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HOLLEY NAVARRE WATER SYSTEM
BOARD OF DIRECTORS MEETING
FEBRUARY 15, 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
- DYLAN NICHOLAS, IT, HNWS
- AMBER BUCHOLTZ, HNWS
- CHRIS LEGG, HNWS
- PHIL PHILLIPS, MESI
- CLINTON WELLS, HNWS
- BOBBY NELSON, HNWS
- DEBRA HAYES, HNWS
- WILL DUNAWAY, ESQUIRE
- DEBORAH KHARUF, COURT REPORTER
- HANSON HASENBERG, NAVARRE PRESS
- ELIJAH DRAKE, MR. WILCOX, MR. MASON

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

2 MR. JOE CAMPBELL: All right. Call
3 this -- it's 6:00 p.m. Call the meeting to order.

4 Join us and stand for prayer and the
5 pledge?

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

8 (INVOCATION GIVEN BY DIRECTOR MILLER.)

9 MR. JOE CAMPBELL: Director Thiel, the
10 pledge?

11 MR. THIEL: Ladies and gentlemen, please
12 face the flag and repeat after me.

13 (PLEDGE OF ALLEGIANCE LED BY DIRECTOR THIEL.)

14 MR. JOE CAMPBELL: Okay. We have a
15 quorum. All seven are present. There will be audio and
16 video recorders in use.

17 And, for members, if you would like to
18 speak for open forum, if you could sign in at the back
19 there, please, as you came in.

20 So approval of minutes and transcripts.
21 So there are some amendments to the packet we sent out in
22 your little Manila folder there, so the amendments are to
23 the December 21st Special meeting minutes and transcripts
24 and the regular meeting minutes and transcripts.

25 And you should have an attachment from

1 Mr. Dunaway as to those amendments.

2 I will entertain a motion. Yes, sir?

3 MR. KENNEDY: I make a motion to approve
4 the December 21st, 2021, special meeting minutes and
5 transcripts, December 21st, 2021, regular meeting minutes
6 and transcripts, January 20th, 2022, Special Board
7 Reorganization meeting minutes with changes.

8 MR. JOE CAMPBELL: Okay. And I just --

9 MR. LINNELL: Second.

10 MR. JOE CAMPBELL: I'm sorry?

11 MR. LINNELL: Second.

12 MR. JOE CAMPBELL: Okay. And Director
13 Thiel was not here for the 21st, so --

14 MR. THIEL: I would request that you
15 approve it as two separate items, the December minutes in
16 one and the other -- because I will abstain from
17 December. I was not here.

18 MR. KENNEDY: What now?

19 MR. JOE CAMPBELL: It just needs an
20 amended motion --

21 MR. THIEL: Amend the motion for the
22 December Special and regular in one separate vote. And
23 then, January was another vote, because I was not here
24 for December, so I am going to have to abstain on the
25 December.

1 MR. KENNEDY: Oh, all of December? Okay.
2 I am with you. Okay. I amend my motion to approval of
3 December Special meeting minutes and December regular
4 meeting minutes and transcripts with changes.

5 MR. JOE CAMPBELL: Okay. Amended his
6 motion.

7 MR. LINNELL: Second.

8 MR. JOE CAMPBELL: Still second. Any
9 other discussion?

10 (NO AUDIBLE RESPONSE.)

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

12 MR. MILLER: Aye.

13 MR. LINNELL: Aye.

14 MR. KENNEDY: Aye.

15 MR. LYNCHARD: Aye.

16 MR. DABNEY: Aye.

17 MR. JOE CAMPBELL: Motion carries.

18 MR. THIEL: I abstain.

19 MR. KENNEDY: And I will make a motion to
20 approve the January 20th, 2022, Special Board
21 Reorganization meeting minutes.

22 MR. THIEL: Second.

23 MR. JOE CAMPBELL: Discussion?

24 (NO AUDIBLE RESPONSE.)

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

1 MR. MILLER: Aye.

2 MR. LINNELL: Aye.

3 MR. KENNEDY: Aye.

4 MR. LYNCHARD: Aye.

5 MR. THIEL: Aye.

6 MR. DABNEY: Aye.

7 MR. JOE CAMPBELL: Motion carries. Okay.

8 Approval of memberships. So, for December, we had 274

9 new members, 268 cancels, and one transfer.

10 And then, since we didn't have our regular

11 meeting in December, we had 255 for January, 239

12 canceled, and one transfer.

13 MR. KENNEDY: Motion to approve as

14 presented.

15 MR. LYNCHARD: Second.

16 MR. JOE CAMPBELL: Any discussion? Are

17 those the ones that I signed?

18 All in favor?

19 MR. MILLER: Aye.

20 MR. LINNELL: Aye.

21 MR. KENNEDY: Aye.

22 MR. LYNCHARD: Aye.

23 MR. THIEL: Aye.

24 MR. DABNEY: Aye.

25 MR. JOE CAMPBELL: Any opposed? Motion

1 carries.

2 MR. THIEL: Can I -- can I interject one
3 thing? Back in the minutes, I would like to put this in
4 there, I would like to propose -- and we have discussed
5 it with legal authority -- in the past, we have always
6 waited to approve the January Annual Meeting minutes the
7 following year.

8 I think that's too long to wait to approve
9 them, so I would like to make a motion that we approve
10 them at the next available Board meeting in the future,
11 that meaning the January annual meeting minutes will be
12 approved by the Board in February, as opposed to waiting
13 until the next year.

14 MR. JOE CAMPBELL: Okay.

15 MR. LYNCHARD: I will second it for
16 discussion.

17 MR. JOE CAMPBELL: Okay. Second for
18 discussion. Thank you, Daryl.

19 I guess I thought the bylaws said that
20 they had to be at the -- that the annual meeting minutes
21 were approved at the annual meeting and that only happens
22 once a year.

23 Mr. Dunaway, are we okay if we change
24 this? Or what are we looking for?

25 MR. DUNAWAY: Yes, sir. Your bylaws don't

1 dictate when you approve the minutes of the annual
2 meeting. And you are the Board, so it's not your members
3 who are approving the minutes.

4 And it's your Board. So any time your
5 Board is properly convened, it can properly do business,
6 including approving its minutes.

7 MR. JOE CAMPBELL: Okay. Go ahead, Daryl.

8 MR. LYNCHARD: But would that be a
9 different type of Board whereas the meeting where we are
10 at tonight is a Board of Directors meeting, whereas the
11 annual meeting in January is the meeting of the members.

12 MR. DUNAWAY: You are -- there is a
13 difference. That's correct.

14 MR. LYNCHARD: So --

15 MR. DUNAWAY: But your minutes are not
16 approved by your members. Your meeting minutes are
17 approved by your Board of Directors. That has always
18 been the case even at the annual meeting. Your members
19 don't approve the minutes. The Board of Directors do,
20 so --

21 MR. LYNCHARD: I guess my question is not
22 about the members per se. It's about the type of Board
23 meeting that is convened. In other words, this is not a
24 meeting of the members. And we would be approving the
25 minutes of the meeting of the members outside of one of

1 those Board meetings.

2 MR. DUNAWAY: That would be correct. And,
3 again, you have never -- your members have never approved
4 your minutes, whether they are at an annual -- when
5 they -- they are only convened at an annual meeting, so
6 they are not the one approving the minutes. The Board is
7 approving the minutes.

8 So when we have a Board that is properly
9 convened as a Board, it can make Board action, including
10 approving minutes of annual Board meetings.

11 MR. KENNEDY: Mr. President?

12 MR. JOE CAMPBELL: Yes, sir?

13 MR. KENNEDY: So we have never done
14 business in January at the annual meeting, because it has
15 been under the assumption that it's a Special meeting, so
16 it's kind of like what Bill is alluding to, we wait the
17 entire year to approve these minutes.

18 So what we are saying is we are going to
19 approve the December meeting minutes, just like every --
20 in the January meeting -- and if we need to do Board
21 business, we would also be allowed to do that at that
22 time?

23 MR. DUNAWAY: At your annual meeting, you
24 can do actions other than just your annual vote.

25 MR. KENNEDY: Okay.

1 MR. DUNAWAY: It's only at the annual
2 meeting can you do the voting for your Directors. And in
3 the past, you have only had that one item on the agenda.
4 That is, we are going to hold an annual meeting to
5 conduct the annual election of Board members.

6 So you kept that distinct. You have done
7 that. There is no requirement that you do it that way.
8 It's just the way you have done it. With regard to the
9 minutes of that annual meeting, the members are not the
10 ones who approve it. It's the Board of Directors.

