

17 And what I would like to do at this point
18 in time is to recognize them. If the President would
19 come down, we could give them these -- and those
20 gentlemen are still here with us.

21 One is Mr. Jarrod Cross. He is our
22 Director of Human Resources. And I would like for him to
23 come down front. And the other is Mr. Ty Campbell,
24 Director of Finance at this point in time, for their
25 exceptional work.

1 MR. KENNEDY: And I am going to give you
2 claps.

3 DR. PEAVEY: And then, Mr. President, we
4 have one more that we would like to -- I would like to
5 bring up Mr. Johnson from the Club at Hidden Creek to
6 help represent the three of us.

7 We have a volunteer that has done work
8 both above and beyond. You may have seen him when you
9 are driving in and throughout the Club. I would like to
10 ask Mr. Mike Kennedy to come.

11 MR. KENNEDY: Thank you. Thank you.

12 DR. PEAVEY: You have seen him in and
13 around the Club, you have seen all the work that Mike has
14 done. He has pulled up weeds, put in flowers, tried to
15 restore the place to the place it should be.

16 (APPLAUSE.)

17 MR. KENNEDY: I will tell you, so my
18 obsession is with flowers and planting them, but my
19 passion is with the staff. So Ron's passion's, Dr.
20 Peavey's passion, this staff right here, they all lead by
21 example, and so I follow them, so --

22 MR. JOE CAMPBELL: Pay is one thing,
23 right, but wasn't it Napoleon that said, "If I have
24 enough ribbon," -- when he gave medals for war -- "That I
25 could conquer the world."

1 So, obviously, you get paid to do what you
2 do, but there is always above and beyond. It may be a
3 small thing, but actually, it is not going unnoticed. So
4 appreciate your work.

5 Always nice to do the nice stuff. All
6 right. Engineering, Mr. Phillips?

7 MR. PHILLIPS: We talked about Eglin. I&I
8 is down. The annual average is down pretty good right
9 now, too. And for some reason, that didn't make it into
10 your packet, but for anybody that wants it, we can get it
11 to you.

12 And I will mention one more time
13 that because Holley Navarre staff operates Fairpoint,
14 they are in the middle of the renewal of the Fairpoint
15 Water Use Permit, which is a very large deal. It
16 controls all of the water that is used on the Fairpoint
17 peninsula for all the utilities, including Navarre Beach.

18 There was a fairly large request for
19 additional information that Donna and Clinton have
20 completed and filed back with the Department. I would
21 fully expect that there will be some new restrictions and
22 regulations on the utilities in the peninsula when the
23 permit is issued. We just don't know what they are at
24 this point in time, so I would watch until it gets
25 issued.

1 MR. JOE CAMPBELL: You and who else are on
2 Fairpoint? Mark, you are on the Fairpoint Board?

3 MR. MILLER: Yes.

4 MR. JOE CAMPBELL: All right. Just trying
5 to refresh my memory. Real quick -- says there is 1,000
6 sewer lines. Is that 1,000 sewer lines or 1,000 needed?
7 It says zero, zero, and 1,000.

8 MR. PHILLIPS: Cory can check.

9 MR. SNYDER: Yeah.

10 MR. JOE CAMPBELL: Sorry. I did not have
11 a chance to --

12 MR. SNYDER: Yeah. That was one of our
13 sewer extension projects for low pressure that we had
14 completed.

15 MR. JOE CAMPBELL: That's not the Holley
16 one, though; right? That's still --

17 DR. PEAVEY: No. That's not Holley.

18 MR. JOE CAMPBELL: I am going to ask that
19 every meeting. Okay. All right. Thank you. I haven't
20 seen that amount in a long time. It's just weird. Okay.
21 All right. Director Thiel?

22 MR. THIEL: I have got a question. I
23 noticed that the water loss report had a -- what I
24 considered to be a relatively high number, 16.4 percent.

25 And I understand you have breaks to

1 account for most of that. Do you have a number that you
2 shoot for? I mean, what is a reasonable number? Ten
3 percent?

4 MR. PHILLIPS: Well, we are required to be
5 less than ten percent by both permits. Holley Navarre
6 usually runs pretty good relative to other permits in the
7 area.

