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HOLLEY NAVARRE WATER SYSTEM
REGULAR BOARD MEETING
OCTOBER 18, 2022
6:00 P.M. - 7:43 P.M.

- JOE CAMPBELL, PRESIDENT
- MARK MILLER, VICE PRESIDENT
- BILL THIEL, SECRETARY
- DON LINNELL, DIRECTOR
- DARYL LYNCHARD, DIRECTOR
- JAMES DABNEY, DIRECTOR
- EMERALD MCDANIEL, HNWS
- CHRIS LEGG, HNWS
- JAROD CROSS, HNWS
- PHIL PHILLIPS, MESI
- AMBER BUCHOLTZ, HNWS
- KIM TORRES, HNWS
- MARK TURNER, HNWS

ALSO PRESENT:

- WILL DUNAWAY, ESQUIRE
- DEBORAH KHARUF, COURT REPORTER
- HANSEN HASENBERG, NAVARRE PRESS
- KURT COSBY, CARMEN REYNOLDS

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

2 MR. CAMPBELL: All right. It's 6:00
3 o'clock. I will call the meeting to order. Director
4 Thiel, if you will lead us in prayer?

5 (INVOCATION BY DIRECTOR THIEL.)

6 MR. CAMPBELL: Director Linnell, if you
7 would lead us in the pledge?

8 MR. LINNELL: Follow me in the pledge of
9 allegiance, please.

10 (PLEDGE OF ALLEGIANCE LED BY DIRECTOR LINNELL.)

11 MR. CAMPBELL: Okay. We have a quorum.
12 All six are present. Audio and video recorders are in
13 use. And, as usual, if you would like to speak, there is
14 a member forum sign-up sheet, if you would like to
15 address the Board. I don't think that will be an issue
16 tonight.

17 Let's look at the approval of minutes and
18 transcripts from August 24th, 2022, closed executive
19 sessions, unredacted and redacted, September 22nd regular
20 meeting minutes and transcript, September 29th closed
21 executive session meeting minutes, unredacted and
22 redacted, and then, October 6th, 2022, closed executive
23 session meeting minutes, redacted and unredacted.

24 MR. LYNCHARD: I move to approve.

25 MR. CAMPBELL: Okay. That's a motion.

1 MR. LINNELL: Second.

2 MR. THIEL: I have a couple of
3 corrections.

4 MR. CAMPBELL: Okay.

5 MR. THIEL: On page 2 of the minutes,
6 spray field is spelled spray filed. It is okay on the
7 transcript.

8 MR. CAMPBELL: Okay.

9 MR. THIEL: And on the transcripts, there
10 is a section with a couple of items I had in there.

11 Page 7, line 4, I think you mean forensic
12 audit.

13 MR. MILLER: And had that one, too.

14 MR. THIEL: And page 74 of the motion on
15 the spray field golf course was four ayes and three nays.
16 There, you didn't have Director Kennedy vote. You had
17 Director Dabney voting twice, so that's all I have.

18 MR. MILLER: And I have a couple of
19 corrections on page 115, line 17, there was a comment
20 that I made and it was to the Board -- it needs to be
21 changed to this company to decide.

22 Page 117, line 21, the word qualifications
23 needs to be changed to the word deletions.

24 MR. CAMPBELL: Okay.

25 MR. MILLER: That's all I have as far as

1 corrections.

2 MR. CAMPBELL: Any other discussion? Any
3 other corrections?

4 MR. MILLER: I do have one discussion
5 item. Our meeting minutes -- and this is nothing at all
6 against staff. In fact, I want to make staff's job
7 easier. Our meeting minutes were eight pages long.

8 And I think the guides for doing minutes
9 will state that they need to be a much more brief
10 description of what happened.

11 They shouldn't include actual quotes from
12 anyone. It should be just, you know, the items on the
13 agenda, what the motions were, and who voted on them.
14 They are getting a little more wordy than meeting minutes
15 should be, according to most of your guides on how to do
16 meeting minutes. So I think it would save staff time not
17 to have to put as much information in there as they are
18 currently putting in.

19 MR. CAMPBELL: Okay. I would also like --
20 as you find these corrections, if you can let us know
21 beforehand, before the meeting --

22 MR. MILLER: I would. But I didn't get
23 the packet until -- and I was out of town, so --

24 MR. CAMPBELL: We got the packets Friday,
25 but point taken.

1 MR. MILLER: I was out of town.

2 MR. CAMPBELL: All right. Any other
3 discussion?

4 (NO AUDIBLE RESPONSE.)

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

6 MR. LYNCHARD: Aye.

7 MR. DABNEY: Aye.

8 MR. THIEL: Aye.

9 MR. LINNELL: Aye.

10 MR. MILLER: Aye.

11 MR. CAMPBELL: Aye.

12 Any opposed?

13 (NO AUDIBLE RESPONSE.)

14 MR. CAMPBELL: Motion carries.

15 All right. Approval of memberships. So,
16 in September, we had 292 new members, canceled 275, with
17 one transfer. I will entertain a motion to approve
18 memberships.

19 MR. LINNELL: So moved.

20 MR. THIEL: Second.

21 MR. CAMPBELL: Any other discussion?

22 (NO AUDIBLE RESPONSE.)

23 MR. CAMPBELL: All in favor say "Aye"?

24 MR. LYNCHARD: Aye.

25 MR. DABNEY: Aye.

1 MR. THIEL: Aye.

2 MR. LINNELL: Aye.

3 MR. MILLER: Aye.

4 MR. CAMPBELL: Aye.

5 Any opposed, say "Nay"?

6 (NO AUDIBLE RESPONSE.)

7 MR. CAMPBELL: Motion carries.

8 Okay. Forensic audit. So here is the
9 status at play. So far we have had four companies that
10 we have contacted.

11 Company 1 declined outright. Company 2
12 did not return phone calls. Company 3 was willing to
13 accept -- look at an RFP, but they wanted to narrow the
14 scope. And they had concerns due to the publicity
15 involved.

16 Then Company 4, which I think member --
17 Mr. Ashe had contacted beforehand, they actually thought
18 he was part of Navarre Water System when he called them.
19 But the \$20,000 that was quoted was actually just to come
20 out and see us.

21 And then, from there, they would give us
22 an estimate of what it would take for the scope of the
23 work. So that's the order of play right now.

24 MR. LINNELL: So the 20K was for -- I
25 think you mean more than just come see us, but come see

1 and --

2 MR. CAMPBELL: Come do an initial
3 assessment and then they would provide us with an
4 estimate of the scope of work.

5 MR. LINNELL: Okay.

6 MR. CAMPBELL: So that's kind of where we
7 are at. We are kind of pushing the envelope because
8 around about this time, we start with the annual audit.
9 And our annual auditors/CPAs have said that they would
10 not come out until this was either conducted or no longer
11 required because, obviously, it would impact what they
12 are doing. So I am kind of looking for a way forward
13 here from somebody. Discussion?

14 Part of this is -- so three of the
15 Directors actually got six months' worth of registers and
16 supporting documents. I am wondering if there is
17 anything in there that anybody has found that we would
18 narrow the scope to find. Or if you have had a chance to
19 go through those?

20 MR. DABNEY: I have got a list of stuff
21 that needs to be turned in.

22 MR. CAMPBELL: So is it actually more
23 towards the policy that wasn't followed by the previous
24 CEO? Is that the kind of thing you are leaning towards?
25 Or actually something that we could put our hat to and

1 say may be a criminal activity?

2 MR. DABNEY: I am not real sure. I have
3 got to look at the invoices that go with the checks.

4 MR. LYNCHARD: Possibly you should.

5 MR. CAMPBELL: You didn't have the
6 invoices with the checks? But you had the purchase
7 agreements and all of those?

8 MR. DABNEY: You don't even have the
9 invoice numbers on the checks.

10 MR. CAMPBELL: I know that. But with the
11 check register, you should have had the supporting
12 document that went with that check. They wouldn't just
13 cut the checks. So the purchase agreement or the --

14 MR. DABNEY: I don't think that is in
15 there. I haven't got that far yet.

16 MR. CAMPBELL: Go ahead, Daryl.

17 MR. LYNCHARD: You know, a possible way
18 for -- to narrow the scope of the forensic audit would be
19 to have someone or a firm come in and do a forensic
20 investigation as to whether or not our policies were
21 followed and whether any of those were violated last
22 year.

23 MR. CAMPBELL: Well, I think we can
24 probably all agree that that did happen.

25 MR. LYNCHARD: Well, I know they did. And

1 those registers that you have given us really show that.

2 MR. CAMPBELL: Yes.

3 MR. LYNCHARD: The problem is we have got
4 a lot of records there. And I am certain we don't have
5 all the data to be able to make a determination. We
6 certainly don't have all the data to be able to determine
7 whether any other bad acts may have occurred.

8 So if we hire an independent third party
9 to come in and maybe look at that, that could narrow the
10 scope and reduce the cost. It also acts as a tree trunk
11 there because that -- violations of our policy could lead
12 to other areas.

13 MR. CAMPBELL: Right.

14 MR. LYNCHARD: So --

15 MR. CAMPBELL: It's my understanding that
16 when the auditor came in last year, they actually looked
17 at controls and policies and our adherence to that, so
18 surely, it wouldn't -- if we went with the annual, they
19 would do the same thing?

20 MR. LYNCHARD: We already determined that
21 the policies were violated.

22 MR. CAMPBELL: Right.

23 MR. LYNCHARD: That was not caught at that
24 time.

25 MR. CAMPBELL: Well --

1 MR. LYNCHARD: But that's not what they
2 were looking for.

3 MR. CAMPBELL: But they looked at 2021.

4 MR. LYNCHARD: No. No, 2021, you are
5 correct.

6 MR. CAMPBELL: Now we have records for
7 2022 --

8 MR. LYNCHARD: Yes.

9 MR. CAMPBELL: -- so would that not be the
10 same people to look to see during the year 2022 that they
11 were violated and --

12 MR. LYNCHARD: They would be, so it would
13 be nice to have a third party.

14 MR. CAMPBELL: Okay.

15 MR. LYNCHARD: That's just for discussion.

16 MR. CAMPBELL: Okay.

17 MR. LYNCHARD: I am not making a motion or
18 anything else.

19 MR. CAMPBELL: So our two options are we
20 can narrow the scope to some form or fashion or we can
21 keep looking and then we get behind on the annual audit.

22 Or our third option is we go ahead and
23 pursue the initial audit and ask for -- if they can do
24 it -- or you would actually like another --

25 MR. LYNCHARD: I would actually like a

1 third party to do it.

2 MR. CAMPBELL: All right.

3 MR. LYNCHARD: Like I said, that's a
4 discussion for everybody.

5 MR. LINNELL: Like a third party to do
6 what?

7 MR. CAMPBELL: Instead of our annual
8 auditor come in, have another CPA to come and look at the
9 controls that these folks looked at in 2021.

10 MR. LINNELL: Instead of our -- you mean,
11 for this year's audit?

12 MR. LYNCHARD: Forensic investigation or
13 forensic audit to determine whether the controls were
14 followed, as opposed to a regular audit that tells us the
15 controls are adequate. That's what I am discussing, so I
16 appreciate not being blown off like that.

17 MR. CAMPBELL: I didn't try to blow you
18 off.

19 MR. LINNELL: Are you saying I did, Daryl?

20 MR. THIEL: You want to get a different
21 auditor?

22 MR. LYNCHARD: No. I think Warren Averett
23 is a fine group of auditors for us. They have been very
24 good to us throughout the years. I think we have got a
25 situation here to where we need someone to -- with a, you

1 know, a new set of eyes to look at this. Because,
2 obviously, internally, we can't determine it. And we --
3 our members want something. I do. I know I do.

4 MR. CAMPBELL: Okay. Don?

5 MR. LYNCHARD: Well, back to -- so are
6 those auditors going to do something different than what
7 the current auditor does?

8 MR. LYNCHARD: I believe the gentleman
9 that spoke at our last meeting explained the difference
10 between a forensic audit and a financial audit; didn't
11 he?

12 MR. LYNCHARD: So is that a yes? Or a no?

13 MR. LYNCHARD: Yes. Yes.

14 MR. LINNELL: All right. Thank you very
15 much.

16 MR. CAMPBELL: Yeah. But he also did say
17 that they would be looking for criminal activity, not
18 just -- not going -- not using our controls and going
19 above what the Board had authorized him to do is
20 different than a criminal activity.