11 Again, so there is no reason other than
12 it's the way you have done it in the past that you would
13 wait a year for your Board of Directors to approve the
14 minutes of your annual meeting, especially when the only
15 thing that occurred at your annual meeting is the voting
16 of the Directors.

17 MR. KENNEDY: That's correct.

18 MR. JOE CAMPBELL: So, Mr. Dunaway, what I
19 am hearing you saying is we are certainly within the
20 Board's right to do this. We have just never done it.

21 MR. DUNAWAY: It is absolutely a proper
22 motion and a proper action.

23 MR. JOE CAMPBELL: Mark, any thoughts?

24 MR. MILLER: My thoughts are that I don't
25 think we have those in front of us to approve tonight,

1 so --

2 MR. JOE CAMPBELL: We don't.

3 MR. MILLER: You know, we could put it on
4 next month's agenda and that will give everybody a chance
5 to look back through and make sure there is nothing we
6 are missing on this. But I don't have a problem with us
7 doing it like that.

8 It has always kind of bothered me. We
9 have to try to remember what happened a year ago, you
10 know.

11 MR. THIEL: It may not even be the same
12 member on the Board.

13 MR. MILLER: It usually isn't the same
14 Board members, so I would like, if we can verify that it
15 is in line with our bylaws, it doesn't cross any lines, I
16 would like to maybe table it and put it on the agenda for
17 next month.

18 MR. THIEL: For this year. And then, the
19 following year, we will do it that way.

20 MR. MILLER: Exactly.

21 MR. JOE CAMPBELL: We had a motion and a
22 second to -- for Board discussion -- to do it --

23 MR. LINNELL: And I thought it was to do
24 it in February, I thought.

25 MR. JOE CAMPBELL: No. To approve,

1 instead of waiting a year to approve, we would be
2 approving them at this meeting next year.

3 MR. LINNELL: I am with Mark -- to approve
4 them now, if we don't have them in front of us.

5 MR. JOE CAMPBELL: Right.

6 MR. THIEL: In one year, we are going to
7 do them next month.

8 MR. LINNELL: That's fine.

9 MR. MILLER: But the motion was to -- that
10 we are going forward to approve them at the February
11 meeting. We can't really do that tonight, right, because
12 we don't have them in front of us to do.

13 MR. THIEL: My motion going forward is we
14 do them at the February meeting. And for this particular
15 year, we do them next month in the March meeting.

16 MR. MILLER: Okay. I second that.

17 MR. JOE CAMPBELL: Okay. James, any
18 thoughts?

19 MR. DABNEY: Huh-huh.

20 MR. JOE CAMPBELL: Any other discussion?

21 MR. LYNCHARD: Yes. Just to make sure,
22 just to reiterate my point, the January meeting is --
23 it's not just the annual meeting.

24 It's the meeting of the members, which is
25 specifically different than a meeting -- than the regular

1 meeting of the Board of Directors.

2 So we would not be in a meeting of the
3 members when we are approving the minutes of a meeting of
4 the members. And this is okay?

5 MR. JOE CAMPBELL: What I hear from legal
6 counsel saying is that is a true statement. That it is
7 okay for the Directors to make that distinction.

8 MR. LYNCHARD: Okay.

9 MR. JOE CAMPBELL: The members do not
10 approve. We do. The Board does.

11 MR. LYNCHARD: Yes. But the members not
12 approving of it don't have anything to do with it. The
13 thing that has something to do with it is it's a
14 different kind of Board -- it's a different Board
15 meeting, not just a different type of Board meeting was
16 my concern.

17 MR. MILLER: And I kind of share that
18 concern because the bylaws are real specific about the
19 type of Board meetings you have, but I also can see
20 Will's point that, you know, if there is not any reason
21 why our Board of Directors shouldn't approve the minutes
22 of that meeting sooner than a year from now, then why
23 don't we go ahead and do it.

24 MR. LYNCHARD: Oh, yeah. I know. We have
25 been doing it for 15 years like that.

1 MR. JOE CAMPBELL: All right. So the
2 motion was to, going forward, annual meeting minutes
3 would be looked at for approval in February. But because
4 we are already in February for this year, it would be
5 March. That was your motion and second?

6 Any other discussion?

7 (NO AUDIBLE RESPONSE.)

8 MR. JOE CAMPBELL: All in favor?

9 MR. MILLER: Aye.

10 MR. LINNELL: Aye.

11 MR. KENNEDY: Aye.

12 MR. LYNCHARD: Aye.

13 MR. THIEL: Aye.

14 MR. DABNEY: Aye.

15 MR. JOE CAMPBELL: Any opposed?

16 (NO AUDIBLE RESPONSE.)

17 MR. JOE CAMPBELL: Motion carries. Good
18 discussion. All right. New business. Say again?

19 MR. DABNEY: We talked about doing the --
20 adding the name to the Sunbiz, president of the company
21 for the businesses to be able to use their vote as a
22 proxy.

23 MR. JOE CAMPBELL: Yeah. That's coming
24 up.

25 MR. DABNEY: That's on here?

1 MR. JOE CAMPBELL: Yeah. Item Number 6.
2 New business. Finance.

3 DR. PEAVEY: Yes, sir, Mr. President. I
4 have asked Director Campbell, Director of Finance, to
5 talk briefly about December and January.

6 MR. TY CAMPBELL: Thank you so much. Good
7 evening. December notes for Holley Navarre, main drivers
8 of the income statement were due to time issues, we did
9 not have a health benefit charge in November, so it's
10 both in December, so it's two months both in December,
11 which drove some of the income down.

12 We did have a \$25,000 one-time fee for the
13 unrestricted funding. Currently, there is zero drawn
14 down on that line. And there were some pre-purchases for
15 the office furniture and those sort of things for the new
16 construction.

17 We ended up December down quite a bit, but
18 year-to-date it fell flat. Any questions on December?

19 (NO AUDIBLE RESPONSE.)

20 MR. TY CAMPBELL: January. The January
21 drivers of wastewater and wastewater taps were down.
22 They were down in this budget. They were also down in
23 2021.

24 Water sales were actually up against
25 budget and they were up also compared to numbers in 2021.

1 We did have a payroll pre-employment tax billed in
2 January, so that, folks, the initial match between
3 salaries going down and payroll taxes went up.

4 We had purchased four respirators for the
5 water stations. If you are looking for safety and
6 equipment, you will see the charge looks a little higher
7 than normal.

8 The major drivers this month as reported,
9 the technical reporting issues, we did not have the
10 Fairpoint employee number to book this month, so it will
11 be booked into February's.

12 There will be two in February and none in
13 January. That is on the order of \$132,000. So don't get
14 too excited about the net income line. And we have some
15 reclasses and some general ledger clean-up that happened
16 this month, small items, \$6,000 or \$7,000.

17 Other than that, if anyone -- on the net
18 basis, if I take into account Fairpoint about \$24,000,
19 but on the next income statement, it will show 150 and
20 change (sic).

21 Are there any questions?

22 MR. JOE CAMPBELL: Board, any questions?

23 MR. KENNEDY: Do you want me to give an
24 update?

25 MR. JOE CAMPBELL: Yeah. No. My

1 understanding is after the training at the end of the
2 month, what we see here in our normal packet will change
3 just a bit?

4 DR. PEAVEY: Our recommendation to the
5 Board will be after -- during the Board training, we will
6 transition to the appropriate documentation for the
7 monthly financials.

8 MR. JOE CAMPBELL: Okay.

9 DR. PEAVEY: And that will be discussed in
10 your packet.

11 MR. JOE CAMPBELL: Yeah. Mike, I will
12 entertain a motion to -- whatever you were going to say.
13 I'm sorry.

14 MR. KENNEDY: Yeah. So I was just on the
15 financial side with Director Thiel, Director Lynchard,
16 myself. We met with the CEO and staff to go over the
17 financials, which we do every month.

18 So, as Ty had mentioned, December was --
19 December was down. Most of the billing time went to
20 November and November-December is in December

21 For 2021, the unaudited financials show we
22 had a positive net income of \$14,000 for the year. I
23 guess you will go over that as well. And then, the
24 January 2022 water sales were up compared to 2021, but
25 the taps were down.

1 Overall a good month. So Director Thiel,
2 Director Lynchard, do you have anything to add?

3 MR. LYNCHARD: No. I don't believe so.

4 MR. THIEL: No.

5 MR. KENNEDY: I am done with my
6 presentation.

7 MR. JOE CAMPBELL: Okay.

8 MR. THIEL: I move to approve the December
9 and January 2021 -- December 2021 and January 2022.

10 MR. KENNEDY: Second.

11 MR. JOE CAMPBELL: First and a second.
12 Any further discussion?

13 (NO AUDIBLE RESPONSE.)