8 Holley Navarre had a couple of leaks that
9 they fixed lately and I would suspect -- and the real
10 number is the 8.26 percent you see below the 16. The 16
11 doesn't include those metered uses of Holley Navarre
12 only.

13 So the real loss rate is 8.26, which is
14 still a little bit higher than Holley Navarre usually
15 runs. But I think that Donna and Clinton are thinking
16 there was a two-inch -- a couple of two-inch line breaks.
17 There was a big break in the Holley area, which may be
18 reflected in this.

19 DR. PEAVEY: It is. 87 and the 399. 399
20 was Fairpoint, but 87 was us.

21 MR. THIEL: Yeah. I know you had a couple
22 of big breaks -- but I just --

23 MR. PHILLIPS: Yeah. Ten percent is the
24 requirement.

25 MR. THIEL: Ten percent is our

1 requirement. What's our goal?

2 DR. PEAVEY: Five to six percent.

3 MR. PHILLIPS: If you get to -- if you get
4 to five or six percent, you did great. You are
5 extraordinary.

6 MR. JOE CAMPBELL: Are we not shooting for
7 extraordinary?

8 MR. PHILLIPS: I think they do and I think
9 Holley Navarre generally runs --

10 DR. PEAVEY: Yeah. Six --

11 (SPEAKING OVER EACH OTHER.)

12 MR. THIEL: That's all I have, Mr.
13 President.

14 MR. JOE CAMPBELL: James? Anything else?

15 MR. DABNEY: No.

16 MR. JOE CAMPBELL: Don?

17 MR. LINNELL: No.

18 MR. JOE CAMPBELL: Daryl?

19 MR. LYNCHARD: No.

20 MR. JOE CAMPBELL: Mark?

21 MR. MILLER: No.

22 MR. DABNEY: I am going to start my own
23 committee --

24 MR. JOE CAMPBELL: Okay. Member Forum.

25 Mr. Johnston?

1 MR. JOHNSTON: Thank you for allowing me
2 to speak again.

3 MR. JOE CAMPBELL: And we are actually
4 going to the clock here, so --

5 MR. JOHNSTON: Okay. What do I get? Two
6 minutes? Three minutes?

7 MR. JOE CAMPBELL: Three and a half.

8 Mr. JOHNSTON: Okay. The quickie thing
9 here was one of the nice things that I really appreciated
10 and really, really appreciated and didn't realize it was
11 staff having me email me my bill and then taking it out
12 automatically through deduction from my bank account.

13 Loved that. It was literally five years
14 of, click. Yeah. That's about right, I am done.

15 That was the great thing. This time, a
16 little bit different because of the recent activities,
17 but my bill this month, first thing I noticed was I have
18 an \$86 post due (sic) --

19 I didn't pay my bill until the fifth or
20 the sixth of the month. I am not sure of the exact date.
21 I was a little bit late. The reason I was late was
22 because I couldn't get a bill. The only bill I had was
23 150-some-dollars from my neighbor's filling his pool up.
24 So it wasn't the correct bill, anyway.

25 I talked to Ms. Amber a couple of times.

1 She wouldn't email me the bill. And she wouldn't mail me
2 the bill. And the first time I talked to her, she
3 wouldn't even tell me what the bill was.

4 I kind of identified the problem as -- how
5 do I pay my bill plus the \$100 that the CEO wanted? How
6 do I pay that if I don't know what it is?

7 You know, I finally got in my car, drove
8 up there, called them while we were there. They came out
9 and told me it was \$107.10, plus the \$100 for the
10 overpayment issue that went on.

11 I wrote the check out. Okay. She is
12 going to go inside, bring me my bill out. Still
13 didn't -- she gave me a copy of my check, which I had a
14 copy because I just wrote it out. And a receipt which
15 she printed out.

16 I said, "Where is my bill?"

17 Said, "I couldn't get it to print." I
18 really didn't think too much of it. Just what is the
19 deal with this bill?

20 I went home and talked to my neighbor.
21 And she just happened to pay the bill. So we have two
22 people that paid the exact same bill.