21 MR. LYNCHARD: That's right.

22 MR. CAMPBELL: Yes. So that's why I don't
23 understand why another audit focusing on those would not
24 show that, "Hey, you didn't," -- you three have had
25 those, and right now, you are saying that's not enough

1 data.

2 Okay. If you tell me that -- but what is
3 the right thing to do? We limit the scope so we can get
4 somebody in to look at that to put our minds at rest and
5 do the annual audit. Or we go with the annual audit and
6 then do that.

7 If they come up with something, we ask for
8 a certain focus. That's what I need the Board to discuss
9 and decide, because we are sitting here --

10 MR. MILLER: We approved up to \$50,000.

11 MR. CAMPBELL: Yeah.

12 MR. MILLER: \$20,000 would -- there is a
13 company that for \$20,000 will come out and assess our
14 situation. We could narrow the scope to the last three
15 to six months of Mr. Peavey's employment with us.

16 And if anything shows up, you know, in the
17 last three to six months that is irregular, then we can,
18 as a Board decide do we pursue this further, do we keep
19 pulling that string, you know, which I think we would if
20 we found, you know, any irregularities.

21 But if there is no irregularities in the
22 last three to six months that he was here, do we keep
23 chasing something that is not there? You know, that's
24 kind of what I am thinking. You know, I kind of figured
25 we couldn't get anything done for 20 and -- but we are

1 budgeted up to 50 and I think 50 should give us to where
2 they go in and do a detailed audit of the last three to
3 six months.

4 MR. THIEL: For the 20K, they are just
5 going to come out and talk to us. Right?

6 MR. CAMPBELL: Come out and do a --

7 MR. THIEL: And figure out what we want
8 with that --

9 MR. CAMPBELL: And then, they would give
10 an estimate.

11 MR. MILLER: Can we get something in
12 writing from there, this is what they will do for
13 \$20,000? A phone conversation is not enough to me. I
14 want something in writing.

15 MR. CAMPBELL: Well, if we are going to do
16 that, then I suggest you amend the motion. We go back
17 and narrow the scope and then we put it back out and see
18 if maybe one of them will come out for 10 to give us an
19 assessment.

20 MR. MILLER: Any other ideas?

21 MR. LINNELL: I have got a question.
22 Okay. So for the controls audit, Daryl, that you
23 mentioned, would it be acceptable or proper to put it in
24 the right phrase, instead of doing our regular audit have
25 our auditor do the control audits specifically?

1 MR. LYNCHARD: Forensic audit to determine
2 whether our controls were violated.

3 MR. CAMPBELL: Okay. But you wanted a
4 third party, not necessarily our normal auditor?

5 I am okay with what. I am trying to
6 figure out what --

7 MR. LINNELL: Well, I am just thinking the
8 current ones, whether they found the problems or not,
9 they know our processes.

10 MR. LYNCHARD: They do. And I think
11 that -- I think the problem we are having now -- or the
12 problem I am having now is that, you know -- and Warren
13 Averett is a good firm and I have nothing wrong with
14 them.

15 And this has nothing to do -- this is not
16 them in particular. But the people that we are relying
17 on for some of this data, I don't think we are getting
18 reliable data. I think some of the data that we are
19 getting is wrong.

20 MR. THIEL: So you are saying that they
21 are giving Warren Averett the wrong data, also?

22 MR. LYNCHARD: No. I am just saying that
23 they are giving it to us. And I don't -- I don't want
24 the -- our internal management to have anything to do
25 with the forensic audit.

1 MR. CAMPBELL: Our financial folks?

2 MR. LYNCHARD: Yes. Exactly.

3 MR. CAMPBELL: So where else are they --
4 okay, all right. Well, I am waiting for a motion, then.
5 Is the motion to combine, Mark, and have someone else
6 come in and look at three to six months, just the
7 controls?

8 Maybe that would get it down to where --
9 what we are looking at to see. And then, they pull a
10 thread and see if there is more to it and we go from
11 there?

12 MR. LYNCHARD: I make a motion that we
13 narrow the scope of forensic audit to be a forensic audit
14 of our internal controls and whether or not they were
15 violated during the first six months of 2022.

16 MR. LINNELL: I will second that.

17 MS. REYNOLDS: May I comment before you
18 vote, please?

19 MR. CAMPBELL: Yes, Ms. Reynolds. Okay.
20 Any other Board discussion? Because I am thinking an RFP
21 with that might do the trick. I mean, I will put the RFP
22 out and see, so --

23 MR. DABNEY: So my question is going to be
24 if we find the control part has been violated, where do
25 we go from there?

1 MR. CAMPBELL: Well, control depends on
2 was it just exceeding his authority? Or was there
3 something that the internal staff didn't go through the
4 process where they get the three signatures?

5 They get the two signatures on the check.
6 Do they get the two, the three estimates, that sort of
7 thing? Right. That's what we are talking about.

8 MR. LYNCHARD: That's what we are talking
9 about.

10 MR. DABNEY: I understand.

11 MR. CAMPBELL: That's the control, so --

12 MR. DABNEY: Just going back to that same
13 situation, there's checks in the checkbook that only have
14 one signature.

15 MR. CAMPBELL: Okay. Yes, ma'am?

16 MS. REYNOLDS: Carmen Reynolds, Navarre.
17 I just wanted to add there is a delineation between an
18 auditor and a forensic auditor. They are trained
19 specifically in forensic audits to investigate certain
20 things that just a normal CPA accountant isn't -- it
21 looked like there was a little bit of confusion about
22 that and I want to state for the record I did hear the
23 confusion. Thank you.

24 MR. CAMPBELL: Okay.

25 MR. COSBY: All right. I have just got

1 something real quick.

2 MR. CAMPBELL: Mr. Cosby?

3 MR. COSBY: I was going to save this for
4 the member forum, but --

5 COURT REPORTER: State your name and
6 address, please?

7 MR. COSBY: Kurt Cosby, 6839 Marlin
8 Street. You guys had a gentleman -- well, the Board
9 presented a gentleman here who briefed members on
10 forensic audits. The gentleman repeated over and over,
11 "Forensic audits are conducted when there is suspected
12 crime."

13 "How do we find suspected crime? When
14 people within the organization talk to each other."

15 Mr. Dabney has a full file of information.
16 Has anybody -- and during a couple different times, Mr.
17 Dabney held up the file of information -- he held it up,
18 asking questions, and was being shut down.

19 My question is: Have any of y'all looked
20 at the file that Mr. Dabney has?

21 MR. CAMPBELL: We all had that -- well,
22 these three haven't and I haven't.

23 What he was holding up was payments from
24 Hidden Creek. It wasn't necessarily from this one.

25 MR. COSBY: Well, it just seemed it was

1 very confusing last month and it seems as if it is
2 getting more confused.

3 MR. CAMPBELL: Okay. All right. So a
4 motion and a second. Any other discussion?

5 (NO AUDIBLE RESPONSE.)

6 MR. CAMPBELL: All in favor say "Aye"?

7 MR. LYNCHARD: Aye.

8 MR. DABNEY: Aye.

9 MR. THIEL: Aye.

10 MR. LINNELL: Aye.

11 MR. MILLER: Aye.

12 MR. CAMPBELL: Aye.

13 Motion carries, 6-0.

14 All right. Employee handbook.

15 Mr. Cross?

16 MR. CROSS: All right. So if you turn
17 to page 2, I did a brief kind of summary of what the
18 changes are.

19 Actually, it's a little bit more formatted
20 because Emerald did help to clean it up for the Board
21 handbook. So it's cut down from the original handbook
22 that we currently have. It's about half of what that is.
23 We took out all of the employment ads and the
24 explanation, example PTO, FLSA --

25 COURT REPORTER: Please bring your

1 microphone closer.

2 MR. CROSS: Yes. EEO, FLSA, ADA, because
3 it would say, "ADA," and then have a large paragraph
4 explanation. And per Legal, we can have a cited sheet at
5 the end of the book that would say all of the laws that
6 we do follow as a company.

7 The conflict of interest policy to
8 encompass multiple policies and standards, removal of
9 gifts, entertainment, and solicitation policies because
10 the FCA has strict laws regarding kickbacks, removal of
11 moonlighting. You cannot control an individual's income
12 source unless it competes with company business.

13 The nepotism policy includes all
14 relationships, friends, steps. Conflict of interest
15 disclosure procedure: It prevents friends and family
16 from working for each other and supports a step-away
17 procedure or abstain from comment on friend or family
18 employment reviews. The write-up process, et cetera.

19 We updated the pay period and PTO policy
20 to reflect that we have a use-it-or-lose-it PTO policy
21 currently. Added in is a complaint escalation procedure
22 to include the Board of Directors. This gives the
23 opportunity for an outside of staff opinion under the
24 conflict of interest.

25 A conflict of interest Board member would

1 have to abstain from comment, termination process,
2 freezing changed to better reflect manager and Human
3 Resources to be involved in disciplinary action.

4 And company reimbursement of education.
5 This is a new process to Holley Navarre Water, has been
6 the standard since the early 90s that we would reimburse
7 the employee for education or pay for certifications. A
8 work agreement with the length of expiration of the
9 company interest.

10 So page 1 through 66 is the actual list of
11 all of our different policies and procedures. After that,
12 you will have your certification, licensing, or
13 continuing education policy where the amount of the
14 course or classes kind of dictates what the expectation
15 will be that you work minimally for Holley Navarre Water.

16 Disclosure of personal and conflict of
17 interest form, and then, a sheet after that for conflict
18 of interest names within the company. Quite extensive.

19 MR. CAMPBELL: Okay.

20 MR. CROSS: So we are presenting this
21 because we are replacing the one that was originally
22 written in 2016. So we have to have everybody's vote on
23 this, since a lot of the policies are put in there that
24 get updated per request from the Board and to make sure
25 that everybody has proper guidelines.

1 MR. CAMPBELL: And our Legal HR
2 Representative has reviewed this as well. Correct?

3 MR. LINNELL: I didn't hear what you told
4 him.

5 MR. CAMPBELL: Our Legal HR, our Legal HR
6 has reviewed it.

7 MR. LINNELL: So do we get to comment on
8 it?

9 MR. CAMPBELL: Yes.

10 MR. MILLER: I have one.

11 MR. CAMPBELL: Go ahead, Mark.

12 MR. MILLER: At last month's meeting, it
13 wasn't ready yet. And we asked, "Can we get this
14 document as soon as, you know, it is available for us to
15 review?"

16 For the record, I got my packet on
17 Saturday afternoon, not on Friday. I don't know when
18 anybody else got theirs, but mine is timestamped Saturday
19 afternoon.

20 You know, it's 70 pages. We had asked for
21 a red line version that shows what was changed. I am not
22 comfortable voting on this tonight. I would like to
23 table it.

24 MR. LYNCHARD: I was going to bring up the
25 same thing, Mark.

1 MR. CAMPBELL: Okay. So you are going
2 to review it --

3 MR. DABNEY: Is there a way to get the red
4 lined --

5 MR. CROSS: Yes.

6 MR. DABNEY: -- showing what you changed?

7 MR. CAMPBELL: We actually revamped the
8 whole thing because it had outdated stuff that had ADA
9 stuff, when you can go to the ADA sort of thing, so --

10 MR. MILLER: It might very well be an
11 improvement.

12 MR. CAMPBELL: And which is why I asked
13 for a summary of changes on the front. But if you want
14 to table it and move it until next month, so you have a
15 chance to review it?

16 MR. LYNCHARD: I would like for staff to
17 give us a list of all things that were omitted from this
18 version and everything that was added, not just a
19 summary. I would like to know the details.

20 I don't think that -- I don't know how
21 long it took for staff to write this. I am assuming it
22 was a very long time. Certainly longer than would -- it
23 certainly took them longer than the three days that we
24 were given to review it.

25 MR. CAMPBELL: Okay.

1 MR. LYNCHARD: I don't like getting
2 things, you know, three days before we are expected to
3 vote on it. And that's what it seems like happens just
4 about every meeting we have.

5 MR. CAMPBELL: Okay.

6 MR. LYNCHARD: Something gets thrown in to
7 us and we are expected to vote on it and we don't have
8 any idea what we are voting on.

