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HOLLEY NAVARRE WATER SYSTEM
REGULAR BOARD MEETING
SEPTEMBER 20, 2022
6:00 P.M. - 9:05 P.M.

- JOE CAMPBELL, PRESIDENT
- MARK MILLER, VICE PRESIDENT
- BILL THIEL, SECRETARY TREASURER
- MIKE KENNEDY, DIRECTOR
- DON LINNELL, DIRECTOR
- DARYL LYNCHARD, DIRECTOR
- JAMES DABNEY, DIRECTOR
- TY CAMPBELL, HNWS
- EMERALD MCDANIEL, HNWS
- CLINTON WELLS, HNWS
- CHRIS LEGG, HNWS
- JAROD CROSS, HNWS
- PHIL PHILLIPS, MESI
- AMBER BUCHOLTZ, HNWS
- DALE LONG, MESI

ALSO PRESENT:

- WILL DUNAWAY, ESQUIRE
- DEBORAH KHARUF, COURT REPORTER
- DR. G.R. CLUSKEY, HANSON HASENBERG, PRESS

MEMBER FORUM: CARMEN REYNOLDS, NANCY FORESTER,
TOM ASHE, JOHN THOMPSON, CHUCK POHLMANN, MICHELLE
HANRATTY AND OTHERS.

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

2 MR. JOE CAMPBELL: Okay. Those of you who
3 are here for the 48 percent rate increase, there is no
4 such animal. We have not started the budget yet, so I
5 don't know where that rumor came from.

6 We are not going to discuss any budget
7 items other than the current month of July. See that
8 excitement? That's not on the agenda. Okay?

9 UNIDENTIFIED AUDIENCE MEMBER: Point of
10 order.

11 THE COURT: I will call the meeting --

12 UNIDENTIFIED AUDIENCE MEMBER: If you
13 could, if you raise your voice a little bit. There is a
14 lot of old people sitting in the back. So appreciate it.
15 It's just me. Thank you, Joe.

16 MR. JOE CAMPBELL: Can you turn the mike
17 up? How is that?

18 UNIDENTIFIED AUDIENCE MEMBER: Thank you,
19 sir.

20 MR. JOE CAMPBELL: I will call the meeting
21 to order. It's 6:00 P.M.

22 Will you stand for the prayer, please?

23 (INVOCATION GIVEN BY DIRECTOR CAMPBELL.)

24 MR. JOE CAMPBELL: Okay. There are audio
25 and video recordings in use. If you would like to speak

1 to the Board, please go out in the back. We also go by
2 the open meeting format.

3 So what that means is as a Board item
4 comes up, and you wish to discuss it, address the Board
5 on it, we are going to ask you to come to the podium. I
6 am not going to ask -- respond to folks if you are
7 sitting down.

8 So if you have something to say, please
9 come to the podium. Because there are so many folks here
10 tonight, we are going to try to get through it. But we
11 have a long agenda, so we are going to limit it to three
12 minutes.

13 At some point, if it is the same
14 iteration, three people in a row, we are going to kind of
15 ask you, do you have anything different to say? So --

16 All right. Approval of the minutes.
17 August 16th, 2022, regular Board meeting minutes and
18 transcripts.

19 MR. MILLER: I'll make a motion that we
20 approve the August 16th regular meeting minutes and
21 transcripts with the changes that I had emailed to the
22 rest of the Board, with the exception of the vote on
23 approving the financials. We have clarified that the
24 minutes are that item.

25 MR. LINNELL: I will second it.

1 MR. JOE CAMPBELL: And, Emerald, they got
2 the latest update, from what Mark was talking about?

3 MS. MCDANIEL: Yes, sir.

4 MR. JOE CAMPBELL: Okay. Any other
5 discussion?

6 (NO AUDIBLE RESPONSE.)

7 MR. JOE CAMPBELL: All in favor say,
8 "Aye"?

9 MR. THIEL: Aye.

10 MR. DABNEY: Aye.

11 MR. MILLER: Aye.

12 MR. LYNCHARD: Aye.

13 MR. LINNELL: Aye.

14 MR. KENNEDY: Aye.

15 MR. JOE CAMPBELL: Any opposed?

16 The President abstains. I wasn't here.

17 All right. August 24th, 2022, closed
18 executive session minutes.

19 Nobody had any --

20 MR. THIEL: Mr. President, I don't think
21 the Board gets to see a copy of the unredacted version,
22 just the redacted versions including the minutes, so I
23 would like to defer the approval on this meeting until
24 they get a chance to see them.

25 MR. JOE CAMPBELL: Okay. Defer that to

1 the next meeting. Any objections to that?

2 (NO AUDIBLE RESPONSE.)

3 MR. JOE CAMPBELL: Okay. Looking to
4 approve annual memberships of July, 328 new ones, 336
5 canceled, and zero transfers. I will entertain a motion
6 to approve those.

7 MR. KENNEDY: Motion to approve.

8 MR. JOE CAMPBELL: Mr. Kennedy motions.

9 MR. LYNCHARD: Second.

10 MR. JOE CAMPBELL: Director Lynchard
11 seconds. Any discussion?

12 (NO AUDIBLE RESPONSE.)

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

15 MR. THIEL: Aye.

16 MR. DABNEY: Aye.

17 MR. MILLER: Aye.

18 MR. LYNCHARD: Aye.

19 MR. LINNELL: Aye.

20 MR. KENNEDY: Aye.

21 MR. JOE CAMPBELL: Aye.

22 Motion carries.

23 All right. Unfinished business. Santa
24 Rosa County Reuse Eglin Update. Mr. Dunaway?

25 MR. DUNAWAY: Thank you, Mr. Chairman.

1 The update with regards to the right-of-way acquisition
2 is the same as last month. We are waiting the signing of
3 the lease by the Air Force.

4 My discussions with the County Attorney
5 today indicated that they had made contact with the
6 General Counsel, who had some questions. The County is
7 working through that process with them. And we expect we
8 will be told by the Air Force and the County when that --
9 when those negotiations are done and the lease is signed.

10 MR. JOE CAMPBELL: Directors, any
11 questions on that? We are ready to proceed? We are
12 literally waiting on the Air Force to sign the lease so
13 we can move.

14 MR. DUNAWAY: We are.

15 MR. JOE CAMPBELL: All. Okay right. Next
16 item, forensic audit. So there's been a lot talk
17 everywhere about a forensic audit. I have been hearing
18 it for a while.

19 We had the 2021 audit by Averett -- Warren
20 Averett. There was no findings. There was no
21 adjustments. There was no -- actually, it's unmodified
22 opinion.

23 They actually commended us for the
24 controls, the controls we need two people to sign even a
25 five dollar check.

1 We have a Finance Committee. We have a --
2 the ledgers are reconciled every month, but we hear you.
3 So we are going to have a forensic accountant with us,
4 Mr. Bob Cluskey. Bob actually was a friend accountant,
5 actually taught at Troy University for a while.

6 So, Bob, can you kind of come up and
7 educate us on actually what a forensic audit is, what it
8 is not, and so, we can move forward and answer the
9 members' concerns.

10 DR. CLUSKEY: Can you hear me? I had a
11 hand-out. I don't know how far it went, about 20 of
12 them. First and over there on the side.

13 My handout starts with my business card.
14 The only thing relevant on my business card is my name,
15 address, and phone number and email. I retired about 12
16 years ago.

17 I dumped everything. My CPA license is
18 not current. My fraud audit isn't current. My
19 commercial pilot license is not current. I am not
20 current, but what I have here is I pulled out information
21 from the Fraud Examination textbook. And that's the
22 second to third pages of the handout.

23 First by the white page handout is the
24 crime that would be committed for fraud. And the reason
25 that's important is because you can't have a forensic

1 audit without a crime.

2 A financial audit, as you can see on the
3 second page, is your standard annual audit. Management
4 prepares financials. They submit them to the auditors.
5 The auditors sample test, review the account, and then
6 they come up with their opinion, whether the financial
7 statements fairly and honestly reflect the operations of
8 the business.

9 And if you look on the right side, where
10 it says, "Fraud Examination," you will see that what you
11 do in a forensic -- or I call it fraud audit -- is there
12 is a crime. You focus on those accounts that deal with
13 the crime.

14 For example, if you're looking at
15 concealing liabilities, expenses, you look at those and
16 you see if each transaction actually reflects liability
17 or expense, if it accurately reflects what the
18 transaction is recording.

19 Over on the right side, it goes through
20 the difference between the financial audit and a forensic
21 audit in each item. Timing. Well, your audit for your
22 financial statements is once a year. Your fraud is
23 whenever there is a fraud. Hopefully, not very often.
24 But that's when do you it.

25 Scope, the auditors test not all the

1 accounts. Sometimes, they test an account every two or
2 three years. Sometimes, they test an account casually
3 three or four times a year. So the objective of your
4 audit is to provide an opinion. Do these financial
5 statements accurately reflect the operation of the
6 business?

7 The objective of the fraud audit is has
8 fraud occurred. But the two big things are -- who done
9 it and how much? You want to specify who committed a
10 fraud and how much is the fraud.

11 Now, post script, to the how much it is.
12 In about 99 percent of the fraud, you are not going to
13 recover it. It's spent. It's spent before the fraud
14 even occurred. It's gone.

15 So you are not going to recover unless
16 there were some assets that were stolen and you can
17 recover those assets and then cash in on them.

18 So the real significance of a forensic
19 audit -- I call it a fraud audit -- is there has been a
20 crime. We are trying to find out who did it. We are
21 trying to find out how much, turn it over to law
22 enforcement and go from there.

23 Any questions?

24 MR. JOE CAMPBELL: So any directors? Any
25 questions? I do have one, but --

1 So a forensic audit, if the Board decided
2 to focus on anything a certain individual had done over
3 the certain time period, is that an actual audit? Annual
4 audit? Or would that be a forensic audit?

5 DR. CLUSKEY: No. It's separate and
6 distinct.

7 MR. JOE CAMPBELL: Okay.

8 DR. CLUSKEY: It's separate. And the
9 reason it is separate and distinct is it's very
10 expensive. With an annual financial audit, you are
11 testing. You may do one out of 10, one out of 100. Or
12 you may be, in certain instances, certain accounts, you
13 may test every transaction.

14 With a fraud audit, you look at every
15 transaction in the accounts that are related to that
16 fraud. It's very expensive.

17 MR. JOE CAMPBELL: So if we said, "I want
18 you to look at every financial transaction Joe Campbell
19 had since he has been on the Board in 2021."

20 Forensic audit wouldn't necessarily be the
21 way to go? But that is something that the annual audit
22 could focus on?

23 DR. CLUSKEY: Only if there is a cause to
24 do that. If there is a crime or a suspected crime that
25 has been committed.

1 MR. JOE CAMPBELL: Okay.

2 DR. CLUSKEY: And the reason for that is
3 how are you going to inspect something, test something,
4 check something, if you don't know what? I mean, you
5 just can't do just a fishing expedition.

6 MR. JOE CAMPBELL: Right. And we
7 appreciate there are concerns because the previous CEO
8 had a criminal history of sorts.

9 UNIDENTIFIED AUDIENCE MEMBER: Of sorts?

10 MR. JOE CAMPBELL: Of sorts.

11 So same -- based on our audits, the same
12 controls that we have in place couldn't happen here. He
13 had no credit card. He had no access to a credit card.
14 He had not submitted any travel vouchers or anything like
15 that.

16 So we are just -- I think the Board is
17 looking, is this something that could be ferreted out in
18 the annual audit to make sure we are good? We had our
19 financial team that has gone through this.

20 We have two check signers. There is no
21 indication that any check had gone into his name or
22 outside of his name issued by him. So we are just trying
23 to get to the bottom of is this something we need to do
24 for our members? Or is this something that the annual
25 audit would do?

1 And I understand the very expensive
2 comment you made.

3 DR. CLUSKEY: Okay.

4 MR. JOE CAMPBELL: But you are the expert,
5 so we are kind of looking for some advice.

6 DR. CLUSKEY: Okay. The auditors that do
7 your annual audit, they have no requirement to
8 investigate fraud.

9 MR. JOE CAMPBELL: Check.

10 DR. CLUSKEY: They have no requirement to
11 find fraud. What they do is they project.

12 MR. JOE CAMPBELL: They can't hear back
13 here --

14 DR. CLUSKEY: An attitude of professional
15 skepticism. Tell me a story. Tell me how these
16 transactions occurred.

17 Well, you know, yeah, Charlie was a good
18 guy. He was here 32 years. And we want to give him --
19 and this was, you know, this little tractor was ready for
20 the dump. And so, we just gave it to him.

21 Show me the transaction. Show me the
22 source documents. Show me that it was approved by the
23 Board that it was legal. That type of thing. That is
24 what your financial auditors do.

25 They are not tasked with finding fraud.

1 If they find fraud -- and most of the fraud is found --
2 do you know where the fraud is found? Talking with you
3 people. You go talk to people. You just work with them,
4 talk with them, find out what is going on.

5 That's how most fraud is uncovered. You
6 ask questions, professional skepticism.

7 Did I answer your question, too?

8 MR. JOE CAMPBELL: I think you did. You
9 were telling me a forensic audit actually identifies the
10 extent of the crime, not necessarily in and of itself
11 identifies the crime.

12 DR. CLUSKEY: Right. Yeah. You have got
13 to identify the crime before you do the forensic audit --
14 the fraud audit, whatever you want to call it.

15 MR. JOE CAMPBELL: Okay. Board
16 discussion?

17 MR. LYNCHARD: I do have a question.

18 Last time, we had some people in here that
19 were -- that told us about the hourly rates, which seemed
20 quite low to me. I know that you have been retired for
21 quite some time, but what, on a --

22 DR. CLUSKEY: And I am hard of hearing. I
23 didn't hear.

24 MR. LYNCHARD: On a per hour basis, what
25 is your estimate of the --

1 DR. CLUSKEY: I have no idea. I am sorry,
2 but I have no idea. Ask the auditors. They will tell
3 you what the hourly rate. It's not the hourly rate.
4 It's the extent of the team that they have to use.

5 And some of the team members are very
6 expensive. They may have to bring them in from Atlanta
7 or somewhere or somewhere else.

8 MR. JOE CAMPBELL: Let me ask you this,
9 then. So we had a team of six or seven licensed CPAs
10 from their firm here for three weeks. Does that indicate
11 to you that this is a pretty extensive audit? Or is it
12 just --

13 DR. CLUSKEY: It sounds like to me it was
14 a comprehensive audit.

15 MR. JOE CAMPBELL: Okay.

16 DR. CLUSKEY: So I would expect the
17 opinion on your financial statements to be valid.

18 MR. THIEL: Had they found any indication
19 of fraud, they would have certainly reported that?

20 DR. CLUSKEY: Oh, yeah. Yeah. They are
21 required to. But they are not required to find fraud.

22 MR. THIEL: Yeah.

23 MR. JOE CAMPBELL: Okay. Any other
24 discussion from the Board? So I guess the question now
25 is what do we do to put our members' minds at rest that

1 we have done all of our diligence to make sure nothing
2 has happened?

3 MR. LINNELL: I do have one question.

4 MR. JOE CAMPBELL: Go ahead.

5 MR. LINNELL: I think the audience is
6 probably going down this road. So I have an annual audit
7 and the fraud audit. So the annual audit and the fraud
8 audit.

9 DR. CLUSKEY: Okay.

10 MR. LINNELL: Two different animals?

11 DR. CLUSKEY: Right.

12 MR. LINNELL: So our comprehensive audit,
13 to my understanding, showed no indication of anything.
14 Is that correct?

15 DR. CLUSKEY: That would be a good
16 statement.

17 MR. JOE CAMPBELL: Unmodified opinion --

18 MR. LINNELL: With no indication of
19 anything wrong. But they are not tasked to go look for
20 fraud?

21 MR. JOE CAMPBELL: That's right.

22 MR. LINNELL: So if in your mind you can
23 answer this, and if it's you don't know, that's fine. Or
24 if you don't have enough information, I understand.

25 But in your mind, a comprehensive audit,

1 what are the chances that, you know, some size of
2 fraud -- I will say significant -- and how you define it
3 is up to you -- will get by them with no indication?

4 DR. CLUSKEY: Probably none. I mean, if
5 they are practicing professional skepticism, are they are
6 talking to people in the organization and following leads
7 and looking, because some people, they don't like
8 Charlie. And, you know, Charlie -- keep an eye on him.
9 They are going to follow that. And it could be a dead
10 end. It could not.

11 MR. DABNEY: But that's our forensic
12 audit --

13 DR. CLUSKEY: No. That's a financial
14 audit.

15 MR. LINNELL: My question was -- without
16 our audit, which they did not identify any issues, what
17 are the odds that there were issues that it did not
18 uncover, if we had a significant fraud?

19 Again, how are you defining it? I mean,
20 we had good audits. What are the chances that we missed
21 something? That's the question. I think I heard you say
22 small chance?

23 DR. CLUSKEY: Talk to your auditors.
24 Because they look at each area of the financials. And
25 they set up a risk analysis of what they do and what they

1 don't do. And they can explain to you what their risk
2 factor was on how they analyze, sample test these areas.

3 MR. LINNELL: Okay.

4 MR. MILLER: I have a question. You said
5 it's -- you had a question?

6 MR. LYNCHARD: No. It's okay.

7 MR. MILLER: Well, anyway, you mentioned
8 there needs to be some evidence of a crime in order to
9 look for something.

10 DR. CLUSKEY: Yes. For a forensic audit.

11 MR. MILLER: Yeah. Yeah. And my question
12 would be, you know, we all know what our situation is
13 here. We had a CEO that had a background.

14 And could we tell a forensic auditor or a
15 fraud auditor, "We want you to go back two months and
16 look at, you know, the transactions, you know, any money
17 that passed through that, you know, had to be signed by
18 the CEO."

19 And have them look for evidence of a
20 crime. In other words --

21 DR. CLUSKEY: What crime?

22 MR. MILLER: Well, a theft.

23 DR. CLUSKEY: Okay.

24 MR. MILLER: But we don't know how it was
25 stolen. We don't know if it was stolen, but we want

1 someone in command to go back for the last two months
2 that he was in that position and look to see is there
3 anything awry. I mean, is that a possibility? Or do we
4 have to do a bigger scope on that?

5 DR. CLUSKEY: Yes. But you would have to
6 talk to the forensic auditors and ask them what is it
7 going to cost. And you are going to have to negotiate
8 what to focus on. Just like I said, when they do that,
9 they are going to look at every transaction in this
10 account. Okay?

11 MR. MILLER: Okay.

12 MR. LYNCHARD: What I was going to get at
13 whenever Don was -- our regular financial statement audit
14 gives an opinion that the financial statements as a whole
15 are free of material misstatements.

16 DR. CLUSKEY: Yes.

17 MR. LYNCHARD: So you are looking at --
18 the auditors look at the financial statements as a whole
19 and see that they are materially correct. A forensic
20 audit or a fraud audit, they are looking at every single
21 transaction.

22 DR. CLUSKEY: In certain accounts.

23 MR. LYNCHARD: In certain accounts. And
24 omitting other accounts that have, you know, relatively
25 small chance of misstatement, I guess, or fraud.

1 So it's a completely different beast.
2 One, you are looking at profit and loss cash sheet, the
3 cash flow notes. And the other one, you are looking at
4 individual accounts, so --

5 MR. JOE CAMPBELL: Right. And you are
6 also looking at controls.

7 MR. LYNCHARD: Controls --

8 MR. JOE CAMPBELL: Who has to sign off,
9 what your spending limit is, all of that stuff.

10 MR. DABNEY: Well, things like, were there
11 deposits? Were there transfers, things like that? Does
12 things like that -- does that ever throw up a red flag in
13 an fraud?

14 DR. CLUSKEY: Why would there be a problem
15 with that?

16 MR. DABNEY: I am just asking the
17 question. Is that a problem with --

18 DR. CLUSKEY: Well, is that part of your
19 organization? I mean, is that a normal account in your
20 organization?

21 MR. DABNEY: Voided checks? Or voided EFT
22 transfers? Or voided --

23 MR. JOE CAMPBELL: Voided checks. Yeah.
24 I had voided checks this week that I signed over the
25 number and they couldn't tell if it \$2,000.03, so --

1 DR. CLUSKEY: Okay. If we have a
2 voided -- here is the policy. Was the procedure
3 followed?

4 MR. DABNEY: Correct. But I am saying if
5 you were looking from the outside in, would that be an
6 issue where you had to say, "Hey, I want to see this."

7 DR. CLUSKEY: If I was looking from the
8 outside in, what I would be looking at is the number of
9 management overrides of the controls. That's what I
10 would look at.

11 Does management override controls? Does
12 supervisors override controls? Are refunds processed
13 normal? Or is there a lot of refunds processed? And
14 where are they processed to?

15 MR. JOE CAMPBELL: Okay. Thanks, Bob.
16 All right. Board, way forward?

17 MR. KENNEDY: Well, it did sound like the
18 Doctor mentioned if we wanted more information that we
19 would see this risk assessment that the --

20 DR. CLUSKEY: You want to talk to your
21 auditors and ask them, you know, what their risk
22 assessment is for different accounts that you may feel
23 uncomfortable about. Okay? Because the auditor is set
24 up, when they plan the audit, they look at risk
25 assessment for each account.

1 MR. JOE CAMPBELL: Okay.

2 DR. CLUSKEY: Did I answer your question?

3 MR. JOE CAMPBELL: I didn't have any.

4 Board, any other discussion?

5 (NO AUDIBLE RESPONSE.)

6 MR. JOE CAMPBELL: Comments from the

7 members?

8 (AUDIENCE RESPONSE.)

9 MR. JOE CAMPBELL: Please come up. If you
10 have something about the audits, come up.

11 MR. THOMPSON: Well, I had a question of
12 this gentleman.

13 MR. JOE CAMPBELL: Would you state your
14 name, sir?

15 MR. THOMPSON: John Thompson.

16 MR. JOE CAMPBELL: And your address,
17 please?

18 MR. THOMPSON: 6719 Tidewater Drive.

19 MR. JOE CAMPBELL: Go ahead.

20 MR. THOMPSON: You had mentioned that
21 there must be a crime. Does it have to be one that was
22 prosecuting? If you suspect --

23 DR. CLUSKEY: Right. No. The suspected
24 crime.

25 MR. THOMPSON: Okay. And then, my next

1 question, you talked about controls. It's my
2 understanding normally, a good organization has controls
3 on the intake and controls on the output and controls on
4 their recordkeeping. Do we have that in place here?