23 The problem is, I paid it late because I
24 couldn't get a bill. So I am asking: Is it possible to
25 get this \$86 past due removed? I mean, it was --

1 MR. LYNCHARD: Is it \$86? Mr. President,
2 may I speak?

3 MR. JOE CAMPBELL: Go ahead. Are you
4 done, Mr. Johnston? First off, is there something else?

5 MR. JOHNSTON: I do have a follow-up
6 because I need to pay my bill every month with a check
7 kind of thing. It's not --

8 MR. JOE CAMPBELL: Because I was going to
9 actually ask the CEO who should he deal with direct to
10 get this all sorted out so he doesn't have to come back
11 next month?

12 DR. PEAVEY: Ms. Amber Bucholtz.

13 MR. JOE CAMPBELL: Okay.

14 MR. JOHNSTON: Okay.

15 MR. LYNCHARD: Is the \$86 a penalty? Or
16 is it --

17 MR. JOHNSTON: It is a past due fee. I am
18 making an assumption, because I did pay the bill six
19 days -- the sixth -- I think it was the sixth -- five or
20 six days.

21 DR. PEAVEY: It was the seventh.

22 MR. JOHNSTON: It was the seventh? I paid
23 it on the seventh.

24 MR. JOE CAMPBELL: How long do you want to
25 get it started with the financing before he should come

1 over?

2 DR. PEAVEY: He can come tomorrow morning.
3 Be there at 8:00 o'clock.

4 MR. JOHNSTON: I can come -- what, you
5 mean come to the --

6 MR. JOE CAMPBELL: I am wanting you to get
7 with the --

8 MR. JOHNSTON: I can call Ms. Amber. I
9 have her phone number. I have dealt with her. Is that
10 what you are saying I should do?

11 DR. PEAVEY: You are saying that you were
12 going to come to meet with her, if you want to have
13 discussions with her on this?

14 MR. JOE CAMPBELL: I think at this point
15 it's best because of everything we have done if you and
16 Ms. Amber sit down and you walk away. And if you are not
17 happy before you walk, before you leave the building, you
18 see the CEO.

19 MR. JOHNSTON: I am assuming everybody
20 concurs that maybe we can get this removed?

21 MR. KENNEDY: No.

22 MR. JOE CAMPBELL: No. That's why I am
23 telling you --

24 MR. JOHNSTON: No? I don't want to argue
25 with anybody. I will just pay the \$86.

1 MR. JOE CAMPBELL: Okay.

2 MR. DABNEY: I think the -- that's not an
3 \$86 late fee. He is saying that your bill would have
4 been about \$86, so it is a past due. All it is saying is
5 pay \$107. It should have been only \$86. You have a \$21
6 credit.

7 MR. JOE CAMPBELL: That's why I am saying
8 instead of trying to fix your problem here --

9 MR. JOHNSTON: Okay.

10 MR. JOE CAMPBELL: If you go to Ms. Amber.
11 If there's issues you can't resolve, if you see the CEO
12 before you leave the building, then, hopefully, you won't
13 have to come here next month.

14 MR. JOHNSTON: Okay. Second bill thing
15 is -- this is my bill every month, but it doesn't tell me
16 what my bill is. Again, I mean, I am supposed to pay --
17 we agreed, I think, on 48 months, dividing up that money
18 plus my bill.

19 There is nowhere on here that says my
20 bill -- my bill that is due, pay the first of the month,
21 is 2,200-and-some-odd-dollars. There is nothing on here
22 that says --

23 MR. JOE CAMPBELL: Which is why I am
24 saying after the Board action tonight, if you go see Ms.
25 Amber in the morning and the CEO, then it should be

1 straight.

2 MR. JOHNSTON: Okay.

3 MR. JOE CAMPBELL: Okay. Anything else?

4 DR. PEAVEY: No. I think that will do it.

5 MR. JOE CAMPBELL: Okay.

6 MR. JOHNSTON: Okay.

7 MR. JOE CAMPBELL: Hopefully, you won't
8 have to come back next month.

9 MR. JOHNSTON: Hopefully.

10 MR. JOE CAMPBELL: If you see the CEO
11 before you leave the building in the morning, I am sure
12 you can resolve it.

