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HOLLEY NAVARRE WATER SYSTEM
REGULAR BOARD MEETING
JULY 19, 2022
6:00 P.M. - 7:09 P.M.

JOE CAMPBELL, PRESIDENT

MARK MILLER, VICE PRESIDENT

BILL THIEL, SECRETARY TREASURER

MIKE KENNEDY, DIRECTOR

DON LINNELL, DIRECTOR

DR. DALLAS PEAVEY, CEO, HNWS

TY CAMPBELL, HNWS

EMERALD MCDANIEL, HNWS

TISHA WATKINS, HNWS

AMBER BUCHOLTZ, HNWS

PHIL PHILLIPS, MESI

CLINTON WELLS, HNWS

CHRIS LEGG, HNWS

JAROD CROSS, HNWS

WILL DUNAWAY, ESQUIRE

ALSO PRESENT: SONIA NEGLEY

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

2 MR. JOE CAMPBELL: All right. 6:00
3 o'clock. I will call the meeting to order.

4 Mr. Thiel, would you mind leading the
5 pledge?

6 Will you do the prayer, Mr. Miller?

7 Let's do the pledge first.

8 MR. THIEL: Okay. If you will face the
9 flag and repeat the pledge of allegiance to our country.

10 (PLEDGE OF ALLEGIANCE LED BY DIRECTOR THIEL.)

11 MR. JOE CAMPBELL: Director Miller, will
12 you lead the prayer?

13 MR. MILLER: Will you bow your heads and
14 pray with me?

15 (INVOCATION GIVEN BY DIRECTOR MILLER.)

16 MR. JOE CAMPBELL: We do have a quorum of
17 five. Audio and video recorders are in use.

18 The stenographer is not here tonight, so
19 it is being taped as well as live.

20 Any member who wishes to address, please
21 fill out the member forum.

22 All right. Approval of the minutes. We
23 have the June 21st, 2022, regular meeting minutes and
24 transcripts, the June 29th closed executive session
25 redacted. Have you had a chance to look?

1 MR. THIEL: Yes. I have a couple of
2 comments.

3 MR. JOE CAMPBELL: All right.

4 MR. THIEL: Both the minutes and the
5 transcript for the approval of the May minutes only say,
6 "Approval of the minutes."

7 But the minutes say, "Approval of May
8 17th, 2022, minutes. And actually the transcript says,
9 "Approval of the minutes of the special meeting and
10 regular meeting," but doesn't mention it in the
11 transcript.

12 So I think it needs to be corrected, I am
13 sure. I think it needs to be amended in the minutes --

14 MR. JOE CAMPBELL: Okay.

15 MR. THIEL: Both the minutes and
16 transcripts for both meetings.

17 MR. JOE CAMPBELL: Did the transcripts say
18 that I mentioned transcripts as well or just say minutes?

19 How about if I add, "Adding the
20 transcripts of the May 17 minutes"?

21 MR. THIEL: Yeah. And add --

22 MR. JOE CAMPBELL: Okay.

23 MR. THIEL: We have to add it to the
24 minutes and the transcripts. The transcripts just say
25 minutes also.

1 MR. JOE CAMPBELL: I will entertain a
2 motion to the effect that the May 17th transcripts -- we
3 already approved the minutes, the meeting minutes. And
4 then, the June 21st regular meeting minutes and
5 transcripts and the June 22nd closed executive session
6 redacted.

7 Does everybody understand?

8 MR. LINNELL: So moved.

9 MR. JOE CAMPBELL: Everybody understood
10 that?

11 MR. KENNEDY: I'll make a motion of what
12 you just said.

13 MR. LINNELL: I will second it.

14 MR. JOE CAMPBELL: All right. So Mike
15 Kennedy and you -- Don seconds.

16 MR. LINNELL: Yes.

17 MR. JOE CAMPBELL: Anything else? Any
18 other discussion? Everybody is good with what is in the
19 minutes?

20 (NO AUDIBLE RESPONSE.)