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

15 MR. MILLER: Aye.

16 MR. LINNELL: Aye.

17 MR. KENNEDY: Aye.

18 MR. LYNCHARD: Aye.

19 MR. THIEL: Aye.

20 MR. DABNEY: Aye.

21 MR. JOE CAMPBELL: All opposed?

22 (NO AUDIBLE RESPONSE.)

23 MR. JOE CAMPBELL: Motion carries.

24 Director Thiel, Financial Committee
25 updates?

1 MR. THIEL: Okay. We did a meeting, a
2 Special Meeting. It was open to the public on the annual
3 project. So, Director Lynchard, do you have anything
4 else to add?

5 MR. LYNCHARD: No. Not at all at this
6 time. We are just progressing.

7 MR. THIEL: Capital improvements.
8 Director Linnell?

9 MR. LINNELL: No. Just starting a new
10 year.

11 MR. THIEL: Okay. And, budget, we have
12 already talked about, so that concludes the Finance
13 Committee updates.

14 MR. JOE CAMPBELL: Almost painless.

15 MR. THIEL: I would like to say one other
16 thing. There was interest by other Directors at these
17 updates, the subcommittee hearings, we have myself as the
18 Secretary Treasurer and the principal as Kennedy.

19 We have had some interest by other
20 Directors to attend. There is this thing, if we have
21 more than one other Director, we have a quorum, and then,
22 it has to be an open meeting noticed to the public.

23 So I would like to propose that if we have
24 other interest that they get with myself -- again,
25 myself, and then, we will play it by ear as to who we can

1 allow to attend at any particular meeting, with the
2 exception of that being the Eglin project, where Director
3 Lynchard is the only one allowed at that one.

4 MR. JOE CAMPBELL: Sounds good. Okay. I
5 was going to talk to somebody about that at our Board
6 training, but, okay. Thank you.

7 All right. Item 3, finance, review of
8 2021 year-to-date unaudited financials.

9 DR. PEAHEY: Mr. Campbell?

10 MR. TY CAMPBELL: We showed a net income
11 of \$14,000. Note, that is unaudited, which means that
12 the audit begins the 21st of February through the 28th.
13 Of course, there will be time after that for it to be
14 published.

15 I am sure there will be some adjustments
16 due to 2021, 2022. Time depreciation numbers will be
17 re-computed against the CIP projects and so forth. I
18 envision by August the same sequence in timing should
19 proceed as we move into the March and April, I believe,
20 Board meetings.

21 DR. PEAHEY: That's correct.

22 MR. JOE CAMPBELL: Okay. Any discussion
23 from the Board?

24 (NO AUDIBLE RESPONSE.)

25 MR. JOE CAMPBELL: I will entertain a

1 motion to approve the 2021 year-to-date unreleased --

2 DR. PEAVEY: Unaudited.

3 MR. JOE CAMPBELL: Unaudited. Sorry.

4 Unaudited financial statements.

5 MR. KENNEDY: Motion to approve the 2021
6 year-to-date unaudited financial statements.

7 MR. THIEL: Second.

8 MR. JOE CAMPBELL: Thank you, Bill.

9 Any other discussion?

10 (NO AUDIBLE RESPONSE.)

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

12 MR. MILLER: Aye.

13 MR. LINNELL: Aye.

14 MR. KENNEDY: Aye.

15 MR. LYNCHARD: Aye.

16 MR. THIEL: Aye.

17 MR. DABNEY: Aye.

18 MR. JOE CAMPBELL: Any opposed?

19 (NO AUDIBLE RESPONSE.)

20 MR. JOE CAMPBELL: Motion carries.

21 Projected pension benefit obligations.

22 Dr. Dallas?

23 DR. PEAVEY: Mr. Campbell. Ty?

24 MR. TY CAMPBELL: The pension plan had the
25 freezing at the year-end of salary increases due to the

1 fact of the projected liability, it was quite substantive
2 in terms of its projection of the income and liability.

3 We are much closer to finishing the
4 census, which means that we have to re-update all of the
5 information. It has been sent to the actuary. They will
6 re-compute the pension benefit obligation.

7 They are showing a material decrease in
8 the obligation on an annual basis, and there are a lot of
9 moving parts which I covered, probably, at a very boring
10 length to the finance members that were in attendance.

11 As we know more from the actuary, we will
12 provide the Board with the actual accrual that will be
13 created. And we can also furnish you with the actual
14 liability when the models are completed.

15 DR. PEAVEY: And what we wanted to try to
16 do in this discussion was the very first page of this
17 section form in your information, we wanted to give the
18 Board the timeline for those changes. Because the Board
19 is used to approving the pension obligation payments
20 every February.

21 That is not going to occur. That's why
22 Mr. Campbell is walking you through this timeline because
23 we want you to have a copy of that.

24 MR. TY CAMPBELL: And the main point you
25 will see there will be a PPO pension benefit obligation

1 payment earlier in the year. And at the end of the year
2 in October, there is the pension guaranteed benefit,
3 PGBC. It changes its acronym occasionally.

4 It will be at the end of the year. In
5 front of you, though, is pretty much the way the timing
6 of how the pension obligation and the pension-funded time
7 benefit plan will proceed.

8 MR. JOE CAMPBELL: Board, any questions?

9 I think it is a good news story either
10 way. Right?

11 DR. PEAVEY: It is.

12 MR. TY CAMPBELL: Oh, yes, very much, it
13 is.

14 MR. JOE CAMPBELL: Thanks for that
15 information. All right. Now, for the fun part. We have
16 a presentation on fine particle sediment effects.

17 Dr. Peavey, do you want to --

18 DR. PEAVEY: Well, what I am going to do
19 is I am going to ask the manager of the wastewater
20 treatment plant, who has been this with this young man
21 for a while, to make the introductions. Mr. Legg?

22 MR. JOE CAMPBELL: Mr. Legg?

23 MR. LEGG: I would like to introduce to
24 you Elijah Drake. He is a student from Holley Navarre
25 Middle School. Some time earlier this year, his uncle

1 called us and said he had a nephew that was interested in
2 trying to do some sedimentation studies for a science
3 fair project and was wanting to know if he could use the
4 wastewater plant lab and used the solids there at the
5 wastewater plant.

6 So, naturally, we obliged him. So
7 everybody, Elijah Drake. I will let him explain to you
8 what he has done for this science fair project and take
9 it away.

10 MR. DRAKE: I am Elijah Drake. And I did
11 my science fair project on wastewater treatment and my
12 title was sediment water.

13 The question was: Can wastewater be
14 turned into safe drinking water?

15 And the end answer is "Yes."

16 But I did three different tests. My first
17 test was sediment test. And you take 1,000 ml of
18 wastewater. I used two to get more consistent results.
19 And you take 1,000 ml of wastewater and you record how
20 much it settles over five minute intervals.

21 I went all the way up to 60 minutes and
22 the test is right over here and up here.

23 For my second test, I used an initial dose
24 test, which is where you put a little bit of effluent
25 inside of 250 ml bottle of wastewater -- container of

1 wastewater.

2 And for Test 1, we put 3 ml of
3 wastewater -- of flocculent inside of the wastewater and
4 it settled to about 90 ml.

5 For a test tube, you put 5 ml of
6 flocculent inside the 250 ml container and it settled to
7 80 ml.

8 And then, for test 3, you put 7 ml of
9 flocculent in a 250 ml container and it settled to about
10 60 ml.

11 And for my final test, which is right
12 here, I did -- it's -- we put more flocculent inside of a
13 250 ml container of wastewater. Test 1, you put 20 ml of
14 flocculent inside of it and it made a ball about 3.8 cm.

15 For the next test tube, we put 40 ml of
16 flocculent and it made the water -- it made the
17 wastewater to about 3.2 cm.

18 And then, Test 3, you put 60 ml and it
19 made a ball around 3.9 cm wide.

20 For the final test, we put 80 ml in the
21 wastewater and it made a ball about 3.8 cm.

22 (APPLAUSE.)

23 MR. LEGG: We would like to let everybody
24 know our lead operator Bobby Nelson from the plant is
25 here. Bobby was actually one of the key people that was

1 helping Elijah with his project. Bobby and our lab
2 technician did contact the wastewater plant and we found
3 it is really cool for Elijah to be on this project. This
4 is actually the test that the operators and lab
5 technicians run on a daily basis to maintain the clarity
6 of the water to see what our solids are at the plant.

7 And, basically, how we do the process of
8 the wastewater treatment. That's really cool. We have
9 never had a science fair project done at the wastewater
10 treatment plant that we are aware of.