13 MR. JOHNSTON: I won't be able to make it
14 in the morning. I have a doctor's appointment --

15 MR. JOE CAMPBELL: That's on your time.
16 That's fine.

17 MR. JOHNSTON: Thank you so much.

18 MR. JOE CAMPBELL: All right. Mr. Randall
19 Heaton.

20 MR. HEATON: All right. So, please humor
21 me for a second here, because I did notice a few things
22 on your website that point out a little bit about water
23 conservation.

24 So one of the questions I had was -- other
25 than the information posted on your website, does Holley

1 Navarre Water System promote their water conservation
2 efforts to their customers?

3 Two: Now, how does Holley Navarre Water
4 System actively inform customers of water use and
5 conservation efforts? So, basically, the same thing.
6 This kind of leads into where I am running into an issue
7 where I didn't even know there was a leak at my house
8 until I got the bill on Friday.

9 I contacted the after-hours people. They
10 stated if they came out, it would be a \$135 after-hours
11 fee. I discovered where the leak was. I decided to fix
12 it myself, because it was on my side of the meter.

13 Now, again, my water bill was almost
14 double what it normally would be, which was a little over
15 \$111 for March. Because I didn't get the bill until last
16 Friday, I am sure I am still going to see more
17 consequences from this leak that your after-hours
18 technician informed me that they started seeing an issue,
19 according to your digital meters, on the second of March
20 that got progressively worse by March 18th.

21 And, again, when I contacted the office
22 yesterday, because I was trying to get some resolution of
23 this billing, I was informed they don't send -- and let
24 see here -- oh, it was Ms. Bushwitz (sic) -- how do you
25 pronounce that?

1 DR. PEAVEY: Bucholtz.

2 MR. HEATON: Buckholtz. What she
3 basically told me was, "We do not send door knockers to
4 investigate possible leaks until we see water usage in
5 excess of 25,000 gallons."

6 Now, I did talk to some of my friends and
7 co-workers who live in Niceville. And if they see an
8 uptick in an individual's usage or a meter that is
9 continually running for an extended period of time, they
10 get a phone call letting them know, "Hey, you might have
11 a leak."

12 I didn't even see this until I saw the
13 bill. So I would like to see what we can do to resolve
14 this billing issue.

15 MR. JOE CAMPBELL: Do you have a name of
16 the engineer? You mentioned the engineer said, we saw
17 a --

18 MR. HEATON: It was one of your
19 after-hours ladies. I wish I would have gotten the name.
20 But it was a female technician that I talked to.

21 MR. MILLER: Can I ask a question? Are
22 you aware of the customer portal that Holley Navarre
23 Water System has?

24 MR. HEATON: I was not until Ms. Amber,
25 she mentioned it. I even asked my neighbors around me if

1 they were aware of it before coming to this meeting this
2 evening, and they were, like, "No."

3 MR. MILLER: Can I tell you that at least
4 a couple of times a year I know that there is -- that
5 information is included in your bill or on your bill.
6 There is a customer portal and that customer portal has
7 the ability for you to go into an account and pre-set
8 some daily, weekly usages that if you go over those
9 usages, you will get a notification.

10 But we don't -- we don't know what is
11 normal for a customer. They may wash all of their cars
12 on a Saturday, and, go over their amount. So we have to
13 let the customer decide what is too much water to use
14 before I get a notification.

15 MR. HEATON: Well, then, since y'all put
16 in those digital meters, one of the selling points was
17 for leak detection and also get rid of meter readers. It
18 shouldn't be too hard to y'all to put in like a thing, an
19 algorithm or something, that also talks to your
20 monitoring system or whatever to go, Hey, this individual
21 usually only uses about 36,000 -- or I'm sorry -- 3600
22 gallons of water a month.

23 MR. JOE CAMPBELL: Well, that's why you
24 have the portal so that you can do that. That way,
25 your -- we can't determine, like Mark said --

1 MR. HEATON: Okay. There should be
2 enough -- there should be a proactive thing that goes,
3 "Hey, let's go ahead and look into this," if it looks
4 above average.