5 DR. CLUSKEY: I don't know.

6 MR. THOMPSON: Why not?

7 THE WITNESS: I don't know. I didn't do
8 an audit.

9 MR. JOE CAMPBELL: So when we had our
10 audit, she had -- she came here in March of this year.
11 She actually gave us an unmodified opinion, and she
12 actually gave us an "Attaboy" for our controls that had
13 been instituted under Mr. Campbell and his new finance
14 team.

15 So they look at how many people sign
16 checks, what went out. We had six auditors for three
17 weeks. So they were happy with our controls.

18 MR. THOMPSON: You mentioned they gave us
19 a clean report. Was that -- do they follow the gap?

20 MR. JOE CAMPBELL: They do.

21 MR. THOMPSON: Thank you.

22 DR. CLUSKEY: I wasn't involved in your
23 financial --

24 MR. JOE CAMPBELL: No. I just know that
25 he is -- I know Bob and he is a forensic auditor and --

1 Who else wants to -- who else?

2 If you will come up to the podium and
3 state your name?

4 MR. ASHE: Good evening. Tom Ashe, 7067
5 Shellfish Court. And, Bob, I was just Googling real
6 quick the definition of a forensic audit. And a crime
7 doesn't have to be committed.

8 A forensic audit is a detailed audit of
9 the company's records to be used in a court of law or for
10 a legal proceeding, but it doesn't have to be, so --

11 DR. CLUSKEY: But you want a crime in
12 order to execute a forensic audit or a fraud audit?

13 MR. ASHE: So a suspected crime?

14 DR. CLUSKEY: Yeah. Yeah.

15 MR. JOE CAMPBELL: Mr. Ashe, at this
16 point, can you just address the Board?

17 MR. ASHE: Yes. He is actually a friend
18 of mine, too. I know Bob. I understand Bob. But I
19 am actually -- I enjoyed y'all's conjecture, and, like,
20 speculation on this being really expensive on how much it
21 will cost, so I took it a step further. I got two
22 different figures for you.

23 So an audit for the time Dallas Peavey was
24 the CEO, we are looking at about 20K. And for that, we
25 get a research of any questionable transactions. They

1 will look into checks that may have been written above
2 the threshold that require Board approval that -- I don't
3 know if you guys approve it or not. That's a control we
4 need to research.

5 Analysis of incoming and outgoing funds.
6 Any falsifying of invoices, which I believe Dallas Peavey
7 had in his past. Commingling of funds between the
8 for-profit and not-for-profit legal entities. And they
9 will quantify for potential economic damages.

10 Sigma Accounting, DJ Boulangger, 20K. And
11 they are very reputable. They are out of Pensacola.
12 They have got two cases right now where similar things
13 have happened and they found crimes that the companies
14 did not even know exist.

15 So I am asking the Board, as a member in
16 good standing, to proceed down this path.

17 MR. JOE CAMPBELL: Sure. Anybody else?

18 MR. BENNETT: Greg Bennett, 7539 Treasure.
19 I don't know if I am getting off base, but what I am
20 hearing is, you know, most of us, I think, came in here
21 because they heard about a 48 percent rate increase. We
22 are all wondering if this CEO, is he causing us this rate
23 increase, you know.

24 But we are wondering what can we do to
25 make sure that he didn't take us for a bunch of money?

1 Well, I am kind of scratching my head wondering, you
2 know, when you take a position at McDonalds, you know, or
3 Home Depot or Lowe's, I mean, just -- not even a manager
4 position, just like a cashier.

5 I mean, how, if you have a record like
6 his, I mean, they are going to see it. I am kind of
7 wondering if maybe we need to concentrate on how can we
8 prevent from ever hiring someone like that again --

9 MR. JOE CAMPBELL: We will get into that
10 when we get into the CEO hiring part.

11 MR. MILLER: Regarding the 48 percent
12 increase that has been floating around out there, that
13 has absolutely no basis. I don't know who came up with
14 that and who is sharing false information like that. But
15 that number has never ever been discussed by this Board.

16 MR. BENNETT: And that is actually what
17 got me in here.

18 MR. MILLER: Spread of false information
19 and spread all over social media. There is no basis for
20 it whatsoever. There is a basis for the fact that we are
21 doing a rate analysis and there is a very good chance
22 that there will be some rate increase on next year's
23 budget, because of inflation and every other thing.

24 We didn't have a rate increase last year.
25 But there has been no discussion of anywhere near a 48

1 percent increase.

2 MR. BENNETT: Yeah.

3 MR. MILLER: Okay.

4 MR. JOE CAMPBELL: Thank you.

5 Yes, ma'am. Okay. Two more and I think I
6 am ready to move on.

7 MS. SHACKELFORD: Anne Shackelford,
8 (phonetic) 6936 Bloomington. I have just a general
9 question for you. You said that the auditors came in.
10 They did a thorough inspection.

11 My question is: They said that the
12 procedures you have in place --

13 MR. JOE CAMPBELL: The controls?

14 MS. SHACKELFORD: -- the controls, they
15 give your kudos for that. How long have those controls
16 been in place?

17 MR. JOE CAMPBELL: There is always some
18 sort of controls, but I think when Mr. Campbell and his
19 newest team came in, there was an improvement, because in
20 March when Kristen was here, I actually asked her that
21 question about our controls and how we do that and
22 whether it could reveal fraud.

23 And while she couldn't say it most
24 definitely wouldn't, but she said if there was something,
25 like Bob was saying, if they find something, they pull

1 that thread and they pull that thread. And then,
2 obviously, it makes it to criminal.

3 MS. SHACKELFORD: So the auditors that
4 came in, they were here for --

5 MR. JOE CAMPBELL: About three weeks.

6 MS. SHACKELFORD: Three weeks. So if
7 there was a major fraud -- excuse me, maybe I am not on
8 the same page as everyone here, but if they found
9 something major in a book, wouldn't that be reflected in
10 a major audit?

11 They didn't just come in and say, "Oh, I
12 am looking at a book for fraud."

13 (SPEAKING OVER EACH OTHER.)

14 MR. JOE CAMPBELL: As Kristen said, she
15 couldn't. She couldn't guarantee there couldn't be
16 something. But, like I said, they are a nationwide
17 organization, and they are licensed CPAs. So, at least,
18 for the control portion for me, but I am not opposed to
19 some sort of -- somebody coming in and looking
20 specifically at what Mr. Peavey did and what he did
21 around here.

22 MS. SHACKELFORD: Yeah.

23 MR. JOE CAMPBELL: But I do want to make
24 sure it's good use of members' money.

25 MS. SHACKELFORD: That's where my concern

1 is. I am not saying that --

2 MR. JOE CAMPBELL: What happened in Texas,
3 it hadn't -- I don't see it happened here. So he didn't
4 have his own credit card. He didn't fill his own gas
5 tank. He didn't go on any trips. So the things that he
6 did there, that wasn't happening.

7 Now, does that mean that something else
8 didn't happen? You know, we have a finance crew with a
9 Fortune 100 company to oversight that.

10 All right. Anybody else?

11 MS. SHACKELFORD: Thank you.

12 MR. MILLER: May I ask? How long have we
13 two check signers? Daryl, do you know?

14 MR. LYNCHARD: As long as I can
15 remember.

16 (SPEAKING OVER EACH OTHER.)

17 MR. MILLER: For as long as Daryl can
18 remember, there were two check signers.

19 MS. HANRATTY: But you have to understand,
20 banks don't recognize two signatures.

21 THE COURT: Hang on --

22 MS. HANRATTY: Check with your bank. That
23 doesn't make a difference.

24 MR. JOE CAMPBELL: Ma'am, if you want
25 to --

1 MS. HANRATTY: But you can't --

2 MR. JOE CAMPBELL: Ma'am, I am not -- if
3 you want to address --

4 MS. HANRATTY: I would be happy to do
5 that.

6 MR. JOE CAMPBELL: It's not going to be
7 like last time. I respect your opinion. You can have
8 your say, but that's not going to happen.

9 Yes, ma'am. State your name and address?

10 MS. CAMPBELL: Angela Campbell, 7146
11 Brinkley Street. I have spent a weekend going through
12 all of the minutes and the transcripts on the website and
13 one thing is very clear -- there has been cause for
14 forensic audit for years.

15 Now, the Board has changed. It doesn't
16 matter who has been sitting on the Board. It doesn't
17 matter which General Manager has been in the seat. This
18 Board has always caused the suspicions that you are all
19 corrupt. Everybody is corrupt. Everybody that has ever
20 sat on this Board is corrupt.

21 So I am asking the Board to, if Mr. Ashe
22 is correct, and it is only going to cost \$20,000, let's
23 just get that forensic audit done and put it to bed once
24 and for all. Because these are people's reputations and
25 their integrity is being questioned.

1 So if y'all have got nothing to hide. I
2 know my honey has got nothing to hide. Let's just get it
3 done. It's \$20,000.

4 (APPLAUSE.)

5 MR. JOE CAMPBELL: I am ready to make a
6 motion, but if you want to say --

7 MR. LYNCHARD: I will make it.

8 MR. JOE CAMPBELL: Go ahead, Daryl.

9 MR. LYNCHARD: I make a motion that Holley
10 Navarre Water System have an organization-wide forensic
11 audit for a price at a -- a price not to exceed -- I
12 think you said 20 -- so I will say \$25,000 -- for the
13 periods January 2020 through --

14 MR. THIEL: -- April.

15 MR. LYNCHARD: -- April 30th, 2022 -- or
16 2021 through 2022.

17 MR. JOE CAMPBELL: That would be August.
18 He left in August. August 2022.

19 MR. LYNCHARD: All right. August 2022.

20 MS. GUNNOE: Just say the time that he
21 served.

22 MR. JOE CAMPBELL: Okay. I just need to
23 clarify, when you say that, an organizational wide --

24 MR. LYNCHARD: Well, to specifically --

25 MR. JOE CAMPBELL: Why organizational

1 wide?

2 MR. LYNCHARD: The gentleman said \$20,000
3 for Holley Navarre Water System.

4 MR. JOE CAMPBELL: But according to our
5 accountants, we have to stipulate a focus. Otherwise,
6 it's not going to be that 20.

7 We paid 30 for the annual. So if you are
8 going to look at everything and I understand what you are
9 saying, but I am asking, are you specific in looking at
10 anything that the CEO, Mr. Peavey, did? Or are you
11 looking at --

12 MR. LYNCHARD: No. I am just looking at a
13 forensic fraud audit for the entire organization for
14 \$25,000.

15 MR. DABNEY: And I would go one better, I
16 mean, we are looking at something, I mean, I have been
17 looking at bank statements, bank books, and I am only
18 through three months. And it's a job to do this.

19 And to sit -- or even getting someone else
20 to look at it with you, it's not a five-minute job. I
21 mean --

22 MR. JOE CAMPBELL: That's why four or five
23 finance people do that.

24 MR. DABNEY: I mean, you have got
25 transfers in, transfers out.

1 MR. JOE CAMPBELL: Are you going to
2 second?

3 MR. DABNEY: No. I would say, I would go
4 \$50,000. I mean, would you guys not be willing to spend
5 \$50,000 of your money --

6 (SPEAKING OVER EACH OTHER.)

7 MR. DABNEY: If we are going to find
8 something, let's pick something that we can --

9 MR. KENNEDY: Right now, we have a motion
10 on the table for 25.

11 MR. JOE CAMPBELL: So, James -- Daryl, go
12 back and restate your motion, please.

13 MR. LYNCHARD: I will withdraw.

14 (AUDIENCE SAYING SOMETHING.)

15 MR. JOE CAMPBELL: Would you please let
16 the Board discuss this so we can get this business done?

17 MR. LYNCHARD: I will withdraw my motion
18 and let James make a motion.

19 MR. DABNEY: I mean, I would like to make
20 a motion and set a rate of \$50,000 to come back to the
21 Board. If we get in there and they find something, what
22 is it going to say?

23 I mean, I am sitting here looking at bank
24 transfers and cash-outs of a million dollars a month. We
25 are transferring a million dollars a month to accounts.

1 How, I mean, y'all, how many of y'all run
2 a business? How many in this place have a business?

3 You want me to show you to how to move
4 money? It's not --

5 MR. JOE CAMPBELL: This is not a --

6 MR. DABNEY: I mean, I am just telling
7 you. If you want to move money, you do it through a
8 transfer.

9 (SPEAKING OVER EACH OTHER.)

10 MR. JOE CAMPBELL: Make your motion and
11 move on.

12 MR. DABNEY: I make a motion to start at
13 \$50,000, and if we have got to come back for more than
14 that, that's what it was.

15 MR. JOE CAMPBELL: So your motion is --

16 UNIDENTIFIED AUDIENCE MEMBER: No. No.
17 No.

18 (SPEAKING OVER EACH OTHER.)

19 MR. JOE CAMPBELL: All right. What I
20 would like to do is you remake your motion and we will go
21 with James' \$50,000, please.

22 MR. LYNCHARD: Okay. I make a motion that
23 we spend up to \$50,000 for a forensic audit for the
24 Holley Navarre Water System organization.

25 MR. MILLER: During the time that --

1 MR. LYNCHARD: During the time period that
2 Dallas Peavey was employed.

3 MR. JOE CAMPBELL: All right. So that
4 includes member accounts and the whole -- I am just --

5 MR. LYNCHARD: That was my motion.

6 MR. DABNEY: I second it.

7 MR. JOE CAMPBELL: Okay. Any other
8 discussion from the Board?

9 MR. LINNELL: I have --

10 MR. JOE CAMPBELL: Hang on. So when we go
11 and get these quotes and it is more than \$50,000, we are
12 going to have to come back to the Board?

13 MR. LYNCHARD: Surely.

14 MR. JOE CAMPBELL: Okay.

15 MR. KENNEDY: So, for other discussion, my
16 question is: We are going out for bid for these; is that
17 correct?

18 MR. JOE CAMPBELL: Yes.

19 MR. KENNEDY: Okay. I am just making sure
20 we have -- all right.

21 MR. JOE CAMPBELL: As a Board, we have
22 approved this amount, but if it comes back more, it has
23 to come back to the Board. Right?

24 MR. LYNCHARD: I believe since it is in
25 excess of \$25,000, we have to have three bids, and then,

1 if it comes back --

2 (SPEAKING OVER EACH OTHER.)

3 MR. MILLER: I would like Sigma Accounting
4 to be one of the bids.

5 MR. LYNCHARD: Oh, yeah.

6 MR. MILLER: Since they said they could do
7 it for 20.

8 MR. LYNCHARD: And I am all for saving
9 money.

10 MR. JOE CAMPBELL: Any other discussion?

11 MS. MCDANIEL: She can't do her job if you
12 guys are talking.

13 MR. LINNELL: To me, that motion doesn't
14 say what we need to talk about. I thought I heard we are
15 going to spend up to 50K. But I think what the motion's
16 intent from listening is we are going to go out and
17 solicit bids from companies for a value, "What would you
18 do for 50K?"

19 So why isn't the motion just that?

20 Come back to us with three proposals of
21 what are you going to give us for 50K and we can decide
22 does that make sense or not. Makes sense.

23 MR. MILLER: Well, it was up to 50K and I
24 think --

25 MR. LINNELL: Are we -- all right. I'm

1 sorry. Go ahead.

2 MR. MILLER: Up to 50K. Getting proposals
3 will tell us if we want to go with the Sigma Accounting
4 or XYZ Accounting.

5 MR. LINNELL: The proposal will say when
6 we go out for our bid -- our request, it will say, "What
7 can you do for 50K?"

8 MR. DABNEY: No. That's not what you do.
9 That's Business 101.

10 (SPEAKING OVER EACH OTHER.)

11 MR. JOE CAMPBELL: Hang on. Daryl's
12 motion was to conduct an organizational forensic audit
13 for 1 January '21 to August 1, 2022, up to 50K?

14 MR. LYNCHARD: No. It was for the --

15 MR. JOE CAMPBELL: The period he was here?

16 MR. LYNCHARD: -- those dates.

17 MR. JOE CAMPBELL: Those dates. All
18 right. Up to 50K.

19 MR. LYNCHARD: Yes.

20 MR. JOE CAMPBELL: All right. That's the
21 motion. We are not going to go out as a Board and say,
22 "Hey, we have got \$50,000. We want to spend all of
23 this."

24 MR. JOE CAMPBELL: No. No. No. We are
25 going to ask for it -- we are going to --

1 (SPEAKING OVER EACH OTHER.)

2 MR. DABNEY: We have got \$200,000 in our
3 budget. Could you spend it all, please?

4 MR. JOE CAMPBELL: Okay. So we are going
5 to go out for bids for an organizational forensic audit.

6 (SPEAKING OVER EACH OTHER.)

7 MR. JOE CAMPBELL: Do you have a remark?

8 MS. CAMPBELL: Can we have some decorum in
9 this meeting? We have got members shouting out and none
10 of us can hear. This poor lady can't type anything.

11 MR. JOE CAMPBELL: Yes. Thank you.
12 That's the motion. And it was seconded. Any other
13 discussion from the Board?

14 MR. LINNELL: Can you repeat the motion
15 one more time?

16 MR. JOE CAMPBELL: To conduct a
17 forensic -- an organizational forensic audit during the
18 time that Mr. Peavey was employed at Holley Navarre Water
19 System, an organizational-wide, company-wide, and the
20 amount was up to \$50,000.

21 MR. LYNCHARD: That's correct.

22 MR. JOE CAMPBELL: Good with it?

23 MR. LINNELL: Fine.

24 MR. JOE CAMPBELL: All right.

25 All in favor say, "Aye"?

1 MR. THIEL: Aye.

2 MR. DABNEY: Aye.

3 MR. MILLER: Aye.

4 MR. LYNCHARD: Aye.

5 MR. LINNELL: Aye.

6 MR. KENNEDY: Aye.

7 MR. JOE CAMPBELL: Aye.

8 Let's do it one-by-one. Mike?

9 MR. KENNEDY: Aye.

10 MR. JOE CAMPBELL: Daryl?

11 MR. LYNCHARD: Aye.

12 MR. JOE CAMPBELL: Bill?

13 MR. THIEL: Aye.

14 MR. JOE CAMPBELL: Aye.

15 MR. LINNELL: No.

16 MR. DABNEY: Aye.

17 MR. JOE CAMPBELL: Mark?

18 MR. MILLER: Aye.

19 MR. JOE CAMPBELL: I think we are going to
20 get something more than 50K, but let's go with it.

21 MR. DABNEY: I am good with it.

22 MR. JOE CAMPBELL: All right.

23 Ms. Carmen, we are done with that agenda
24 item, if you --

25 MS. REYNOLDS: Carmen Reynolds, 9621

1 Sunnybrook Drive, Navarre. You have maligned my name
2 twice tonight, not by name, but by inference, and I would
3 like to address it. We have heard rumors about deficits
4 and planned rate increases --

5 MR. JOE CAMPBELL: Ma'am, does this have
6 something to do with the agenda item we had? If not, if
7 you could hold it until the --

8 I am going to let you speak, but we are on
9 the agenda item, so unless it is specifically for this --

10 MS. REYNOLDS: I have something
11 significant to say.

12 MR. JOE CAMPBELL: Okay.

13 MS. REYNOLDS: And I don't want you to
14 dismiss this crowd because you want to get rid of them.

15 MR. MILLER: Are you on the public forum
16 list?

17 MS. REYNOLDS: I am.

18 MR. MILLER: Okay. Then, you will have an
19 opportunity to speak about general items at the end.

20 MR. JOE CAMPBELL: Okay.

21 Organizational resources. Employee
22 Handbook, Mr. Jarod Cross.

23 MR. CROSS: We are currently -- we have
24 finished with the first draft --

25 COURT REPORTER: Speak up, Jarod, I can't

1 hear you.

2 MR. CROSS: The first draft was completed
3 and sent to you-all. You reviewed it and sent it back.
4 So we are about halfway through the second draft to be
5 completed and submitted by October. We will make sure
6 the Board gets a copy ahead of the meeting to make sure
7 it can go for Board approval.

8 MR. JOE CAMPBELL: Okay. Board?

9 (NO AUDIBLE RESPONSE.)

10 MR. JOE CAMPBELL: All right. Next item.

11 Next item is Holley Navarre Water spray
12 field versus the Club at Hidden Creek Golf Club expenses.

13 So there's been some discussion about this
14 of what Hidden Creek pays for and what it doesn't pay for
15 and what the spray field does and doesn't pay for.

16 So just a little recap, obviously, the
17 Hidden Creek, the spray field, also known as Hidden
18 Creek, was purchased in 2012. And here you can see, as
19 it started out, there were some subsidies to help the
20 Club at Hidden Creek pay for the spray field and other
21 items.

22 Some of the items -- there is also -- to
23 the tune of \$470,000 a year as a subsidy. Solely in 2020
24 and 2021, ironically when it started to be some golfers
25 on the Board, they actually asked that to go down to

1 cover what spray fields cost.

2 So our dilemma is that basically we don't
3 really want the golf course to pay -- sorry -- the Holley
4 Navarre Water System members to pay for the golf course.
5 Right?

6 But it is a spray field. So even if we
7 closed it today, we would still have spray field costs.
8 So that ranges anywhere -- originally, I heard \$200,000 a
9 year to more than that.

10 So the Club until April 2021 didn't even
11 have an operating agreement. They weren't really a
12 company -- Hidden Creek itself. It was kind of managed
13 from this Board. And so, when that happened, there is
14 some things that happened. When the subsidy went to zero
15 at the end of 2021, we got \$10,000 a month basically to
16 pay for spray field costs.

17 Those are things like the pumps that put
18 the water from the waste water -- sorry, behind us, there
19 is a pump house, so the pumps then get it to the spray
20 fields into the ponds and then out onto the land, which
21 is where the actual spray field is.

22 So what happened was in our line item, the
23 budget, we have three places we put effluent. We have
24 Hidden Creek's spray field. We have the Holley By the
25 Sea ponds, and we have the Greskovich RIBS, which is

1 right behind the Cayo Grande there off of 98.

2 So when it went to zero in August 2021,
3 the CEO started paying for spray field items. It was in
4 his budget and that sort of thing for repair of the spray
5 field pumps, electricity, and irrigation heads.

6 But they didn't pay for labor. They
7 didn't pay to fix the sprinkler heads. They didn't pay
8 for the mowing or the equipment we would still have to
9 have to have the spray field. And they didn't pay for
10 the maintenance to the equipment.