11 MR. MILLER: So he could do your job and
12 replace you, then; right?

13 MR. LEGG: We are training him. I need a
14 few good operators.

15 We thought it was really cool. Elijah,
16 would you tell everybody, how far did you get in your
17 science fair?

18 MR. DRAKE: Second place in Regionals.

19 MR. LEGG: In Regionals.

20 (APPLAUSE)

21 DR. PEAVEY: I would ask that if the Board
22 has any questions for this young man, what he learned
23 during the process and those kind of things?

24 MR. JOE CAMPBELL: Yeah. I think
25 Mr. Kennedy had one.

1 doing, which showcases the work that we do for our
2 members. I would say I am very proud to have met his
3 grandparents and his parents.

4 Great job. The fact that you found
5 interest in this process, which is very important, right?
6 Because we can't just pump water. You have got to do
7 something with that water and do it safely and feasibly;
8 right?

9 We also -- we have something for you. And
10 what I would ask is we, the company, Holley Navarre
11 Water, would like to make this offering to you to cover
12 the costs of what you have done to date and then going
13 forward with the other projects.

14 What I am going to ask is if you don't
15 mind, I am going to get all the Board members to come up
16 and sign this and Chris and the President to sign it.

17 While I am signing, we are going to get
18 the President to give you something.

19 MR. JOE CAMPBELL: This is almost like the
20 college day signing for sports, but a lot more important
21 what you do. I will tell you, I am very impressed.
22 Thank you very much. So credit to you folks there.

23 (PRESIDENT GIVES ELIJAH A CAP TO WEAR.)

24 MR. JOE CAMPBELL: You can't wear two of
25 them unless you wear one backwards, so --

1 (APPLAUSE)

2 MR. JOE CAMPBELL: Well done.

3 DR. PEAVEY: If I can get everybody to
4 sign it, and then, we will get a picture with the parents
5 and grandparents. Come on up and get this big check and
6 then we will have a picture.

7 If the Board will come down, we can take
8 some pictures with this young man and his family.

9 (PHOTOGRAPHS TAKEN.)

10 (OFF RECORD COMMENTS WHILE PHOTOGRAPHS ARE
11 BEING TAKEN.)

12 MR. LEGG: You get to keep it and put it
13 on your wall.

14 (OFF RECORD COMMENTS.)

15 MR. JOE CAMPBELL: Mr. President, I would
16 say that we hope that this young man -- I would hope
17 that, Elijah, when you are the appropriate grade and age,
18 that you will come and apply for an apprentice program.
19 We would like to have you. Okay?

20 (APPLAUSE)

21 MR. JOE CAMPBELL: Well done, Elijah.

22 (APPLAUSE.)

23 MR. THIEL: I would like to know what mom
24 and dad's reaction was when you told them they could
25 drink the treated wastewater?

1 (FATHER MAKES COMMENT.)

2 MR. LEGG: We didn't tell them what it
3 was. They are not going to drink it.

4 MR. JOE CAMPBELL: All right. Back to
5 business. Holley Navarre Water System Board election.
6 We have a follow-up Canvassing Board report.

7 Dr. Peavey, Mr. Dunaway?

8 MR. DUNAWAY: Yes, sir. Thank you, Mr.
9 President. If the Board remembers with the report of the
10 Canvassing Board, one of the matters that we want to
11 bring back to you to ask on if you wanted to tweak or
12 re-consider your policy with regards to commercial
13 accounts and how those accounts are voted on Election
14 Day.

15 We recall that you have members of the --
16 your members consistent of both residential accounts and
17 also business accounts. Businesses, of course, are
18 entities that cannot vote except through their properly
19 and duly authorized persons. And so, it's that process
20 that those who were running our election need to know.

21 In your package, and as best that staff
22 could tell, it has been your policy since at least the
23 early 2000s, you have had a process in place which is
24 best explained by the important notice that is on the
25 second page of the notice that you send out.

1 And it tells your members who are
2 commercial members that in order for them to vote on
3 Election Day, they must provide the -- fill out a form
4 that authorizes who it is that is going to be voting that
5 member and provide it to essentially customer service
6 admin by a date certain.

7 We had six accounts that followed the
8 important notice process and they voted doing that. But
9 we had four commercial accounts that ended up getting
10 turned away because they had not followed that process.
11 And according to, you know, your policy, they were not
12 allowed to vote.

13 It's -- there are options that you have.
14 We want to hear from you as to how you want us to draft a
15 policy if a new policy is something that you want, how
16 you want to do it, and what you think it ought to
17 contain.

18 I note that there are a couple of options.
19 One, we can do nothing and just follow the policy that
20 you have there with the advanced notice.

21 The second one is we could, in fact, go
22 because Sunbiz provides, you know, a process by which you
23 can look up a company. Customer service could add to the
24 account the name that appears on Sunbiz for each
25 commercial account that would be barely involved. And I

1 am not certain that is not what customer service wants as
2 their first option, but it's an option.

3 The other option we could go would be
4 simply to remove the advance notice requirement, that is,
5 to take off the important note on the thing and just have
6 whoever is voting that business account.

7 When they arrive at the polls, have them
8 turn that form in, and then, they could quickly verify
9 that, you know, this company is a member. They are set.
10 And now, we have the form and the person who is listed as
11 the person is there and they can vote.

12 I put it to you, we are here to, you know,
13 take note, answer any questions, draft a policy, and
14 bring it back to you, leave it the way it is, whatever
15 the pleasure is of the Board.

16 MR. JOE CAMPBELL: Okay. Obviously, it
17 was put in place for a reason, but I don't think anybody
18 at this table knows the reason about why. And James said
19 a point about the single owner, so I guess, Board, I was
20 kind of looking to the administration on the day and
21 encumber to the staff.

22 But, Board? Anybody? James?

23 MR. DABNEY: I just think it's only fair
24 if we are going to give the customers, which the
25 commercial account is a customer, the opportunity to vote

1 without him having to look for a notice in the mail, look
2 for something coming to him, and then, him not meeting
3 the criteria of what we had set forth.

4 I mean, if we have got a -- if that person
5 came in and set the account up, either that needs to be
6 the name on the account or we need to go to Sunbiz and
7 use the president of that account.

8 MR. JOE CAMPBELL: You are kind of talking
9 a one or two-person business --

10 MR. DABNEY: It should only be one person.
11 I mean, if it is the person who opened up the account,
12 and he is the member who came in and paid the \$5.00,
13 then, he should have the right to vote just like any
14 other person that comes in to vote.

15 That name goes underneath the business
16 name. I mean, basically, that's how we have done it
17 since we have started.

18 MR. JOE CAMPBELL: Okay. And I know --

19 MR. THIEL: But would you allow him to
20 delegate that to someone with a written letter signed by
21 him or her?

22 MR. DABNEY: I mean, I wouldn't have a
23 problem with that.

24 MR. THIEL: I agree.

25 MR. JOE CAMPBELL: Daryl?

1 MR. LYNCHARD: Okay. Here's what I
2 personally would think would work. The -- whoever is on
3 the account can vote for the corporation. Because having
4 staff go back through Sunbiz, just somebody might vote is
5 going to just be a pain.

6 But if you were to do like you had
7 mentioned at the previous meeting, just have an addendum
8 of the customer's name or the authorized representative's
9 name on the account or the ballot sheets, that person
10 could vote.

11 Now, if the corporation wanted someone
12 else to vote, even if that person were the actual person
13 on Sunbiz, then, they would need to file a proxy or some
14 authorization letter so it doesn't interfere with staff.

15 MR. JOE CAMPBELL: All right.

16 MR. DABNEY: And I agree with that 100
17 percent. Would that be something that when they come in
18 and open up the account going forward, you just put that
19 on the account that you are going to have -- your vote is
20 going to be on the proxy.

21 MR. LYNCHARD: As far as in my situation
22 or in what I am talking about, you wouldn't worry about
23 that.

24 MR. DABNEY: Well, as long as they assign
25 that proxy to someone else, it needs to be in that letter

1 at the beginning of each year. It needs to be filed.

2 MR. JOE CAMPBELL: I think the issue right
3 now, Dr. Peavey, if I understand it, that person's name
4 is not necessarily on the accounts. So all the staff
5 sees is ABC Company.

6 DR. PEAVEY: You are correct.

7 MR. JOE CAMPBELL: At some point, we would
8 have to get to that end game. And I agree. That's the
9 thing. If it's my company and I want to vote and --

10 MR. DABNEY: Well, what I understand it's
11 511 commercial accounts.

12 MR. JOE CAMPBELL: Okay.

13 MR. DABNEY: So pull up those 511
14 commercial accounts, find out who opened the account. It
15 is only going to be a one-time deal and that person is
16 the person that goes on the sheet.