5 Because, like I said, there's a lot of
6 people who don't know about that.

7 MR. JOE CAMPBELL: Okay. We need to do a
8 better job of communicating that, other than in your bill
9 once or twice a year.

10 MR. HEATON: Right.

11 DR. PEAVEY: When you set up service.

12 MR. JOE CAMPBELL: Right. When you set up
13 service --

14 MR. HEATON: Right. My next-door
15 neighbors have only been there a month. I asked them --
16 and they were like, "No. We had no idea about it."

17 MR. MILLER: I am guessing they didn't
18 read all the information, because the information is
19 there. It's on the website. It's in bills.

20 I hate to say it, but it is available.
21 And it's a wonderful service. If you are not signed
22 up -- if anybody is not signed up for it, you need to
23 sign up for it, because, otherwise, those leaks can cost
24 you a good bit of money.

25 MR. HEATON: Well --

1 MR. MILLER: But, nevertheless, we do the
2 best we can to try to promote that. I can tell you that
3 this Board is committed to doing -- actually, this year,
4 increasing our public relations and our dissemination of
5 information on water conservation.

6 That's one of the things we talked about
7 and we are going to be trying to do -- use more avenues
8 to do that, whether it be social media or the newspapers.
9 You know, we want to make sure we do a better job of
10 public relations.

11 MR. HEATON: But, still, 25,000 gallons
12 for an average home user before y'all send somebody out
13 to check?

14 MR. MILLER: What was your amount of
15 overage?

16 MR. HEATON: It was double what mine
17 normally is.

18 MR. MILLER: How many gallons was it?

19 MR. HEATON: For last month, it was about
20 8,000 --

21 DR. PEAVEY: 8,401 gallons.

22 MR. HEATON: Yeah.

23 DR. PEAVEY: So your normal is between
24 3,200 and 3,400.

25 MR. HEATON: Correct.

1 DR. PEAVEY: Okay.

2 MR. HEATON: And, again, I have a feeling
3 it is probably going to bleed into this month, because,
4 again, I didn't know about it until I received the bill.

5 I would like to see if we can figure
6 something out. Payment option really isn't an option.
7 It's one of those things that --

8 MR. DABNEY: Don't we still have a
9 one-time forgiveness? Did we get rid of that?

10 MR. JOE CAMPBELL: Joe Campbell does not
11 know anything about what the previous Board did that on a
12 one-time basis. I don't know what you are talking about.

13 MR. DABNEY: We always had a one-time
14 forgiveness for a customer, if it was a leak, an
15 undetected leak. Am I misquoting something?

16 MR. LYNCHARD: No. I think you are right.
17 I also think even if the policy still exists, you are
18 just doing a disservice to the gentleman in giving it to
19 him for a \$100 bill.

20 MR. HEATON: It was \$111 for March and I
21 don't know what it is going to be after next month.

22 MR. LYNCHARD: But, either way, your bill
23 was about \$50 or \$60 more than it normally is?

24 MR. HEATON: Yes.

25 MR. LYNCHARD: Yes. But if you had a real

1 leak, a pipe burst up under your house and you lost tens
2 of thousands of gallons of water, that's something you
3 would need a one-time exclusion for, I would think. I
4 wouldn't think you would be asking --

5 MR. DABNEY: He may want to hold onto it.
6 I had some \$800 bills that --

7 MR. LYNCHARD: Exactly.

8 MR. JOE CAMPBELL: If you are having
9 issues with the payment -- this is not something the
10 Water System caused. Right?

11 MR. HEATON: No.

12 MR. JOE CAMPBELL: The portal is
13 available. If you have an issue with payment, I am just
14 going to ask you to go see the member services, customer
15 service, and work out a payment plan.

16 MR. HEATON: Well, like I said, it's not a
17 matter of payment plan, because this, again, it was
18 something that I caused to begin with. But, again, if
19 the water company would have been similar to Niceville,
20 where they are proactive, especially with water
21 conservation issues, which, I mean, it's still a drop in
22 the bucket compared to whatever you were talking about --

23 MR. JOE CAMPBELL: I think the members
24 portal for the members to look up, it's being proactive,
25 sir. The fact that you didn't use it -- I don't

1 understand our --

2 MR. HEATON: That's a passive means, if
3 you actually look at --

4 MR. JOE CAMPBELL: It's your account and
5 it is active for you, so --

6 MR. MILLER: And we talked earlier about
7 filling swimming pools. You could easily use that much
8 water adding water to your pool.