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

23 MR. THIEL: Aye.

24 MR. LINNELL: Aye.

25 MR. KENNEDY: Aye.

1 MR. JOE CAMPBELL: Aye.

2 MR. MILLER: I am going to abstain on that
3 because I haven't read the transcripts yet.

4 MR. JOE CAMPBELL: Okay. Four aye, one
5 abstain.

6 All right. So approval of June
7 memberships. 379 new members, 366 cancellations, and 3
8 transfers.

9 MR. KENNEDY: I make a motion to approve
10 new members 379, canceled members 366, and transfers of
11 3.

12 MR. JOE CAMPBELL: Mr. Kennedy.

13 MR. LINNELL: Second.

14 MR. JOE CAMPBELL: Don seconds. Any
15 discussion?

16 (NO AUDIBLE RESPONSE.)

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

18 MR. THIEL: Aye.

19 MR. MILLER: Aye.

20 MR. LINNELL: Aye.

21 MR. KENNEDY: Aye.

22 MR. JOE CAMPBELL: Aye.

23 Any opposed?

24 (NO AUDIBLE RESPONSE.)

25 MR. JOE CAMPBELL: Five-zero. Motion

1 carries.

2 Unfinished business.

3 Mr. Legal, report, Mr. Will Dunaway. Take
4 it away.

5 MR. DUNAWAY: Thank you, Mr. Chairman. As
6 an update to the acquisition of the right-of-way, I did
7 have a good conversation with one of the property owners,
8 Ms. Nevel. Mr. and Ms. Nevel own a property that will
9 potentially be impacted on one of its sides along 87.

10 There is a fence and a shed. We had staff
11 go out. Staff looked at it and they have concluded they
12 are going to bore underneath that. She was willing to
13 entertain a signing of the easement for the appraisal
14 price, but they were just concerned.

15 I think she is elderly. She mentioned her
16 husband is in his 80s, so moving that shed was going to
17 be an issue. I think we are working through that. I
18 think we will resolve that. That may be a positive and
19 we may be able to close before having to take that
20 through to the Circuit Court.

21 We have also been negotiating with the
22 church, and they seem amenable to the offered price. And
23 there was a little bit of back and forth on they wanted a
24 tap fee. We will resolve that probably in the next
25 couple of weeks, and then, that will be resolved.

1 That is the only -- I mean, that is not
2 going to get us to the whole acquisition. Obviously, we
3 are going to end up having to file a lawsuit.

4 We know that because we have the estate.
5 There is one property that is caught up in an estate, and
6 we are in contact with at least one of the heirs, and
7 they said, "You know, you are going to have to sue us,
8 because we don't know how to decide anything, so we will
9 have to have a Judge to tell us how that works."

10 Obviously, as we have mentioned before, we
11 can't file the lawsuit without the signed lease. But in
12 anticipation of that, I sent an email and conversation --
13 to initiate conversation with the County Attorney last
14 week, just laying this out. The next two things that
15 have to happen are the County has to get a lease.

16 The County -- Board of County
17 Commissioners then have to vote to authorize us filing a
18 lawsuit. We have drafted that lawsuit. It's ready.
19 It's ready. I also sent the County Attorney a
20 second draft letter. There was indication that Mr. Piech
21 may have wanted to send another letter to the property
22 owners.

23 So the County Attorney has that draft. I
24 have not heard from him. Again, I think that he is
25 waiting on Commissioner Piech. And I think Commissioner

1 Piech is waiting for the easement and the Air Force. And
2 then, I think when one of those drops, the others get in
3 place. So that's where we are on the acquisition.

4 MR. JOE CAMPBELL: Okay. So when you say
5 that it's the County that goes in and goes and sues for
6 the property? Or is it actually us with their
7 permission?

8 MR. DUNAWAY: No. You don't have police
9 power to conduct. So it's a County action. This is why
10 it has always been a joint project, which is why, of
11 course, this operates in the sunshine. So it's their
12 action. It will be their action to move forward.

13 The County Attorney has simply asked if we
14 would be the one to carry the water. And this Board has
15 said yes. And we are -- Clark Partington is there ready
16 to go when that authorization is hit.

17 Now, I also mentioned to him and I
18 mentioned to you, you have already -- and you have
19 already authorized this. When you filed the lawsuit, the
20 way the process works under a quick take, is you file the
21 complaint for order taking.