11 So, again, if we close the golf course
12 tomorrow, we would still have the spray costs. That's
13 the bottom line. So the challenge for us as a Board is
14 to decide what is the right thing to do.

15 Do we try to just pay for those costs and
16 isolate the spray field costs so we are not subsidizing
17 golfers? Or do we just give them a subsidy and say,
18 "There, you take it. And if it is more than that, then
19 that is good for the golf course."

20 So the reason it started like that is it
21 is really looking for true costs and not an estimate or a
22 subsidy. So we really -- we have two ways to go. We can
23 continue to do this, where we are just paying for spray
24 field costs or we can get somebody in to say what would
25 it cost to build a spray field, and then, that's the

1 amount that we then give to the golf course as a spray
2 field.

3 And then, everything else is for the
4 Board. The good thing for members is currently, the golf
5 course, at least this month, was only down about \$600.
6 And as per cost basis for the month of August, we are up
7 \$5,000.

8 So Holley Navarre Water System, you as
9 members, are not paying for golfers to golf. But there
10 are still spray field costs. So it would be great if the
11 golf course could one day take all those away and members
12 are getting a subsidy for the spray field, but as golf
13 courses go, I seriously doubt that would ever happen,
14 just because of the nature of the beast now.

15 So I am going to kind of turn it to the
16 Board and say, "What is the right thing to do?"

17 MR. DUNAWAY: Mr. President, I wanted to
18 make a comment based on what you did, so the numbers are
19 understood.

20 The Club at Hidden Creek, LLC, has
21 always -- is and has always been a limited liability
22 company in the state of Florida since its Articles of
23 Incorporation in November 2012.

24 This Board -- this Board put in place the
25 operating agreement that you mentioned, which is, in

1 fact, April of 2021, and that details how the Club at
2 Hidden Creek is operated. And then, the Club at Hidden
3 Creek's Board put in place bylaws effective December or
4 so. I just wanted to make that clear. That hadn't been
5 a legal entity throughout.

6 MR. JOE CAMPBELL: Okay.

7 MR. DUNAWAY: Those three organizing
8 documents.

9 MR. JOE CAMPBELL: Okay. Thank you for
10 that.

11 MR. MILLER: I would like to say, you can
12 look at it one of two ways. You can look at it as we are
13 paying the spray field costs of irrigating the golf
14 course, but every golf course out there has to irrigate
15 their greens.

16 So, you know, if we are absorbing that
17 cost, we are absorbing a cost that would normally be
18 handled by that private golf course. And I agree that we
19 should pay the cost of getting the water pumped over to,
20 you know, the golf course. And I don't know how you
21 easily split that out.

22 But to say that we are responsible for
23 paying for all of the irrigation and all of the turf work
24 that is done on the greens --

25 MR. JOE CAMPBELL. No.

1 MR. MILLER: But if you look at the
2 expenses last year --

3 MR. JOE CAMPBELL: That's not --

4 MR. MILLER: There's turf expenses out
5 there that Holley Navarre Water System paid. That was in
6 the check registers that we got. So there's about
7 \$200,000 worth of expenses.

8 MR. JOE CAMPBELL: Right. So the CEO did
9 that unbeknownst. I am sorry --

10 (SPEAKING OVER EACH OTHER.)

11 MR. MILLER: Unbeknownst to the Board --

12 MR. JOE CAMPBELL: Right. So what we are
13 trying to do is figure out what is the right thing to do.

14 Daryl, do you got anything?

15 MR. LYNCHARD: I think tonight we should
16 probably be deciding how much we are going to give the
17 golf course. Because our attorney gave us his opinion
18 here a couple of months ago and said it is not proper for
19 Holley Navarre Water System to be writing checks --

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

21 MR. LYNCHARD: -- for the Club at Hidden
22 Creek.

23 MR. JOE CAMPBELL: No. He never said
24 that.

25 MR. LYNCHARD: You didn't? Will?

1 MR. DUNAWAY: I'm sorry. What was the
2 question?

3 MR. LYNCHARD: Holley Navarre Water has
4 been writing checks for bills that belong to the Club at
5 Hidden Creek. In other words, Holley Navarre Water
6 System wrote the check to Santa Rosa County for the real
7 estate taxes in the amount of \$40,000.

8 Holley Navarre Water System writes a check
9 for the transfer to go to Florida Power and Light every
10 month. So the money comes directly out of the
11 not-for-profit account and goes to pay a for-profit
12 business --

13 MR. JOE CAMPBELL: That's disingenuous,
14 because during those times, it always came from a
15 not-for-profit to a profit.

16 MR. LYNCHARD: No, it didn't.

17 MR. JOE CAMPBELL: Daryl --

18 MR. LYNCHARD: Yes. But it was a spray
19 field cost. That is what --

20 MR. KENNEDY: We paid it to the Club and
21 the Club paid their own bills.

22 MR. LYNCHARD: Well, the Club wrote its
23 own checks for its own expenses.

24 MR. KENNEDY: And when you gave a
25 subsidy --

1 MR. LYNCHARD: Yeah. Exactly.

2 MR. KENNEDY: Over the years, we have
3 given \$474,000 and we will give that to you and you can
4 now --

5 MR. LYNCHARD: -- Pay bills with it. I
6 got it.

7 MR. KENNEDY: And maybe you would have --

8 MR. LYNCHARD: But it went from 474 to
9 234 -- that doesn't include the restaurant, and we are
10 able to save --

11 MR. JOE CAMPBELL: Save some money, too.

12 MR. DUNAWAY: To address Director
13 Lynchard's question, the Club at Hidden Creek, LLC, is a
14 wholly owned entity of Holley Navarre Water System.

15 So Holley Navarre Water System owns it,
16 controls it, takes the profits from it, takes the
17 liabilities from it. And how it does its accounting is
18 its own business, so --

19 Now, I believe and I am not -- I am not
20 certain, Director Lynchard. I think the question was:
21 Is it proper to do -- meaning from an accounting
22 standpoint -- it would seem that you have an LLC. It
23 operates separately from its parent. The reason it does
24 that is for the liability protection.

25 The commingling of funds may not be legal,

1 but it does limit the liability protection of the
2 separate LLC.

3 MR. LYNCHARD: Yes.

4 MR. DUNAWAY: That's the legal question.

5 MR. LYNCHARD: Okay. So we increased our
6 liability by writing these checks --

7 MR. JOE CAMPBELL: But I also have,
8 because you asked me, I have that from the accountant
9 that says it's totally legitimate under gap to do it the
10 way we are doing it.

11 MR. LYNCHARD: Okay.

12 MR. JOE CAMPBELL: So, really, all I am
13 looking for is -- do you want to make a motion to back
14 post it? Or is the right thing to do for the members to
15 pay -- only the costs of the spray field, even if the
16 golf course isn't there?

17 MR. LYNCHARD: Well, I personally think if
18 somebody gets in the way because they were out here
19 drinking too much, our members of Holley Navarre Water
20 System shouldn't have liability on their water system --

21 MR. JOE CAMPBELL: And they pay their
22 separate insurance; do they not?

23 MR. LYNCHARD: Yes. But you made it to
24 where the separation isn't so clear, so there is a -- it
25 sounds like there is a possibility to pierce the

1 corporate veil at that point, which means that we would
2 be liable -- Holley Navarre Water System could be liable
3 for bad acts at the Club at Hidden Creek.

4 MR. KENNEDY: So, again, Daryl, you are
5 saying what you would feel more comfortable with is we
6 say, "This spray field costs \$200,000."

7 If we were to mow it and do it and keep
8 it -- we definitely have all the liability. We have to
9 do all the irrigation, no matter what.

10 So let's just say it's \$200,000. So it's
11 simpler to just give the Club a -- we will go back to
12 this again -- of giving of what we think is a -- do you
13 want to come up with a number again?

14 MR. PHILLIPS: No.

15 MR. JOE CAMPBELL: Well, Phil, his
16 recommendation was we pay someone to tell us what it
17 would cost to build. Because I understand there is a
18 difference in sprinklers and all that.

19 Well, I get it, but that's the point that
20 the golf course pays for mowing, pays the labor of the
21 mowing, pays for the labor of the irrigation, so it's
22 kind of an offset.

23 And all I am concerned with is Holley
24 Navarre Water doesn't subsidize the golf course. Golfers
25 should pay for the golf course. And it's what we did

1 when we raised rates. MGA was mad at us because we did
2 that.

3 We took away their prime tee times because
4 of that. So we are endeavoring to make a profit. We are
5 using this event --

6 MR. LYNCHARD: What I am getting at is
7 currently, Holley Navarre Water System books shows a
8 \$40,000 expense for real estate taxes. Holley Navarre
9 Water System did not owe \$40,000 in real estate taxes.
10 The Club at Hidden Creek did.

11 Therefore, our financial statements are
12 wrong in that category. The Club -- Holley Navarre Water
13 System records on its books electricity every month as an
14 electricity expense. That -- those numbers are
15 misleading on the financial statements.

16 MR. MILLER: Okay. What if we go back --
17 and I know this is going back to what we did before, but
18 what if we go back to -- I am going to throw a number out
19 that I think might absorb some of the spray field costs.
20 I don't think we need to go back and look what does it
21 cost to develop a spray field, because it's already
22 developed. It's out there.

23 But what does it cost to run a spray field
24 and what if we go back to doing just a flat \$10,000 a
25 month spray field allowance to the Club, but every single

1 expense that happens out here on this property, Hidden
2 Creek pays for, whether they make a profit or not.

3 And at the end of the year we have to
4 write them another check, then we do it. But then, it's
5 all disclosed to the public as how much we are paying for
6 this spray field here.

7 MR. DABNEY: I want to address this to
8 Joe. We were provided -- myself, Mark, and Daryl all
9 asked for some check registers and we were provided those
10 check registers. And I have got two pages of expenses
11 that were paid by Holley Navarre Water System.

12 To your knowledge, and I guess you would
13 ask the Financial Director, is that all the expenses that
14 we have paid as a Water System? Or is there additional
15 expenses that are in these check registers that haven't
16 been disclosed on these two pages of expenses that I am
17 looking at right now?

18 MR. JOE CAMPBELL: I don't know the answer
19 and I will get -- you have had those for weeks, so I
20 don't know. That is the first time I am hearing that
21 question, so I will get those --

22 MR. DABNEY: Well, I am hoping that
23 everybody got -- everybody should have looked at all
24 these, especially the Board had many questions from the
25 public.

1 MR. JOE CAMPBELL: No. Because only three
2 of you asked for them. And it was a pack that big --
3 so -- and I asked beforehand so I could answer those
4 questions. So trying to have me answer now is --

5 MR. DABNEY: No. I am asking you to --

6 MR. JOE CAMPBELL: I can get that
7 answer --

8 MR. DABNEY: I would like the answer to
9 that, if this is all the information.

10 MR. JOE CAMPBELL: Director Dabney, I can
11 get the answer for you by the end of the week. I don't
12 not know that answer now.

13 MR. DABNEY: Well, the answer is no
14 because I can show -- I can show you right in this -- and
15 I can show additional ones on these pages. So I will go
16 ahead and answer the question for you.

17 The answer is no, that we have not been
18 given the proper information as an individual who asked
19 for this information.

20 So your answer is no.

21 MR. JOE CAMPBELL: All I have is your word
22 for it; right?

23 MR. DABNEY: Would you like to see it in
24 black and white? Obviously --

25 MR. JOE CAMPBELL: Nope. We are not going

1 there.

2 UNIDENTIFIED PERSON: He is goading you.

3 THE COURT: We are not going there.

4 MR. DABNEY: I am not goading anybody.

5 MR. JOE CAMPBELL: Yes, you are. You are
6 disingenuous in that question. It should have been asked
7 before. You have had that for a week and a half. You
8 are trying to embarrass -- I am not going there, James.

9 All right. The question was: What's the
10 right thing to do for our members for transparency, which
11 everybody wants to have, about spray field cost versus
12 the golf course?

13 UNIDENTIFIED AUDIENCE MEMBER: Sell the
14 golf course.

15 ANOTHER AUDIENCE MEMBER: There you go.

16 MR. JOE CAMPBELL: We can't. A, nobody
17 wants to buy it. And, B, it's a spray field for 99
18 years.

19 MR. THIEL: We couldn't find anybody --

20 MR. JOE CAMPBELL: If you want to address
21 the Board, you are going to come up here, please.

22 We are not going to have that, especially
23 if you are not a member of this Holley Navarre Water
24 System. You don't pay the bills.

25 So the question to the Board is what is

1 the right thing to do? Is it to pay the actual cost for
2 a spray field as they come out? Or is it to give a
3 subsidy of something?

4 MR. KENNEDY: Okay. Well, for me,
5 unless -- I will just take the lead on it and we can go
6 around.

7 I mean, for me, I prefer to see an
8 itemized cost so that I can then say we paid \$34,000 to
9 run the pond 24/7 during Hurricane Sally or whatever, you
10 know.

11 So it seems like actual cost, unless
12 someone is looking -- unless it is too hard to do,
13 then --

14 MR. JOE CAMPBELL: I don't think actual
15 cost is too hard to do.

16 MR. KENNEDY: Yeah. Actual cost then
17 tells us exactly what we are paying. And it is very
18 similar to some of the other arrangements that we have
19 where we actually have where we paid the actual cost.

20 MR. JOE CAMPBELL: Because the golf course
21 pays -- if they have a finance person, they reimburse
22 that to Holley Navarre Water. If they use IT, they
23 reimburse that to Holley Navarre Water. So those
24 crossovers are theirs.

25 Hang on a second. Don has something.

1 MR. LINNELL: I have got a solution.

2 MR. JOE CAMPBELL: Go ahead.

3 MR. LINNELL: I am also in favor of actual
4 costs. But if I am following Daryl right, to me, it
5 seems like the concern is does Holley Navarre Water
6 System pay the person providing the service? Or does
7 Hidden Creek pay the person providing the service?

8 I have got no issue with -- Daryl, see if
9 this passes your test -- I have got no issue if we
10 establish what is the actual cost. Holley Navarre Water
11 System, you give us a check every month that covers all
12 of those costs and we will pay the end service providers.
13 Is that what you are talking about, Daryl?

14 MR. LYNCHARD: You are talking about the
15 Club at Hidden Creek paying the in-service providers?

16 MR. LINNELL: Yes.

17 MR. LYNCHARD: Yes. That's exactly what I
18 am talking about.

19 MR. LINNELL: How about we -- I'm sorry.

20 MR. LYNCHARD: Okay.

21 MR. LINNELL: And a follow-up question is
22 paying extra because we are paying a month in arrears
23 because we don't have the actual costs until some point.

24 MR. JOE CAMPBELL: So you are --

25 MR. LINNELL: I am not an accountant,

1 so --

2 MR. JOE CAMPBELL: So you are talking
3 Holley Navarre Water gives Hidden Creek the money for the
4 taxes and they pay it. That was your -- that was your --

5 MR. LYNCHARD: That's it. That's exactly
6 it. That's what I have been saying since Day One. Now,
7 I think I have a solution. But I am going to let
8 somebody else --

9 MR. JOE CAMPBELL: Last one, and then, who
10 wants to talk?

11 MR. LYNCHARD: Yeah. The solution,
12 because I too agree with you that it should be actual
13 expenses.

14 That being said, it's impossible to know
15 what the actual expenses are until we actually have the
16 expenses. And writing a check each month for a different
17 amount or halfway through the month for a different
18 amount is just not acceptable and it's not good for
19 staff.

20 So here's what I would do -- or I would
21 suggest is that we make a motion to pay some number,
22 whether it's \$20,000 or \$30,000 a month for one quarter.
23 And after that quarter, we go back and assess what those
24 actual expenses were. And either we owe them more money
25 for those expenses or we don't pay them any more for a

1 little while until they use up all the money we have
2 given them.

3 Then, we are only giving them -- we are
4 reimbursing the Club at Hidden Creek actual costs.

5 MR. JOE CAMPBELL: As opposed to staff
6 coming up and telling us what has been our costs for this
7 year? You are thinking we can't handle it?

8 MR. LYNCHARD: I think you can. I am just
9 thinking that actual expenses -- you don't -- I wouldn't
10 want and try to calculate actual expenses on a monthly
11 basis. I would want them to be more quarterly or
12 semi-annually or annually, if that's --

13 MR. JOE CAMPBELL: But there is a motion
14 to pay the bill, like the electricity for the pumps. Or
15 pump repairs, because --

16 MR. LYNCHARD: They have to, you know,
17 come to the Board and ask us for some more money.

18 MR. JOE CAMPBELL: Hang on. Bill, go
19 ahead.

20 MR. THIEL: I would like -- when I drew up
21 this motion, I went along the lines of how we figured it
22 out. It went along the lines that Holley Navarre Water
23 System would in the end pay for balanced spray field
24 expenses and reimburse -- or however you want to word it,
25 directly reimburse the Club at Hidden Creek on the cost

1 to run the spray field, if we close the golf course.

2 Okay? And the golf course would pay for
3 and issue -- all the golf course operation with the
4 expense. So I am going to propose that motion now and
5 let's -- and open it up for discussion.

6 I make a motion that Holley Navarre Water
7 System Board of Directors formally approve the following
8 spray field costs associated with the spray field located
9 at the Club at Hidden Creek to be paid through the waste
10 water disposal line item -- annual real estate expenses.

11 One, the spray field pump house located on
12 the Club at Hidden Creek, including the spray field
13 equipment that is located in there, the maintenance of
14 that equipment, and the electricity required to support
15 the spray field operation.

16 And Number 3, to support the spray field
17 hardware and software required to distribute that water
18 on the course, which would be an expense, regardless of
19 whether it was a golf course operation or not.

20 Also, Hidden Creek -- the Club at Hidden
21 Creek should be responsible for the following spray field
22 related costs. That is stuff that Holley Navarre Water
23 would be paying if the Club was not here.

24 Hidden Creek will pay for the golf
25 maintenance of the Club at Hidden Creek spray field,

1 including the cost of the equipment and the labor
2 required to do that. Because it's a little bit more
3 extensive to do labor for a golf course and equipment for
4 a golf course than it would be just mowing for a spray
5 field.

6 And any labor-related maintenance action
7 required to repair and/or replace the spray field
8 hardware and software, other than located at the spray
9 house, which is covered above. So, basically, we pay for
10 the grounds, maintenance -- the Club pays for the grounds
11 maintenance totally and the -- and any golf course
12 operations, obviously, but the valid spray field costs,
13 they are going to pick up part of that.

14 MR. LYNCHARD: I will second it for
15 discussion. I have only one problem with that. And my
16 issue is with the real estate taxes. Because if Holley
17 Navarre Water System owned the property outright as a
18 spray field, we would not pay real estate taxes because
19 as a non -- a not-for-profit, we do not pay real estate
20 taxes in Santa Rosa County.

21 So I do not believe that those real estate
22 taxes are spray field costs that should be borne by
23 Holley Navarre Water System members.

24 MR. JOE CAMPBELL: Okay.

25 MR. KENNEDY: I didn't want to --

1 MR. JOE CAMPBELL: We got a second.

2 MR. MILLER: My comment is I am not in
3 favor of us subsidizing the golf course in any way. I
4 want to see the golf course stand on its own and break
5 even. Even if they don't, then, yeah, we write a check
6 to them at the end of the year to get it back up, but I
7 am not going to vote to subsidize the golf course. No.

8 MR. JOE CAMPBELL: But you just said, if
9 they don't break even, you are going to give them money
10 at the end of the year.

11 MR. MILLER: That's right. Because they
12 are a for-profit company and we have to keep them solvent
13 so that they can operate because we need the spray field,
14 but I am not going to be in favor of writing monthly
15 checks to the golf course or paying any of the golf
16 course's --

17 MR. JOE CAMPBELL: So you don't want to
18 pay spray field expenses? Because that's just what Bill
19 said.

20 MR. MILLER: Well, I am inclined to pay
21 the expenses of getting the water to the golf course, but
22 they have to pay the green maintenance expenses.

23 MR. JOE CAMPBELL: All right. Anybody
24 else? Don? James?

25 MR. DABNEY: I mean, I am just -- I am

1 going back to the list of expenses that we have -- a
2 \$207,000 expense report that was provided to us. That's
3 30 -- roughly about \$35,000 a month.

4 MR. JOE CAMPBELL: Any discussion on the
5 motion on the table, James?

6 MR. DABNEY: I am just saying, how much
7 are we going to subsidize it? Are we going to say give
8 it \$10,000 a month? \$20,000 a month? Then, we are going
9 to turn around and go back and say, "Oh, three months
10 from now, we are \$45,000 in the rear."

11 So we need to write another check for
12 \$45,000 to keep the golf course going. That's my
13 question. How much are we saying we are going to do?
14 You are saying it's the expenses of what it takes to
15 spray the water?

16 MR. JOE CAMPBELL: Well, since August of
17 last year, when the previous CEO paid for these items,
18 just these spray field items, the Club is actually in the
19 black all that time on a cash basis. So I hear what you
20 are saying, but --

21 MR. KENNEDY: Well --

22 MR. JOE CAMPBELL: But we need to move
23 forward. Someone needs to call the vote here in a
24 minute.

25 Go ahead --

1 MR. KENNEDY: Actually, I kind of wanted
2 to -- I think I want to, if I may, look to Ty.

3 Ty, wouldn't you be able to provide us
4 with, I mean, Mr. Dabney already has an itemized
5 statement of expenses, instead of us trying to narrow
6 down tonight what this actual number is. Again, just we
7 did with Fairpoint, we have an operating agreement with
8 exactly what we spend so that they want to know, you
9 just, here, this is what we spend.

10 Would you be able to provide us with all
11 of the operating expenses so that we can go, you know
12 what -- and then, we are going to have that -- and,
13 again, we have argued over this for four years, this way
14 and that way. But we will have to argue on like
15 electricity and that kind of thing that is anything but
16 shared, but I feel that if we have just been -- we have
17 been arguing about this for so long because we had not --

18 MR. JOE CAMPBELL: Well, part of this
19 discussion is because obviously what happened, and then,
20 Daryl, because obviously didn't realize the CEO was
21 paying it out of the -- again, waste water treatment
22 doesn't break down Greskovich and the others. So just
23 want to do the right thing.

24 I don't want Water System members paying
25 for golf.

1 MR. KENNEDY: Correct.

2 MR. JOE CAMPBELL: We can do that
3 ourselves.

4 MR. DABNEY: Here's a question. And I
5 guess we don't have the records.

6 In 2021, was any of this going on? Or did
7 we only subsidize the golf course \$100,000?

8 MR. JOE CAMPBELL: Just \$100,000.

9 MR. DABNEY: Or was there additional
10 checks written out of Holley Navarre Water to pay for the
11 golf course? It happened in 2022. Did it happen in
12 2021?