9 So, you know, are we going to task our
10 staff to every time somebody goes over their water usage
11 and fills their pool, we have to, you know, somehow try
12 to reach them and let them know?

13 You know, it's better if the customer has
14 that alert come directly to them, and then, they can go,
15 wait a minute. I didn't do anything out of the ordinary.
16 Or they will say, oh, yeah, we washed all of our cars
17 this weekend or we filled our pool or we did this.

18 MR. HEATON: Okay. But I don't have a
19 swimming pool.

20 MR. MILLER: Oh, no. I mean, we don't
21 know that. We don't know why a customer, why their usage
22 might go up above a certain amount.

23 MR. HEATON: I think the scenario that was
24 given is what if we had guests over. And it's like, even
25 if I had guests over, it wouldn't go up double what I use

1 for a month.

2 MR. JOE CAMPBELL: Thank you for your
3 time, Mr. Heaton. We appreciate it.

4 All right. Last on the list, I cannot
5 read the name.

6 MR. SMOOT: Smoot?

7 MR. JOE CAMPBELL: Yes, sir. Mr. Smoot?

8 MR. SMOOT: Smoot.

9 MR. JOE CAMPBELL: S-M-O-O-T.

10 MR. SMOOT: Mine is a similar, but
11 somewhat different case. My water runs about 3,000
12 gallons a month. All of a sudden, it went through the
13 roof. But I had out-of-town guests, so I figured that
14 was it.

15 Next month, it was through the roof again.
16 So there is a problem here. Your guy came out. The
17 meter was defective. They changed the meter. But there
18 was still a major loss.

19 So I had these people that detect stuff.
20 I had a plumber come out. We found that there was a leak
21 past the meter before the house.

22 My contention here is that, okay, the
23 water was wasted. But why would I have to pay for the
24 sewer?

25 MR. KENNEDY: Why would you have to pay

1 for the what? I'm sorry?

2 MR. SMOOT: The sewer. Why should it
3 benefit and go to the system because of the problem that
4 the member had? It doesn't make sense. Where is the
5 equity on that?

6 MR. JOE CAMPBELL: Have you gone to the
7 member services? Customer service?

8 MR. SMOOT: Yes. They told me they don't
9 do it anymore, based upon what they are talking about the
10 same principles with the pool. The same theory.

11 MR. JOE CAMPBELL: Go ahead.

12 MR. LYNCHARD: Well, his question wouldn't
13 be for him. It would be for staff.

14 MR. JOE CAMPBELL: Yeah. Do you know of
15 this incident?

16 DR. PEAVEY: This is the first time I have
17 heard of this.

18 MR. JOE CAMPBELL: And, again, we try not
19 to solve problems here. Just take a look at the big
20 picture. If you contact the CEO and give him all the
21 details, hopefully, he will be able to resolve what the
22 issue is.

23 MR. SMOOT: Well, I did talk to somebody
24 at length and they said they do not do this based on the
25 theory of using a credit for a pool. And we are not

1 disputing the water, okay, I will pay for the water. But
2 I am saying why should you --

3 MR. JOE CAMPBELL: Right. But, again,
4 this Board, you know, we -- the CEO does that for us. He
5 is the lead to it before. We are more of a policy
6 strategic sort of thing versus an operational thing, so,
7 obviously, if you --

8 MR. SMOOT: Shouldn't it be in the policy,
9 then?

10 MR. JOE CAMPBELL: -- if you get with Dr.
11 Peavey --

12 MR. SMOOT: Shouldn't it be in the policy,
13 then?

14 MR. JOE CAMPBELL: I don't know specifics.
15 I want the staff to go ahead and get the specifics and
16 fether it out before they -- if he has to come to the
17 Board for a policy change or something like that.

18 I know you got one answer. But I just ask
19 you to work up the chain. And if it stops at the CEO,
20 then it comes back to the Board. Okay?