22 There are two things that you have to
23 prove: One, that there is a public purpose, and, two,
24 that you have a need for that property.

25 Once the Judge makes that determination,

1 and you deposit into the court registry the good faith
2 offer, which is your appraised value, which is that
3 \$119,000, then the Court will order the transfer of that
4 property. Then, we will have the -- the County will then
5 own it and the project can proceed.

6 There will be legal processes in which we
7 will be working through for the next many years, working
8 on the value of that, what was the value of the property
9 that the County just took. And the Court or a jury of 12
10 will determine that.

11 MR. JOE CAMPBELL: Okay. And, again, from
12 our perspective, a lot of this is we are waiting on the
13 County to do. It's not something we can do.

14 MR. DUNAWAY: Correct. The two things
15 that have to happen is the County has to get a signed
16 lease. The County through their Board of County
17 Commissioners have to authorize a lawsuit to file against
18 the property for a quick take. And once we get that, we
19 will be able to file.

20 MR. JOE CAMPBELL: Anything else from the
21 Board? Any questions?

22 MR. THIEL: If somebody -- and I
23 understand with the estate you are going to have to go to
24 court. Is there any other ones that will probably have
25 to require us to go to court for a take?

1 MR. DUNAWAY: A lot of times, you know,
2 property owners don't get real excited until, you know,
3 there is a service of process.

4 MR. THIEL: I am thinking that in court --
5 can they change their mind?

6 MR. JOE CAMPBELL: Oh, absolutely. We
7 will continue to negotiate throughout the process and we
8 can close at any time we reach an agreement. So that
9 process, the negotiation process will continue at all
10 times.

11 MR. THIEL: Okay. Thank you. That's
12 all.

13 MR. JOE CAMPBELL: Are you good?

14 (NO AUDIBLE RESPONSE.)

15 MR. JOE CAMPBELL: All right. Member
16 service. Pool fills, sewer adjustments. Ms. Amber
17 Bucholtz?

18 MS. BUCHOLTZ: That's me. So at the last
19 meeting, I was asked to -- I was directed by Dr. Dallas
20 to go back in and locate the pool fills that were
21 requested prior to the April 19th Board meeting.

22 So we went through our emails and looked
23 for them, both myself and Billing, because they also
24 receive the same request that I do from the contact form.

25 And so, in the Board packet is the list of

1 emails from customers that we found that had requested
2 prior to that April 19th meeting. And so, we went ahead
3 and adjusted them, including the two Board member -- the
4 two members that attended the Board meeting and sent that
5 request to you directly.

6 DR. PEAHEY: It was a total of 28
7 customers and the total amount was \$1,408.93.

8 MS. BUCHOLTZ: Correct.

9 MS. THIEL: What was the two at the
10 bottom, ma'am? The leaks?

11 DR. PEAHEY: Those were the two that came
12 before the Board that had leaks and they had asked for us
13 to wait because they had leaks. And the Board said,
14 "No."

15 MR. THIEL: Yeah. I just wanted to make
16 sure we didn't refund that.

17 DR. PEAHEY: Yes, sir.

18 MS. BUCHOLTZ: We did not.

19 MR. THIEL: Okay. Thank you.

20 MR. JOE CAMPBELL: Is that it?

21 MR. KENNEDY: Question: How much work is
22 it for staff to handle these types of adjustments? Is it
23 hours on end? Weeks of work to do 28 adjustments?

24 MS. BUCHOLTZ: So, for me, when we were
25 doing the adjustments, I would receive an email. I would

1 print it out and I would keep them in a file until the
2 bill printed or until I had readings on the account.

3 Then, I have to go in and research. So if
4 a customer really knows what their pool is holding and
5 how much money -- I mean, how many gallons of water they
6 are putting in their pool, the adjustment is pretty easy.
7 I can base it off what looks like normal reads for them
8 by looking at their account and what they are requesting
9 the adjustment for.

10 When it doesn't, then I have to go and do
11 the research. So you are telling me that you filled the
12 pool during this period of time. I have to pull the
13 information from analytics to see what you are telling me
14 is accurate. Then, I have to figure out how many gallons
15 of water do you typically use during your day and adjust
16 that out when I can see the pool fill was done.