13 MR. JOE CAMPBELL: I will have to get you
14 that answer. I do not believe so. But I don't know that
15 to be true, so --

16 All right. We had a motion and we had a
17 second for discussion.

18 MR. LINNELL: I only have one more
19 comment. So as I understand the motion, we are not
20 talking about a dollar value. We are talking about these
21 are the items -- these are the expenses that the Board is
22 agreeing will be split between Holley Navarre Water
23 System and the Club at Hidden Creek.

24 That's the only thing we are deciding
25 right now is who pays for what? Is that -- everybody

1 else see it the same way? Because we keep talking about
2 how much we are going to pay, but that's not what we are
3 talking about right now.

4 MR. JOE CAMPBELL: That was the motion to
5 pay the actual costs, the actual bills for electricity,
6 repair of the pumps. The pumps may not be fully --

7 MR. LINNELL: I am talking specific dollar
8 amount.

9 MR. JOE CAMPBELL: Other than the floor in
10 there is gone --

11 MR. DABNEY: And I am not trying to keep
12 going back to it, but in 2021, we went up on our rates in
13 2022, if I am correct?

14 MR. JOE CAMPBELL: No, we didn't.

15 MR. MILLER: No, we didn't.

16 MR. DABNEY: Not our rates, but Hidden
17 Creek's rates.

18 MR. JOE CAMPBELL: Yeah. Yeah.

19 MR. DABNEY: Hidden Creek went up on their
20 rates in 2022.

21 MR. JOE CAMPBELL: Yeah. Correct.

22 MR. DABNEY: In 2022, we have given them
23 \$200,000. 2021, we only gave them \$100,000.

24 We have given them \$207,000 in six months.

25 So how, if we have already given them

1 \$207,000 in six months --

2 MR. JOE CAMPBELL: Other than electricity
3 went up with everybody else's bill, but I can only
4 surmise. I don't have your answer, James. I can get it
5 to you.

6 MR. DABNEY: I am not saying you do. I am
7 not trying to bait anybody. I am asking a general
8 question.

9 If we have only given them \$100,000 in
10 2021 -- how have we already given them double that in
11 only six months?

12 MR. MILLER: You have someone at the
13 podium.

14 MR. JOE CAMPBELL: Yes, ma'am.

15 MS. CAMPBELL: Angela Campbell, 7146
16 Brinkley Street. I would like to address the Board about
17 the history of mismanagement of this golf course. In my
18 search, I see you had probably about 15 managers since
19 2013.

20 The first one you hired had just been
21 fired from the golf course for stealing. There's been a
22 history of bad hires here and a history of lack of
23 oversight from the Board of Directors. When there was
24 damage from Hurricane Sally, no insurance claim was put
25 in by this Board. Why not?

1 Why did the poor people that run that
2 Board at that time not ensure that the manager was doing
3 her job and put the claim in? That's why they are short
4 of money, because you have not been running it
5 properly.

6 Why? You were there. You were all
7 looking at the finances.

8 MR. JOE CAMPBELL: I do know that the
9 previous -- the current Board actually recouped that
10 \$68,000 in insurance.

11 MS. CAMPBELL: Yeah. But the Board in
12 2020, when Hurricane Sally happened, did not. Why not?

13 MR. DABNEY: We were not under the --
14 (SPEAKING OVER EACH OTHER.)

15 MS. CAMPBELL: Who was asleep at the wheel
16 and not doing their job?

17 MR. JOE CAMPBELL: Okay. I am going to
18 call the vote. Call the vote on Bill's motion.

19 MR. POHLMANN: Joe -- can I say something,
20 Joe?

21 MR. JOE CAMPBELL: Yes, Mr. Pohlmann, real
22 quick. We want to get out of here before midnight.

23 MR. POHLMANN: I understand. My name is
24 Chuck Pohlmann, 2956 PGA Boulevard. I have been saying
25 it for years. I know you guys considered it in the past,

1 but, you know, you are in the business to run water.

2 And I don't think you should be in the
3 business for golf course. I think what you should do is
4 consider proposals for an outside firm that is very
5 successful, whoever they are, that you can, you know,
6 criticize and look through it and let them run it and let
7 them make the profit. Or if they don't make the profit,
8 you get get rid of them.

9 But let them make a profit. Open this
10 restaurant. This is a very nice facility. The people
11 will come and support it.

12 MR. JOE CAMPBELL: So we did have three
13 proposals. None of them met -- everybody wanted to turn
14 some of this into housing and no golf course. Right?

15 They wanted a subsidy, so there was no
16 legitimate -- we need a spray field. Even with Eglin --
17 let me finish please -- if you want to come talk, come up
18 to the podium, please.

19 Even, see, now, you made me lose my train
20 of thought. So even when the Eglin RIBS come online, our
21 technicians and our engineers say we will still need the
22 spray field. It doesn't have to be a golf course.

23 If it is not a golf course, your house
24 loses 35 percent of its value. So my point is, we have
25 not had any legitimate offers for the golf course.

1 Everybody wanted to turn it into something else, turn it
2 down and we couldn't -- we have a 99-year lease. Nobody
3 wanted to give us that same stuff.

4 All right. So that is Point 1.

5 Point 2, we have had RFPs for the golf
6 course -- for the restaurant here. Nobody wants to
7 start, partly because of COVID.

8 Mr. Thiel and I, actually during one of
9 the Sheriff's tournaments actually sat downstairs with a
10 prominent local successful restaurateur who said, "You
11 know, I would be interested."

12 Since last November, we haven't heard
13 anything. If somebody wanted to come, that's fine.
14 Right now, we are making money with events. Right. We
15 are making money on the bar.

16 So those are their own entity. So I hear
17 you. I would love to have a restaurant. My wife and I
18 would love to come here. Nobody wants to do it.

19 If you wanted it -- when they had the
20 Black Skimmer, it lasted, what, eight months? I don't
21 even think we got any rent from them.

22 So I hear you. I would love to have one.
23 If you know a restaurateur that wants to try to make it
24 here, I am sure the Board will consider all --

25 MR. DABNEY: I know what we were doing

1 when we were trying to put this out for bid for us to
2 give the golf course and the restaurant or whatever
3 out -- Holley Navarre Water System itself didn't want to
4 turn loose of the stuff that makes money -- the turns,
5 the golf carts, the vending cart that goes around.

6 We wanted to keep all that, which
7 restricted the restaurant people. We didn't want to give
8 up the bar. We only want to give you the restaurant.

9 But anybody who is in the restaurant
10 business knows that --

11 MR. THIEL: I am not sure we were --

12 MR. JOE CAMPBELL: We were giving up --

13 (EVERYONE SPEAKING OVER EACH OTHER.)

14 MR. JOE CAMPBELL: So what was your other
15 points?

16 MR. POHLMANN: It seems to me that none of
17 you can agree on the golf course, what expenses should be
18 paid and what should not be paid. It seems like we are
19 trying to get a motion going and we still got discontent
20 among all of you.

21 And it seems to me that it means -- it
22 means to me, as a member here that -- and I used to be a
23 member here since 1996. I am no longer a member because
24 of the way I was treated as a member. And that was with
25 Peavey when he was here. He is gone.

1 But here's the problem. You need to get
2 out of the golf course business and let somebody on the
3 outside firm run it. And y'all negotiate what you can do
4 and what you can't do.

5 MR. JOE CAMPBELL: And so, we also had
6 three bids to run this. And that's what I am telling
7 you. They came in. They wanted subsidies. They wanted
8 to turn half of it into homes with a nine hole golf
9 course.

10 So it didn't meet our -- because it had to
11 be a spray field. Because we need the spray field.
12 That's the bottom line. We could close the golf course
13 tomorrow. But we still would have the spray field
14 expenses, which I think we are almost in line -- I don't
15 want to spend Holley Navarre Water's money, our members'
16 money for a non-golfer to subsidize golf. That's what I
17 am hoping we are getting to.

18 MR. POHLMANN: So you are in agreement
19 that if somebody did come with a proposal, an outside
20 firm --

21 MR. JOE CAMPBELL: To -- and I think the
22 three, if I remember correctly, somebody correct me if
23 I'm wrong -- the three requirements were -- we have the
24 99-year deed.

25 It's all a spray field, all 18 holes.

1 There was no subsidy. And I can't remember what the
2 third part was.

3 MR. KENNEDY: They have to always take the
4 water.

5 MR. JOE CAMPBELL: Oh, and the other thing
6 was we get first refusal to buy it back if they were
7 going to move on and do something else.

8 MR. MILLER: Well, that was on the sale,
9 not on somebody coming in and managing it.

10 MR. THIEL: And we did --

11 MR. JOE CAMPBELL: Yeah. But you didn't
12 want to adopt their management fee, which was \$300,000,
13 besides everything else. So in that -- we did -- the
14 Water System --

15 MR. THIEL: But they wanted a subsidy.

16 (SPEAKING OVER EACH OTHER.)

17 MR. JOE CAMPBELL: All right. I will call
18 the motion. Thank you, Mr. Pohlmann.

19 I ask to call the motion. Everybody
20 understand Bill's motion?

21 MR. KENNEDY: Okay. I am sorry. I am
22 going to be a little -- I actually don't understand,
23 Bill. Is it summarized as basically Hidden Creek will
24 pay for anything that has grass and maintenance?

25 MR. JOE CAMPBELL: Repair, the maintenance

1 of the pumps, electricity for the pumps, and the
2 irrigation heads.

3 MR. KENNEDY: That is Holley Navarre Water
4 System's?

5 MR. JOE CAMPBELL: The golf course pays
6 for the labor for mowing, since they have the --

7 MR. KENNEDY: Yeah, mowing.

8 MR. THIEL: The mowing, the equipment, the
9 lease --

10 MR. JOE CAMPBELL: The labor for the --

11 MR. THIEL: -- maintenance of the spray
12 field.

13 MR. MILLER: Correction. Bill's motion
14 included property taxes.

15 MR. KENNEDY: Right.

16 MR. JOE CAMPBELL: But you are okay with
17 it?

18 MR. LYNCHARD: I am okay with everything
19 else other than you just mentioned one thing. But it's
20 nearly -- it's going to be nearly impossible to figure
21 out.

22 And that is the spray heads. Because if
23 you had a spray head --

24 MR. JOE CAMPBELL: Right.

25 MR. LYNCHARD: -- you would only have to

1 have a couple of them on a hole --

2 MR. JOE CAMPBELL: Which, in my mind, it
3 is equal that the golf course pays the labor and the
4 mowing and maintaining, that at least --

5 MR. LYNCHARD: Yeah. It does kind of work
6 itself out.

7 MR. KENNEDY: All right. Aye.

8 MR. JOE CAMPBELL: Daryl?

9 MR. LYNCHARD: Oh, aye.

10 MR. THIEL: Aye.

11 MR. JOE CAMPBELL: Aye.

12 MR. MILLER: Clarification -- the motion
13 includes property taxes?

14 MR. LYNCHARD: Oh --

15 MR. JOE CAMPBELL: It did. But Daryl's
16 bill did not --

17 MR. MILLER: Will you restate his motion?

18 MR. LYNCHARD: I was going to say no,
19 then, if it is going to leave real estate taxes in there,
20 I am going to say no.

21 MR. JOE CAMPBELL: But you are okay with
22 the Water System paying, if they give it to the golf
23 course and the golf course pays it?

24 MR. LYNCHARD: No, I'm not. Not real
25 estate taxes. That's the one thing that I am against.

1 Because real estate taxes would not be owed by Holley
2 Navarre Water System.

3 MR. JOE CAMPBELL: Okay. James?

4 MR. DABNEY: Aye.

5 MR. THIEL: Aye.

6 MR. JOE CAMPBELL: Aye.

7 MR. MILLER: Nay.

8 MR. LINNELL: Aye.

9 MR. DABNEY: Nay.

10 MR. JOE CAMPBELL: Okay. Passed the
11 Board.

12 Okay. All right. So Item Number 5 --
13 member request --

14 UNIDENTIFIED AUDIENCE MEMBER: Wait a
15 minute. Point of order.

16 MR. JOE CAMPBELL: Member request for
17 information process. So since I have sitting in this
18 seat, we have needed to retweak that. So for
19 clarification for the member --

20 UNIDENTIFIED AUDIENCE MEMBER: Before we
21 go on, I have a comment on the previous issue.

22 MR. JOE CAMPBELL: The issue is done,
23 Jerod.

24 UNIDENTIFIED AUDIENCE MEMBER: I have a
25 comment.

1 THE CORUT: Address it in member forum. I
2 am not turning you off. Just member forum. We need to
3 keep moving so member forum.

4 UNIDENTIFIED AUDIENCE MEMBER: I could
5 have been done by now.

6 MR. JOE CAMPBELL: All right. So member
7 information process. So we are subject to -- what's the
8 Florida Statute, Will, 607 or 617?

9 MR. DUNAWAY: 617.

10 MR. JOE CAMPBELL: So 607 says that
11 members can request to review documents for -- through
12 the Water System. And our process is we have a form on
13 our website if you would like to request those. Because
14 what happens is we -- I send those to legal counsel to
15 make sure it's a right and just request. And then, we
16 get back with you and we have ten days.

17 Just putting that out there, because there
18 have been a lot of emails that have come through. We
19 actually used this form as a source document so the
20 executive can track it for me to make sure we make the
21 ten days. I don't think there needs to be any
22 discussion on that --

23 MS. REYNOLDS: Yes. Carmen Reynolds, 9621
24 Sunnybrook Drive. I gave almost a year of my life
25 helping this Water System defend against the bastardizing

1 of the East Milton Wellfield Protection area, from the
2 expansion of dirt pits and help successfully beat that
3 back.

4 I have stated before that we as members
5 are willing to assist but feel stonewalled. We are not
6 the enemy here. When I have asked Holley Navarre Water
7 System to make itself subject to the Sunshine Law last
8 month, you indicated that it would be disingenuous to do
9 that. That response doesn't give us any warm fuzzies.

10 However, Director Lynchard, you did say
11 there is an open meeting policy which I have a copy of
12 and picked up at the front door. So if it is true, why
13 couldn't the following items be placed on the website
14 rather than dealing with three different iterations of
15 obstructionism and be 100 percent open about all of the
16 policies, financials, and non-confidential information?

17 In accordance with that stated position,
18 will you and this Board post online all established
19 adopted Board policy actions, all policies to include the
20 tap fee policy and financial assessment for each
21 category?

22 Water testing results -- the capital
23 improvement program for the last five years, the annual
24 budgets for the last five years. And, finally, personnel
25 costs for the last three years to include number of

1 personnel in each year and the check registers and
2 invoices.

3 In addition, I would like to re-request
4 again for the fourth or fifth time that in the spirit of
5 the open meeting policy that this Board extend the
6 speaking time for members to four minutes. If this
7 speaking time is not adjusted, it's apparent you prefer
8 inputs to be minimal, even though the members fund this
9 operation.

10 Thank you.

11 (APPLAUSE.)

12 MR. JOE CAMPBELL: Okay. Ms. Carmen, I am
13 going to tell you, the testing is on the EPA website.
14 Our Board meeting minutes are on our website. And our
15 financials are on our website.

16 Anything else you request, we will
17 entertain, but it's a little -- no, I don't want to go
18 there.

19 Okay. Board passes, so last meeting,
20 there was --

21 MR. MILLER: What was the prior item that
22 was on the form?

23 MR. JOE CAMPBELL: Member request for
24 information.

25 MR. MILLER: Let me ask you something.

1 This may be a question for our attorney. If a member
2 sends an email asking for a specific document that is
3 allowed under Florida Statutes and they state a proper
4 purpose, but they don't fill out a form, are we in
5 violation of Florida Statutes if we don't provide that to
6 them within the time allotted in Florida Statutes?

7 I mean, can we require them to fill out a
8 certain form? Or if their request includes all of the
9 requirements for the Statutes, do we have to give them
10 the information?

11 MR. DUNAWAY: I am not aware of a case
12 that indicated that there would be a fine if you required
13 a form. Our understanding of the way the administration
14 works, there is a form. So as the President just stated,
15 there is a process to go through. I don't -- I guess the
16 question is could I defend you if you denied it based on
17 an email?

18 I don't think that would probably be a
19 very good case. I mean, if it is in written form, I
20 think we could comply with it.

21 MR. JOE CAMPBELL: The reason the form has
22 all the legal stuff, Legal has looked at it, approved it.
23 It has all of the legal jargon and it actually has the
24 Florida Statutes that says what they are authorized to
25 have.

1 Everything else goes through email. So it
2 also helps track 1,000 emails. You see the form and that
3 is easy to track it. But if the Board thinks it -- the
4 other part, I have had four or five requests and they
5 haven't included -- I forget the verbiage about
6 particularly what they are looking and their reason for
7 it.

8 MR. DUNAWAY: Purpose for it.

9 MR. JOE CAMPBELL: I want check registers
10 is not a reason. Right? So what is the reason? So
11 that's why it goes through Legal.

12 So if the Board wants to delete the form,
13 I will delete the form. And if they don't have a -- is
14 Mr. Barnett in here? Mr. Barnett asked me -- I asked him
15 to email me. He sent it right back. It was -- actually,
16 Mr. Ashe did the same thing; right?

17 UNIDENTIFIED AUDIENCE MEMBER: He is still
18 in Louisiana.

19 MR. KENNEDY: Well --

20 MR. JOE CAMPBELL: Does the Board want to
21 give -- this has been the process for -- long before I
22 was on the Board.

23 MR. KENNEDY: I guess my question is also
24 with the fact we have an official form, kind of like even
25 when in the Engineering Department, they fill out a form

1 for anything. This would be at least a way for us to
2 track something versus an email that goes to, say, you or
3 the next CEO.

4 MR. DABNEY: Could this -- could this be
5 something that we could in put in a different file. I
6 guess it wouldn't be considered a pdf -- terminology
7 behind it to where they click on the link, like a
8 hyperlink that brings this form up. And then, it send it
9 to the entire Board.

10 MR. JOE CAMPBELL: We can work on that.
11 Apparently, it is a pdf that is on our website. And they
12 have been sending it wherever. It goes -- it ends up
13 going back to the CEO station, and I give it to legal
14 counsel --

15 MR. DABNEY: There is something on the
16 website?

17 MR. JOE CAMPBELL: Yes, sir. Now, I will
18 say it does need to be adjusted because some members have
19 put a paragraph there and it won't fill. So we got that
20 for action.

21 MS. REYNOLDS: We have been sending it.
22 President Campbell, we have been sending it via email as
23 we were advised. Then, we are told there is a second way
24 to do it. And we must fill out a pdf form.

25 We sent that in, and now, we are told that

1 now it must be reviewed by Legal to determine if our need
2 and our justification is substantial enough for it to be
3 released.

4 And for clarification, did I hear you say
5 that the water testing results we have to go to EPA to
6 obtain those?

7 MR. JOE CAMPBELL: At the bottom of our
8 website, Director Clinton or Emerald -- at the bottom of
9 our website, I could have swore there was a link that
10 takes you to the EPA testing. I know I have gone to the
11 EPA testing site, because we had somebody ask.

12 And all of our testing is there from
13 forever, so --

14 MS. BUCHOLTZ: The water quality report is
15 posted on our website. On our home page, if you go back
16 about halfway down, you will see five circles. In the
17 last circle, it takes you right to the link where our
18 water quality report is. It is posted there.

19 MS. REYNOLDS: Normally, those are
20 available at the monthly meetings, but there's been a
21 recent one that the former CEO had done by an independent
22 third party when the PFAS was identified by the Navy near
23 Wellfield 7 in the East Milton wellfield protection area.

24 We requested that information and we were
25 then referred to Fairpoint Regional Utility who then

1 denied the release of that information.

2 Thank you very much.

3 MR. JOE CAMPBELL: Okay. So onto Section
4 Number 6 of unfinished. Board packets. So after
5 reviewing the meeting last month, since I wasn't here,
6 there was a lot of discussion about check registers.

7 I know my opinion is that Directors, if
8 they ask for something in the Board packet, as I
9 understand, it should be about whether there should be or
10 not be a Board action.

11 But because it was a Board action denied
12 last month and it is coming up again. The issue to me
13 was in March when this Board looked at the rephrased
14 financing, (garbled) now that it has it and everything,
15 everybody nodded their head and said it looks great.

16 So for five months after that, there was
17 no check register and nobody said anything. Then, all of
18 a sudden, it's an issue. So I guess looking for the
19 Board to say, the CEO can take it. If a Director wants
20 something in there for financials, it should be in the
21 Director's packet. And I know we have had this
22 discussion and --

23 MR. KENNEDY: Yeah. I mean, absolutely.
24 Again, the biggest problem is if it is not on the agenda
25 and it is just thrown out here as this issue was last

1 month, it doesn't provide Board members time to go back
2 and find out what does it entail in terms of how much
3 staff time or can a Board of Director just show up and
4 get what he needs?

5 So we have talked as a Board, you know,
6 that if it needs to be an agenda item. We do business at
7 these meetings on agenda items. Otherwise, we would
8 never get anything accomplished. So, I mean, I am
9 absolutely on board with our Directors having check
10 registers. Anything financial, they should have access
11 to.

12 MR. MILLER: And is it an agenda item
13 tonight?

14 MR. KENNEDY: Correct.

15 MR. MILLER: To make a motion that going
16 forward, the check registers be a part of our back-up
17 information for our meetings.

18 MR. LYNCHARD: I will second that motion.

19 MR. JOE CAMPBELL: Any discussion?

20 (NO AUDIBLE RESPONSE.)

21 MR. JOE CAMPBELL: All in favor say,
22 "Aye"?

23 MR. THIEL: Aye.

24 MR. DABNEY: Aye.

25 MR. MILLER: Aye.

1 MR. LYNCHARD: Aye.

2 MR. LINNELL: Aye.

3 MR. KENNEDY: Aye.

4 MR. JOE CAMPBELL: Aye.

5 Any opposed?

6 MR. MILLER: I have another request
7 regarding the Board packets. It was close to 200 pages
8 this month. And I would like to know, can the packet be
9 split out into -- I am not talking about ten different
10 files, but maybe three or four different files where the
11 transcript is its own file.

12 And, you know, the financials are its own
13 file. The agenda its own file. And then, everything
14 else in File Number 4. But, you know, that would be four
15 files. And it makes it a little bit easier to have the
16 agenda up on your screen at the same time as the
17 financial.