17 DR. PEAVEY: That sounds like customer
18 service and admin.

19 MR. JOE CAMPBELL: Mr. Kennedy?

20 MR. KENNEDY: For me, it's the validation;
21 right? I am not in favor of adding any more overhead to
22 the election process for staff, so, you know, I kind
23 of -- as Director Lynchard had mentioned, if your name is
24 on the account, okay, I get that. But I am not in favor
25 of adding any other workload they will have to do.

1 No look-up for Sunbiz. And, again, in
2 theory, what we have already, it's clearly -- if you want
3 to move things around on the document, that's fine, but
4 it states, "Very important."

5 "If you are going to vote, you need to
6 follow this process."

7 So we also do have a process in place that
8 tells them what to do. And, you know, I get that a lot
9 of people don't want to burden someone with having to
10 follow the rules or know the rules, but that's the whole
11 point of elections is you need to be pretty invested, you
12 know, if you are going to go vote, then, you need to
13 know.

14 MR. DABNEY: So going forward, just like
15 you said, Mike, going forward, with the same concept is
16 if that person is voting for his company to have the
17 right to vote, he is paying the bills. He is doing the
18 things that need to be done. He shouldn't have to come
19 back and file additional paperwork to prove that's his
20 business when he is paying the bill.

21 MR. MILLER: Or she.

22 MR. DABNEY: Or she should not have to
23 come and prove to this Board that they are an operating
24 business and operating name to that corporation. It's
25 already been filed. He is getting the money taken out of

1 his or her checking account.

2 Why do we have to make him -- you are
3 talking about burdening us -- we are burdening the
4 customer by making him come prove to us that he has --
5 where is that burden? The burden ain't on him. It's the
6 burden is on us.

7 MR. KENNEDY: And, for me, that's the
8 validation. Kind of like when we come in and we actually
9 vote. We show an ID, and Tappie makes sure that we are
10 validated --

11 MR. DABNEY: It's a single line item that
12 is going to go on the ballot sheet. It's going to say
13 our name or their name or whoever's name on that sheet
14 that they are the legalized owner of that company or the
15 legalized person that has the right to vote.

16 It's not like we are adding something
17 different --

18 MR. JOE CAMPBELL: Go ahead, Daryl.

19 MR. LYNCHARD: I will go back and I will
20 say I still think it needs to be the -- whoever the
21 authorized contact on the account is --

22 MR. DABNEY: That's fine.

23 MR. LYNCHARD: -- in our group, and not
24 necessarily the owner, because I have got -- I have
25 personally got taps in a corporation that I own that

1 someone else pays the bill, so their name is on the
2 account.

3 I wouldn't expect staff to come out and
4 have to look up Sunbiz if I wanted to vote that
5 corporation every year. So I think that as long as their
6 name is on there, I am good with it.

7 If their name is not on there, maybe we
8 should promote it a little bit to tell people that to fix
9 that before the end of the year before the next election
10 cycle, so we don't have to worry about it.

11 MR. THIEL: They should be able to get a
12 proxy, though.

13 MR. LYNCHARD: Does that make sense?

14 MR. LINNELL: So are you saying that
15 instead of them at the end of the year telling us who is
16 going to vote next year, whoever's name is on the
17 account, that's who we will accept a vote from and nobody
18 else?

19 MR. JOE CAMPBELL: Correct.

20 MR. LYNCHARD: No. No. No.

21 (EVERYONE SPEAKING OVER EACH OTHER.)

22 MR. LYNCHARD: Yeah. We are talking about
23 two different things. One is the proxy or the absentee
24 ballot, which must be requested in writing.

25 The other one we are talking about is

1 actual day of election voting, coming down here and
2 voting. If your name is on that sheet of paper or on
3 that account, then you can vote. Otherwise, you can't.

4 MR. KENNEDY: Right. It would really only
5 affect companies that don't have -- yours say your name
6 on it?

7 MR. LYNCHARD: Right. Someone that didn't
8 elect a proxy or do an absentee ballot.

9 MR. JOE CAMPBELL: But if you have a
10 company and we look it up and your name is on that
11 account, your name is on that account, then --

12 MR. JOE CAMPBELL: And I think that's the
13 issue staff is telling us, that name necessarily is not
14 on the account so they don't know that.

15 MR. DABNEY: There has to be -- there has
16 to be a financial responsibility to that account.

17 MR. DUNAWAY: That's got to be -- that was
18 what I was going to bring up to the Board. In either way
19 you go, you are going to have a situation that is, you
20 know, that is going to come up.

21 So, for instance, with the idea of
22 whomever is on the account, the name on the account gets
23 to vote. Again, we have had -- staff has had situations
24 in which, you know, we got a call and we verify it.

25 If it's, in fact, the owner of the

1 company, but the ground maintenance is the guy who is on
2 the account because he takes care of paying, you know,
3 paying the water bill, running the sprinkler system, da,
4 da, da, da, da, da, and so, he is the on the account.

5 So it's going to be an education either
6 way. We write the policy. There will be some education.
7 Whether it's you authorized the person who is on the
8 account who gets to vote, or whether you authorize they
9 can turn in the form that we ask for before the election,
10 on the day of the election, and then, we will just have
11 to do more verifying on that.

12 Either way, we will have some educating to
13 do. It's whatever you want to do and what you think to
14 be the least burden on those.

15 Again, I think it's a little -- a few -- a
16 number over 500 commercial accounts, but it is true that
17 the majority of those are going to be, you know, small
18 businesses, where it's likely that the person paying the
19 bill is likely going to be on the account.

20 We can do some verification on that as we
21 put together the policy and let you know.

22 MS. BUCHOLTZ: My question is when you are
23 talking about verifying the account, are we talking about
24 verifying it on Sunbiz?

25 MR. DABNEY: No.

1 MS. BUCHOLTZ: Because we don't have the
2 owners on our accounts, so we would have to go through
3 every year, because, unfortunately, even our regular
4 residential customers, if their phone number changes,
5 sometimes, their addresses change. They forget to let us
6 know that.

7 So if they are a corporation or a company
8 that elects a president and a vice president, similar to
9 what Holley Navarre Water does annually, we would have to
10 review all 500 commercial accounts before the election
11 before the day of voting anyway to make sure, to verify
12 that nothing has changed -- that the owner hasn't changed
13 or the president hasn't changed.

14 DR. PEAVEY: Or that the data that we have
15 on that account had changed.

16 MS. BUCHOLTZ: And because corporations
17 have to submit their reports annually, but not all at the
18 same time, it's not like something that we could plan
19 for. We would actually have to do it, like, two or three
20 days before the election in order to verify and put that
21 name on all 500 commercial accounts.

22 MR. DABNEY: No. What I would say in
23 response to what you said, when we come in as a business,
24 we come in, we set up our company and we set up our
25 account.

1 We come in and set our account up. We put
2 a single line item on there that basically says,
3 "So-and-so will be the one that received the vote or the
4 proxy or their name will be on the thing unless otherwise
5 changed by July 1st."

6 Because if they don't do it by July 1st,
7 it's on the paperwork. They have signed it. They have
8 read it. Going forward, after July 1st, it's on the
9 ballot.

10 MR. JOE CAMPBELL: But it's not on there
11 now. That's --

12 MS. BUCHOLTZ: It is not. And keep in
13 mind, we had -- out of 500 commercial accounts --

14 DR. PEAVEY: With the current process.

15 MS. BUCHOLTZ: Right. Well, there were
16 only ten that came in to vote. But it may be easier to
17 look at another way to process that, whether it's the day
18 of the election or if you want to set it up so that it is
19 verified before the day of the election so we have an
20 idea of the ones that come in and vote.

21 It's probably easier to verify it the day
22 of the election. Whether we have them bring it in on
23 their letterhead and we pull it up on Sunbiz. It is
24 easier for staff to go through 500 accounts that really
25 only affected about ten.

1 MR. JOE CAMPBELL: So what I am hearing
2 you saying is the day of the election maybe, but I am
3 with Director Kennedy. You know, there has got to be
4 some personal responsibility and you saw what it was. It
5 was six weeks, eight weeks. It was probably three months
6 out, and I agree kind of moving it up in bold, red,
7 whatever.

8 And, Mike, did you have some other
9 comments?

10 MR. KENNEDY: No, sir. I was just going
11 to make a motion that -- do you say something before?

12 MR. MILLER: Yeah, I do.

13 MR. KENNEDY: Okay.

14 MR. MILLER: I want to go back to our
15 bylaws and what do our bylaws say about who our members
16 are and who gets to vote. And -- and I have always had a
17 problem with someone that has multiple businesses,
18 multiple taps getting more than one vote.