17 So it varies based on the information that
18 I receive. I also get many interruptions during the day,
19 so I sometimes stop and go back. But I know that when I
20 ask Billing to calculate how much time they spend on it,
21 once they receive the request from me, because I have to
22 put in writing what the adjustment is, give it to Billing
23 so they can make the adjustment, then they have to scan
24 that document into -- put notes on the accounts, scan the
25 document into the customer's account information, and

1 then, we have to have it verified that it is on the right
2 account, so if we ever need that information in the
3 future, we can go back and get it.

4 So, for Billing, it took them about four
5 hours. For me, I am estimating, it probably took me
6 about six hours, by the time I print everything out and
7 do the research and give the adjustments.

8 MR. KENNEDY: Okay. Thank you.

9 MR. JOE CAMPBELL: And this here does not
10 count those that contacted you that were -- that didn't
11 have pools or wanted an adjustment and stuff like that;
12 right?

13 MS. BUCHOLTZ: Now, we tried to keep track
14 of how many calls that we actually received, but that was
15 a little difficult to do. We received quite a few. And
16 some of them were calls for, like, requesting pool fill
17 adjustments from 2016.

18 Or pool fill adjustments that were done
19 last year that they had already received the pool fill
20 adjustment. So there were a lot of calls that Customer
21 Service and Billing took.

22 MR. JOE CAMPBELL: Okay. Hopefully, the
23 right word is out now. So to change the subject a little
24 bit, are we going to have a grand opening? They are
25 looking forward to moving into their new place over

1 there.

2 DR. PEAVEY: Yes.

3 MR. JOE CAMPBELL: The next week? The
4 week after?

5 DR. PEAVEY: First or second week in
6 October.

7 MR. JOE CAMPBELL: Okay. She was ready to
8 move in.

9 DR. PEAVEY: They are going to try to
10 move. They are going to try to move by Friday.

11 MR. JOE CAMPBELL: I think she was ready
12 to move in last week.

13 DR. PEAVEY: Yes. Absolutely.

14 MR. JOE CAMPBELL: All right. Okay. Any
15 others on the pool fill?

16 (NO AUDIBLE RESPONSE.)

17 MR. JOE CAMPBELL: All right. New
18 business. Review of May 2022 financials. Mr. Campbell?

19 MR. TY CAMPBELL: Thank you, Mr. Chairman.

20 You will see in your financials results
21 and drivers, there was a small adjustment to the 401K
22 professional fees. We had to make an adjusting entry for
23 a meeting room charge. We had some mileage that was
24 billed from an extended period of time. You will see
25 some office expense is up.

1 We have Info Send, our new bill processor
2 and the invoices in this process were a little bit slow,
3 so we are caught up February through May. Also included
4 in that number, you will see that it is up, the employee
5 event, company picnic expenses, so forth. That is
6 included.

7 Postage is up in the same manner through
8 the Info Send billings. Postage is how we get the bills
9 out. There was some elevated expenses and wastewater
10 repairs and maintenance. The Gordon Evans lift station,
11 Hemlock-Duval lift station and collection system had a
12 little bit higher than anticipated R&M.

13 Our groundskeeping was budgeted at \$4600 a
14 month. You are going to see the average continues to be
15 about seven. We contracted for a little work to be done
16 anticipated in the budget and that will be ongoing
17 through the rest of the year. Beyond that, there is
18 really not much to comment on, unless there are
19 questions?

20 MR. JOE CAMPBELL: Board. Anybody?

21 MR. THIEL: I had a comment during our
22 meeting that the mileage -- I was a little bit disturbed
23 that we were doing the mileage from four months ago. And
24 initially that people were not filing for it.

25 The mileage was from the December 21st

1 date to April 22nd. So they did not submit their
2 vouchers in a timely manner. So I asked Dr. Peavey if he
3 could look at if there was some way the staff would make
4 sure that they submit them in a more timely manner.