18 MR. JOE CAMPBELL: I don't see a reason we
19 can't. Okay. I will get there.

20 MR. MILLER: I don't need a motion for
21 that. Right?

22 MR. JOE CAMPBELL: No.

23 MR. MILLER: Okay.

24 MR. JOE CAMPBELL: I think that's within
25 my purview. All right. CEO updates. I have a lot to

1 tell us. So the first and foremost is on the County
2 agenda this Thursday, Mr. Cole has put a wellfield
3 protection item on there.

4 So for the Board's notification, I spoke
5 to Legal earlier today from Fairpoint, so we are going to
6 attend just to see what that is. We don't know if it is
7 just a motion to move forward to do something with the
8 wellfield protection area or not. So I am going to drag
9 at least one expert from staff with me, so they can talk
10 intelligently.

11 It is really -- we don't know what is
12 going on. We just want to make sure that they are aware
13 that the wellfield protection and clean water is still an
14 issue for us.

15 MR. KENNEDY: We don't know if this is the
16 borrow pit issue again?

17 MR. JOE CAMPBELL: It is.

18 MR. MILLER: We actually don't know for
19 sure what is going to be proposed.

20 MR. JOE CAMPBELL: But it is on the agenda
21 for discussion, so we just want to be prepared that if it
22 is brought up again, that we have -- that we are there to
23 represent and voice our concerns.

24 MR. LYNCHARD: I will be there.

25 MR. JOE CAMPBELL: Mr. Lynchard will go

1 with me.

2 MR. LYNCHARD: Oh, yeah.

3 MR. JOE CAMPBELL: All right. So that's
4 part 1. So turn to the admin building is supposed to be
5 completed at the end of October. So the anticipation is
6 in November, we will have our Board meetings back at our
7 building.

8 Obviously, weather has dictated. They
9 finally have the -- they finally have the paving done
10 around the building. And, as usual, with a 1970
11 building, when they did the foyer, they found that the
12 base wasn't right, so they had to do extra base for us,
13 so that is moving forward.

14 The master booster pump station down there
15 by Elevate Navarre is going out for the permit. The
16 lease has been signed so moving forward on that.

17 And then, the last thing is Holley Navarre
18 Water does not have any sort of policy and procedure
19 manual. They have a bunch of Board resolutions and
20 everything. So some of the confusion, mine in
21 particular, is where is it?

22 Now, you have been on the Board forever
23 and you have a major part in this. I don't. Staff has
24 to -- so what I hope to do is it's in one place, so that
25 that's it. So when the Board makes another motion that

1 passed. A couple of years later, that one was canceled
2 and overwritten by the other one, but it's all in there
3 together.

4 MR. JOE CAMPBELL: All right.

5 Onto Finance Review. Mr. Ty Campbell?

6 MR. TY CAMPBELL: Thank you,

7 Mr. President.

8 Financial results this month, we showed a
9 July profit of \$90,159.32. The drivers of that are -- I
10 would point out that there is \$25,000 of that was a
11 result of revenue from an annual antenna lease.

12 And the question at the O&M meeting
13 earlier this week was -- have we received that every year
14 since it was started? And I confirmed that since 2017,
15 you have received that annual base income.

16 Water and sewer taps were lower than
17 expected, but they did show a slight increase from the
18 previous month. Water sales were up from last month.
19 Waste water revenue was above the trend line, but there
20 was erosion from the previous month. We did pay our 401k
21 corporate match.

22 We had additional fees for our annual DEP
23 drinking water operating license fee of \$2,000. The
24 professional services has \$6875 in it that was
25 attributable to HR, our handbook review that Director

1 Cross had talked about. And we also had some additional
2 sampling with Hidden Creek and Greskovich to monitor
3 wells. That was just short of \$7,000.

4 Other than that, that was a fairly benign
5 month with no real major drivers other than that.

6 Any questions?

7 MR. JOE CAMPBELL: Directors? Questions?

8 MR. THIEL: Mr. President, I make a motion
9 that we approve the financials for July as presented.

10 MR. KENNEDY: I will second.

11 MR. JOE CAMPBELL: Any other discussion?

12 (NO AUDIBLE RESPONSE.)

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

15 MR. THIEL: Aye.

16 MR. MILLER: Aye.

17 MR. LINNELL: Aye.

18 MR. KENNEDY: Aye.

19 MR. DABNEY: Aye.

20 MR. JOE CAMPBELL: Aye. Any opposed say
21 "Nay"?

22 MR. LYNCHARD: Nay.

23 MR. JOE CAMPBELL: Okay. And I would like
24 to have a discussion on why "Nay"?

25 MR. LYNCHARD: Not here.

1 MR. JOE CAMPBELL: Tomorrow when we do our
2 other --

3 MR. LYNCHARD: Yeah.

4 MR. JOE CAMPBELL: All right. Finance
5 Committee updates. Director Thiel?

6 MR. THIEL: Okay. We will go ahead and
7 update on the Eglin project.

8 Director Lynchard, I don't think you have
9 anything else other than what --

10 MR. LYNCHARD: For?

11 MR. THIEL: Eglin.

12 MR. LYNCHARD: Joe went to the meeting
13 this month.

14 MR. JOE CAMPBELL: Yeah. I don't really
15 have anything other than what Mr. Dunaway said, other
16 than the staff is ready to proceed. We actually have a
17 plan. It's called L+1.

18 So the date of the signing, then we start
19 our clock. It's 30 days to bid, 30 days to contract.

20 It's going to be tight. We probably won't
21 start construction until the new year because I am told
22 that contractors don't like to work over Christmas. But,
23 other than that, we are and our engineering firm are
24 ready to proceed.

25 MR. THIEL: Capital Improvements. At the

1 last meeting, the Board voted to go to every other month
2 for that so we did not have a meeting on Capital
3 Improvements this month. However, there is a sheet in
4 your file to look over. There was nothing significant to
5 report, no changes, significance in that.

6 Director Kennedy, do you have anything on
7 the budget?

8 MR. KENNEDY: No, sir. You and I attended
9 the O&M meeting, as you guys saw on the finances.
10 Nothing else to add.

11 MR. THIEL: I have nothing else to add,
12 Mr. President.

13 MR. JOE CAMPBELL: Okay. CEO Hiring
14 Committee. Director Lynchard?

15 MR. LYNCHARD: We had a meeting. We had
16 that meeting on Tuesday or Thursday to go back over
17 staff's compiling the Board's input, I believe, and then,
18 we will give you a little bit more information.

19 MR. JOE CAMPBELL: You already have the
20 job description ready. Right?

21 MR. LYNCHARD: Yeah.

22 MR. JOE CAMPBELL: I will review it in the
23 morning, get it sent out.

24 MR. LYNCHARD: Okay. Send it out. And I
25 have got some personal things going on right now and I

1 need to not be the head of that committee anymore because
2 I know that is very important and you're meeting every
3 week and --

4 MR. JOE CAMPBELL: Can I be the head of
5 that committee?

6 MR. LYNCHARD: And I have to take care of
7 some things. So, yes, you can be the head of that
8 committee as long as you agree to let everybody else
9 still be a part of it.

10 MR. JOE CAMPBELL: Oh, yes.

11 MR. LYNCHARD: Because I plan on going to
12 the meeting. I just don't think I am going to be able to
13 be the head, the lead on it.

14 MR. JOE CAMPBELL: Yeah. Okay.

15 MR. MILLER: Are you going to change the
16 name of that committee?

17 MR. JOE CAMPBELL: I have a vested
18 interest in that.

19 MR. LYNCHARD: You did seem kind of
20 adamant about wanting to get that done.

21 MR. JOE CAMPBELL: Okay. And the meeting
22 is Thursday at 3:00 o'clock.

23 For members, we are attempting to get a
24 proper CEO in here to do this job so I am not sitting in
25 this seat. Sooner if possible. It's not fair on the

1 staff, although I am having a good time with the staff.

2 So, hopefully, within the next week or
3 two, that will be on for publish. It will be out where
4 we will be able to decide -- the committee decides to
5 publish it and move forward there.

6 I can also say categorically that we are
7 not using the headhunters we used last time. And we
8 actually agreed to have a security clearance type
9 background investigation of the next person that sits in
10 the CEO seat. So that's something the committee did vote
11 on that I think I can pass; right?

12 MR. LYNCHARD: Great.

13 MR. JOE CAMPBELL: All right.
14 Administration. Okay. Board election packet. So we are
15 at the crossroad where we have to approve this this month
16 or we won't make the deadline for all the notices and
17 everything that goes out for the Election Board packet.
18 So it's gone through Legal.

19 It started with staff. And so, we had a
20 chance to look at the packet. From the timeline, one
21 thing we have to do is decide on appointing a Director
22 for the Canvassing Board. Last year, it was the CEO --

23 MR. DUNAWAY: Director Miller.

24 MR. JOE CAMPBELL: -- Legal and Director
25 Miller. So last year it was somebody that wasn't

1 rerunning for election, obviously.

2 So I am going to leave that for Board
3 discussion.

4 MR. MILLER: I don't think our election
5 packet is in line with our bylaws. We can't prevent
6 members from running for the Board. The questionnaires
7 that are in there and the requirements exceed what our
8 bylaws say.

9 MR. JOE CAMPBELL: What do you mean?

10 MR. MILLER: There is a whole background
11 check that, you know, they are requiring. Have you been,
12 you know, found guilty of a criminal offense?

13 You know, have you any criminal charges
14 pending against you? There is nothing in our bylaws that
15 says someone charged -- I am saying if we want to --

16 MR. JOE CAMPBELL: Do you want a Director
17 on there just like Mr. Peavey?

18 MR. MILLER: We can't prevent them from
19 running for Board of Director. Because there is nothing
20 in there that says that.

21 MR. LYNCHARD: Well, Joe, you said that --
22 or Mr. President you said that Legal had reviewed this,
23 so I am assuming they compared these documents to our
24 bylaws to make sure that they were in compliance with our
25 bylaws and did that for anything that --

1 MR. JOE CAMPBELL: We have always done a
2 security background.

3 MR. LYNCHARD: We have done criminal
4 background checks.

5 MR. JOE CAMPBELL: Right.

6 MR. MILLER: But this is a lot more
7 detailed.

8 MR. JOE CAMPBELL: So you don't think you
9 ought to ask if a Director has a criminal record
10 expunged, professional license suspended, adjudicated
11 with a criminal --

12 MR. MILLER: Just because you have charges
13 pending against you doesn't mean they are guilty of
14 anything. They have just got criminal charges. I am not
15 saying that's who we want on our Board.

16 The public will decide that. But we can't
17 rule somebody out and tell them you can't be on the
18 ballot.

19 MR. JOE CAMPBELL: So you don't want to
20 even ask them that? Is that what you mean?

21 MR. LYNCHARD: I don't think they have to
22 answer.

23 MR. LINNELL: The page in particular that
24 you are looking at --

25 MR. JOE CAMPBELL: Candidate Application

1 background check.

2 MR. DABNEY: A candidate disqualification
3 on -- I don't know -- there is no page number on this.
4 But that would address that.

5 MR. JOE CAMPBELL: Hang on. Let's go with
6 what Mark is saying. So you want to remove the security
7 background check candidate application questionnaire?

8 MR. MILLER: Yeah. I mean, we are still
9 going to do a background check on them to make sure they
10 can be on the Board, be on our liquor license. But I
11 don't think we can require them to answer those
12 questions.

13 MR. JOE CAMPBELL: I am going to pose that
14 to Legal. Is there anything that prohibits us from
15 asking those questions on an application for a Board of
16 Director?

17 MR. DUNAWAY: No. No. Your bylaws
18 provide the minimum requirements. But you can set -- you
19 can set your Director requirements and qualifications.
20 It's reasonable.

21 MR. LYNCHARD: So our bylaws say the only
22 requirement for being a Board member is that you must be
23 a member in good standing. And we are allowed to make
24 those -- to create rules that are stricter than the
25 bylaws.

1 MR. DUNAWAY: Correct.

2 MR. LYNCHARD: And it's legal?

3 MR. THIEL: Do our bylaws define what a
4 member in good standing is?

5 MR. LYNCHARD: Yeah. We do have that.

6 MR. JOE CAMPBELL: Hang on. Let Legal
7 counsel you. You asked him a question. Let him answer
8 it.

9 MR. DUNAWAY: No. That's correct. You
10 may set your requirements. Your bylaws provide the
11 minimum guidelines, but you can set additional
12 requirements as a Board.

13 MR. DABNEY: So going back to candidate
14 disqualifications, there's two of these
15 disqualifications --

16 MR. JOE CAMPBELL: Hang on. Where are you
17 going? What page?

18 MR. DABNEY: On 175, the side where you
19 have got Part 6 of.

20 MR. MILLER: Candidate disqualification.

21 MR. JOE CAMPBELL: Right.

22 MR. DABNEY: There are two items in there
23 particularly that are set in place for two current Board
24 members to not be eligible to run on this Board. Is that
25 not in that objective of what you put in these two

1 items?

2 MR. JOE CAMPBELL: No, sir. When the
3 staff sat down, we discussed it. We did research on
4 qualification for the Board of Directors and
5 disqualification for Board of Directors.

6 We never had, right, so if we had known
7 that Mr. Peavey -- so let me finish -- all right.

8 So as we go down here, let's see, so liens
9 and other judgments. That rationale is fiduciary
10 responsibility. So illegal and unauthorized connection
11 to Holley Navarre tampering charges.

12 We have had 55 -- 55 members stealing
13 water. 55. They have taken water they didn't need,
14 didn't pay for, and paid a tampering charge. So that's
15 why in particular that one -- the criminal history over
16 the last two years --

17 (SPEAKING OVER EACH OTHER.)

18 MR. DABNEY: That's what I am part of.

19 MR. JOE CAMPBELL: -- 21 members in
20 2021 -- Amber, correct me if I'm wrong -- 21 members in
21 2021, and this year so far, 33 members have literally
22 taken water. Okay. So that's why that is, and then --

23 MR. DABNEY: One more. That would be me.
24 Because we -- myself personally asked for someone to come
25 down. "I want to get this meter hooked up. I want to

1 get this meter hooked up. I want to get this meter
2 hooked up." Never happened.

3 MR. JOE CAMPBELL: So --

4 MR. DABNEY: Me, as a Board member --

5 MR. JOE CAMPBELL: Don't go there, James.

6 MR. DABNEY: I am going there.

7 MR. JOE CAMPBELL: Okay. If you want me
8 to talk about it, I will.

9 MR. DABNEY: I have an open book policy.

10 MR. JOE CAMPBELL: Okay. All right.

11 MR. DABNEY: I am not concerned about it.

12 MR. JOE CAMPBELL: Mister -- if Mister --
13 if he opened it, can I talk about it?

14 Sorry, Will. So can I talk about it?
15 Director Dabney admitted that he had this. Can I then
16 talk about it in open forum?

17 MR. DUNAWAY: It's probably not a good
18 idea.

19 MR. DABNEY: I mean, I want to know why.
20 So is this --

21 MR. JOE CAMPBELL: James, I didn't
22 target -- 55 over the last two years --

23 MR. DABNEY: Are we going forward? Or is
24 this policy retroactive? That's my question. If it is
25 retroactive, then I have a problem with it.

1 If this is going forward, then I don't
2 have a problem with it. Today's date.

3 MR. JOE CAMPBELL: Well, I think --

4 MR. KENNEDY: Right now, I think you have
5 a question to the lawyer whether or not you can speak
6 about Mr. Dabney's --

7 MR. JOE CAMPBELL: Right.

8 MR. DUNAWAY: Mr. President, I am advising
9 against discussing anything that is under further
10 investigation. So I would -- I would advise against
11 that.

12 MR. JOE CAMPBELL: Okay. I won't talk
13 about it. All right. So good things. Just for members
14 to know, so some of the other things is criminal history
15 within the last ten years, excluding speeding tickets,
16 revocation or suspension of professional license or
17 certification.

18 MR. DABNEY: Why is that --

19 MR. JOE CAMPBELL: Well, again, it's
20 fiduciary responsibility and ethical issues.

21 MR. DABNEY: And we have got a lot of --

22 MR. JOE CAMPBELL: Hang on. Hang on. I
23 am not advocating for either one of those. When we
24 looked at that, there was nothing disqualifying Board
25 members. Right?

1 That's where I am going. So we did a
2 search. This is the things that came up. If some of the
3 Board doesn't want to do, that's fine.

4 And then, the last one is the second
5 violation of the Code of Conduct by a Board member
6 because the Board does have a Code of Conduct.

7 And it says a whole lot of things about
8 what can and can't happen, conflict of interest, how you
9 treat other Board members and staff and that sort of
10 thing. So there's discussion.

11 MR. LINNELL: And I have one question.

12 MR. JOE CAMPBELL: Go ahead, Don.

13 MR. LINNELL: I didn't hear an answer to
14 James' question. Are we only talking going forward?
15 This is not to be applied retroactively? It's going
16 forward?

17 MR. JOE CAMPBELL: To me, how many years
18 do you want to go back? I mean, we just looked at the
19 last two years because I asked the question, because some
20 of this activity is actually -- should have been illegal
21 if you hook up to a fire line. That's a safety issue.

22 If you hook up to other lines that
23 aren't -- like FEMA lines, that's criminal. So I am just
24 saying, we do have, after your second attempt, our policy
25 says we can call in law enforcement. So we just talked

1 about what disqualifies.

2 Obviously, a lot had to do with Mr. Peavey
3 and his issue. And we said, "Okay. Let's look at the
4 whole."

5 Staff -- we wouldn't hire anyone with a
6 criminal history. So that's my thing. Okay. But don't
7 go away. Don, any other questions?

8 MR. LINNELL: No.

9 MR. DABNEY: So we are going back to the
10 same way we always did this. I asked a question. A
11 simple question. Is this going forward? Or are we going
12 backwards?

13 Are we going to say, "If you did it in the
14 past, you can't be on the Board."

15 Or is it, "If you do it going forward, you
16 can't be on."

17 MR. JOE CAMPBELL: Well, since you already
18 admitted it, that's a hard question to answer.

19 MR. DABNEY: I am not the one sitting here
20 trying to hide it. I mean, I asked for -- I asked for
21 taps to be put on that I had paid for when I bought the
22 property and I still ain't got it.

23 MR. JOE CAMPBELL: James --

24 MR. KENNEDY: Anyway --

25 MR. JOE CAMPBELL: I am prohibited by

1 lawyers from talking about your account.

2 MR. DABNEY: That's probably a good thing.

3 MR. JOE CAMPBELL: No. Yeah. For you.

4 For you.

5 MR. DABNEY: No. Oh, yeah.

6 MR. JOE CAMPBELL: Yes, ma'am. Go ahead.

7 MR. KENNEDY: Hold on. So I guess the
8 Board is -- I mean, we had a really hard lesson learned
9 with our past CEO that, you know, we didn't look hard
10 enough. So I guess my question is what is wrong with
11 holding the same type of -- to our Board member as we
12 would going forward, so that's --

13 MR. JOE CAMPBELL: Let's hear what members
14 think about it. Yes, ma'am. Name and address.

15 MS. HANRATTY: Michelle Hanratty, 7755
16 Fenwick Street. And in full disclosure, what I do for a
17 living is Human Resources.

18 MR. JOE CAMPBELL: Okay.

19 MS. HANRATTY: Okay. So I am not sure of
20 your background, sir, as far as being an attorney, but
21 from an employment standpoint, I am thinking you guys are
22 treading in a very very dangerous --

23 MR. JOE CAMPBELL: Other than one thing.
24 We are not employees.

25 MS. HANRATTY: No. No. No. No. What I

1 mean is when you are asking somebody all of these
2 questions, okay, you are treading in a very dangerous
3 area. I cannot ask somebody if they have had a criminal
4 prosecution in an application.

5 But I can do a very detailed clearance
6 background check on them because they have signed a
7 waiver allowing me to do that

8 Okay? So I think what you need to look at
9 and you need to have an employment attorney guide you
10 with this, okay, and, again, I am not trying to -- I
11 don't know your background, so I don't know.

12 MR. JOE CAMPBELL: Hold up. Did not
13 Daniel look at this form?

14 MR. DUNAWAY: Yes.

15 MR. JOE CAMPBELL: We had one. He looked
16 at it.

17 MS. HANRATTY: I am shocked.

18 MR. JOE CAMPBELL: He looked at it.

19 MS. HANRATTY: I am shocked.

20 MR. JOE CAMPBELL: He is pretty good.

21 MS. HANRATTY: I am shocked.

22 MR. JOE CAMPBELL: Okay.

23 MS. HANRATTY: Okay. I am just telling
24 you, I am shocked. Okay. Because I have worked for
25 very, very, very, very large companies. We don't do

1 this.

2 MR. JOE CAMPBELL: Yes, ma'am.

3 MS. HANRATTY: Okay. I think it would be
4 smarter to have somebody that is interested, and then,
5 they are saying, "I agree to have a complete clearance
6 background," than you getting into their world and into
7 their lives. Okay?

8 MR. JOE CAMPBELL: Okay. Thank you.

9 MR. DABNEY: So I have a question. If the
10 Board approves this election procedure, is this
11 election procedure going to nullify any current Board
12 members from running for the Board in 2023?

13 MR. MILLER: Sounds like it to me.

14 MR. JOE CAMPBELL: Yes, ma'am?

15 MS. GUNNOE: Are the bylaws not a legal
16 document? And where in the bylaws does it say that they
17 are the minimum standard that you can do whenever you are
18 well-pleased? Did you go beyond the bylaws?

19 Because I am sorry -- Debbie Gunnoe, 2143
20 Chatsworth Drive. I apologize.

21 So my question to you is -- sitting up
22 there, you can arbitrarily establish standards that
23 future candidates for your positions have to meet. And
24 you can disqualify people that you don't want sitting on
25 that Board by establishing standards that go beyond the

1 bylaws that state the only requirement for sitting on
2 that board is to be a member in good standing.

3 I think you guys need to reconsider what
4 you are doing because you are sitting there and showing
5 your cards that you have it out for certain people that
6 you don't want on the Board.

7 MR. JOE CAMPBELL: No, ma'am.

8 MS. GUNNOE: Thank you.

9 (APPLAUSE.)

10 MR. JOE CAMPBELL: Yes, Ms. Carmen?

11 MS. REYNOLDS: Carmen Reynolds, Sunnybrook
12 Drive, Navarre. I just wanted to point out, it does seem
13 like there has been a meeting in a vacuum to kind of
14 jettison, if you will, or preclude current Board members
15 from running again.