9 MR. CAMPBELL: Okay.

10 MR. THIEL: It needs to be on a track of
11 time.

12 MR. LYNCHARD: Well, we were told by staff
13 that we would be given this before this --

14 MR. THIEL: No. It changed. I agree, but
15 there would be a tracked copy of it --

16 MR. CAMPBELL: Well, I don't know that we
17 can go back because it literally was a full rewrite, but
18 we will attempt to get you what you are asking for.

19 MR. MILLER: And even if I have to sit
20 down with the two manuals side by side and go through
21 them myself, I need time to do that. It's 70 pages and I
22 just didn't have time to do that.

23 I would like to make a motion that we
24 table this item until next month.

25 MR. CAMPBELL: Okay.

1 MR. LYNCHARD: Second.

2 MR. CAMPBELL: There is a motion and a
3 second. Any other discussion?

4 MR. THIEL: Do we know -- I'm sorry --

5 MR. LINNELL: So they are going to email
6 us a red line copy, email it to all of us?

7 MR. THIEL: No. He is going to -- he is
8 going to give us a copy of the old one and a copy of the
9 new one and we can look through them, if that is what you
10 want to do?

11 MR. LYNCHARD: No.

12 MR. THIEL: You want a red line copy to --

13 MR. LYNCHARD: No. I asked for a red line
14 copy last time. If they want to give us a copy of
15 everything that they have taken out and everything that
16 they have put in, I would agree to that. I would not
17 agree for them to give me this one and that one for me to
18 go through and figure out what is different.

19 MR. THIEL: Okay.

20 MR. CAMPBELL: So -- okay.

21 MR. THIEL: Do we want to -- okay --

22 MR. CROSS: I will promise to sit down and
23 go through it page by page. Is that what the difficulty
24 is?

25 What I was trying to say is how do I send

1 this out to be read when we read two different versions
2 of the same book completely rewritten -- so it was very
3 difficult, like I said, to different people.

4 The entire thing is written different.
5 All the pages are different. So I didn't know how to
6 send that to say if there is not a comparison on page 4,
7 it is not on page 4 here when page 4 is completely wiped
8 out.

9 MR. CAMPBELL: And that's why I say, it
10 was a complete rewrite, so --

11 MR. LYNCHARD; Let's take this, for
12 instance. I noticed there is a vehicle policy in this
13 employee handbook. We have a current vehicle policy.
14 There is a difference between those two policies, I am
15 assuming.

16 So staff should be able to tell us the
17 difference between those two policies. Or is that
18 impossible?

19 MR. CAMPBELL: Uh-huh. Okay. I have a
20 motion and a second. Any other discussion? Don?

21 MR. LINNELL: I am just curious what we
22 are doing.

23 MR. CAMPBELL: We will attempt to give you
24 changes and details from the previous edition to this
25 one, because it's a complete rewrite, which is why I

1 thought the summary of changes, if we went through it and
2 read it, we would be able to say, "Yeah. I agree with
3 that."

4 That goes with our current policy,
5 especially since our HR expert and our legal
6 representative have already said it covers that side of
7 it. So it would just be basically the internal workings
8 of what we feel is important, so --

9 MR. THIEL: Do we want to discuss it at
10 all? I have several things that I thought -- questions I
11 wanted to ask about this new version. Do we want to do
12 those tonight? Or do we just want to wait and I ask them
13 next time?

14 MR. CAMPBELL: No. We will attempt to
15 send you within the next week --

16 MR. THIEL: Okay.

17 MR. MILLER: Can you email your concerns?
18 That way, we will at least know what you are looking at.
19 And I will do the same thing as I go through it.

20 MR. CAMPBELL: I would hope as you both go
21 through it, the discussion is that everything comes to
22 Jarod so that we can get those compiled. So by the time
23 we get here next month, everybody has had their say.
24 Everybody has had their read, and we can look and say,
25 "Yes. It's in there." And we are done.

1 MR. MILLER: I am okay with that.

2 MR. CAMPBELL: Okay.

3 MR. MILLER: But I think rather than us
4 coming here next month and bringing up issues that is the
5 first we have heard of, it is better if we just kind of
6 go ahead, "These are my concerns," and "These are Don's
7 concerns," and "These are James'."

8 And then, that way, we can kind of have a
9 better chance of approving them next month.

10 MR. CAMPBELL: Okay.

11 MR. THIEL: Can I ask some questions of
12 Legal? The overriding question is: Do we need to just
13 define up front what a Holley Navarre employee is?

14 In other words, does it apply to MESI
15 employees and the Club at Hidden Creek employees, too?
16 Because that is not stated in here.

17 So I think you need to say Holley Navarre
18 Water System and all its wholly-owned subsidiaries, if
19 that is correct. If it doesn't apply to them, then
20 Holley Navarre Water System solely.

21 MR. CROSS: So this one specifically is
22 for Holley Navarre Water because there are several
23 differences with MESI and the Club. So a fulltime
24 employee at the Club is slightly different than a
25 fulltime employee at Holley Navarre Water.

1 MR. THIEL: You just need to define that.

2 MR. PHILLIPS: Actually, our -- MESI is
3 required to comply with that personnel policy with
4 exceptions that are previously outlined.

5 MR. THIEL: That's fine. I just want to
6 make that clear in everybody's mind that it is
7 enforceable.

8 MR. PHILLIPS: Yeah.

9 MR. THIEL: The other thing is: Does it
10 apply to Directors like myself? Does it apply to
11 Directors -- I will leave that question to Legal, I
12 guess.

13 Do you know? What would be your
14 recommendation? Does this handbook apply to Directors
15 also?

16 MR. CROSS: I can get a clarification from
17 our legal --

18 MR. THIEL: Okay.

19 MR. DUNAWAY: The Board would have -- the
20 Board can make it applicable, whatever the Board decides.

21 MR. THIEL: Okay.

22 MR. DUNAWAY: But if the question is
23 whether as a draft it applies, we can look at it if there
24 is a preference. Let me know.

25 MR. THIEL: Okay. My preference is that

1 it would not apply to us.

2 MR. THIEL: Okay. That's all I have got.
3 I will send the rest of it to Jarod. Most of them are
4 inconsequential compared to that.

5 MR. CAMPBELL: I have a motion and a
6 second to table it. All in favor say "Aye"?

7 MR. LYNCHARD: Aye.

8 MR. DABNEY: Aye.

9 MR. THIEL: Aye.

10 MR. LINNELL: Aye.

11 MR. MILLER: Aye.

12 MR. CAMPBELL: Aye.

13 Any opposed?

14 (NO AUDIBLE RESPONSE.)

15 MR. CAMPBELL: Jarod. A week? Less than
16 a week to get it to us?

17 MR. CROSS: With red lines, is Monday next
18 week okay?

19 MR. CAMPBELL: That's fine. That will
20 give us three weeks to go through it. Okay?

21 All right. Member claim process.

22 MS. REYNOLDS: I would like to comment.

23 MR. CAMPBELL: Oh, I'm sorry. Carmen?

24 MS. REYNOLDS: Carmen Reynolds, Navarre.

25 I saw that y'all went through that and I would like to

1 not the CEO. Got you. Thank you.

2 MR. CAMPBELL: And that does happen quite
3 a bit as the managers do the hiring, not necessarily --

4 MR. THIEL: It happens quite a bit in
5 industry, too. Anybody -- a family member can apply for
6 the job, but the individual that is under direct
7 supervision cannot be the hiring authority for that
8 position or the raises or the merit bonuses or anything
9 like that.

10 MR. LYNCHARD: Never happened here until
11 about two years ago.

12 MR. CAMPBELL: I disagree with that.

13 MR. MILLER: And in this rewrite, there is
14 a conflict of interest form that is on us to put out. I
15 have a conflict because I went to high school with Jimmy
16 John or whoever. So there are some improvements.

17 It's, you know, it looks like overall it's
18 a good improvement to our employee manual. I just need
19 more time to digest it.

20 MR. THIEL: Understood.

21 MR. CAMPBELL: Okay. All right. So
22 members claim reimbursement request form. So recently,
23 for whatever reason, we have had a lot of members
24 claiming that the Water System has done something and
25 they have incurred costs for it.

1 So ran this through Legal, pulls a claims
2 process. So, basically, this is a form that will go to
3 the member that talks about the policy and procedures.
4 It actually calls out who is actually responsible for
5 damage, what Holley Navarre Water System to where our
6 responsibility begins and ends, and it gives them an
7 actual route to make a claim for damage.

8 The process will be that the service
9 manager experts, the folks over there sit down, discuss
10 it. Could this have happened? Could this not have
11 happened?

12 Did our stop check valve cause your toilet
13 to overflow? Sort of thing. And then, it goes back to
14 the member.

15 Obviously, they have the right to appeal
16 it. And they still have the right to, if they feel it
17 necessary, to take us to Small Claims Court. And it
18 doesn't take the place of court action.

19 So we didn't have one. Thought we needed
20 one. Because I have quite a few sitting in my inbox
21 waiting there for disposition. Discussion?

22 MR. MILLER: My comment on the form is I
23 think there needs to be more room for the customer to
24 describe their -- there is three lines to describe the
25 damage.

1 MR. CAMPBELL: Right.

2 MR. MILLER: And I think there's room at
3 the bottom to spread that out.

4 MR. CAMPBELL: I thought we had a place to
5 attach more. Further information -- I guess I just
6 assumed there would be -- if you can't fit it on this
7 form, you have attachments or whatever.

8 I just didn't want it -- we didn't want it
9 to be a three or six-page form.

10 MR. MILLER: I agree. But there is space
11 at the bottom where you could add three more lines and
12 not go to a second sheet. That's my comment.

13 MR. CAMPBELL: Add three lines.

14 MR. THIEL: Why don't you just say,
15 "Additional information provided in an attachment."

16 MR. CAMPBELL: Any other discussion?

17 (NO AUDIBLE RESPONSE.)

18 MR. CAMPBELL: I will entertain a motion
19 to approve the claim form and move forward with the
20 process. No?

21 MR. LYNCHARD: I will approve the claim
22 form as -- including Mark's adjustments.

23 MR. LINNELL: Second.

24 MR. CAMPBELL: You said you are going to
25 look through it?

1 MR. LYNCHARD: No. I said I will approve
2 it.

3 MR. CAMPBELL: Okay. I thought you
4 said -- sorry -- I thought you said you will look through
5 it.

6 MR. LYNCHARD: Well, I will approve it
7 with Mark's suggestions.

8 MR. CAMPBELL: Okay. I thought you said I
9 will look through it.

10 MR. LYNCHARD: Motion for approval.

11 MR. CAMPBELL: All right. So there is a
12 first and a second. All right.

13 MR. THIEL: So where are these lines going
14 to go, Mark?

15 MR. CAMPBELL: We will add it. And we
16 will add a line to say, "If you need more, attach a
17 sheet."

18 MR. MILLER: Yeah. Yeah.

19 MR. CAMPBELL: If you are good with that?

20 MR. MILLER: There needs to be more of a
21 description. What was the damage? When was the damage
22 repaired? Where was the location of the damage? What
23 caused the damage? I think it needs to be -- what is the
24 damage? What is the description of the damage?

25 MR. THIEL: I would also like to put in a

1 statement that "If additional space is needed, you can
2 add an attachment."

3 MR. MILLER: Yeah.

4 MR. CAMPBELL: Only if Daryl is willing to
5 amend his motion.

6 MR. LYNCHARD: Okay. To include Bill's.

7 MR. CAMPBELL: All right. Are you going
8 to second that as well?

9 MR. LINNELL: Second.

10 MR. CAMPBELL: Any other discussion?

11 (NO AUDIBLE RESPONSE.)

12 MR. CAMPBELL: All in favor say "Aye"?

13 MR. LYNCHARD: Aye.

14 MR. DABNEY: Aye.

15 MR. THIEL: Aye.

16 MR. LINNELL: Aye.

17 MR. MILLER: Aye.

18 MR. CAMPBELL: Aye.

19 Any opposed?

20 (NO AUDIBLE RESPONSE.)

21 MR. CAMPBELL: Motion carries.

22 All right. Can we change our slides up
23 there? So the CEO Hiring committee. We currently have
24 54 resumes. Two of them are internal.