19 I think at one time our system did not
20 allow that. It was specifically only one vote per
21 member, per person that comes in.

22 And what our bylaws says is:

23 "The holders of membership certificates of
24 this corporation are its members. Any person having
25 reasonable accessibility to the source of and who is in

1 need of services provided by the Water System or other
2 services operated by the corporation and who received the
3 approval of the Board of Directors may be admitted to
4 membership."

5 "A person may be admitted to membership
6 upon subscribing for or otherwise acquiring a membership
7 certificate and by signing such agreements for the
8 purchase of water as provided and directed by the
9 corporation."

10 And then, further down, it says:

11 "At any meeting of the members of the
12 corporation, each member shall be entitled to one vote
13 only, regardless of the number of certificates of
14 membership held, provided the member is in good standing
15 for all certificates held."

16 So the intent of our original founders and
17 the people that wrote this bylaw is that a person is the
18 holder of a membership certificate, not a corporation,
19 and that they -- and they only get one vote.

20 They don't get multiple votes because they
21 own multiple businesses. I think we need to look at
22 that.

23 MR. DABNEY: And I agree, but I don't
24 think -- that is not necessarily what we are talking
25 about, giving them a second vote. I mean --

1 MR. MILLER: We are talking about changing
2 our procedures and our procedure has been allowing more
3 than a -- individual people to get more than one vote
4 because they have more than one --

5 MR. KENNEDY: So you are saying, if you
6 have a company, you shouldn't be --

7 MR. MILLER: You are a person who holds a
8 member certificate. You get don't more than one vote
9 because you hold multiple certificates.

10 MR. JOE CAMPBELL: I would have to go to
11 legal about whether a person is a company and LLC and all
12 of that stuff --

13 MR. LYNCHARD: It says, "The members -- or
14 the certificate holders are the members."

15 Regardless of how many taps you have in
16 your personal name, you only have one membership
17 certificate.

18 Just like with a corporation. You can
19 have 100 taps, but it is only going to have one
20 membership certificate.

21 MR. JOE CAMPBELL: Right.

22 MR. LYNCHARD: So the bylaws say that that
23 corporation is a member and gets a vote.

24 MR. MILLER: It's the person who holds the
25 member certificate.

1 MR. LYNCHARD: No. The corporation holds
2 the membership certificate.

3 MR. JOE CAMPBELL: I am going to go to our
4 legal counsel, who is --

5 MR. DABNEY: If that is not the case, then
6 why would I pay -- why would I buy a \$5.00 membership if
7 I am going to get -- I am considered only one person.
8 Why charge me every single time?

9 MR. MILLER: Again --

10 MR. DABNEY: If a \$5.00 membership is what
11 you are buying every time you come into this business,
12 you buy a \$5.00 membership.

13 MR. DUNAWAY: Yeah. So --

14 MR. MILLER: I don't know about -- whether
15 they charge you more than one membership.

16 MR. DABNEY: Yes, they do. They charge me
17 with more than one membership.

18 (EVERYBODY SPEAKING OVER EACH OTHER.)

19 MR. MILLER: Actually --

20 MR. JOE CAMPBELL: Let's let our legal
21 counsel earn his money.

22 COURT REPORTER: One at a time, please.

23 MR. JOE CAMPBELL: Thank you. Counsel?

24 MR. DUNAWAY: Okay. Thank you, Mr.
25 Chairman. It is not -- and I believe that Director

1 Miller was reading from Article V, Section 1. Is that
2 correct?

3 MR. MILLER: That is correct.

4 MR. DUNAWAY: So members are -- a
5 corporation is a member of the water -- of the company,
6 if it has an account. That is under the membership.

7 I don't believe that the interpretation --
8 well, I know the interpretation has never been that a
9 corporation can only -- a person who owns more than one
10 corporation can only vote once.

11 A corporation can vote its membership,
12 because a corporation can be a member. What has been
13 confusing and what the bylaws aren't clear is that a
14 person, let's say, John Doe owns four homes, let's say,
15 they are rental homes, but he owns -- he owns them with
16 his wife in his own name, not in an LLC.

17 He has four water taps, but he can only
18 vote once. They can only vote once. We know that. So
19 if we were to put each of those homes in a separate LLC,
20 Airbnb 1, Airbnb 2, Airbnb 3, for instance, he would then
21 have four memberships, but --

22 MR. MILLER: He is the holder of four
23 membership certificates. It's a person that holds that
24 membership certificate -- the person.

25 It says: "The holders of membership

1 certificates are its members."

2 The holders of that certificate. So a
3 corporation can't hold something. Only a person can hold
4 something. That's my point that no one should get more
5 than one vote in our election regardless of the number of
6 taps they have because it says that in Section III of
7 Article V.

8 MR. JOE CAMPBELL: Isn't there something
9 it also says in the member certificates that was counter
10 to that or --

11 MR. DUNAWAY: I think -- yeah, I think the
12 issue is -- and correct me if I'm wrong, but I don't
13 think we actually issue member certificates.

14 MR. MILLER: We do.

15 MR. JOE CAMPBELL: We do now. We didn't
16 for years.

17 MR. LYNCHARD: No. We --

18 MS. BUCHOLTZ: So a membership certificate
19 and member are really two different things.

20 You can be a holder of a membership -- you
21 could have, for instance, five houses where you have
22 membership certificates because you have a service that
23 is in your name. But you have only paid one membership
24 fee.

25 We only charge you one membership fee, so

1 you would only have one vote as to one member, even
2 though you have five certificates.

3 Now, if you are a business holder and you
4 set it up with a different tax ID, each time you set up a
5 business with a new tax ID, you're going to pay that
6 \$5.00 membership fee.

7 MR. DABNEY: Yeah.

8 MS. BUCHOLTZ; And that would entitle you
9 to more than one vote because you have four -- two
10 different businesses, but they have tax IDs. And we
11 would collect a membership fee for each one that you set
12 up in a different tax ID.

13 Now, if you had two businesses and you use
14 the same tax ID number, we wouldn't charge an additional
15 membership fee. Those businesses would hold separate
16 membership certificates, but they would only be entitled
17 to one vote.

18 MR. JOE CAMPBELL: So --

19 MR. DUNAWAY: So if we read the bylaws as
20 Director Miller is indicating, to read that first
21 sentence is the holders of membership certificates of
22 this corporation are its members would be a fundamental
23 change in the way the Water Board operates, because it
24 would be a fundamental change of holding that one person
25 who owned separate businesses could not vote those

1 businesses separately, which is the case today, because
2 we charge them and we make them members.

3 Because they are separate entities. They
4 are separate legal entities. So the distinction legally
5 has always been that while I might hold the membership
6 for three separate LLCs, I am doing so as a legal
7 fiction. I am holding those four companies' membership
8 and I get to vote those four companies' membership.

9 I do not get to do so if I simply own four
10 homes that I buy water on and I have --

11 MR. MILLER: How is that fair, though?
12 You know, and how is that in line with what our original
13 bylaws talked about. And as recently as, like, 15 years
14 ago, they did not let business owners vote more than once
15 because it says in there, you know, you only get one vote
16 regardless of the number of membership certificates you
17 hold.

18 MR. KENNEDY: I had a question.

19 MR. JOE CAMPBELL: Mike?

20 MR. KENNEDY: Thank you. So if I
21 understand it right, corporate is basically on a tax ID.

22 MS. BUCHOLTZ: Uh-huh.

23 MR. KENNEDY: Residential is based on your
24 house.

25 MS. BUCHOLTZ: Right. It's going to be

1 attached to the -- we do collect Driver's License, so,
2 yes.

3 MR. KENNEDY: So in this last election, if
4 you were corporate, you needed to follow our process.
5 Down at the bottom, it said, "You need to let us
6 know," --

7 DR. PEAHEY: That's correct.

8 MR. KENNEDY: -- "If you need to vote."

9 MR. DUNAWAY: Six people did.

10 MR. KENNEDY: But that even included, "If
11 you are on the account, and you did not follow the
12 process, you were not allowed to vote."

13 DR. PEAHEY: That's correct.

14 MR. DUNAWAY: Four people.

15 DR. PEAHEY: Only four people didn't vote.

16 MR. KENNEDY: Would you, as our lawyer, be
17 comfortable arguing that corporations have a vote?

18 MR. DABNEY: And I want to disagree with
19 the four people. I didn't get to vote and I own more
20 than four companies. So I didn't get to vote my proxies,
21 so that number of four is incorrect.

22 I was back there when I asked her and I
23 own more than four corporations. I own more than four
24 memberships at this company.

25 MR. KENNEDY: And, James -- just you as an

1 example, James, do you have -- are those tax corporations
2 set up on tax IDs.