16 I know that there are three of them that
17 have advocated for the release of financial information.
18 And I personally applaud that over the objection of the
19 remaining four. I don't know why that is. But it is
20 what it is.

21 MR. JOE CAMPBELL: Ms. Carmen, just real
22 quick -- see that stack of papers over there?

23 MS. REYNOLDS: Yes.

24 MR. JOE CAMPBELL: Those three Board
25 members, that's what they got when they asked for it.

1 Just so you are aware.

2 MS. REYNOLDS: Right.

3 MR. JOE CAMPBELL: And that's our six
4 months of check registers, supporting documents, all
5 that, so --

6 MS. REYNOLDS: I am really glad they did
7 get that finally. But it was over the objections of this
8 Board last month, which denied it officially. I know you
9 were not here.

10 For the record, you're wanting to identify
11 all of these constraints. There is -- there is a member
12 on your senior staff who has had significant financial
13 issues and a spotty work record, so I will just leave it
14 at that.

15 Thank you.

16 (APPLAUSE.)

17 MR. JOE CAMPBELL: Yes, ma'am. Excuse me.
18 Go ahead.

19 MS. CAMPBELL: Angela Campbell, 7146
20 Brinkley Street. I just don't think any of the members
21 want anybody on the Board that is not completely one of
22 them and has a vested interest at heart.

23 And, obviously, the HR -- obviously, the
24 HR concerns about mandating this. Why don't you just put
25 it into the packet, include those questions, yes or no

1 answers, and let the person decide?

2 If somebody decides they are not going to
3 answer the question, then clearly they have something to
4 hide. And then, rather than Board members being elected
5 by name recognition, they start doing their own research.
6 It shouldn't that be difficult to do a yes, no,
7 questionnaire.

8 MR. KENNEDY: I guess I do have a
9 follow-up question, I guess.

10 MR. JOE CAMPBELL: Go ahead, Mike.

11 MR. KENNEDY: So, again, I'm with this
12 lady over here. I mean, I am not an HR person, but is
13 there not a better -- instead of asking, how do we delve
14 into someone's history? Once they have signed a waiver,
15 once you do that?

16 So I guess my question is how is it better
17 instead of saying, you have got to tell us this versus
18 allowing us to then be able to do our own homework. Now,
19 granted, every time we do our homework, it costs us money
20 to do so, but it's going to be on us.

21 So I guess the -- I feel a little, I mean,
22 even though this sounds good, I am little concerned on an
23 HR perspective.

24 MR. JOE CAMPBELL: So we do the HR, the
25 normal HR check like we all went through a criminal

1 history check. But it's the same one that we did with
2 Mr. Peavey, so --

3 MR. KENNEDY: Right. And that one missed
4 it.

5 MR. JOE CAMPBELL: Yeah. No. It would
6 have missed it, so --

7 MS. HANRATTY: If I can suggest, President
8 Campbell, there are different --

9 MR. JOE CAMPBELL: Joe is good.

10 MS. HANRATTY: I'm sorry. Michelle
11 Hanratty, 7755 Fenwick Street.

12 There are different levels and companies
13 that provide the services. They range -- and I am going
14 to make an assumption when you are hiring people, you are
15 going through this because of the concerns with
16 financials, background, if they are driving a company
17 vehicle, whether they had a DUI or not.

18 So there are processes that -- I see the
19 nodding over here that that is being done. So that can
20 be done. And, again, it is in the application process
21 where you ask them, "Are we allowed to run a detailed
22 background on you?"

23 And, again, there has got to be the
24 cut-off so that you will have time to do this, get the
25 information, because it can take seven to ten days or

1 more, okay, depending on how many locations they lived
2 in. That's the key.

3 Because you have to get that information.
4 You send them the link. They fill that link out. It
5 goes out to all the municipalities. You get a report
6 back that provides you with all of this detailed
7 information. And I know I am going into a lot of detail
8 here and I apologize.

9 MR. JOE CAMPBELL: No. You don't have to,
10 because the Board, believe me, with Mr. Peavey, the Board
11 went into all this, especially with --

12 MS. HANRATTY: So for those people that
13 may not realize this, okay, these are things that protect
14 the Board, the organization, and us. Okay?

15 So that we are getting quality people that
16 have good intentions to be a part of the organization.
17 And if you find something, that's when you go to the
18 attorney and say, "Okay. We need to bring this person
19 back in and have a conversation before their name gets on
20 a ballot."

21 MR. JOE CAMPBELL: Okay.

22 MS. HANRATTY: Okay? That's my thought
23 process is to the proper way of going about doing this.
24 You get all of that taken care in advance before getting
25 egg on your face after the fact.

1 MR. JOE CAMPBELL: Okay. Thank you for
2 that.

3 Board discussion?

4 MR. KENNEDY: You know me, I have got
5 another question.

6 MR. JOE CAMPBELL: Go ahead.

7 MR. KENNEDY: If I may, Jarod, what would
8 you suggest, I guess, again, versus -- for us to --
9 without disqualifying someone to be able then -- again, I
10 am not -- I am not -- I am not really in favor of this
11 disqualification. Right? It just seems we are really
12 going detailed into somebody's life.

13 So what would you suggest that we could do
14 to protect, you know, to play fair? So we are fair,
15 equitable, across the board, with everybody's spectrum?

16 MR. CROSS: This is -- Board members are
17 elected, are unpaid, which is per our legal counsel.

18 COURT REPORTER: Speak up, Jarod.

19 MR. CROSS: They are unpaid, elected
20 members to represent the Water System. So they are
21 actually held at a less strict restriction as far as
22 hiring somebody versus somebody they are going to elect.

23 So always check the manual and our legal
24 attorney, Mr. Dunaway, is where I would go with that.

25 Yes. If we were going to pay people -- a

1 notification in general, I am going to run this
2 background on you and this is what it is going to be used
3 for and here is the reason why. I would suggest
4 something to that effect.

5 MR. KENNEDY: See, I feel more comfortable
6 saying we are going to run this on you, and then, they
7 sign a waiver.

8 MR. JOE CAMPBELL: But you are talking
9 about the candidate application, security background
10 check.

11 MR. KENNEDY: Uh-huh. Yeah. Sure.

12 MR. JOE CAMPBELL: So ask. So you want to
13 take that out of there and just run it back up there, so
14 they don't have to answer anything about whether they
15 have had a criminal record sealed, criminal charges
16 pending, or anything like that.

17 MR. DABNEY: I would like to have the
18 candidate disqualifications removed --

19 MR. JOE CAMPBELL: Hang on, James. One
20 thing at a time. So that's with -- you have an issue
21 with it?

22 MR. KENNEDY: Mine is truly with the
23 disqualifications is where I am at.

24 MR. JOE CAMPBELL: Disqualifications. All
25 right.

1 MR. KENNEDY: I have no problem -- I guess
2 the question is -- are we going to up the ante on when we
3 run for the Board how well we should be searched as well?

4 MR. THIEL: My question: Do the bylaws
5 define what a member in good standing is?

6 MR. JOE CAMPBELL: It just says if you are
7 a member.

8 MR. THIEL: So a member in good standing
9 is just a member?

10 MR. JOE CAMPBELL: Right. So there is
11 another thing the Board can do. So it is in the bylaws
12 that the Board can remove membership for cause for
13 certain -- for whatever the Board deems unfit.

14 So the Board can do that. You can still
15 get water services. If you are no longer a member, you
16 can't run for the Board.

17 But that's never been in place because we
18 never found out we had some of these issues. So we never
19 had the Dr. Peavey thing. So, okay.

20 Don, any thoughts on your end?

21 MR. DABNEY: Is that going to be the next
22 avenue we are going to go down? We are going to try to
23 remove members --

24 MR. JOE CAMPBELL: Maybe we need to look
25 at it, put a timeline on it. So let's put a time on it

1 so that there is some -- what is the word I am looking
2 for -- so you have paid your penance and now you are back
3 in good standing. I don't know.

4 MR. LINNELL: What happens -- what happens
5 if we don't approve a packet this evening?

6 MR. JOE CAMPBELL: We will miss our
7 timeline for the election.

8 MR. LYNCHARD: Which --

9 MR. JOE CAMPBELL: Ms. Amber?

10 MS. BUCHOLTZ: You would miss the press
11 release. You would miss the candidate application
12 release. That has to be done by 10-30. The notice has
13 to go on the bills by 10-11.

14 So anything that would not take place
15 until the next Board meeting, which would be on October
16 18th. So anything that has to be approved before that,
17 you would miss.

18 MR. LINNELL: So you asked for my
19 thoughts. My thoughts are -- I don't have a problem with
20 this from the aspect of if I am going to entrust someone
21 to help govern our assets.

22 I don't have a problem raising the bar.
23 If I can't meet them, I can't meet them. But I also got
24 reality here. I don't think that is passing tonight.

25 Not as written. So we either need to come

1 to some compromise or we are going to have to --

2 MR. JOE CAMPBELL: So the same Board
3 members that had an issue with Mr. Peavey being a
4 criminal or whatever he was, the acts that he did, think
5 it's okay for Directors to sit on this Board with those
6 same issues?

7 MR. MILLER: It's not up to us. It's up
8 to those folks out there who sits on this Board.

9 (APPLAUSE.)

10 MR. MILLER: We can't -- (APPLAUSE) anyone
11 that is a member of good standing should be able to run
12 for this seat. They need to pass the background check --

13 MR. JOE CAMPBELL: So you are saying if
14 you take water, unauthorized connection, pay a tamper
15 thing, you are a member in good standing.

16 MR. MILLER: That's up to the members of
17 the Board.

18 MR. DABNEY: Well, it's kind of incumbent
19 right now the members know what money we are paying the
20 EPA for Holley Navarre Water rights right now. It's
21 Holley Navarre on the account.

22 MR. KENNEDY: Yeah, again, Joe, my
23 concern, I like the package. It's good for me except for
24 the disqualifications part. I think we are overstepping
25 our bounds.

1 MR. LYNCHARD: I do have one other issue,
2 and I am not sure if it is going to be addressed in here
3 or not. But I believe the -- I am not sure if it passed
4 this past time because I didn't make an issue of it, but
5 one -- the previous time that I ran for the Board, they
6 asked me for my Social Security Number.

7 MR. JOE CAMPBELL: Right.

8 MR. LYNCHARD: And whenever they did that,
9 and I filled out the paperwork, I asked specifically that
10 my Social Security Number could only be used for the
11 election process.

12 MR. JOE CAMPBELL: Correct.

13 MR. LYNCHARD: And I was told, "No."
14 That's what I was told by Landrum. Because I wrote it
15 down on the top of their form, and they said, "We cannot
16 process it."

17 MR. JOE CAMPBELL: Okay.

18 MR. LYNCHARD: So that needs to be
19 changed.

20 MR. KENNEDY: What part?

21 MR. LYNCHARD: The part where you are
22 going -- where whoever is doing the background checks can
23 use our backgrounds for something other than this
24 election -- can use our information for something other
25 than this election.

1 I am not signing up. So you can go do
2 whatever you want to. I am signing up for --

3 MR. MILLER: Where is that in the packet,
4 Daryl?

5 MR. LYNCHARD: It's not. That's the
6 problem.

7 MR. JOE CAMPBELL: So we have got to get
8 their Social from someone to do the background.

9 MR. LYNCHARD: Well, you have to give a
10 Social to do the background check. Yes. But the
11 background check can only be used for purposes of this
12 election.

13 MR. JOE CAMPBELL: Right.

14 MR. KENNEDY: And we should --

15 MR. LYNCHARD: And I was told, "No."

16 MR. KENNEDY: Well --

17 MR. JOE CAMPBELL: Doesn't sound right.

18 MR. MILLER: Okay. So I am going to make
19 a motion. I am going to make a motion that we approve
20 the election packet as submitted but with two
21 qualifications -- the candidate disqualifications and the
22 background check question sheet.

23 MR. THIEL: I'll second for discussion.

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

1 MR. THIEL: I would like to add one thing
2 to the motion that on the candidate application sponsors,
3 we have to get 25 names and all that.

4 MR. JOE CAMPBELL: Yes.

5 MR. THIEL: And that those would have to
6 be original signatures, no xerox, and I would like to add
7 a column for the date when it was signed.

8 MR. JOE CAMPBELL: Will you amend your
9 motion?

10 MR. MILLER: I will also amend my motion
11 that -- is it 25 or 35?

12 MR. DABNEY: It's 25 original signatures.

13 MR. THIEL: Original signatures and date.

14 MR. MILLER: I amend my motion to add the
15 date on that page.

16 MR. KENNEDY: Okay. So, for me, again,
17 clarifying what I am looking at here, you are saying to
18 take out -- I am good with the disqualification.
19 That's -- yeah.

20 What page are you on for the other one?

21 MR. MILLER: It's the security background
22 check question sheet. I think one of those questions are
23 on there.

24 MR. THIEL: Page 172 on your --

25 MR. KENNEDY: Roger that. Okay. That

1 one.

2 MR. DUNAWAY: Mr. President, can I ask for
3 a clarification? Is Director Miller or you -- is your
4 motion to remove the entire candidate disqualification
5 page, parts 1, 2, 3, 4, 5 and 6?

6 MR. MILLER: Yes. That entire page and
7 the candidate application security background check
8 questions -- its yes or no column and 13 questions.

9 MR. DUNAWAY: Understood. I -- Mr.
10 President, I do want to note that because the Club at
11 Hidden Creek is a wholly owned entity of Holley Navarre
12 Water System, and because your processes in place right
13 now are that you have Directors of the Holley Navarre
14 Water System as managers of the Club.

15 And because you hold a liquor license, you
16 cannot have a -- you cannot have a -- you cannot be a
17 felon and hold a liquor license. So I just want to point
18 that out. So you wouldn't be able to have that person as
19 designated.

20 MR. LINNELL: And to that point, when you
21 take these pages out, and I apologize if I read right
22 over it or never saw it, but when we talk about having
23 them sign a waiver so we can do a background check, is
24 that in this package? Because it didn't jump out to me.

25 MR. MILLER: It is. I think it's at the

1 end of the application you authorize them to do a
2 background check. I can't tell you where it is, but it
3 is in there.

4 MR. DABNEY: So going back to the process
5 of the background check. So, Will, what you just said on
6 the felony conviction, is it legal to have a liquor
7 license? Is that all Board members? Or is that just the
8 ones that go on the liquor license?

9 MR. DUNAWAY: Right. No. Director Dabney
10 would not apply. I mean, you would have four felons.
11 You just couldn't have all of you.

12 MR. DABNEY: I am asking the question
13 because I already knew the answer. Because I have -- I
14 have had multiple liquor licenses. I was on the liquor
15 license for this establishment for years.

16 So if I was a felon, I obviously wouldn't
17 be on it.

18 MR. JOE CAMPBELL: That's the motion.
19 There is a second for discussion. Any other comments,
20 Board members?

21 MR. KENNEDY: I am sorry, what was Mr.
22 Thiel's --

23 MR. THIEL: To add a date to the signature
24 page.

25 MR. KENNEDY: Okay. I am good.

1 MR. THIEL: So we avoid any possibility of
2 what has happened previous.

3 MR. JOE CAMPBELL: All right. Let go row
4 by row vote.

5 MR. KENNEDY: What are we doing?

6 MR. JOE CAMPBELL: On the motion. Voting
7 on the motion.

8 MR. KENNEDY: Are you calling? Or you
9 want to go down?

10 MR. JOE CAMPBELL: Calling the vote. Roll
11 call?

12 MR. KENNEDY: Aye.

13 MR. THIEL: Aye.

14 MR. LYNCHARD: Aye.

15 MR. JOE CAMPBELL: Nay.

16 MR. LINNELL: Aye.

17 MR. DABNEY: Aye.

18 MR. MILLER: Aye.

19 MR. JOE CAMPBELL: Okay. Motion carries.

20 All right. Holley Navarre Water website.

21 Board action without a meeting. So as I was going
22 through a whole lot of Board actions without a meeting,
23 in the spirit of transparency, there was a lot of things
24 in the part -- oh, sorry. Thank you.

25 So we still have to appoint a Director for

1 the Canvassing Board, so --

2 MR. LYNCHARD: I nominate Mark. He did it
3 last year. And I am running for election. If he has got
4 time for it.

5 MR. JOE CAMPBELL: I will second that.

6 MR. MILLER: I will accept the nomination.

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

8 MR. THIEL: Aye.

9 MR. DABNEY: Aye.

10 MR. LYNCHARD: Aye.

11 MR. LINNELL: Aye.

12 MR. KENNEDY: Aye.

13 MR. JOE CAMPBELL: Aye.

14 MR. MILLER: Abstain.

15 MR. JOE CAMPBELL: Okay. So --

16 MR. DUNAWAY: Mr. President, I would note
17 that if you are still the acting CEO at election, you
18 would also be a member of the Canvassing Board.

19 MR. MILLER: Do we need to vote on that?

20 MR. JOE CAMPBELL: You can vote to remove
21 me. So Board action without a meeting.

22 All right. So as I was going through a
23 whole lot of our meeting minutes, there is a lot of --
24 especially way back in the past about money being spent
25 and other Board actions that members don't get to see.

1 So in that spirit of transparency, I would
2 make and entertain a motion or make a motion that all
3 Board action without a meeting for the last ten years be
4 posted on our website just like meeting minutes.

5 MR. LYNCHARD: I will second.

6 MR. MILLER: I will say with the caveat
7 that as long as it is not personnel or legal-related.

8 MR. JOE CAMPBELL: Right.

9 MR. MILLER: Okay.

10 MR. DUNAWAY: Mr. President --

11 MR. THIEL: It will be redacted so --

12 MR. JOE CAMPBELL: They could be
13 redacted --

14 MR. MILLER: I am completely in favor of
15 that.

16 MR. JOE CAMPBELL: Tell me we can't do
17 that?

18 MR. DUNAWAY: No, sir. I am going to
19 suggest that you entertain a motion. You have someone
20 who can make it. You are holding the chair.

21 MR. JOE CAMPBELL: I will entertain a
22 motion.

23 MR. LYNCHARD: I will make that motion.

24 MR. JOE CAMPBELL: Daryl will make the
25 motion.

1 MR. THIEL: I will second it.

2 MR. JOE CAMPBELL: Okay.

3 MR. MILLER: I would like to also -- every
4 Board action without a meeting, we need to make that part
5 of our agenda at the next meeting where we announce at
6 our meeting that this Board action was done since our
7 last meeting.

8 MR. JOE CAMPBELL: Okay. I will second
9 that.

10 MR. DUNAWAY: There is a motion and a
11 second.

12 MR. JOE CAMPBELL: You want to --

13 MR. MILLER: I will make a second motion.

14 MR. JOE CAMPBELL: Daryl's motion to have
15 them posted, obviously, unless they are personnel or
16 legal, will be redacted --

17 MR. JOE CAMPBELL: All in favor say,
18 "Aye"?

19 MR. THIEL: Aye.

20 MR. DABNEY: Aye.

21 MR. MILLER: Aye.

22 MR. LYNCHARD: Aye.

23 MR. LINNELL: Aye.

24 MR. KENNEDY: Aye.

25 MR. JOE CAMPBELL: Any.

1 Any opposed, "Nay"?

2 (NO AUDIBLE RESPONSE.)

3 MR. JOE CAMPBELL: All right. Go ahead.

4 MR. MILLER: I make a motion that in
5 addition to that we announce at our next public Board
6 meeting any Board actions without a meeting that took
7 place since our prior meeting.

8 MR. LYNCHARD: I will second that. I
9 believe we used to do that, but we got away from it.

10 MR. MILLER: It's not on the agenda.

11 MR. JOE CAMPBELL: But if it is already
12 announced approved, so we are just announcing what we
13 have done.

14 MR. MILLER: Well, you know, as a matter
15 of logistics, we are not going to post them to the
16 website until we approve them at the next meeting anyway.
17 So we announce it as part of our meeting minutes and
18 transcripts approval. We announce what was done and it
19 gets posted.

20 MR. JOE CAMPBELL: Is that your motion?

21 MR. MILLER: Yes.

22 MR. JOE CAMPBELL: Do I hear a second?

23 MR. LYNCHARD: Second.

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

1 MR. THIEL: Aye.

2 MR. DABNEY: Aye.

3 MR. MILLER: Aye.

4 MR. LYNCHARD: Aye.

5 MR. LINNELL: Aye.

6 MR. KENNEDY: Aye.

7 MR. JOE CAMPBELL: Aye. Any opposed say
8 "Nay"?

9 (NO AUDIBLE RESPONSE.)

10 MR. JOE CAMPBELL: Motion carries. Okay.
11 Brief description on MESI. So as we were going through
12 it, just confirming that there is an administrative
13 procedure that they follow the same procedures for
14 flow-through, as Financial calls it.

15 If they use something, they pay for it and
16 that sort of thing. And then, but the only difference is
17 for that versus the Club at Hidden Creek is there is no
18 Directors on that Board.

19 So part of the discussion was should they
20 not be the same as Hidden Creek is we are going to treat
21 Hidden Creek where they have Directors on it, should MESI
22 not have that.

23 And, really, that's the only issue with --
24 it's not an issue with MESI -- as you are going through
25 and reading all of this stuff, find out how we do

1 business or don't do business, that kind of hit me in the
2 face as, you know, one of those things if we are going to
3 treat one way, we need to make sure MESI is at least part
4 of the Directors on the Board.

5 And that's Joe Campbell's opinion. And I
6 think I have talked to a couple of you and you are kind
7 of okay with that, so -- oh, the other thing is for
8 taxes.

9 So we had to have a Board action for the
10 CEO to sign taxes for the other two entities but we
11 didn't do that for MESI.

12 So I would entertain a motion that we do
13 that as well, that before MESI signs their taxes, that
14 the Board would review those taxes going forward because
15 that was the --

16 MR. KENNEDY: It would be just to follow
17 the same procedures of other --

18 MR. LYNCHARD: I make a motion that we add
19 Board members to the Holley -- or to the MESI Board of
20 Directors the same as we have the Club at Hidden Creek
21 and that the tax return come before this Board for
22 approval before signature.

23 MR. JOE CAMPBELL: Okay.

24 MR. LYNCHARD: Annually.

25 MR. THIEL: I second it.

1 MR. LINNELL: I just want to clarify, so
2 Daryl used the word, "Add," like add Directors to the
3 Board. Is the intent -- we are going to make the Board
4 similar to what we have at TCHC. Right now, it's three
5 Directors --

6 I think we are -- the thought would be we
7 can get back to someone in charge and two Directors. Is
8 that what you meant?