25 Our next meeting is scheduled for the

1 27th. And at that time, all the Directors should have
2 had their ranking 1 through 5, so we can discuss and move
3 onto interviews.

4 Directors, did I forget anything?

5 MR. LINNELL: So we are bringing in our
6 top five or --

7 MR. THIEL: Up to five.

8 MR. CAMPBELL: If you want to rank 1
9 through 10.

10 MR. LINNELL: No. I am just wondering
11 what we have.

12 MR. CAMPBELL: One through five.

13 MR. THIEL: If we have less than five, we
14 just bring what we got.

15 MR. CAMPBELL: Yes, sir.

16 Yes, Ms. Carmen?

17 MS. REYNOLDS: Carmen Reynolds, Navarre.

18 Just a comment. It would have been extremely helpful if
19 you all had opened up a position from the member public
20 to sit on your hiring committee. That wasn't done.

21 And I am just saying in the future, that
22 would be very helpful for optics and trust in our system.
23 And I do know, because someone contacted me and told me
24 that they recommended me to assist and sit on the Hiring
25 committee, but I am over-committed.

1 But, still, the point needs to be made
2 that the public, one person or two, could have been added
3 to your Hiring committee so that it was inclusive.

4 MR. CAMPBELL: Thank you for your
5 comments.

6 Okay. On to New Business.

7 So CEO updates. So Ms. Brenda Stephens
8 did 26 years for the Holley Navarre Water System.
9 Recently retired October 4th, had a nice send-off for
10 her. 26 years up in member services.

11 We appreciate that. We gave her the
12 opportunity to come and us say our congratulations, but
13 she was already enjoying retirement, which means we also
14 had two new members, two new employees at member
15 services.

16 So they are heavy into training. And we
17 are having some back coverage for that up until they get
18 up to speed. And then, we have two new folks in water
19 ops. So that's a good story there.

20 I think we only have one left open
21 position in water ops if I remember correctly. That's
22 the waste water plant -- no, that's the line.

23 Easements at Holley by the Sea and
24 Woodmont area, they have all been cleared. If you have
25 noticed, they now have, "Do not trespass," temporary

1 signs up there with padlocks so that folks don't go
2 plowing through there and run over the sewers and
3 everything.

4 So we are preparing a letter to go to --
5 matter of fact, Legal has just finished it and gave it to
6 us, a letter to go out to all those that are effected to
7 remind them that it is an easement for utilities.

8 We have already had people start throwing
9 debris back there. And if we ever had to go in there do
10 it, clear it. So we started the evaluation phase now so
11 that the folks that are actually going to come in and
12 make sure the sewer lines are operating currently and
13 they are all sealed and that nobody is putting storm
14 water into our sewer lines is correct. So that's
15 ongoing.

16 The Eglin lease, so we have it on good
17 authority that the County has signed the latest and
18 greatest. Tomorrow, we are meeting to confirm our plan
19 of action. So as soon as the lease is signed by the Air
20 Force -- it's out in San Antonio now -- as soon as it is
21 signed by them, we can go out and start the bid process.

22 And I think we are almost -- I think we
23 have all of our permits ready. The easements going up
24 are still in motion and that, obviously, legal counsel is
25 chomping at the bit to get moving with that. So we are

1 told we should have it this week, God willing and the
2 creek don't rise.

3 So in one of our meetings, our closed
4 meetings, we talked about with the Directors, so the FBI
5 is going to come visit us next week as well as FDLE.

6 Part of their charter is to look at
7 utilities for cyber, so they are going to come and look
8 at our cyber, cyber posture a couple of hours. What I am
9 hoping they will present us is the threat briefs, so that
10 then we can make sure that the cyber security staff we
11 have are engaged in that.

12 And our two IT folks already have cyber
13 security degrees, so we are moving forward on that. And
14 then, the last thing to brief on really is kind of bad
15 news -- not bad news. So Holley Navarre Water, like
16 everybody, is victim of the supply chain issues.

17 So we were hoping to be in our building
18 next month. We are waiting for electrical panels and the
19 fuses that go fit in those electrical panels. And we
20 actually have no idea when they are going to ship to us.
21 So until that happens, what will happen, then, as soon as
22 those come in, we will have to give them a couple days to
23 spin that up, and we can actually move in.

24 So even if we had the Board room ready, we
25 still wouldn't have that, so until that comes in, there

1 is nowhere for us to go. So unfortunate but --

2 MR. MILLER: Mark doesn't have an inside
3 scoop on those?

4 MR. TURNER: No.

5 MR. CAMPBELL: We don't. We do have our
6 update tomorrow, so maybe there will be some good news
7 tomorrow. So maybe at the last minute, we will learn
8 that we got them, but we are doing our monthly brief with
9 the building people, I believe, tomorrow.

10 Okay. Enough CEO.

11 Finance. Ms. Kim, I will let you lead
12 this and --

13 MS. TORRES: Okay. Thank you. If we take
14 a look at the finance report for August, we are reporting
15 a profit for the month of \$38,637, which brings our
16 annual net profit to \$403,829.71.

17 Looking at the drivers that impacted the
18 month, our taps were still lower than expected for both
19 water and sewer, although water taps were up from July.

20 Water and wastewater sales also down from
21 the month of July.

22 We had an annual heavy vehicle use tax
23 that we paid and the other taxes, licenses, and dues.
24 Computer expense for six watch engineer to remote in.

25 There was a vehicle expense for new brakes

1 on the safety truck, which costs \$2,407.56.

2 Postage -- this, for August, includes
3 June, July, and August shipping costs, and then, in water
4 tools, we purchased two chlorine chlorinators for \$1,100.

5 If you look at the next pages, our
6 revenues were just slightly below budget for all of our
7 taps and sales and the water sales and wastewater sales,
8 and other revenues again exceeded budget.

9 And for our expenses, all expenses for GMA
10 water and wastewater all stayed underneath budget for the
11 month of August.

12 MR. CAMPBELL: Any questions? Any
13 questions on any of the budget?

14 MR. LYNCHARD: Well, Mr. President, I
15 still have the same questions. I am assuming we still --
16 last meeting or at least at one meeting we had during the
17 month, I had asked for a detailed general ledger on
18 merchant charges and the charge tips.

19 And we still don't have them. I know the
20 accounts are still wrong in here. So are we still
21 writing checks out of Holley Navarre Water System to pay
22 for the utility bills and various other expenses for the
23 Club at Hidden Creek?

24 MS. TORRES: Are we discussing Holley
25 Navarre Water or the Club at Hidden Creek right now?

1 MR. LYNCHARD: Both. In other words, is
2 Holley Navarre Water System still writing checks every
3 month for the utility bills, the electricity bill at the
4 golf course?

5 MS. TORRES: I believe there are two
6 electric bills that are paid by Holley Navarre Water --

7 MR. LYNCHARD: Okay.

8 MS. TORRES: -- for the pump house.

9 MR. LYNCHARD: Okay.

10 MR. CAMPBELL: As far as your other
11 request, that got lost in the emails. They had them. So
12 we should have it to you in the next couple of days.

13 MR. LYNCHARD: Okay.

14 MR. CAMPBELL: No. That was my fault.

15 MR. DABNEY: Is the Jerry Pate irrigation,
16 is that a Hidden Creek expense?

17 MR. THIEL: The Jerry Pate irrigation was
18 for spray field parts and software.

19 MR. LYNCHARD: Is it software required to
20 run a golf course? Or software to run a --

21 MR. THIEL: Software required to run the
22 spray field on the golf course. The software and
23 hardware was put in motion last month. We paid for it by
24 Holley Navarre Water. And the spray field expense out of
25 their wastewater.

1 MR. LYNCHARD: Okay.

2 MR. CAMPBELL: Any other discussion on the
3 financials?

4 (NO AUDIBLE RESPONSE.)

5 MR. CAMPBELL: I will entertain a motion
6 to approve the financials.

7 MR. LINNELL: I move to approve the August
8 22 financials.

9 MR. THIEL: Second.

10 MR. CAMPBELL: Any other discussion?

11 (NO AUDIBLE RESPONSE.)

12 MR. CAMPBELL: All in favor say "Aye"?

13 MR. DABNEY: Aye.

14 MR. THIEL: Aye.

15 MR. LINNELL: Aye.

16 MR. MILLER: Aye.

17 MR. CAMPBELL: Aye.

18 Any opposed?

19 MR. LYNCHARD: Me.

20 MR. CAMPBELL: James, are you an aye? Or
21 are you a nay?

22 MR. DABNEY: I am an aye. I am just
23 trying to look at some of these check registers now that
24 they are in here. And I did not get a chance to look at
25 them, either, so --

1 MR. CAMPBELL: Okay. Finance Committee
2 updates. Director Thiel?

3 MR. THIEL: Okay. Director Lynchard, do
4 you have anything on the Eglin project? I don't think
5 you had a meeting on it this month?

6 MR. CAMPBELL: No, we didn't.

7 MR. LYNCHARD: I haven't been invited to
8 any meetings. I don't know if I cannot sit for them or
9 if I am just not allowed to do them anymore.

10 MR. CAMPBELL: No.

11 MR. LYNCHARD: But I know for the past two
12 months that Daryl Lynchard hasn't been anywhere near that
13 Eglin project.

14 MR. THIEL: Okay.

15 MR. CAMPBELL: Well, that was that part of
16 that because I was there as well. So you can't have two
17 because of the Sunshine law.

18 MR. LYNCHARD: Oh, I know.

19 MR. CAMPBELL: So Mark actually -- no, I
20 hear what you are saying. And Mark mentioned changing
21 that?

22 MR. MILLER: Yeah. I mean, I think if
23 that's going to be an issue for the foreseeable future,
24 you know, we -- I think we need our CEO there more than
25 we need another Director there.

1 And as much as I would like Daryl to stay
2 part of that, if he can't be there because of the
3 Sunshine, which I am still having a hard time wrapping my
4 head around why two of our Directors can't be there, but,
5 whatever.

6 If that's the ruling, then maybe we need
7 to put Joe in charge of that committee and put Daryl in
8 charge of budget. Because Mike is currently our budget
9 director. I don't know how Daryl feels about that?

10 MR. DABNEY: So does Santa Rosa County, do
11 they not allow two Commissioners to go to these meetings?
12 Only one?

13 MR. MILLER: Yeah. Only one.

14 MR. CAMPBELL: Only one. And Dave Piech
15 is the representative.

16 Was that your motion?

17 MR. MILLER: Oh, yeah. I will make a
18 motion that the Finance Committee Chairs be changed and
19 that the Chair for the Eglin Project be Joe Campbell and
20 that Daryl would be the Chair of the Budget Committee.

21 MR. LYNCHARD: Okay.

22 MR. LINNELL: So I will second that for
23 discussion. I thought what we said and where you wanted
24 to go was instead of stating Joe -- stating the CEO
25 should be. So whoever is in that seat. Did I

1 misunderstand what you meant?

2 MR. MILLER: Well --

3 MR. LINNELL: I thought you wanted the CEO
4 on that.

5 MR. MILLER: Well, I think we have to have
6 our CEO, Acting CEO, attend those meetings.

7 MR. LINNELL: I agree, so all I am asking
8 is --

9 MR. MILLER: But he is also the President
10 and a Director, and so he will be attending as
11 CEO/Director/Chair.

12 MR. LINNELL: And when we hire a new CEO,
13 does that have to change?

14 MR. MILLER: It doesn't have to, but you
15 know, if Joe doesn't want to do it and Daryl wants to do
16 it --

17 MR. THIEL: The CEO should be able to go
18 in addition to --

19 MR. MILLER: Yeah. The CEO can do in
20 addition to a Director.

21 (SPEAKING OVER EACH OTHER.)

22 MR. MILLER: We can change these committee
23 chairs whenever we want.

24 MR. LINNELL: I thought you wanted the
25 CEO --

1 MR. CAMPBELL: He did say that --

2 MR. THIEL: When the CEO wasn't a
3 Director, we had both Daryl and the previous CEO.

4 MR. MILLER: So that's my motion.

5 MR. CAMPBELL: Okay. And you second?

6 MR. LINNELL: Second.

7 MR. CAMPBELL: Any other discussion?
8 Daryl, are you good with that?

9 MR. LYNCHARD: Yeah.

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

12 MR. LYNCHARD: Aye.

13 MR. DABNEY: Aye.

14 MR. THIEL: Aye.

15 MR. LINNELL: Aye.

16 MR. MILLER: Aye.

17 MR. CAMPBELL: Aye.

18 Any opposed say "Nay"?

19 (NO AUDIBLE RESPONSE.)