3 MR. DABNEY: Every one of them is
4 different.

5 MR. KENNEDY: And your name is on them?

6 MR. DABNEY: Every single one of them.

7 MR. KENNEDY: Is your name on each one of
8 the accounts?

9 MR. DABNEY: Every single one of them.

10 MR. KENNEDY: So you should -- okay --

11 MR. JOE CAMPBELL: So what I hear right
12 now, this is like half-cooked right now. Right? So --

13 MR. DUNAWAY: Well, the issue before you
14 is, do you want us to provide you with a draft policy?
15 Or do you want to keep what is going on?

16 I hear that you may want us to clarify and
17 we would come back with a policy, but it is fundamentally
18 important for us to know whether it is that you're
19 looking to change the way -- and Director Miller said 15
20 years -- I will have to go back and research that.

21 I didn't know that there was a point in
22 the Board's history or the company's history that
23 corporations were not allowed to vote or persons who
24 owned more than one company was not allowed to vote more
25 than once.

1 MR. MILLER: It might have been 16.

2 MR. DUNAWAY: Okay. But at some point in
3 the past, it would be interesting to note what changed
4 that, presumably a discussion like this. And if I, you
5 know, were having to make, you know, opine right here on
6 the fly, I could make that first sentence of Section I
7 Article V go either way. I can make the argument either
8 way.

9 MR. JOE CAMPBELL: Typical. Or I can
10 argue --

11 MR. MILLER: The sentence says, "A
12 person," not a business, "Who is in need of services is
13 its member."

14 So, I mean, yes, it could be a person that
15 owns a corporation, but it is still tying it back to
16 people, not a corporation.

17 MR. JOE CAMPBELL: Well, I think we want
18 to allow account holders that are authorized and have
19 paid their memberships to vote.

20 MR. MILLER: Well, I do the same thing.
21 But do they get more than one?

22 MR. JOE CAMPBELL: No. But I think what
23 we really need to do is --

24 (EVERYONE SPEAKING OVER EACH OTHER.)

25 MR. THIEL: But if they pay more than one

1 fee, they should get --

2 MR. JOE CAMPBELL: -- have them come back
3 and they should pay -- with some recommendations, maybe
4 one or two options --

5 (EVERYONE SPEAKING OVER EACH OTHER.)

6 MR. DABNEY: Here's what I am -- and I
7 will leave it at this. Here is the bottom line. If that
8 person came in and paid the \$5.00 fee, okay, he has the
9 right to vote, because it's a different corporation.
10 It's a different LLC. It's a different FEIN number. And
11 he has paid the \$5.00.

12 MR. MILLER: It doesn't matter. It goes
13 against the bylaws.

14 MR. DABNEY: It's not against the bylaws.
15 I mean, I have been voting here forever and I have always
16 had more than one vote.

17 Up until the time that you guys made a new
18 policy, that, I am sorry, I don't open my mail every
19 single day.

20 MR. JOE CAMPBELL: Well, it wasn't a
21 new -- I mean, it just wasn't enforced.

22 Mike?

23 MR. KENNEDY: Yes, sir. I will make a
24 motion that if the business is the name of the person,
25 they are allowed to vote.

1 If the business is not in the name of the
2 person, they follow the current process. That's my
3 motion.

4 MR. JOE CAMPBELL: Okay.

5 MR. DABNEY: I think you are going back to
6 the same thing where they are having to do double the
7 work. It's a simple line item added to the new policy
8 going forward on the new sheet that says:

9 "If this person hasn't changed the
10 ownership of this corporation or their vote," however you
11 want to word it, "By September 1st, change it."

12 DON: I will second that.

13 MR. JOE CAMPBELL: Dr. Peavey, you have
14 got --

15 DR. PEAVEY: Yes, sir. Mr. President, I
16 would ask that the Board allow legal counsel and staff to
17 review all of these issues of these matters and then come
18 back to next Board meeting with a recommendation for the
19 Board to consider.

20 It gives us 30 days to come back and we
21 can share with you once we have gotten information put
22 together, rather than continue on because clearly, we are
23 not going to reach a consensus.

24 MR. LYNCHARD: We have got different
25 conversations going.

1 MR. JOE CAMPBELL: Yeah. And I guess my
2 recommendation, and I agree with that --

3 MR. DUNAWAY: Yeah.

4 MR. JOE CAMPBELL: But we don't want it to
5 be -- we want all members that are eligible to vote,
6 right?

7 We don't want to suppress the vote, but we
8 also want to be fair, equitable. If they are a
9 corporation or not, or if they are not, based on legal
10 counsel's input, it doesn't need to be encumbered upon
11 staff. It should be the onus and the responsibility of
12 the members.

13 DR. PEAVEY: Certainly, we can take that
14 into consideration.

15 MR. JOE CAMPBELL: Like I said, I am kind
16 of looking for head nods from the Board that they kind of
17 feel that that is the same thing -- that we would have
18 staff look at it.

19 We have a motion?

20 MR. KENNEDY: We do.

21 MR. LINNELL: And a second.

22 MR. JOE CAMPBELL: And a second.

23 MR. MILLER: I think it needs to be tabled
24 until staff comes back with more recommendations.

25 MR. KENNEDY: I would be willing to

1 table --

2 MR. JOE CAMPBELL: All right.

3 MR. KENNEDY: I make a motion to table.

4 MR. JOE CAMPBELL: All right. Or just
5 withdraw.

6 MR. LYNCHARD: I second.

7 MR. KENNEDY: I rescind the motion.

8 MR. JOE CAMPBELL: Okay.

9 MR. MILLER: Motion to table until staff
10 can come back with recommendations for the Board, because
11 we are way early in the process.

12 DR. PEAVEY: We have ten months.

13 MR. JOE CAMPBELL: Ten months goes quick.
14 Okay. Mark --

15 MR. KENNEDY: Second for the motion to
16 table.

17 MR. JOE CAMPBELL: Second. All in favor
18 of tabling and letting staff do their thing and come back
19 to us with options?

20 MR. LINNELL: I would like to comment
21 before we do that. So sitting here listening, I would be
22 willing to say I heard at least five different
23 interpretations of what our bylaws say.

24 So I think before we hear options, I would
25 like to hear what our bylaws are legally telling us,

1 unless the options are based on what it says now, these
2 are the ways we can go.

3 DR. PEAVEY: I think that is part of the
4 consideration. We would talk to legal to make sure we
5 got the right handle on that and we can come back and
6 make that clear, and then, not the options, because it
7 says what it says, and it means what it means.

8 And then, as far as options for the
9 election, we will come back with that.

10 MR. LINNELL: So I agree generally with
11 what you said, Dallas, but the phrase, "It says what it
12 says and means what it means," to me is nonsensical in a
13 legal sense.

14 DR. PEAVEY: Well, that's you, but that's
15 why we said we would come back and say --

16 MR. LINNELL: That's why I want Will to
17 come back and say what it means.

18 MR. DUNAWAY: Yeah. I will come back
19 with -- as a threshold matter, the first thing I will do
20 is come back with an opinion with regard to the issue of
21 membership and whether a person who owns more than one
22 company registered as a member of the company can vote.
23 And I will lay it out with regards to the bylaws.

24 So that will be the first thing. And
25 then, any policy would stem from that after y'all make a

1 decision based on that legal basis.

2 MR. JOE CAMPBELL: And I am just making
3 the assumption that whatever options would be in writing
4 so that we could see it.

5 MR. DUNAWAY: Yes. That was the point of
6 why we had this discussion, because with the staff, we
7 didn't want to start writing something up and presenting
8 it to you without getting your feedback.

9 This feedback has been good, and, also,
10 because we know we had at least until September, which is
11 when your notice or your next election starts to get
12 this; correct?

13 And it does seem to be something that we
14 need to get correct so that everybody is of one mind at
15 least at this table, so then, you can go with one voice
16 to your membership and explain -- and explain it.
17 Because, there, obviously is some confusion, and we need
18 to clear that up.

19 MR. JOE CAMPBELL: Okay. Well, it's valid
20 that only a limited number of businesses voted, but
21 that's because it was too onerous. Any last comments?

22 (NO AUDIBLE RESPONSE.)

23 MR. JOE CAMPBELL: Okay. Engineering?

24 DR. PEAHEY: Yes, sir, Mr. President. Two
25 big items that engineers are working on the month of

1 January and going forward is that I&I. And it is still a
2 big issue. It's down from where it was a year ago.

3 And the other is the Eglin project.
4 That's the key project that engineering is focused on.

5 MR. JOE CAMPBELL: Okay. Any comments on
6 your -- on the information you had in your packets for
7 the Board?

8 (NO AUDIBLE RESPONSE.)