9 MR. LYNCHARD: Yes. That is exactly what
10 I meant.

11 MR. LINNELL: Would you repeat?

12 MR. JOE CAMPBELL: Okay. There is a
13 motion. Did I hear a second?

14 MR. THIEL: I have got a second.

15 MR. JOE CAMPBELL: Second. Okay. Any
16 other discussion?

17 MR. KENNEDY: Well, ultimately, we are
18 going to wind up having to -- are we going to decide
19 which Board member would like to sit in on that MESI
20 Board?

21 MR. JOE CAMPBELL: Do we want to have
22 that? Do you want to delay that for --

23 MR. THIEL: That's after the next
24 election, when we have the right Board members. There is
25 a change that some of the Board members might want to be

1 on that would not be reelected.

2 MR. JOE CAMPBELL: Are you going to amend
3 your motion to make it after the next election? Or you
4 want to do -- I think we ought to do it now, but --

5 MR. LYNCHARD: We do it now.

6 MR. KENNEDY: I think so.

7 MR. JOE CAMPBELL: Okay.

8 MR. MILLER: Who are the current members
9 of the MESI Board?

10 MR. JOE CAMPBELL: Mr. Long, Mr. Phillips,
11 and the CEO.

12 And I am not opposed to removing the CEO
13 and having it two Directors and one of our two engineers,
14 because my understanding is one of the engineers has to
15 be on the Board because of their license.

16 MR. PHILLIPS: And it has to be president
17 and a vice president.

18 MR. JOE CAMPBELL: And I am not opposed to
19 having it not be the CEO. I honestly think moving
20 forward, it should not be the CEO.

21 MR. KENNEDY: So it would be two directors
22 and the President of MESI.

23 MR. JOE CAMPBELL: Okay. So let's go
24 about the two Directors first.

25 MR. KENNEDY: Well, we don't know who

1 is --

2 MR. LYNCHARD: Approve the motion.

3 MR. JOE CAMPBELL: That's what I was going
4 to say. All in favor say, "Aye"?

5 MR. THIEL: Aye.

6 MR. DABNEY: Aye.

7 MR. MILLER: Aye.

8 MR. LYNCHARD: Aye.

9 MR. LINNELL: Aye.

10 MR. KENNEDY: Aye.

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

13 (NO AUDIBLE RESPONSE.)

14 MR. JOE CAMPBELL: Okay. Any motions for
15 those positions?

16 MR. LINNELL: Anybody want the position?

17 MR. LYNCHARD: I would like to be on that
18 Board.

19 MR. JOE CAMPBELL: Okay.

20 MR. LINNELL: Phil has got his hand up --

21 MR. JOE CAMPBELL: Go ahead, Phil.

22 MR. PHILLIPS: As part of this motion,
23 when you decide who is what, could you please name one of
24 them as secretary of the corporation?

25 MR. JOE CAMPBELL: Yeah.

1 MR. PHILLIPS: Secretary -- no, I think
2 it's just secretary. They don't put treasurer in our --

3 MR. JOE CAMPBELL: And you guys wouldn't
4 do that at your own Board meeting? You want us to do it?

5 MR. PHILLIPS: Which would be more
6 appropriate?

7 MR. DUNAWAY: At your own Board.

8 MR. PHILLIPS: Okay. That's fine. We
9 will do that. Just transparency.

10 The COURT: Any other --

11 MR. DABNEY: I will be on with Daryl, if
12 that's fine.

13 MR. JOE CAMPBELL: What's that?

14 MR. DABNEY: I will be on with Daryl if
15 that is --

16 MR. JOE CAMPBELL: I was going to
17 volunteer since I was the CEO, but --

18 MR. KENNEDY: Well, let's hold it for
19 the -- would you change your mind if the CEO holds it
20 until we get a new one in to reevaluate -- Daryl and the
21 CEO?

22 MR. DABNEY: He didn't want to do it.

23 MR. JOE CAMPBELL: No. I was doing this
24 as a Director versus the CEO.

25 MR. DABNEY: That's fine.

1 MR. JOE CAMPBELL: Okay. So I hear
2 Director Lynchard and Director Campbell. Any other
3 discussion?

4 (NO AUDIBLE RESPONSE.)

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

7 MR. THIEL: Aye.

8 MR. DABNEY: Aye.

9 MR. MILLER: Aye.

10 MR. LYNCHARD: Aye.

11 MR. LINNELL: Aye.

12 MR. KENNEDY: Aye.

13 MR. JOE CAMPBELL: Aye. Any opposed say
14 "Nay"?

15 (NO AUDIBLE RESPONSE.)

16 MR. JOE CAMPBELL: Okay. Mr. Phillips,
17 Operations Report?

18 MR. PHILLIPS: I will again only point out
19 the most important thing to us, which is I&I, and it was
20 a disaster last month.

21 I&I, I believe we ran 488,000 gallons per
22 day, and it put the month a little over two million
23 gallons. I believe Clinton talked to Chris earlier.

24 We are back down to about 1.1 to 1.7, I
25 guess?

1 MR. LEGG: 1.7 --

2 MR. JOE CAMPBELL: So explain to the
3 members why I&I is a negative impact and maybe even the
4 Woodmont easements and how that played into it, please?

5 MR. PHILLIPS: Sure. So the concern is
6 that Holley Navarre Water System holds a waste water
7 discharge permit, and that permit limits Holley
8 Navarre -- and there is two parts to that permit.

9 One limits Holley Navarre to 1.968 million
10 gallons a day, but then, they have an overall limit which
11 has been reduced to -- I believe 2.55. Don't quote me on
12 that.

13 So if -- if -- if I&I were to get too
14 large, it would cause Holley Navarre to exceed their
15 permit with DEP for the discharge to the reuse side.

16 MR. DUNAWAY: Define I&I.

17 MR. PHILLIPS: I&I is inflow and
18 infiltration. So anything that enters the waste water
19 collection system that is not waste water. If storm
20 water runs into the top of the manhole, if ground water
21 enters into a broken or lateral underground, that is I&I,
22 inflow and infiltration.

23 Holley Navarre started probably about six
24 or seven years ago began to experience significant I&I.

25 That -- there has been a program for the

1 problem will be fixed at that time. In the meantime,
2 even though last month was bad, the annual average is
3 only 105,000 a day, so we are still in good shape.

4 MR. JOE CAMPBELL: Okay. Thank you. But
5 the point is that is extra cost for us to treat storm
6 water that we don't have to.

7 MR. PHILLIPS: That's correct.

8 MR. THIEL: I have one question or a
9 couple of questions on the gallons of water accounted
10 for.

11 You are going to take overflow of like
12 four million gallons. Is that something that should have
13 been caught? Or is it something that --

14 MR. WELLS: We are waiting on a part to
15 get here. As you know, it's hard to get parts that you
16 need. We still have some meter issues too that is
17 accounted in that water loss of 18 percent to get us back
18 down to 8.7 --

19 MR. THIEL: Yeah. The --

20 (SPEAKING OVER EACH OTHER.)

21 MR. WELLS: In the meantime, we used to be
22 able to get things in a couple days. Now, it is taking
23 us weeks to get and correct issues. So we can just shut
24 it off. Everybody has got to have water to drink, so you
25 just can't shut it off.

1 MR. THIEL: I understand that. Okay. And
2 how about the one that was two million gallons for the
3 waste water treatment plant? What is that in regard to?
4 Do you know?

5 MR. WELLS: Two million gallons at the
6 waste water treatment plant?

7 MR. THIEL: 2090 Pepper Drive, Number 3,
8 waste water treatment plant, two million gallons that was
9 accounted for, but --

10 MR. WELLS: Yeah. That's water that flows
11 through a meter at the waste water treatment plant.

12 MR. THIEL: Okay.

13 MR. PHILLIPS: It's not water used by a
14 customer, so it is listed in a separate section, a
15 separate account.

16 MR. THIEL: Got it. Thank you.

17 MR. JOE CAMPBELL: So in this number water
18 loss, that would include like the folks that tapped into
19 the fire hydrant here in the last couple of weeks and
20 that sort of thing?

21 MR. WELLS: That's correct. Yes, sir.

22 MR. JOE CAMPBELL: Everything that we can
23 find that was not metered, we account for that as water
24 loss.

25 MR. JOE CAMPBELL: Okay. I am ready for

1 member forum. So I am just going to go down the list.

2 If you are still here, wish to speak to the Board.

3 Mr. Gregg Bennett?

4 (NO AUDIBLE RESPONSE.)

5 THE COURT: Mr. Kent Tatum?

6 (NO AUDIBLE RESPONSE.)

7 THE COURT: Ms. Nancy Forester?

8 MS. FORESTER: Yes. Nancy Forester,
9 Tidewater Drive, Navarre. Last month, I had a question,
10 and I don't think that we really got a complete answer.
11 So I want to present it again.

12 There had been some insurance for
13 employees that had been the contracts, I guess, that had
14 gone to the office where Peavey's wife had worked. And
15 the question was, "Who did that? How did anybody know
16 about that?"

17 "Did she receive any compensation for
18 that?" And does she now or he --

19 MR. JOE CAMPBELL: Which insurance in
20 particular?

21 MS. FORESTER: I believe it was the health
22 insurance.

23 MR. MILLER: No. It's the whole cache of
24 the insurance package for the whole company. And it was
25 transferred from Underwood Anderson to Fisher Brown and

1 that was done without Board approval.

2 MR. JOE CAMPBELL: This is your question,
3 not hers.

4 MR. MILLER: It's not my question. I am
5 answering hers.

6 MR. JOE CAMPBELL: Oh, okay.

7 MR. MILLER: Can I finish my answer?

8 MR. JOE CAMPBELL: Sure.

9 MR. MILLER: Okay. It was done without
10 Board approval. It shouldn't have been done without
11 Board approval. But our insurance agent, Jim Grace, with
12 Underwood Anderson has come before the Board every year
13 that I have been on this Board and probably for the last
14 twenty years to present an insurance proposal.

15 We have had the opportunity to shop it
16 with other companies. Our purchasing policy requires
17 that any expenditures over \$25,000 come before this
18 Board. That did not happen with that case. It was
19 transferred without Board knowledge, without the Board
20 being informed that it was transferred. We all found out
21 about it after the fact.

22 MR. JOE CAMPBELL: Let me correct some of
23 the facts. It did not come before the Board, but we did
24 not transfer our provider. We transferred the agent that
25 did that. So the agent we now have actually gives us

1 risk management stuff.

2 We were being charged duplicate for some
3 of the same coverage and there is a whole myriad of
4 things. We now have a better product for a similar
5 price --

6 MR. MILLER: The Board doesn't know that.
7 We still haven't seen what the proposals were from the
8 different insurance companies. That should have come to
9 this Board.

10 MR. JOE CAMPBELL: Mark, I am not
11 defending that. I wasn't in the position, so --

12 MS. FORESTER: Did Peavey and his wife
13 receive any type of compensation --

14 MR. THIEL: No.

15 MS. FORESTER: -- or commission?

16 MR. MILLER: We don't know.

17 MS. FORESTER: You don't know?

18 MR. MILLER: We don't know. I don't know.

19 MR. JOE CAMPBELL: I don't know that she
20 was at that other firm.

21 MR. LYNCHARD: As far as I know, the only
22 thing that I have heard related to Mr. Peavey and his
23 wife has been a rumor. No one has ever showed me any
24 facts.

25 There's nothing that anybody has shown us

1 or has said, but it's just rumor that is out there. And
2 for us to speculate on rumors is just wrong.

3 MR. JOE CAMPBELL: I don't know that he --
4 our financial folks, people in procurement would have
5 been the ones reaching out to get quotes and reaching
6 out. Correct?

7 MR. TY CAMPBELL: That's correct. And
8 Fisher Brown Latrelle is a preeminent agent and provider
9 and there is absolutely zero financial connections,
10 conflicts of interest, that had to do with Dallas Peavey,
11 Dallas Monroe Peavey, or his wife.

12 That is specious rumor. That is not the
13 case and there is no money that has changed hands.

14 The policies in place are the exact same
15 policies that were in place prior to Dr. Peavey being
16 here. And the agent of record change came about as a
17 result of us looking at twenty-some-odd-years of fairly
18 lazy agent behavior who doubled and tripled up and
19 financed some of our premiums.

20 So in a full
21 sunshine-is-the-best-disinfectant manner, we shopped our
22 agents and looked for a more state of the art agent who
23 could offer us risk management, safety audits, video,
24 safety engineers, ways to reduce our premium and to take
25 a very 21st Century look at how to reduce our premium and

1 be our active risk manager throughout this organization.

2 And there has been no -- there are no
3 conflicts of interest with that agent relationship.

4 MS. FORESTER: So you are saying
5 absolutely that Peavey's wife doesn't work for them?

6 MR. TY CAMPBELL: I have no idea what Dr.
7 Peavey's wife does, but I can tell you that Fisher
8 Brown Latrelle would have had to give us that information
9 as a conflict of interest and fully eliminate it.

10 And that is not the case. Fisher Brown
11 has been in this business, has been a preeminent
12 insurance provider in Pensacola since the 1940s.

13 And they are in twenty some odd states and
14 they are one of the largest agents around and they would
15 not stand for any conflict of interest to be handled on
16 their behalf.

17 MS. FORESTER: Also, then, why was that
18 not presented to the Board with their proposal like you
19 normally do?

20 MR. JOE CAMPBELL: I can't -- all I can
21 say is the point is taken. It should have come before
22 the Board. There was -- it was very similar. Actually,
23 it was a three percent raise. The Board actually looked
24 at it, approved a Board action without a meeting when
25 they looked at all three.

1 MR. TY CAMPBELL: That was the health
2 insurance.

3 MR. JOE CAMPBELL: I'm sorry.

4 MR. TY CAMPBELL: We are speaking about
5 the liability.

6 MR. JOE CAMPBELL: Got it. Okay. My bad.

7 MR. TY CAMPBELL: From the health
8 insurance perspective, we have retained the exact same
9 agent, one additional that we had prior to Dr. Peavey
10 coming.

11 We did have, I believe, historically -- I
12 only came in -- I have only been here a year. There was
13 a provider change, but in the health insurance space,
14 basically, you only have three. You fish from the same
15 pond. Florida Blue, United Healthcare, Veros (phonetic)
16 and maybe another.

17 So there really isn't a manner by which --
18 I mean, that any of those firms would be in any way
19 giving money back to the individual. These are enormous
20 organizations and they clearly have staff on staff to
21 make sure there are no conflicts of interest, but I
22 cannot --

23 MR. THIEL: And that was approved by a
24 Board without a meeting?

25 MR. TY CAMPBELL: Yes.

1 MR. THIEL: Board action without a meeting
2 because it had to be approved by a certain date.

3 MR. JOE CAMPBELL: Any other questions?

4 MR. TY CAMPBELL: There was a reduction of
5 3.45.

6 MS. FORESTER: It still sounds like a
7 shady deal.

8 MR. JOE CAMPBELL: Okay. But to your
9 point in the future --

10 Mr. Pohlmann?

11 MR. POHLMANN: Chuck Pohlmann, 2956 PGA
12 Boulevard. I have just got two quick questions. I would
13 like to know and maybe some other people in the audience
14 would also like to know this -- how many bonuses have
15 been given to Navarre Water System people in the last
16 three years? And how much was it? And who got those
17 bonuses?

18 I mean --

19 MR. LYNCHARD: Not a clue.

20 MR. POHLMANN: Is that --

21 MR. JOE CAMPBELL: Mr. Will, I don't know
22 if that's an HR issue and we are not really --

23 MR. DUNAWAY: Right. We are on member
24 forum and you have heard the member's comment. There is
25 no reason --

1 MR. JOE CAMPBELL: Legal says because it's
2 an HR issue and it's a pay issue of the individuals, we
3 aren't at liberty to say.

4 I'm just going to say, it's kind of an
5 industry standard, and I am just going to leave it at
6 that.

7 MR. MILLER: And we, as a Board, don't
8 know anything about employee bonuses. The only thing the
9 Board does is discuss the bonus for the CEO.

10 MR. JOE CAMPBELL: No. That's not true,
11 Mark. It's a company policy what the bonus is, so that's
12 not true you don't know, but we can't divulge it, so --

13 MR. POHLMANN: Why wouldn't that be public
14 knowledge for the members?

15 MR. JOE CAMPBELL: Because you are dealing
16 with HR and paying employees. Thank you, Ms. HR Lady.
17 She is shaking her head, so we must be right.

18 MR. POHLMANN: Well -- and I am not trying
19 to be elusive.

20 (SPEAKING OVER EACH OTHER.)

21 MR. JOE CAMPBELL: How much -- how much
22 was your bonus this year? I don't know. See what I am
23 saying? So what's you're insinuating is that --

24 MR. POHLMANN: I am just asking a
25 question. I have heard a lot about bonuses being paid

1 and they are up this year compared to last year --

2 MR. JOE CAMPBELL: Well, we are not into
3 that. Since we have not even got into that, we haven't
4 even started budget discussions.

5 I know there is a company policy that --
6 and I don't know that any Board members are upset with
7 that policy, but we will have that discussion at that
8 time.

9 MR. POHLMANN: My last question --

10 MR. JOE CAMPBELL: Yes, sir?

11 MR. POHLMANN: Last month, I brought up
12 the question about nepotism and hiring of two employees
13 that are family members of Dallas Peavey.

14 And the Board said that they have nepotism
15 rule and regulation in place. And now, I hear we are
16 reviewing, I guess, the Employee Handbook. I don't know
17 if that is going to be rewritten or what.

18 Can you explain yourself or explain what
19 the Board is looking at doing with those two employees?

20 MR. JOE CAMPBELL: Well --

21 MR. LYNCHARD: That's an employee issue.

22 MR. JOE CAMPBELL: Employee issue.

23 MR. POHLMANN: Yeah.

24 MR. JOE CAMPBELL: But the nepotism that
25 you talked about, right, is no longer valid.

1 MR. POHLMANN: No longer valid? When did
2 that take place?

3 MR. JOE CAMPBELL: But that goes to
4 company policy, so there is many husband-wife-daughter
5 working in there. They are just not in the chain of
6 command. Right. So not at that end.

7 So because Mr. Peavey is no longer with
8 the company, that doesn't apply. But nepotism, HR
9 person, is not just family, familial. If Mark and I were
10 in high school forevermore, that's nepotism if I hired
11 him, you know, we went to high school and all that sort
12 of thing.

13 So my legal counsel is telling me that --
14 so the Board, we had addressed it. Some have known it
15 for quite a while. And then, when this all came to
16 light, the Board addressed that policy, so we will ensure
17 that we enforce that policy.

18 MR. POHLMANN: So it's being rewritten is
19 what you are saying?

20 MR. JOE CAMPBELL: No. I am not saying it
21 is going to be rewritten. I am going to say it is going
22 to be enforced. I don't know that we rewrote it per se.
23 But, again, the Board has not reviewed that, so there may
24 be Directors that take a -- that they put a pen to it and
25 they want to change something.

1 MR. POHLMANN: And we are not going to
2 retroactive that --

3 MR. JOE CAMPBELL: Well, how can you
4 retroactive it --

5 MR. POHLMANN: Well, I mean, if you went
6 against the rule and regulation in the Employee Handbook
7 and what y'all stand by, it seems to me that something
8 should be done.

9 MR. LINNELL: Something was done. He was
10 removed.

11 MR. POHLMANN: What should be done?

12 MR. LINNELL: No. I said something was
13 done. He was removed.

14 MR. POHLMANN: What about the --

15 MR. LINNELL: The person that violated the
16 policy was removed.

17 MR. POHLMANN: I have already said that to
18 them --

19 MR. LYNCHARD: Here's one thing -- Mr.
20 President, I just want to say one thing. Whenever
21 somebody asks us an employment-related question or a
22 legal-related question and we don't answer it, the reason
23 is because we don't want to get sued.

24 And people will sue us. And they are
25 suing the Board of Directors. They are suing you guys.

1 It's your money that we will lose in the lawsuit. So,
2 you know, understand that we are trying to protect the
3 organization and the members.

4 MR. POHLMANN: But you broke the
5 regulation.

6 MR. LYNCHARD: I didn't.

7 MR. POHLMANN: The Board did.

8 MR. MILLER: The Board didn't break
9 anything --

10 (SPEAKING OVER EACH OTHER.)

11 MR. JOE CAMPBELL: All right. Let's go.
12 Next person. Angela Campbell?

13 MS. CAMPBELL: I would like to address the
14 Board. As I was going through my review of the minutes,
15 I could not find any mention of charitable donations with
16 sponsorships in the minutes. Where would I find that
17 information?

18 MR. JOE CAMPBELL: Charitable donations?

19 MS. CAMPBELL: A Board-sponsored event.
20 Where would I find that information?

21 MR. MILLER: The Board only has to approve
22 it if it is over \$25,000 and our total budget for the
23 year was 12 or something like that.

24 MS. CAMPBELL: So I want to -- if I want
25 you to sponsor something, who do I go to? Do I have to

1 go to my husband and say, "Write me a check." Is that
2 how it works?

3 MR. MILLER: The CEO has spending
4 authority.

5 MS. CAMPBELL: Is it correct -- yeah, but
6 I am not going to do that.

7 UNIDENTIFIED AUDIENCE MEMBER: Well,
8 that's good, because that's on record.

9 MS. CAMPBELL: But is it appropriate -- I
10 am asking everyone -- is it appropriate for sitting Board
11 members to go through a subordinate staff member, the
12 CEO, and ask for a check to be written?

13 I don't think it is. Not for their pet
14 project.

15 MR. JOE CAMPBELL: Thank you for that.
16 Greg Breitling?

17 (NO AUDIBLE RESPONSE.)

18 MR. JOE CAMPBELL: Is there a Liz Ogle
19 that I missed?

20 MR. DABNEY: Is there something that the
21 Board missed?

22 MS. CAMPBELL: Yeah. I don't think it
23 should be done. I think if you are going to make
24 charitable donations, it should be done with
25 transparency.

1 MR. JOE CAMPBELL: All right. So just for
2 the record, then, with this sitting CEO, we are not doing
3 any charitable contributions for the rest of the year.
4 Just saying.

5 MR. LYNCHARD: So you have already signed
6 up for the rest of the year?

7 MR. JOE CAMPBELL: Yeah. Until I am no
8 longer CEO.

9 MS. CAMPBELL: No.

10 MR. JOE CAMPBELL: Yes, ma'am?

11 MS. OGLE: I'm Liz Ogle, 7540 Treasure
12 Street. And I am kind of here on behalf of my neighbors.
13 I wanted to address an issue that happened on September
14 3rd with the sewer line and a sink hole, somewhere in and
15 around Treasure Street. And I first wanted to know if
16 that issue has been 100 percent resolved.