20 MR. CAMPBELL: Motion carries.

21 All right. Mr. Thiel, I am going to let
22 you talk about the pension plan trustees part.

23 MR. THIEL: I don't think we approved the
24 capital improvements, first at all.

25 MR. CAMPBELL: Oh, sorry.

1 MR. THIEL: The meeting this month on the
2 capital improvements, since Director Linnell was unable
3 to attend. He has got a fulltime job, so he missed this
4 one. He will make future ones.

5 Nothing significant to report. The
6 unrestricted budget for 2022 is a little over \$4 million.
7 To date, we have spent only \$1.607 of that. That's
8 largely because the Eglin project is slipping and sliding
9 and hasn't been incurring the expenses. So we are not
10 anticipating we are going to come anywhere near spending
11 that \$4 million this year.

12 That just means we will spend more next
13 year. In the reserve, the restricted budget, that budget
14 was \$2,245,000 for this year. And we are right on course
15 at \$1.78. So we are pretty much right on the line there
16 for spending money in the capital improvement budget.

17 There was -- nothing was added and nothing
18 was taken off from the CIP as listed previously.

19 MR. CAMPBELL: Okay. Sorry about that.

20 MR. THIEL: And the budget thing, I don't
21 have anything else. We had a budget meeting, too, and
22 Director Lynchard couldn't make it. So, anyway, I
23 chaired that one, also, and we didn't have anything that
24 was noteworthy to bring up to discuss when we went over
25 the budget financials. That's it.

1 MR. MILLER: That committee is about to
2 heat up because we are in budget season.

3 MR. CAMPBELL: We are.

4 MR. THIEL: We are waiting for the -- I
5 have been invited to the initial one where we start
6 drawing it up, but we haven't --

7 MR. CAMPBELL: We are getting ready for
8 next week, I believe. Not the end of this week. Next
9 week.

10 MR. MILLER: Do y'all announce those
11 meetings through the email and just when they are?

12 MR. CAMPBELL: Well, no, not if we are
13 going two by twos for the rate analysis.

14 MR. MILLER: Okay.

15 MR. CAMPBELL: So you get the hand-in
16 there.

17 MR. MILLER: That's fine.

18 MR. THIEL: And we can only have max of
19 three people there, anyway.

20 MR. MILLER: I understand.

21 MR. CAMPBELL: Okay. Pension plan
22 trustees update of administrator. Director Thiel, I
23 guess this --

24 MR. THIEL: Okay. Yeah. As of right now,
25 there is only one trustee administrator and that is

1 myself. Because Director Kennedy and I were the two and
2 he obviously resigned, so he has been removed.

3 I had to sign the signature for removing
4 him from the trustee. So the question before the Board
5 is do you want to appoint another trustee? Or do you
6 want to wait until after the first of the year when we
7 have new Board members so we can appoint somebody else to
8 be a trustee?

9 I have talked to Wells Fargo. They are
10 perfectly comfortable in having only one. A lot of
11 organizations have only one. If you want to have two, I
12 am all open to that, too. I don't care. Personally,
13 it's just paperwork.

14 MR. CAMPBELL: Right. Because we are
15 having some retirees now, that has an impact of the
16 allotments that go out. Right? So would it be
17 beneficial to -- is that a finance question? Or that an
18 HR question?

19 MR. THIEL: It is pretty much standard
20 what they earn. It's all in the pension plan, so all I
21 do is approve the authorization to pay out whatever they
22 ask, but --

23 MR. CAMPBELL: Okay. Any other
24 discussion?

25 MR. THIEL: When that came up in the last

1 meeting, you will note it was either myself or Mike to
2 approve, not both.

3 MR. CAMPBELL: Are we good with Bill until
4 the end of the year? Two months?

5 MR. LINNELL: I am fine.

6 MR. MILLER: I mean, doesn't it say that
7 we have to have --

8 MR. CAMPBELL: We have to remove
9 Mr. Kennedy.

10 MR. THIEL: He has been removed.

11 MR. MILLER: But Bill was on there. James
12 Dabney is on there and Joe Campbell is on there; correct?

13 MR. CAMPBELL: That's incorrect.

14 MR. THIEL: That's an error. Those two
15 are not.

16 MR. CAMPBELL: We are not on the pension
17 plan trustee. Any thoughts?

18 MR. LINNELL: Bill is the sole trustee
19 right now?

20 MR. CAMPBELL: Correct.

21 MR. LINNELL: I am good with it staying
22 that way until the new Board.

23 MR. MILLER: Yeah. I mean, yeah, I am
24 okay with that.

25 MR. LINNELL: Do we need a motion?

1 MR. CAMPBELL: We will.

2 MR. LINNELL: Well, I will move that with
3 Mr. Kennedy being removed that Bill Thiel remain the only
4 trustee for the remainder of this year until the new
5 Board is elected.

6 MR. CAMPBELL: Okay. I will second that.
7 Discussion?

8 (NO AUDIBLE RESPONSE.)

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

11 MR. LYNCHARD: Aye.

12 MR. DABNEY: Aye.

13 MR. LINNELL: Aye.

14 MR. MILLER: Aye.

15 MR. CAMPBELL: Aye.

16 Any opposed say "Nay"?

17 MR. THIEL: I will abstain.

18 MR. CAMPBELL: Okay. Board of Directors
19 remote attendance. So, in the past, I guess what has
20 happened is -- as and when the Board had motions to
21 approve remote attendance and it kind of went whichever
22 side wanted to get more onsite, that sort of thing, so
23 this resolution actually talks about how to do it.

24 In fact, the Florida Statutes approve this
25 and the fact that is what happened in previous Boards

1 since 2016, it really just makes it that if one of us is
2 gone on vacation and need to attend, we can still attend
3 via any social media platform, which our IT folks says we
4 have the capability.

5 It just talks about keeping it, you can't
6 do it for -- you must physically attend at least 60
7 percent of the meetings. You have to be physically
8 present. They have to see you on the camera. And it
9 takes 48 hours' notice to the Directors so that all the
10 other Directors know the issues. That's it in a
11 nutshell.

12 MR. LINNELL: So it must be a ZOOM
13 meeting, not just a telephone call, then?

14 MR. CAMPBELL: ZOOM meeting. Not just a
15 telephone call. Because we have the capability. You
16 have to -- the way the statute is written, you have to be
17 able to see. You can't have the camera hidden in there
18 in your PJs and all that. You have to be physically
19 present. Is that correct, Mr. Dunaway?

20 MR. DUNAWAY: Mr. President, the statute
21 actually allows for a conference call.

22 MR. CAMPBELL: Oh, okay.

23 MR. DUNAWAY: It means any means of
24 communication by which all Directors participating can
25 simultaneously hear each other during the meeting.

1 MR. LYNCHARD: That's our policy now;
2 isn't it?

3 MR. CAMPBELL: The only thing was what
4 this -- in February 2016, it talked about allowing remote
5 attendance via phone.

6 MR. LYNCHARD: Okay.

7 MR. CAMPBELL: And Director Lynchard
8 approved. Mr. Kelly seconded. So this just adds the
9 video conferencing to it.

10 MR. LYNCHARD: I think that if we are
11 going to -- I think if we are going to change it, we
12 should make it that -- probably take out -- take out
13 telephone and leave out video conferencing and just say,
14 "By, you know, some means of communication."

15 In other words, the policy will evolve as
16 technology evolves.

17 MR. CAMPBELL: Okay. Maybe I misspoke and
18 I just assumed it was just video because we had that
19 capability.

20 MR. DUNAWAY: Your policy, the one that is
21 before you say in Paragraph 1 that "The Board hereby
22 authorizes the Directors to attend and participate in
23 regular and special meetings through the use of any means
24 of communication by which all Directors participate," --

25 MR. CAMPBELL: Right.

1 MR. DUNAWAY: -- "and may simultaneously
2 hear other."

3 MR. CAMPBELL: Here I have got 1C3
4 basically said, "If the communications platform is video
5 conference," okay --

6 MR. DUNAWAY: Correct.

7 MR. CAMPBELL: -- so I see phone is
8 authorized as well. Okay.

9 MR. THIEL: There was something in there
10 about you have to have in-person attendance in about 60
11 percent of the meetings?

12 MR. CAMPBELL: Correct.

13 MR. THIEL: Can we make it two-thirds?
14 Because 60 percent is, like, 6 or 7 and a half or
15 something. So why don't we make it 2/3s, which is 8 out
16 of 12?

17 MR. LYNCHARD: Isn't there something in
18 the Florida Statutes about how you can remove a Board
19 member? And whether or not it is in the bylaws and
20 whether the Board elects someone or the membership elects
21 someone?

22 I think there is something in the Florida
23 Statutes about that. Do you recall anything?

24 MR. THIEL: It's in the bylaws about
25 removal of a Board member --

1 MR. DUNAWAY: Removal options.

2 MR. MILLER: I am pretty sure there is.

3 (EVERYONE SPEAKING OVER EACH OTHER.)

4 MR. LYNCHARD: So your 60 percent --

5 MR. THIEL: I am not saying remove. I am
6 just saying that we are talking about the number of
7 meetings you have to attend in person --

8 (EVERYONE SPEAKING OVER EACH OTHER.)

9 MR. THIEL: I am not talking about
10 removing anybody.

11 MR. MILLER: The problems I have with it
12 is the Director of 1C 1 and 2, "The Director communicates
13 the need of remote attendance 48 hours prior to the
14 meeting."

15 And 1C2, "The Director uses the
16 communication platform selected by the corporation."

17 If, you know, they say I have to do it by
18 ZOOM, but I am going to be driving down I-10 and want to
19 do it by phone, I should be able to do it by phone. Not
20 be required to do it by video.

21 MR. THIEL: Any electronic means.

22 MR. CAMPBELL: Okay.

23 MR. MILLER: I think it needs a little bit
24 of cleaning up. And 48 hours, why can't we do 24 hours?
25 That should be plenty of time for IT to set up a phone

1 and do a teleconference. That's how we have done it most
2 of the time in the past. Someone phones in for the
3 meeting.

4 MR. CAMPBELL: Okay. So was that a
5 motion?

6 MR. MILLER: Yeah. I mean, I will make a
7 motion that we approve this form, but delete C1 and C2.

8 MR. CAMPBELL: C1B, 24 hours?

9 MR. MILLER: Make that say 24 hours, and
10 then, delete C2.

11 MR. CAMPBELL: Okay.

12 MR. THIEL: I didn't see it. There it is.

13 MR. DUNAWAY: So, Director Miller, I just
14 want to be clear because it's -- the paragraphs are
15 numbered 1 through 5, and then, under 1, there is A
16 through C.

17 So you are saying remove, delete paragraph
18 2, which is the Director recognizes the corporation is
19 not responsible for ensuring --

20 MR. MILLER: No. Not that one. Paragraph
21 1, 1C2, delete and change 1C1, 24 hours instead of 48
22 hours.

23 MR. LYNCHARD: Have we got a motion on the
24 table?

25 MR. MILLER: I was trying to make one.

1 MR. LYNCHARD: Oh, okay.

2 MR. MILLER: I think I did.

3 MR. CAMPBELL: It is actually -- there is
4 no B. So the Director communicates their need for remote
5 access 24 hours in advance.

6 Remove the following paragraph, "The
7 Director's communication selected by the corporation."

8 Any other discussion? There is a motion.
9 Right? And a second.

10 MR. LYNCHARD: Do we have a second?

11 MR. CAMPBELL: Yeah.

12 MR. MILLER: Another change would be 48
13 hours in Paragraph 5, we need to change that to 24.

14 MR. CAMPBELL: Director Lynchard?

15 MR. LYNCHARD: Yes. I think we need to
16 table this until the next meeting. And I think we need
17 to table everything that we get handed whenever we walk
18 in the Board meeting. I don't think we should be given
19 something like this right before we start and then be
20 expected to vote on it.