9 MR. JOE CAMPBELL: Okay. Member Forum.
10 Mr. Wilcox, please?

11 MR. WILCOX: I live on Brevard Street, one
12 of the streets where you're wanting to clear all of the
13 easements back about half a dozen blocks or so.

14 MR. JOE CAMPBELL: Yes, sir.

15 MR. WILCOX: And my concern is exactly how
16 this is going to happen? I mean, there is -- I am
17 assuming there is a 12-foot easement. I found my
18 pens had to come back six feet to put it in there, make
19 sure it wasn't in your easement.

20 So now, we are getting these notifications
21 that this easement is going to be cleared. And a month
22 ago in these neighborhoods I live in, everybody had a
23 fence that was basically in the middle of these
24 easements. So saying if somebody were to come in and
25 vandalize something or steal something, they would have

1 to come through my back yard to get to the neighbor
2 behind me or vice versa.

3 Now, there is going to be essentially a
4 12-foot easement that is accessible to anybody. And how
5 is that going to be cleared? How is that going to be
6 secured? And from what I got from the letter, the
7 primary reason for this was access to the sewer main and
8 the fact that there were people in the neighborhood that
9 weren't following the guidelines as far as putting
10 rainwater down their clean-outs.

11 So my clean-out -- my clean-out is about
12 15 feet inside my property line including the easement.
13 So if I am putting water down my clean-out and you have
14 got this 12-foot easement, I would like to know how
15 specifically are you going to be able to find out that I
16 am putting rain water down my easement because there is a
17 12-foot easement back there now.

18 MR. JOE CAMPBELL: Okay. I think once --

19 MR. WILCOX: And, also, the security
20 issue, like I said, there is essentially going to be in
21 these six or eight blocks -- there is going to be a
22 12-foot outlet behind all these back yards. And,
23 security, to me, is pretty serious.

24 Like I said, if I wanted to -- if some kid
25 wanted to jump to get into my back yard, he would have to

1 go through my neighbor's yard to get into my yard to
2 whatever, steal something out of my shop.

3 Now, all they have got to do is go down an
4 easement and they are in my yard.

5 MR. MILLER: Couldn't he jump over the
6 front part of the fence from the street? Walk up from
7 the street and jump over the front part of it if it is
8 sitting -- if I walk up to the gate?

9 MR. WILCOX: Yeah, he could.

10 MR. JOE CAMPBELL: The point is it's a
11 utility easement.

12 MR. WILCOX: The point is he would have to
13 be in somebody's front yard to do that. Now, let's just
14 say everybody builds a fence back over the easement.

15 So there is going to be a six-foot fence
16 in my back yard, a six-foot fence in my neighbor's back
17 yard. That's 12 feet away. So I would think a person
18 could get there real easy without being seen.

19 MR. MILLER: It's still your property,
20 though, so if you see any kids walking down through
21 there, you can say, "Hey, you can't walk through here.
22 This is private property."

23 MR. WILCOX: So an easement is not my
24 property?

25 MR. MILLER: It is your property.

1 MR. JOE CAMPBELL: Sir, it's a utility
2 easement, so we can get to the sewer lines, and it is
3 illegal to --

4 MR. MILLER: -- block it off because it's
5 an easement --

6 (EVERYBODY SPEAKING OVER EACH OTHER.)

7 MR. WILCOX: And another question is I
8 have lived there for quite a few years. How many times,
9 just say in the last ten years, has the sewer main had to
10 be dug for repairs?

11 MR. JOE CAMPBELL: That's not the only
12 issue, sir. And I am actually going to direct you to Dr.
13 Peavey, who is the CEO, so he can --

14 DR. PEAVEY: If you have a list of
15 concerns that you are stating now, if you want to send me
16 an email directly, I can address that. I can go through
17 and review them, as we do with all concerns from the
18 members, and then, proper legal counsel as well.

19 MR. WILCOX: Yeah. And I am not the only
20 one. I mean, there is a lot of people I have talked to
21 that have the same concerns.

22 MR. JOE CAMPBELL: But you are also not
23 the only utility in Holley by the Sea as well, so we have
24 those easements.

25 MR. WILCOX: But in my particular

1 situation, all the easements are in front except for the
2 sewer main.

3 MR. JOE CAMPBELL: Right.

4 MR. WILCOX: And I am just kind of going,
5 "Why now?" Why am I not aware of these easements --

6 MR. JOE CAMPBELL: I can tell you --

7 MR. WILCOX: -- being -- having to be
8 repaired in 15 or more years that I have lived here. And
9 now, all of a sudden, everybody has got to go through a
10 considerable amount of time, effort, and expense to give
11 you guys the access, when I am not sure the access is
12 even needed.

13 Because if your primary concern is
14 rainwater going down clean-outs, you are still at ground
15 zero.

16 You are not going to be able to find out
17 who is putting the rainwater down the clean-out even
18 though you have access --

19 MR. JOE CAMPBELL: Sir, if we have access
20 to the utility easements, our crews, I think, will. But
21 I am going to -- Dr. Peavey will be able to --

22 DR. PEAVEY: I would ask if you have these
23 concerns -- give him my contact information -- so you can
24 send me an email, so we can review it and speak with
25 legal and come back to you on it.

1 because of this --

2 MR. JOE CAMPBELL: Thank you for your
3 time, sir.

4 Okay. Is it Mr. Mason?

5 MR. MASON: Yeah. My handwriting is
6 terrible.

7 MR. JOE CAMPBELL: That's all right.

8 MR. MASON: I am over on the water across
9 the street from Ken. You know, you told us this was
10 going to happen with the easement, which is great. We
11 are going to make it work.

12 Do we have any kind of time update? We
13 were told 30 to 45 days. We are pushing 45 days. I
14 haven't seen any people coming out now.

15 I have a pool. So, now, I have got to
16 secure the pool because my neighbor took his fence down
17 and it was right on the property line. So now, I have
18 got to -- but, again, I am not putting anything back in
19 because I am not sure how much you are going to tear up
20 of that easement to get things going.

21 Because I have, between my neighbor and
22 myself, I have 20 70-foot trees sitting back there that
23 according to you were coming out.

24 That's a concern for me because I have
25 been in the yard before. I know where we had

1 professionals take out trees and it's a mess. And I
2 don't want these trees coming down through my shed that
3 is out back.

4 I don't want big holes in my yard. I just
5 want some kind of update, Number One, as to what is going
6 to happen. And how are we going to do this?

7 DR. PEAHEY: If you want to send me your
8 information, I will be glad to respond to your concerns
9 in person.

10 MR. MASON: I appreciate that. Thank you,
11 sir. Now, I don't want to put you on the spot. Anything
12 new --

13 DR. PEAHEY: You are not putting me on the
14 spot.

15 MR. MASON: Any updates as to when it is
16 going to start? I don't mind, I mean, if it has got to
17 happen, it's got to happen. I mean, I am more concerned
18 about the logistics of it all.

19 I will be putting in a new fence at my
20 cost, because, now, I can't share my neighbor's fence
21 back there around my pool, so that's a safety concern.

22 But I am not putting up a new fence until
23 you guys dropped the 70-foot trees. I am not wanting to
24 have a tree through my new fence.

25 DR. PEAHEY: I am sure we are not going to

1 do that. And I can tell you that the timeline is within
2 the next 30 days, depending on where your address is in
3 relation to the whole amount of work we are going to be
4 doing.

5 If you want to send me that information, I
6 will certainly respond to it.

7 MR. MASON: Okay. Thank you. Appreciate
8 it.

9 MR. JOE CAMPBELL: Anybody else?

10 MR. MASON: Who do I get that information
11 to just email?

12 DR. PEAVEY: This young lady is bringing
13 it to you now.

14 MR. JOE CAMPBELL: Board members, any last
15 comments? Any last concerns?

16 (NO AUDIBLE RESPONSE.)

17 MR. JOE CAMPBELL: I will entertain a
18 motion for adjournment.

19 MR. KENNEDY: Motion to adjourn.

20 MR. LYNCHARD: I second.

21 MR. JOE CAMPBELL: All in favor?

22 MR. KENNEDY: Aye.

23 MR. LINNELL: Aye.

24 MR. LYNCHARD: Aye.

25 MR. DABNEY: Aye.

1 MR. THIEL: Aye.

2 MR. MILLER: Aye.

3 MR. JOE CAMPBELL: Just as a reminder,
4 Board training, February 25th, from 7:30 to 3:30.

5

6 WHEREUPON, THE BOARD OF DIRECTORS MEETING
7 FOR THE HOLLEY NAVARRE WATER SYSTEM CONCLUDED AT 7:30
8 P.M.

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