17 We found --

18 MR. JOE CAMPBELL: Mr. Clinton, Treasure
19 Street is now good to go?

20 MR. WELLS: It is. Yes.

21 MR. JOE CAMPBELL: I can explain more if
22 you would like, but go ahead.

23 MS. OGLE: Well, my next question is why
24 were the residents not told to turn off our grinder
25 pumps? I know that the crews were out there and they

1 told me there were there for approximately six hours, but
2 none of us were told, unless you had them in your yard,
3 that we needed to turn off water pumps and conserve
4 water, which, in turn, caused several of us to lose
5 grinder pumps that overheated.

6 So, first, I am wondering why there isn't
7 a system to let residents know when there is some sort of
8 emergency or water issue that we need to be immediately
9 proactive about?

10 MR. JOE CAMPBELL: That is a good
11 question. We actually addressed that because somebody
12 sent me over there to Treasure Street when they saw the
13 chatter on social media about what to do. When I got
14 there, I had seven crew members diligently getting to do
15 that.

16 Those residents that stopped by were given
17 an update, but to be honest, those crews were focused on
18 getting that cleared. And it was actually sand from
19 somebody's grinder pump or somewhere along the system,
20 because it was pressurized.

21 And so, we actually talked yesterday or
22 the day before about our notifications because we had a
23 water break at the County line that was caused by
24 somebody putting in the stop light there at the new
25 Publix. And then, our water line broke.

1 And so, we put up a board finally -- until
2 the battery ran out. So, unfortunately, that was one of
3 those things we didn't do quite right, but we worked on
4 it. We are working on it.

5 We are working on a system for a 24-hour
6 notification that "Hey, you have a line break here. You
7 have something there."

8 MS. OGLE: Right.

9 MR. JOE CAMPBELL: Unfortunately, this is
10 the case of folks on the line trying to get it fixed as
11 opposed to telling somebody to tell residents that --

12 MS. OGLE: Right. And that's my concern.
13 The techs were all fantastic. They all came out. I know
14 it was a holiday weekend. People were called back from
15 vacation.

16 But my concern is they had mentioned, "Oh,
17 this same thing happened during 4th of July weekend a few
18 streets down."

19 And its residents need to know. Myself
20 and several neighbors lost grinder pumps. And I am
21 wondering if there is some contribution or reimbursement
22 for that since it was -- it wasn't our fault. Had we
23 been notified, we could have turned those pumps off.

24 MR. JOE CAMPBELL: Part 2 of that is we
25 currently don't have a policy -- how should I say this --

1 a procedure for a claim. Right? So in conjunction with
2 Legal, again, because I think you were the one that
3 emailed --

4 MS. OGLE: Yes.

5 MR. JOE CAMPBELL: So we don't have a
6 process to determine, okay, whose fault was it. Where
7 was it, where do I get the expert to say how this
8 happens?

9 We actually have -- there was a sinkhole
10 along there, an empty lot, and a couple of things we
11 think contributed to that, but applying responsibility
12 may be an issue.

13 So if you give us a little bit, because
14 that's one of the things -- that's one of the many tasks
15 I have at the top of the list, what is the process for a
16 member to come back. I take this as you versus me and
17 that sort of thing.

18 But the one thing that -- so did I answer
19 that question?

20 MS. OGLE: You did. Yes.

21 MR. JOE CAMPBELL: So the other part of
22 that is that the Water System -- correct me if I'm wrong,
23 Clinton, we are responsible from the pump out -- sorry,
24 the meter out of the pump out. Right?

25 MR. WELLS: Right.

1 MR. JOE CAMPBELL: So some of the members
2 didn't realize, "Hey, if my grinder pump is running, and
3 the red light is coming on, you need to turn it off."

4 You know, if you hear it running
5 continuously, you need to turn it off. So some of that
6 is education of members on their equipment, because it is
7 not ours. So we actually talked about getting some
8 informational campaign out there saying, "Hey, here is
9 your grinder pump. If it is doing this, you do this.
10 Turn it off. Call a plumber for that sort of thing."

11 Because we have had instances where
12 plumbers are saying there is a clog in the house, but
13 then, the member tries to say, "Well, it's in the
14 grinder."

15 So if you give me a few, I don't want to
16 define few to actually run through that claims process.

17 MS. OGLE: Okay.

18 MR. JOE CAMPBELL: Get with legal and
19 finance and everybody and figure out, "Okay." Then,
20 obviously, somewhere along the line, okay, the experts
21 are, "Okay. Who is really responsible for that?"

22 Did that answer your question?

23 MS. OGLE: It did answer my question. I
24 guess my bigger question is first I want to give a shout
25 out to the crews that came out. They are all polite,

1 professional. We really appreciated their time.

2 But the -- they kind of put the onus on
3 us. You can tell your neighbors to turn off their
4 grinder pumps and you can tell your neighbors to stop
5 using water.

6 And there was actually a group of us on
7 Saturday morning that got together and we went
8 door-to-door and did tell the neighbors, which was a
9 little awkward, telling them not to flush their toilets.

10 But there just needs to be something in
11 place to notify. It's much quicker than seeing a passing
12 Facebook post or getting a knock at the door.

13 MR. JOE CAMPBELL: I would hope with all
14 those people that were on social media saying, "Hey, I am
15 backing up," if somebody would have said that, so --

16 MS. OGLE: But I guess my point is the
17 responsibility should be for our neighbor to inform them
18 that there is a problem with the line but I don't have
19 any authority. That needs to come from you guys so that
20 we also know that we aren't, you know, hurting each other
21 by giving misinformation.

22 MR. JOE CAMPBELL: Well, the other thing
23 that a lot of people did, instead of calling our
24 emergency -- instead of calling the number, they just put
25 it on Facebook and we didn't know. Right?

1 So you are hurt. I got it. We actually
2 had talked about a method to get to members sooner, other
3 than posting on the website and putting it on Facebook,
4 we don't have a method that I am aware of where we can
5 call Treasure Street.

6 MS. OGLE: Right. Okay.

7 MR. JOE CAMPBELL: But we will try and get
8 that --

9 MS. OGLE: Thank you.

10 MR. KENNEDY: Hey, Joe, if I can put in a
11 plug for everyone? Holley Navarre Water System has a
12 portal. If you haven't logged on and created an account,
13 also thereby giving us your email addresses, which may be
14 an avenue for staff to be able to send this out to you in
15 a proactive manner.

16 So just so you know, we do have a portal
17 there that you need to log in and register for, so --

18 MR. JOE CAMPBELL: Okay. Mr. Ashe?

19 (NO AUDIBLE RESPONSE.)

20 Ms. Gunnoe?

21 MS. GUNNOE: Again, Debbie Gunnoe, 2143
22 Chatsworth Drive. And I hope that information doesn't
23 get into somebody's hands who wants to come get me. It
24 is on file.

25 I have a two-part question to pose to each

1 of you and expect a response from each individually.
2 When were you aware of Mr. Peavey's background or
3 reported questionable actions he took as CEO?

4 What actions did you take at the time you
5 were informed? And, please, quickly answer as I only
6 have three minutes.

7 So, Mr. Campbell, Joe Campbell, when
8 did -- when were you aware of Mr. Peavey's background or
9 a point when someone had informed you of a questionable
10 action he took while he was CEO?

11 MR. DUNAWAY: And, Mr. Campbell, I would
12 advise you not to answer.

13 MS. GUNNOE: Okay. Mr. Miller --

14 MR. JOE CAMPBELL: Nobody is going to
15 answer that, Ms. Gunnoe. So what is your next --

16 MS. GUNNOE: Okay. Well, here we go. Per
17 the Holley Navarre Water System website, the Board of
18 Directors' core values are one dream to become known for
19 delivering innovative, quality, and safe products to the
20 community.

21 One team, as we are in the people
22 business, creating a team culture that promotes
23 performance, creativity, honesty, integrity and
24 sensitivity to employees, members, and partners is our
25 utmost responsibility. Utmost responsibility.

1 One member at a time. Holley Navarre
2 Water System is committed to aligning our organization to
3 serve the unique needs of each of our members to deliver
4 greater value, responsiveness, quality and security and
5 innovation.

6 Obviously, you have absolutely no concept
7 of these ideals. This Board, for the majority, permitted
8 a man with a background of theft from his employer and
9 that is plea deal court record CR 36616 to have full
10 reign over our member-owned Water System and destroy any
11 possibility of creating the one team of your core values.

12 You, gentlemen, were elected to the Board
13 to protect us, the members, and ensure our company
14 delivers great value, responsiveness, quality, security,
15 and innovation. You failed.

16 You abdicated your responsibilities to a
17 person who should have never been entrusted with complete
18 and unfettered control of our company.

19 You allowed the termination of qualified
20 loyal and brain trust employees so positions could be
21 filled by Mr. Peavey's family and trust agents.

22 Further, you accepted the concocted lies
23 of Peavey, even though his court records were public
24 record.

25 I am sure you can certainly understand we

1 have absolutely no confidence in your ability to continue
2 overseeing our company.

3 First action has already been taken. And
4 I appreciate that being done. First action was to
5 approve a forensic audit to ensure we are starting off
6 with a clean slate. The next action required by members
7 of this company is your resignation.

8 Nothing less is acceptable. Thank you
9 very much.

10 MR. JOE CAMPBELL: Ms. Gunnoe, have you
11 been on this Board?

12 MS. GUNNOE: I was on this Board.

13 MR. JOE CAMPBELL: Were you? And how long
14 were you on the Board?

15 MS. GUNNOE: Oh, about four months. And,
16 yes, I was fired.

17 MR. JOE CAMPBELL: Why were you fired?

18 MS. GUNNOE: Because, supposedly, I
19 brought embarrassment to the Board.

20 MR. JOE CAMPBELL: Well, let me just say
21 that --

22 (SPEAKING OVER EACH OTHER.)

23 MS. GUNNOE: I got -- there were personnel
24 conflicts that were going on at the time.

25 MR. JOE CAMPBELL: Okay.

1 MS. GUNNOE: And I probably made some poor
2 judgments back during that time. But, yes, I was fired.

3 MR. JOE CAMPBELL: Okay.

4 MS. GUNNOE: But we want to fire you. And
5 if we won't get your resignation, we will work on that
6 through the election process. Thank you very much.

7 (APPLAUSE.)

8 MR. JOE CAMPBELL: Mr. Cosby?

9 MR. COSBY: I will --

10 MR. JOE CAMPBELL: Someone put your
11 name --

12 MR. COSBY: I am a member and I am a
13 customer. And I pay my water bill --

14 MR. JOE CAMPBELL: Mr. Cosby, if you want
15 to sneak, come up here.

16 MR. COSBY: Can you hear me?

17 MR. MILLER: Come up to the podium.

18 MR. COSBY: With your little -- snide
19 little remark -- Kurt Cosby, 6839 Marble Street. I am a
20 member, and more importantly, I am a customer that pays
21 his bills, so watch yourself.

22 MR. JOE CAMPBELL: Thank for that threat.

23 (APPLAUSE.)

24 MR. JOE CAMPBELL: Mr. Chad Phillips. Do
25 you want to talk, Chad?

1 (NO AUDIBLE RESPONSE.)

2 The COURT: David Crumbley?

3 UNIDENTIFIED AUDIENCE MEMBER: He left.

4 MR. JOE CAMPBELL: Bob Cluskey?

5 UNIDENTIFIED AUDIENCE MEMBER: He left.

6 MR. JOE CAMPBELL: Diana Lipscomb?

7 MS. LIPSCOMB: I am here.

8 MR. JOE CAMPBELL: Ms. Reynolds, you are
9 up here again.

10 MS. GUNNOE: Carmen, may I take a minute
11 please?

12 (MS. GUNNOE APPROACHING PODIUM.)

13 MS. GUNNOE: I am sitting back there
14 stewing. And my question to you is: What does my past
15 on this Water Board have to do with anything you guys --

16 MR. JOE CAMPBELL: You just called into
17 question --

18 (SPEAKING OVER EACH OTHER.)

19 MS. GUNNOE: Thank you very much. My past
20 doesn't have anything to do with what you have done on
21 this Water Board. Thank you very much.

22 I want that on the record. You have
23 offended me for what you have said. Nothing that I have
24 done has anything to do with you guys.

25 Thank you.

1 (APPLAUSE)

2 MR. JOE CAMPBELL: Ms. Campbell, let Ms.
3 Reynolds speak first. Sit, please. We are going to
4 follow procedure. I know I will be in trouble if I don't
5 let her speak.

6 MS. REYNOLDS: Carmen Reynolds, Sunnybrook
7 Drive. Can you hear me? Can you hear me okay?

8 MR. LYNCHARD: Yes.

9 MS. REYNOLDS: I wasn't able to address
10 before the Black Skimmer, when we had a semi-restaurant
11 here. That was under CEO Williamson's tenure. And I had
12 advised at that time that we had a shovel-ready
13 restaurant willing to come in.

14 She was there that night. She had opened
15 Outbacks everywhere in seven different locations.

16 She had wanted to put a steak restaurant
17 in here with a delivery ability and I had advised the
18 Board at the time that the Black Skimmer people had
19 medical issues and were not going to be financially
20 stable.

21 So I am not here to say, would have,
22 should have, could have, but I am here to say we can go
23 forward with something more lucrative for this location.

24 And if you would desire, I would be
25 willing to contact her and see if she is still available

1 to do that. Secondly, I wanted to talk with you about
2 the rumors we have heard about the deficits. And the
3 planned rate increases while we are at a 40-year high
4 inflation, while seniors in our community are on fixed
5 incomes and juggling the increases with the fire tax, the
6 School District increase in taxes, the Florida Power and
7 Light incremental increases.

8 Others are struggling. Families with
9 their mortgages, adjustable rate mortgages and rising
10 costs. It is incumbent on you, gentlemen, to understand
11 this is not Monopoly money. This is our membership
12 money.

13 It should be taken care of seriously,
14 judiciously, with financial prudence. Here are some good
15 cost-cutting measures to consider before anticipating any
16 future rate increases.

17 First, review all economies and
18 efficiencies in your operations. Seek redress of
19 grievous errors and omissions from the headhunter
20 recruiting agency that you employed to bring in
21 Mr. Peavey. They have insurance policies.

22 We could get some of this money back. I
23 asked this question last month. I haven't heard any
24 response. Review the cell phone inventory to ensure the
25 necessity for all employees to have those cell phones.

1 And the vehicle usage and the gas card usage.

2 Eliminate redundancies, insist on three
3 bids before contracting. Stop out of the ordinary
4 expenditures. Stop the steep discounts to developers to
5 the detriment of the small business owners.

6 And residents -- no more building
7 construction projects. What is the Taj Mahal's cost up
8 to now? It's been unavailable to your customers and your
9 business customers for a long time.

10 Stop the almost \$12,000 or more annual
11 charitable deductions. I was happy to hear you say that.
12 Scale down the annual 1.5 million Lamborghini healthcare
13 plan for the employees. We are not against them. We are
14 into cost-cutting measures any business would be
15 advocating for.

16 Are we paying the deductibles and copays?

17 Also, does this extend to the spouses and
18 the dependents? If there is no deductible, consider
19 electing to bring one in effect to bring costs down.

20 Cease paying Lamborghini healthcare
21 coverage for employees in the two for-profit companies
22 under Holley Navarre Water System, which include the Club
23 at Hidden Creek and the Municipal Engineer Services,
24 Incorporated.

25 MR. JOE CAMPBELL: You are at five

1 minutes.

2 MS. REYNOLDS: Until further notice,
3 institute --

4 MR. JOE CAMPBELL: Just so you know. I
5 will let you finish.

6 Ms. REYNOLDS: -- a hiring freeze, a
7 promotions freeze. No pay increases so everyone enjoys
8 and shares in the pain. No bonuses.

9 Stop the free annual Sam's Membership Club
10 for all employees and perks. Consider not paying the
11 COLA this year.

12 And Delta Airlines, their member-owned
13 company in their Atlanta Journal Constitution article
14 talked about Delta agreeing to pay their pay-cuts to
15 avoid furloughs, salary reductions to avoid losing their
16 jobs.

17 Maybe we should look at things like this.
18 In summary, it is up to this Board to ensure due
19 diligence is extended to evaluate, oversee, and implement
20 any and all -- any or all of these deficit addressIng
21 measures.

22 Thank you. And I again ask for a
23 four-minute extension on the time limit.

24 MR. JOE CAMPBELL: Right. But you talked
25 for six and I didn't stop you. I want that noted.

1 MS. REYNOLDS: And there was a spouse up
2 here many times that jumped in front of others.

3 (APPLAUSE.)

4 MR. JOE CAMPBELL: And I would, just for
5 the record, our expenses went up seven percent last year.
6 We had no rate increase last year. Just for the record.

7 So I refute some of your accusations about
8 the Board not caring and not doing a business like
9 minded, so thank you for that.

10 MR. JOE CAMPBELL: Mr. Diorgio?
11 (phonetic)

12 (NO AUDIBLE RESPONSE.)

13 MR. JOE CAMPBELL: Okay. Any last --

14 MS. CAMPBELL: No. I am good.

15 MR. JOE CAMPBELL: Last person.

16 MR. FOSTER: Well, I don't know --

17 Mr. Chairman, Jerry Foster, 6860 Lola
18 Circle. I just had a real quick simple question. But
19 now, with all of this that has taken place, let me -- let
20 be different, unaccustomed as I am, and say, you are to
21 be commended for the way you are handling things right
22 now.

23 This is only my second time in 17 years
24 coming to a Board member meeting, and I am not
25 apologizing for anything that has been said because

1 that's their opinion.

2 I am just saying that I wanted to come up
3 earlier and just say that three months ago, my wife and
4 I, when she was alive, we were coming home one night, and
5 we were coming down 399, as we often do.

6 And I had the roof top open, because it
7 was a beautiful evening, and we got soaking wet. So I am
8 asking if that third tee sprinkler head can be adjusted?

9 MR. JOE CAMPBELL: Mr. Peavey said the
10 same thing.

11 MR. FOSTER: I wish my wife was here now,
12 so we can enjoy that drive-by, but -- and the other thing
13 as I was sitting in the back thinking about, is there any
14 progress or any movement so that we can pay our bills
15 back online without paying extra to pay our bills online?

16 Not that I don't mind driving by, but, you
17 know, I almost got hit driving by to pay my bill --

18 MR. JOE CAMPBELL: Isn't there a
19 convenience fee we charge --

20 MR. MILLER: It's \$3.00.

21 MR. JOE CAMPBELL: \$3.00.

22 MS. BUCHOLTZ: There are other ways you
23 can pay.

24 MR. JOE CAMPBELL: Say again?

25 MS. BUCHOLTZ: There are other methods

1 that you can use to pay without going online to that
2 third party website.

3 MR. FOSTER: I am deaf in one ear. I
4 didn't hear that. I am sorry.

5 I am deaf in one ear and hard of hearing
6 out of the other because I am on my 82nd ride on this
7 third rock around the sun.

8 MR. JOE CAMPBELL: You say there are other
9 ways to pay?

10 MR. FOSTER: Oh, I know there is other
11 ways, which is what I am doing. But I am trying to be,
12 you know, one of the woke people, you know --

13 MS. BUCHOLTZ: You can go online to make a
14 payment to our third party website.

15 MR. FOSTER: Well, I used to pay online
16 and it was very easy.

17 MS. BUCHOLTZ: Yeah.

18 MR. FOSTER: And I used to pay early.
19 Now, I have got to drive, you know, three miles up and
20 put it in. I almost got hit the other time when I --

21 MR. JOE CAMPBELL: I am sure if you get
22 with Ms. Amber, Director of Member Services, she will
23 give you your best option for you to pay.

24 MR. FOSTER: Yeah. It's by check.

25 MR. MILLER: No. I think there is an

1 automatic draft payment from your own checking account.

2 MS. BUCHOLTZ: There is a payment option
3 from your own checking account.

4 MR. FOSTER: I can't hear because
5 everybody is yakking back here.

6 MR. JOE CAMPBELL: Hang on. I am trying
7 to be polite. Get with Ms. Amber. She will tell you
8 different ways to do that.

9 MR. FOSTER: Thank you for your time.

10 MR. JOE CAMPBELL: I will entertain a
11 motion to adjourn --

12 MR. LYNCHARD: Well, hang on.

13 MR. FOSTER: And thank you, Board members,
14 for serving.

15 MR. JOE CAMPBELL: Mr. Kennedy. Go ahead.

16 MR. KENNEDY: All right. So, Board, as
17 some of you know, my stepfather passed away in April.
18 And we have been going up and down to see my mom for
19 months.

20 And I am needing to be with my mom. So we
21 will be moving to be closer to my mom. And, you know,
22 this has been my home. I have been honored to be on this
23 Board with you to serve the members.

24 And the good -- we had some good times.
25 We are in a bad lull now, but that will all work itself

1 out. We all get along in the long run. But, again, I
2 just want to reiterate to staff they are amazing.

3 Whatever this Board does --

4 UNIDENTIFIED AUDIENCE MEMBER: Sorry for
5 your loss.

6 MR. KENNEDY: Thank you, sir.

7 So with that said, you will be receiving
8 my resignation.

9 MR. JOE CAMPBELL: Okay.

10 MR. KENNEDY: So it has been my honor --

11 MR. JOE CAMPBELL: And thanks for what you
12 have done up here with the rest of the community.

13 MR. KENNEDY: Thank you.

14 MR. LYNCHARD: We have had our ups and
15 downs, but you have been pretty good.

16 MR. JOE CAMPBELL: Do I have a motion to
17 adjourn?

18 MR. KENNEDY: Motion to adjourn.

19 MR. JOE CAMPBELL: Do I have a second?

20 MR. LYNCHARD: Second.

21 MR. JOE CAMPBELL: All in favor say,
22 "Aye"?

23 MR. THIEL: Aye.

24 MR. DABNEY: Aye.

25 MR. MILLER: Aye.

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MR. LYNCHARD: Aye.

MR. LINNELL: Aye.

MR. KENNEDY: Aye.

MR. JOE CAMPBELL: Aye.

WHEREUPON, THE BOARD OF DIRECTORS MEETING
FOR HOLLEY NAVARRE WATER SYSTEM CONCLUDED AT 9:04 P.M.