21 MR. CAMPBELL: Okay.

22 MR. MILLER: Can we make those changes,
23 and then --

24 MR. LYNCHARD: Can we send this back to
25 everybody before the next meeting?

1 MR. MILLER: This is just creative policy
2 for future.

3 MR. THIEL: How about my suggestion saying
4 60 percent to two-thirds, so an even number? I guess,
5 the minimum is 60 percent, you have still got to attend 8
6 out of the 12.

7 MR. CAMPBELL: Okay. So you are
8 rescinding your motion?

9 MR. MILLER: I will rescind my motion.
10 And motion to table.

11 MR. CAMPBELL: Okay. Do I have a second?

12 MR. DABNEY: Second.

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

15 MR. LYNCHARD: Aye.

16 MR. DABNEY: Aye.

17 MR. LINNELL: Aye.

18 MR. MILLER: Aye.

19 MR. CAMPBELL: Aye.

20 No?

21 MR. THIEL: I vote "No."

22 MR. CAMPBELL: Well, if I vote "No," we
23 are going to sit here for another two hours and talk
24 about it. Right?

25 I mean, is it that difficult that -- that

1 you -- is there anything else in there that -- I mean,
2 it's pretty standard.

3 MR. LYNCHARD: I haven't had the chance to
4 read it.

5 MR. THIEL: Page 42. So table it.

6 MR. CAMPBELL: Don, did you vote yet?

7 MR. DABNEY: If you do vote, it still
8 dies.

9 MR. CAMPBELL: Yes. I vote "Nay." Let it
10 die. Bring it back next month.

11 All right. Document retention plan.

12 So staff has been working on it for three
13 months. Each of the staff members have gone through
14 their responsibilities to see what they are allowed to
15 keep and what they have to keep.

16 Legal has looked at it for permanent
17 retention. Some, ten-year retention. Others, digital
18 retention when necessary. We have got boxes and boxes
19 and boxes of paper that are in the old Board room waiting
20 to be disposed of and scanned into -- once this is
21 approved. So discussion?

22 MR. THIEL: I have one thing for -- this
23 is just -- I think it is an admin thing, but paragraph 5
24 document destruction, administrators responsible for the
25 ongoing cost of identifying documents that meet the

1 required retention period and overseeing their
2 destruction.

3 I think you mean that no longer meet the
4 required retention period and overseeing their
5 destruction. Don't you? Because you can't destroy
6 documents that doesn't -- that doesn't read right to me.

7 How can you talk about document
8 destruction when you can destroy them -- it should say
9 identifying records that meet the required retention
10 period.

11 MR. MILLER: Which item are you on, Bill?

12 MR. THIEL: Number 5, document
13 destruction. I think it should read, "The administrator
14 responsible for the ongoing process of identifying its
15 records that no longer meet the required retention period
16 and overseeing their destruction."

17 I think that reads more clearly.

18 MR. CAMPBELL: Yeah.

19 MR. THIEL: Otherwise, you have got kind
20 of a double negative there.

21 MR. CAMPBELL: Okay. Any discussion
22 there?

23 MR. LYNCHARD: I have got a question. I
24 have got about 20 years' worth of documents. Most people
25 don't even know what -- whenever -- one of our claims --

1 the Board?

2 MR. THIEL: No. I didn't say anything for
3 the Board.

4 MR. CAMPBELL: Unless you want to include
5 the Board.

6 MR. LYNCHARD: No. It just seemed like
7 there was something in here that referred to Directors.

8 MR. THIEL: Something you have not had
9 under destruction is -- there isn't anything in here
10 about how you destroy electronic documents, so we need to
11 specify that? Or just understanding of what we are
12 overseeing their destruction assumes they are going to
13 take a hammer to it or whatever?

14 MR. CROSS: Well, I can say that my stuff
15 has to be fully shredded and annihilated, so --

16 MR. THIEL: Okay. But how about the
17 electronic stuff?

18 MR. CAMPBELL: We do have electronic --

19 MR. THIEL: All right. That's fine. As
20 long as you have got overseeing their destruction that
21 includes electronic media, I don't have an issue with it,
22 so --

23 And you said before, once we convert the
24 electronic copy that we have electronic versions of, we
25 can destroy the paper copy. Is that the way?

1 MR. CAMPBELL: Yes. When you went in the
2 Board room and you saw all that paper that is in there.
3 Yeah. That's, like, 28 years' worth of -- probably more
4 than that.

5 MR. THIEL: Do you need back-up so --

6 MR. CAMPBELL: We have Icloud. We have
7 secure storages.

8 MR. THIEL: All right. That's all I have,
9 then.

10 MR. CAMPBELL: Daryl, to answer your
11 question, the only paragraph here is 1D, the Board of
12 Directors, officers, staff, and others with respect to
13 responsibilities concerning document retention and
14 destruction.

15 MR. LYNCHARD: Where is that at?

16 MR. CAMPBELL: The very first paragraph,
17 it's about three-quarters of the way down. But it
18 doesn't specifically say when a Director is no longer.
19 That's where I am assuming that would go in the Code of
20 Conduct?

21 MR. LYNCHARD: So guidance for Board of
22 Directors?

23 MR. CAMPBELL: Right.

24 MR. LYNCHARD: But not necessarily --

25 MR. CAMPBELL: Correct.

1 MR. MILLER: So what is the current
2 practice that is on all of this? Are we keeping
3 everything? There is a practice?

4 MR. CAMPBELL: Well, it's not standard.
5 Some people are pack rats and other people will keep it
6 50 years. Others will keep it ten years. So this just
7 solidifies.

8 MR. CROSS: So HR has legal requirements.
9 We have to destroy things within a certain amount of
10 time. But we have got stuff from financing, customer
11 service, with the exception of Holley Navarre --

12 MR. CAMPBELL: Because it's like -- Amber,
13 correct me, it's like members' account records, when we
14 should keep them, when we should not. There is no
15 current policy that says four years after you are no
16 longer a member, do we destroy it? Just in case there is
17 some -- all right.

18 MR. MILLER: There is a lot of stuff on
19 here that I don't know what the law requires. I don't
20 know --

21 MR. CAMPBELL: I don't, either. That's
22 why we had Legal review it.

23 MR. MILLER: Yeah.

24 MR. CAMPBELL: All right. Any more
25 discussion?

1 MR. THIEL: I make a motion we approve the
2 document as presented with the one correction that I made
3 in paragraph 5.

4 MR. CAMPBELL: Okay. I will second.

5 MR. DABNEY: Who reviewed it? You said
6 Legal?

7 MR. CAMPBELL: Each Director reviewed it,
8 went through their legal requirements, and it went to
9 Legal to review to make sure we did the things we had to
10 do like tax records and that sort of stuff. We got rid
11 of HR employment records we couldn't have after a certain
12 period.

13 MR. DABNEY: And I don't know what the
14 requirements are. Don't know what they are.

15 MR. CAMPBELL: Okay. I have a motion and
16 a second.

17 MR. DUNAWAY: Mr. President?

18 MR. CAMPBELL: Yes, sir.

19 MR. DUNAWAY: May I ask, as you were
20 reading paragraph 1D, I continued to read there, and I
21 believe there -- I believe the "And," is not supposed to
22 be there.

23 And I don't think the possessive "S," to
24 Holley Navarre Water System, so if you will look at that
25 sentence, the third sentence up from the bottom of

1 paragraph, the purpose paragraph, "Policy is designed to
2 facilitate and HNWS's -- and I believe that "And," should
3 be deleted and that "S," should be deleted.

4 So I would ask that the motion could
5 include that in addition to the change to what Director
6 Thiel said in Paragraph 5, to add the words, "No longer."

7 MR. THIEL: I will amend that to my
8 motion.

9 MR. CAMPBELL: Okay. Thank you. Legal
10 Counsel? And I renew my second. Okay. Any other
11 discussion?

12 (NO AUDIBLE RESPONSE.)

13 MR. CAMPBELL: All in favor say "Aye"?

14 MR. LYNCHARD: Aye.

15 MR. THIEL: Aye.

16 MR. LINNELL: Aye.

17 MR. CAMPBELL: Aye.

18 Any opposed?

19 MR. MILLER: Nay.

20 MR. DABNEY: I'm a nay.

21 MR. CAMPBELL: 4-2, motion carries.

22 All right. Commercial impact fees. So
23 back when Director Lynchard was the President in December
24 2020, they passed a commercial impact fee usage review
25 policy that said every year commercial reviews of usage

1 would come into play.

2 So that if you had your business back in
3 1979, you paid X as an impact fee. And 20 years later,
4 it has grown three times that amount, you are still --
5 you are using more than you paid for. So we have
6 reviewed those.

7 We actually had some instances where there
8 wasn't a record on what impact fee they had ever paid.
9 So staff did a great job and actually saved some of our
10 customers quite a bit of money by readdressing where they
11 came into -- they basically reassessed.

12 So, in 2000, if we charge X and there is
13 no record, we will go back to 2000. And that's what you
14 will pay.

15 So, basically, this actually, because it
16 was at that time made a motion to be two years
17 implemented. Well, we are over the two-year mark. So
18 this action just updates the policy, but it also
19 clarifies how we do that so that this would come into
20 effect beginning this March bill.

21 And then, customers would owe \$1,000. How
22 we would process, and then, anything more than that, it
23 would look to how we would proceed with that. Initially,
24 it was that all of those requesting waivers or financing
25 of these impact fees would come to the Board.

1 The engineering and staff has said, "Well,
2 what if the Board designated to the CEO a certain
3 amount," just like we do everything else.

4 This also has a financial base rate and
5 then plus two percent. And then, the last paragraph
6 talks about what the financing would be, the prime rate
7 plus two percent sort of thing.

8 MR. THIEL: That's if they finance it
9 through Holley Navarre Water.

10 MR. CAMPBELL: If they finance it through
11 Holley Navarre Water. If Holley Navarre Water finances
12 the impact fees.

13 MR. THIEL: Do we need to that in there?
14 I guess that's a given.

15 MR. CAMPBELL: Well, this is -- it's in
16 the recommendation for this. So on that last page, if
17 they want to finance it through us.

18 MR. THIEL: I didn't see that, but,
19 anyway, okay, good.

20 MR. CAMPBELL: It is literally just
21 clarifying that it is December 15, 2020.

22 MR. MILLER: I have been hearing a little
23 bit of buzz on this. I guess it is starting to affect
24 some of the customers --

25 MR. CAMPBELL: It is.

1 MR. MILLER: I would be curious if -- do
2 we have an idea of, you know, how many businesses are
3 being affected or getting adjustments to their impact
4 fees?

5 Is that an Amber question?

6 MR. CAMPBELL: Amber, I thought the figure
7 13 comes to mind, but I am not sure if that's --

8 MR. PHILLIPS: Well, I'll --

9 MS. BUCHOLTZ: I know it's not the
10 majority.

11 MR. PHILLIPS: It's not many accounts at
12 all relative to the total number of commercial accounts,
13 it is actually very few. And the list, they basically
14 had two years to get ready for what is coming in January,
15 which is the first official calculation.

16 Mark, I would hesitate to say number of
17 accounts. I was going to say 16.

18 MR. CAMPBELL: 13 rings to mind, just for
19 some reason, somewhere along the line. And I think that
20 is what Cory was mentioning.

21 MR. PHILLIPS: And I believe I am speaking
22 correctly when I say that there is now only one
23 significant charge that is coming for someone that has
24 not come to Holley Navarre and spoken with Holley
25 Navarre. Is that correct?

1 I don't want to mention any names, because
2 I don't think that is fair in this setting, but --

3 MR. CAMPBELL: Yes. We did have one
4 customer come and sit down with staff. We reassessed
5 that.

6 MR. PHILLIPS: Yeah.

7 MR. CAMPBELL: That's when we went back to
8 the policy because neither of us had records, them or us.
9 That's when we came up with, "Let's go back to 2000.
10 That's a good starting point." And we knew what we
11 charged back then, so --

12 MR. PHILLIPS: Yeah. And over the two
13 years, there have been several people that have come in,
14 and, you know, their past history has been discussed and
15 changed or adjusted to be fair to them where there is no
16 record that exists.

17 But, Mark, I couldn't tell you what the
18 total number of accounts, but we will get -- Amber can --

19 MR. MILLER: I am not looking for an exact
20 number, 15 to 20 or 13 to 20 --

21 MR. PHILLIPS: I think you're -- I think
22 that's in the ballpark, Mark, from the last time I heard
23 from Cory. I don't actually follow that on a day-to-day
24 basis.