21 MR. KENNEDY: And, gentlemen, again, the
22 way that I am hearing this, whatever come, whatever water
23 you had is what you are going to be charged with sewer.
24 End of story. I mean, that's what I understand, so --

25 MR. SMOOT: But following that line of

1 thinking, you are deriving a benefit at the expense of a
2 member.

3 MR. KENNEDY: I understand.

4 MR. SMOOT: Is that just?

5 MR. MILLER: The Water Use Permit that we
6 have with Northwest Florida Water Management District,
7 and this applies not just to our water, but Gulf Breeze
8 and Midway requires us to promote conservation and
9 promote, you know, people using less water.

10 And the reason that that swimming pool
11 policy was put into place was because that there is
12 actually an encouragement that people are penalized for
13 excess water use, whether they are using that water or
14 whether they are -- there's a leak that they let go
15 without repairing or they don't know about.

16 And so, what I would encourage you to do,
17 we can't fix the leak after the fact. But sign up for
18 that customer portal, because, then, you will know,
19 yesterday, I went over my normal usage. Let me see if I
20 figure out why.

21 So that's what I can do. But our Water
22 Use Permit does have those stipulations in there that we
23 have to encourage conservation in devices and systems
24 that allow our customers to monitor their water usage.

25 MR. SMOOT: Just earlier, you proposed a

1 revision of that, which made a lot of sense to me.

2 MR. MILLER: Well, for --

3 MR. SMOOT: Let me finish. The point is
4 they were talking about something being just and
5 equitable, and there is no way in Hades that you can
6 justify receiving a benefit because of somebody else's
7 problem. And that's exactly what is going on here.

8 MR. JOE CAMPBELL: And, Mr. Smoot, what I
9 am asking you to do is go --

10 MR. SMOOT: Yeah. I heard you.

11 MR. JOE CAMPBELL: Okay. All right.

12 Any other members?

13 (NO AUDIBLE RESPONSE.)

14 MR. JOE CAMPBELL: Okay.

15 MR. KENNEDY: Motion to adjourn.

16 MR. JOE CAMPBELL: Hang on. Dr. Peavey?

17 DR. PEAVEY: Yes. Just so that all the
18 Board members are aware, we forwarded you a copy of the
19 policy as it pertains to these adjustments, and the Board
20 did give discretion to the staff to make those under
21 certain amounts, so we sent that to you so that you see
22 that we didn't bypass the Board.

23 MR. MILLER: Which policy was that?

24 MR. JOE CAMPBELL: It was in the packet.

25 DR. PEAVEY: It was just sent to you

1 because we didn't -- we just sent it.

2 MR. JOE CAMPBELL: Okay. Something for us
3 to read. All right.

4 MR. KENNEDY: Motion to adjourn.

5 MR. JOE CAMPBELL: Motion. And a second?

6 MR. LYNCHARD: Second.

7 MR. JOE CAMPBELL: Daryl seconds. All in
8 favor?

9 MR. KENNEDY: Aye.

10 MR. LYNCHARD: Aye.

11 MR. LINNELL: Aye.

12 MR. DABNEY: Aye.

13 MR. THIEL: Aye.

14 MR. MILLER: Aye.

15 MR. JOE CAMPBELL: Any opposed?

16 (NO AUDIBLE RESPONSE.)

17 MR. JOE CAMPBELL: Have a good week.

18

19 WHEREUPON, THE MEETING FOR THE HOLLEY

20 NAVARRE WATER SYSTEM BOARD OF DIRECTORS CONCLUDED AT 7:30

21 P.M.

22

23

24

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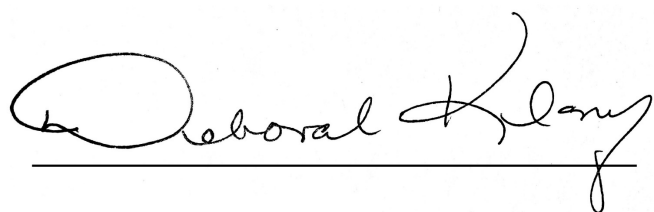
CERTIFICATE OF REPORTER

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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 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 6th day of May, 2022.



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