25 The only number I know I have in my head

1 because it's one of those things that, you know, there is
2 one significant impact fee change to one customer who has
3 not approached any staff or anyone else, which is
4 surprising given the magnitude, but it's the only one of
5 that magnitude on the list at all, so --

6 MR. CAMPBELL: You know, that 13 number
7 might be where we went back and reassessed and it went
8 down from our initial. That may be where I am getting
9 it.

10 MR. MILLER: And all of these customers
11 were given what their current usage is running and what
12 they paid for and they had a period of time during which
13 they could implement measures to reduce their use and
14 either they have or they haven't, so --

15 MR. PHILLIPS: And there were in the
16 original list in the first evaluation, there was more
17 than one significant impact fee change. The largest -- I
18 think they were the largest -- actually completely
19 changed how much water they were using, if you know which
20 one I am talking about.

21 They were just doing what we feared, which
22 was, to them, water was just free, essentially. Even as
23 large as their bill was every month. But when you start
24 talking about impact fees, they cut their water use, I am
25 talking substantially, so --

1 MR. DABNEY: So in that, what about the
2 people who got charged a significant amount of money and
3 are not using it? Is there no benefit to those people to
4 come back, "Hey, review my bill. I think I am being
5 overcharged. Or I was overcharged"?

6 MR. PHILLIPS: I am not sure what you --

7 MR. THIEL: You were are all commercial
8 customers. So if those were overcharged an impact fee,
9 do they get a credit then for that?

10 MR. LYNCHARD: I don't believe anybody was
11 overcharged.

12 MR. PHILLIPS: No. I don't know that
13 anybody was overcharged. Why would someone be
14 overcharged?

15 MR. THIEL: Because of the same reason you
16 are --

17 MR. DABNEY: You are asking them to pay
18 the impact --

19 (SPEAKING OVER EACH OTHER.)

20 MR. PHILLIPS: Oh, no. I understand your
21 question. So impact fees are a reservation of capacity.
22 When you come in here to this utility, you have every
23 opportunity to impress upon Holley Navarre what your
24 actual use is going to be.

25 Holley Navarre goes so far, in fact, to

1 not use the State's list, but to actually let you provide
2 evidence of what your water will be. And generally
3 speaking, whatever you say it is going to be at this
4 point is what Holley Navarre accepts, as long as it is
5 reasonable.

6 But it is a reservation of capacity in
7 recognition that your business might use that much water.
8 So there is no -- there is no refund if you are below it.

9 MR. THIEL: Okay. I think that was your
10 question, was it; James?

11 MR. DABNEY: Yeah. It just seems to be --
12 I mean, if we figure the bill and we figured it wrong, we
13 charge the customer more.

14 If the customer -- if you are telling me
15 the customer comes in and says, "I am only going to use
16 100 gallons."

17 And Holley Navarre Water says, "You are
18 going to use 300 gallons, but we are going to accept your
19 100 gallons. In two years, we are going to bill you the
20 200.

21 MR. PHILLIPS: If a developer comes in
22 here for a restaurant and says, "I am going to use X
23 amount of water," and that's reasonable for that type of
24 restaurant in this area in Northwest Florida, we will
25 accept that.

1 Because if he is lying, if he doesn't want
2 to present evidence for other locations that gets picked
3 up under this policy, that's the purpose of this policy.

4 MR. DABNEY: I mean, I understood -- I
5 mean, they were talking about the restaurant part. Some
6 people use paper plates. Some people use hard plates.

7 MR. PHILLIPS: And we take that into
8 account. Absolutely.

9 MR. DABNEY: I find that difficult. I
10 knew that was part of it.

11 MR. CAMPBELL: Okay. So basically looking
12 for what the Board feels on basically the last three
13 lines is what really is not going to change. But to
14 clarify how we implement this and we would like to
15 implement the billing in March.

16 Any other Board discussion?

17 MR. LYNCHARD: I don't think so.

18 MR. CAMPBELL: We have a -- Ms. Carmen?

19 MS. REYNOLDS: Carmen Reynolds, Navarre.
20 Just for the record, I believe the Gray Taproom was
21 caught up in that. I remember, years ago, when that was
22 an issue that they had been overcharged and the Board had
23 to work with them to help them recoup that overcharge.
24 So just so y'all know that -- the Gray Taproom.

25 MR. CAMPBELL: We tend not to name account

1 customers.

2 MS. REYNOLDS: Oh, I'm sorry.

3 MR. CAMPBELL: That's all right.

4 MS. REYNOLDS: It was for the record. I
5 was clarifying that y'all did know it.

6 MR. MILLER: It's in all the minutes and
7 transcripts. Theirs was a little different situation
8 because it was an add-on to an existing business, and,
9 you know, they weren't going to be brewing their own
10 beer.

11 They weren't going to be a stand-alone
12 restaurant serving food. You know, there were a lot of
13 circumstances that went into their situation and we did
14 offer them a review after the fact.

15 MR. CAMPBELL: Okay, Daryl? Don?

16 MR. LINNELL: I am good.

17 MR. CAMPBELL: I will entertain a motion
18 to approve the implementation of the commercial impact
19 fee review policy, just changing again how we implement
20 the decision of 2020.

21 MR. LINNELL: I will move. So moved.

22 MR. CAMPBELL: Don motioned.

23 MR. THIEL: I will second.

24 MR. CAMPBELL: Okay. Any other
25 discussion?

1 (NO AUDIBLE RESPONSE.)

2 MR. CAMPBELL: All in favor say "Aye"?

3 MR. LYNCHARD: Aye.

4 MR. DABNEY: Aye.

5 MR. THIEL: Aye.

6 MR. LINNELL: Aye.

7 MR. MILLER: Aye.

8 MR. CAMPBELL: Aye.

9 Any opposed?

10 (NO AUDIBLE RESPONSE.)

11 MR. CAMPBELL: Motion carries.

12 So last month, we discovered our insurance
13 renewal. I think we can all agree it didn't go as it
14 should have. I was not in the seat at the time, did not
15 have anything to do with how the insurance renewal went.

16 Staff followed the direction of the CEO.
17 But, then, obviously, the Directors got a letter from our
18 previous agent, so I had to draft a response to him with
19 Legal's help. And, basically, we are going to tell him
20 we are going to start the process early. We hope he gets
21 involved and gets engaged and he will have the
22 opportunity to compete next year.

23 So that's more information to the Board.
24 You have all seen the letter. I agree with his
25 assessment how it went down. It shouldn't have gone like

1 that. I just wanted to reaffirm to him that we will
2 start early next year. We will follow our normal process
3 of three bids and everybody can compete.

4 MR. LYNCHARD: Can we all get a copy of
5 that letter?

6 MR. CAMPBELL: It should be completed.

7 MR. LYNCHARD: Okay.

8 MR. CAMPBELL: It might be in the Manila
9 folder. That's a CEO knock --

10 MR. DABNEY: He named everybody.

11 MR. CAMPBELL: No. No. Not that letter.

12 MR. DABNEY: Oh, you are talking about
13 your letter?

14 MR. CAMPBELL: Yeah. The response to him.

15 MR. LYNCHARD: Yeah.

16 MR. CAMPBELL: Emerald, did we put it in
17 the Manila folder?

18 MS. MCDANIEL: No, sir.

19 MR. DABNEY: So we don't have that in this
20 packet?

21 MR. CAMPBELL: Okay.

22 MR. MILLER: Would you email that out?

23 MR. CAMPBELL: I will email it out.

24 Emerald, can you take that from my tasks?

25 MS. MCDANIEL: Yes, sir.

1 MR. CAMPBELL: Okay. Engineering Report.

2 MR. PHILLIPS: Before we talk about I&I, I
3 will mention that I think last month, I briefed the Board
4 that a draft permit had been issued to Fairpoint for the
5 water use permit, which, obviously, involves Holley
6 Navarre Water System.

7 The permit was finally issued and Holley
8 Navarre got exactly what they requested from the Water
9 Management District for the next ten years.

10 So there is no impediments to what the
11 current projections are for growth. To I&I, last month
12 was another brutal month with 374,000 gallons a day
13 average I&I. I hope Chris can tell us it's gone down.

14 MR. LEGG: It's going down.

15 MR. PHILLIPS: Yeah. With no rain, you
16 would expect the ground water table to be receding and we
17 see that at other locations, so we expect it to stay
18 high, but we did have two months there that we appeared
19 to have averaged over 300,000 gallons a day, so --

20 And, again, our reminder is, our limit,
21 combined limit at each of our sites, if you add up the
22 individual sites, it's 1,968,000. However, the
23 wastewater treatment plant permit was issued with 3
24 instead of the 4-point-whatever it was originally.

25 So DEP still does consider our overall

1 capacity to be that 3, assuming that we don't violate any
2 other condition inside the permit itself and the disposal
3 of that effluent, so --

4 MR. THIEL: I have one question, Phil.
5 Breaks, you say, estimate total at 1,450,000. How do you
6 come up with an estimate like that? I mean, is that just
7 an estimate and you subtract all the rest of them. You
8 said estimated total for the breaks?

9 Gallons non-revenue, not accounted for
10 breaks.

11 MR. PHILLIPS: Oh, you have gone over to
12 water loss?

13 MR. THIEL: Yeah.

14 MR. PHILLIPS: I can speak to this a
15 little bit, Bill, but this is really Clinton's chart and
16 he is not here tonight.

17 MR. THIEL: Okay.

18 MR. PHILLIPS: The amount of water,
19 everyday, Holley Navarre Water tries to eliminate those
20 sources of water that they know they use but don't have
21 metered.

22 Most of those, I am of the understanding
23 they have eliminated. Breaks, you cannot put a meter on.

24 MR. THIEL: Yeah. I know.

25 MR. PHILLIPS: You only have the ability

1 to guess when the leak started and you know when the leak
2 ended, when we repaired it. You know the size of the
3 line. You know the pressure in the line.

4 So if you -- if you had a backhoe operator
5 trying to install something in a right-of-way and he
6 poked a two and a half inch hole in the pipe used in one
7 of the tongs of the backhoe, you can make a reasonable
8 guesstimate of how much water you lost out of that pipe.
9 That's all they can do.

10 MR. THIEL: That answers the question.
11 Thank you, Phil.

12 MR. CAMPBELL: So really going back to the
13 permit just to add one thing, too. So at some point, we
14 are going to have to go and redo that agreement. That is
15 going to come up next week for Fairpoint, so that's for
16 this Board to decide. Right? I just wanted the
17 Directors to know that.

18 MR. PHILLIPS: Right. I believe there is
19 an agreement between the members of Fairpoint, and then,
20 there is an agreement between the members and Santa Rosa
21 County.

22 The agreement between the members has a
23 schedule of water withdrawal in it. That schedule of
24 withdrawal will change for the next ten years, so the
25 member agreement will have to be modified. Whether or

1 not anything else in that agreement gets modified will be
2 up to the Fairpoint Board and then the individual Boards
3 that have to approve that.

4 So we just don't know. But it does have
5 to be modified for the individual utilities withdrawal
6 rates. And that is on the agenda, as I understand it,
7 for next Tuesday.

8 MR. CAMPBELL: Okay. Thank you, Phil. So
9 I had two things that I was remiss at before we go. So
10 the wellfield protection group, working group at the
11 County is November 10th, so Fairpoint is going to go and
12 do a presentation.

13 We are going to be on the agenda, but I
14 would encourage -- I know that Directors, hopefully, will
15 be there for that -- for Fairpoint. But I would hope we
16 have Holley Navarre Water System attendance at that.

17 I know the three groups of utilities to
18 have our say and have our -- we are actually going to do
19 a presentation for them from some subject matter experts,
20 so we are on the agenda.

21 And then, I should have done this at the
22 start. But for the record, this is -- Director Kennedy
23 has officially resigned. And I can't remember the exact
24 date, but I will get that to you. My Legal Counsel
25 tapped me on the shoulder for that.

1 MR. MILLER: Have amended election notices
2 gone out?

3 MR. CAMPBELL: Yes.

4 MR. MILLER: Okay.

5 MR. DABNEY: I make a recommendation. I
6 would want the letter sent out to us that I just read.

7 MR. CAMPBELL: Which letter?

8 MR. DABNEY: The insurance part.

9 MR. CAMPBELL: Yeah.

10 MR. DABNEY: Would it -- would it be -- I
11 guess, ethical to let them look at our current insurance
12 policy and see if it was equal to, if not, the new policy
13 equal to, if not better than what we had in the past, as
14 far as coverages, to let us know whether or not the
15 current policy that we had to sign is, I guess,
16 financially adequate to what we had before?

17 MR. DUNAWAY: It's ethical. That's the
18 question.

19 MR. CAMPBELL: Is your --

20 MR. DABNEY: I would think he is going to
21 give us an honest opinion if we are paying for something
22 that didn't go out to bid and we went ahead and signed
23 it. Is it equal to what we had prior to for the same
24 amount of money that was supposedly only a minor
25 increase?

1 I think it was, what, two percent? Do you
2 remember seeing it?

3 MR. CAMPBELL: No. That's different.
4 That was health insurance. It's ethical. Are you
5 talking about him to re-bid it?

6 MR. DABNEY: No. No. I am just wanting
7 him to, if he would not mind looking at it and let us
8 know if it was a --

9 MR. CAMPBELL: My understanding is that it
10 was not a change in insurance companies. It was just a
11 change in agents. But Legal says we can do it. I don't
12 see why we can't.

13 MR. MILLER: And my comment is I don't
14 think all of our policies renew all at once. I think
15 there is different times of the year when policies renew.
16 In fact, I think we have got one coming up in November or
17 something. Something renews in November.

18 MR. CAMPBELL: I thought they were all in
19 the spring, but --

20 MR. MILLER: Well, most of them happen in
21 the spring, but I think there is some that renew. And
22 so, you know, anything that is about to renew, I would
23 like to know, you know, are we getting three bids on it?

24 And, you know, is he given an opportunity
25 to bid? I kind of got in his letter that he didn't feel

1 like he got a good opportunity. He wasn't given a good
2 seat at the table. That's what --

3 MR. CAMPBELL: I agree.

4 MR. MILLER: Okay.

5 MR. CAMPBELL: All right. Member Forum.

6 MR. LYNCHARD: Actually, I have got
7 something for the Board. I did have one question. We
8 had spoke about this a couple of times, too, which was
9 the organizational chart of salaries in it.

10 We have been told several times that we
11 are going to receive a copy of that. We never got it.
12 Will we be able to get that this month?

13 MR. CAMPBELL: Yeah.

14 MR. LYNCHARD: Any timeline, possibly?

15 MR. CAMPBELL: Friday.

16 MR. LYNCHARD: Okay. We had a meeting and
17 you were going to ask our attorney if there was anything
18 that was -- anything that we had in this organization
19 that was off limits legally to the Board.

20 In other words, if there is something so
21 sensitive in this organization that a Board member
22 couldn't see it?

23 And you were going to ask him if that was
24 the case or not. Because I don't believe it is. Did we
25 get an answer on that question?

1 MR. CAMPBELL: I have not sent that yet.

2 MR. LYNCHARD: Okay. Would you mind
3 answering it now? Or could you answer?

4 MR. DUNAWAY: No. I would like to have an
5 opportunity to review that and see.

6 MR. LYNCHARD: Okay.

7 MR. CAMPBELL: But you are basically
8 talking about HR stuff --

9 MR. LYNCHARD: I know.

10 MR. DABNEY: I think preferably, we have
11 asked questions on salaries. We make the budget, but yet
12 we can't get answers on pay and stuff like that.

13 MR. THIEL: We can't distribute it.

14 MR. CAMPBELL: Anything else, James?

15 MR. DABNEY: No.

16 MR. CAMPBELL: Anything else from the
17 Board?

18 Mr. Cosby, do you still want to speak?

19 MR. COSBY: Yes, sir. Kirk Cosby, 6839
20 Marlin Street. I never received a reply from BOD
21 President from 21 September '22 email. I did send it
22 twice.

23 Last month, members were standing at the
24 podium and members has their hands raised. When the BOD
25 President cited he had heard enough on the topic, he

1 would call for a motion, silence the members who were at
2 the podium and the ones with raised hands.

3 Of course, this action is intentional when
4 the BOD President does not ask, "Is there anyone else who
5 would like to ask a question or make a comment on this
6 topic?"

7 Very concerning, the micromanagement of
8 trying to find ways of keeping members off the election
9 ballot. Very concerning that this BOD President wants to
10 stay in the golf course and restaurant business when
11 history shows this BOD and past BODs are unable to manage
12 either one.

13 I would have never joined Facebook, but
14 over a year ago -- if not for the HBS HOA BOD -- the
15 overreach of BOD Presidents to include this one have made
16 it clear that they don't like social media. I find it
17 very informative and I believe the members and neighbors
18 do, also.

19 Then, you have -- then, you have the local
20 news outlet and local reports. Everything is fine with
21 these reports on Facebook as long as you agree with them.
22 When you don't, they block you from seeing their content.
23 Very sad censoring by the -- at the local level.

24 You would think when the BOD agenda is
25 released, it would be the first thing you see on the

1 Holley Navarre Water System home page. You would be
2 wrong.

3 I wonder how many more members' requests
4 it will take to add another minute to the members forum
5 before the BOD President will add that discussion to a
6 BOD agenda?

7 MR. CAMPBELL: Ms. Reynolds?

8 MS. REYNOLDS: Carmen Reynolds, Navarre.
9 I am going to ask for an extension of speaking time for
10 the members and for y'all to make new policy to allow the
11 members of this Water System to speak for four minutes
12 versus three minutes.

13 The Board of County Commissioners extended
14 that right to us in January of 2021. We fought very hard
15 for it and they relented and we deserve that very much.

16 Therefore, until this policy is
17 implemented, I will hold my kudos for this Board so that
18 I can get my points out to you. If you will allow me
19 those kudos, fine. If you will not, then, I guess you
20 will not extend this policy.

21 When driving my car yesterday with the
22 windows up, the Coral Street Highway 98 lift station was
23 just really ripe. If somebody could please look at that,
24 it smells badly.

25 Number 3, the cost of construction for

1 your expansion. Could somebody please tell us how much
2 that total construction cost is going to be? And when
3 you are answering that, to include the cost per square
4 foot. Could you please hold my time?

5 MR. CAMPBELL: I will get you an answer.

6 MS. REYNOLDS: Thank you. Has this Board
7 pursued any remuneration from the CEO Headhunter due to
8 the egregious errors and omissions that I have brought up
9 twice.

10 MR. MILLER: We have looked at their
11 contract with us and there was not an opportunity for us
12 to go after them for any kind of damages. There was a
13 period of time, but it was a very short period of time
14 that they had a guarantee.

15 MS. REYNOLDS: That's fair. Thank you
16 very much. Finally, my kudos to the Board for last
17 month's meeting. I wanted to praise you for the
18 illumination of the disqualification of potential new
19 Board members. Also, for your pursuit of a forensic
20 audit.

21 The transparency that you signed up for on
22 the website for votes taken outside normal meetings. And
23 your pledge to discuss these votes, these out-of-meeting
24 votes at subsequent meetings. Thank you.

25 MR. CAMPBELL: Ms. Carmen, for the record,

1 you spoke six minutes last time. I didn't cut you off,
2 just so you are aware.

3 MS. REYNOLDS: I don't know why this has
4 to be so contentious. Your folks out here could really
5 help you if you would just let us --

6 MR. CAMPBELL: Regardless of the feeling,
7 everybody that got up to speak spoke. Everybody that
8 wanted to speak.

9 MR. CAMPBELL: All right. Anybody else?

10 MR. DABNEY: So is that going to be a
11 Board item on the agenda to change that?

12 MR. CAMPBELL: Well, I can't remember ever
13 cutting somebody off, to be honest.

14 MR. LYNCHARD: That's what I am thinking.
15 You know, four minutes is great. And I would be willing
16 to make a motion that we do it four minutes, as long as
17 we do it four minutes as an absolute.

18 Because I can't remember when we have told
19 somebody to sit down after just three minutes. It's been
20 much longer than that.

21 MR. CAMPBELL: Other than the hooting and
22 the hollering in the back from the people that weren't
23 members, I don't remember anybody --

24 MR. LYNCHARD: Yeah. So four minutes.
25 And make it absolute with an alarm and tell everybody.

1 MR. CAMPBELL: It's absolute.

2 MR. LYNCHARD: I think we should all be
3 able to discuss things --

4 MR. CAMPBELL: Okay.

5 MR. LYNCHARD: -- openly and freely. And
6 there shouldn't be any time limit except when we have
7 somebody that goes to the podium and just speaks on and
8 on and on about the same thing.

9 And I am not referring to you guys. Okay?
10 Carmen, I am not -- I am not referring to you at all.
11 But we have had that before.

12 MR. MILLER: I think our resolution
13 actually has some flexibility in it and says that the
14 Chair can adjust speaking time at their discretion
15 depending on the number of speakers. It's worded that
16 way in the --

17 MR. CAMPBELL: Since I have been here in
18 January, I don't remember cutting off anybody. And I
19 will go through the transcripts.

20 Yes, sir?

21 MR. COSBY: I will just point out
22 everything you guys are saying is correct. Okay? But
23 the people, like myself and Carmen Reynolds, we prepare
24 these things prior to a meeting, based on what we have
25 seen in the past.

1 So I think it would be beneficial for
2 everybody that you get on the agenda and give us four.
3 And what you are saying, if it has to go past, you are
4 not completely, you know, out of whack, then it's all
5 good.

6 MS. REYNOLDS: Carmen Reynolds, Navarre.
7 I know that certain of the members, Board members, have
8 no affection for me. But last month when I was speaking,
9 I saw Director Thiel, and I heard him saying, "Four
10 minutes, four minutes 30 seconds, five minutes."

11 I mean, he was counting down --

12 MR. CAMPBELL: Carmen, as the Secretary,
13 that's his duty. And I let you speak for six minutes,
14 so, please, that's --

15 MS. REYNOLDS: It was -- it was not
16 identified that he is the Secretary and he is the
17 timekeeper. Now we know because you just said it.

18 But I was standing up here also, another
19 instance at the podium, to make a remark about a process
20 that you guys were trying to finish.

21 And you finished it, and then, you told me
22 that that -- we -- you have moved on. So you didn't
23 allow the public to speak on that, either. So please do
24 not say that you welcome us and you will allow us to
25 speak, because that wasn't the case last month.

1 Thank you.

2 MR. CAMPBELL: Did I not sit you down for
3 an hour in the office and talk to you about issues?

4 MS. REYNOLDS: Yes, you did.

5 MR. CAMPBELL: Okay. I just want to make
6 sure that we are open and honest about --

7 MS. REYNOLDS: Did I not return your call
8 about information that I said I would get at the last
9 meeting, but we haven't had --

10 MR. CAMPBELL: Next time you hear there is
11 a 47 percent rate increase, just give me a call or call
12 Mark.

13 MS. REYNOLDS: We have -- we haven't
14 finished that fully and you have moved onto another
15 subject and you are still taking jabs.

16 MR. DABNEY: So what would it take to
17 just -- do we have to have it on the agenda to change it
18 to four minutes?

19 MR. MILLER: I think the resolution allows
20 for flexibility and -- like tonight, it -- there weren't
21 that many speakers, so we can let people go more than
22 four minutes. But last month, there were 30 people that
23 wanted to speak, and if you gave everybody --

24 MR. THIEL: We still let them go more
25 than --

1 MR. MILLER: But four minutes, you are
2 going to --

3 MR. CAMPBELL: Like Daryl is talking, if
4 you say, "Four," like the County, just like that, County
5 "Four minutes," that's done. You don't get to expand
6 back the four minutes. So we will look at it.

7 MR. MILLER: No. I believe it.

8 MR. CAMPBELL: All right. I will
9 entertain a motion to adjourn.

10 MR. LYNCHARD: You have got one.

11 MR. LINNELL: Second.

12 MR. CAMPBELL: All in favor?

13 MR. LYNCHARD: Aye.

14 MR. DABNEY: Aye.

15 MR. THIEL: Aye.

16 MR. LINNELL: Aye.

17 MR. MILLER: Aye.

18 MR. CAMPBELL: Aye.

19 Motion carries.

20

21 WHEREUPON, THE BOARD OF DIRECTORS MEETING

22 CONCLUDED AT 743 P.M.

23

24

25