5 DR. PEAVEY: Timely manner. Absolutely.

6 MR. THIEL: And, if not, we don't pay
7 them.

8 MR. KENNEDY: Well, you know, if the Board
9 gets involved, we won't for sure.

10 MR. JOE CAMPBELL: Sorry?

11 MR. KENNEDY: Yes. So, as you know,
12 monthly Director Thiel and I meet with finance and Dr.
13 Peavey to go over this. The biggest thing about this, if
14 you will notice, our water sales and wastewater sales
15 were decent. We actually hit budget on the revenue side.

16 DR. PEAVEY: Yes.

17 MR. KENNEDY: Taps, no, we are not going
18 to -- taps are a moving target where we cannot forecast
19 how many builds are going to go on in the community. But
20 wastewater sales were on target and staff did a wonderful
21 job of managing expenses, you know, really right at close
22 to actuals, so -- and under budget. So it was a decent
23 month.

24 MR. MILLER: I have a --

25 MR. JOE CAMPBELL: Go ahead, Mark.

1 MR. MILLER: I know that last month, I
2 blindsided Ty on the Accounts Receivable. And I think we
3 tabled that for an explanation for this month. Is
4 there -- do you happen to have an explanation on the
5 amount of the Accounts Receivable?

6 I know we talked about how it was divided
7 into two accounts and combined into one -- but it's \$1.6
8 million on Accounts Receivable.

9 MR. CAMPBELL: That was our catch-up from
10 the -- so we had to back out December and roll in the
11 current month. So I believe I did send you an email on
12 it, too.

13 DR. PEAHEY: You did.

14 MR. CAMPBELL: I know I sent an email out.
15 I can't quote the exact number in my head right now. But
16 it was the -- because of the way we had been running the
17 financials before, we had a December from last year
18 rolled in. So we backed one out and put the other one
19 in, we recognized two months in that month.

20 And now, on the reconciliation that I sent
21 you, I showed every month, January, February, March,
22 April, so you could see it broken down. And I can resend
23 it to you. I didn't bring it with me for this meeting.
24 I'm sorry. I forgot the --

25 MR. MILLER: It's just that the balance is

1 still at \$1.6 million on Accounts Receivable.

2 MR. TY CAMPBELL: It's going to stay
3 roughly there until we finish out the entire year.

4 MR. MILLER: Okay.

5 MR. TY CAMPBELL: Until we get to the
6 final at the end.

7 MR. MILLER: Okay. And then, that's not
8 my only question.

9 MR. TY CAMPBELL: Sure.

10 MR. MILLER: I also have a question about
11 on the year-to-date, because I appreciate you providing
12 the budget versus actuals and the year-to-date on here.

13 I am on page 124 of our meeting packet for
14 anyone who wants to see where I am at. But it talks
15 about the pension contribution. We are budgeted to have
16 contributed roughly half a million -- \$537,000 pension
17 contribution and actual year-to-date is zero.

18 So we have got an expense variation of
19 \$537,000. When will we make that pension contribution?
20 And is there any advantage to making it earlier in the
21 year versus later in the year?

22 MR. CAMPBELL: The budgeted pension amount
23 that was put in last year was predicated on what the old
24 pension plan looked like. That was the before the salary
25 freeze when the Board elected to freeze salary, created

1 and closed all, and did those things, it created about a
2 \$7 million dollar deposit, if you will.

3 It rolled the liability down from \$13 to
4 6-and-change or about 7 (sic). In doing so, the
5 requirement of contribution went to zero this year. So
6 in this timeframe, we waited about six to eight weeks for
7 the census to be done for the actuaries.

8 It takes them eight to ten weeks to run
9 the model. They have got a lot of models to run. And as
10 we receive that, we went to the O&M Committee and gave
11 them a break-down of it.

12 There was no requirement to fund anything.
13 We didn't know what it would be --

14 DR. PEAVEY: For this year.

15 MR. TY CAMPBELL: -- for this year.

16 DR. PEAVEY: Current year.

17 MR. TY CAMPBELL: It has fallen out that
18 we have no minimum --

19 DR. PEAVEY: Obligation.

20 MR. TY CAMPBELL: -- requirement this year
21 and that the required minimum next year will fall to
22 approximately 250-ish.

23 DR. PEAVEY: If it stays, if the market
24 stays as is.

25 MR. TY CAMPBELL: If the market stays like

1 it is.

2 If we try and retain the retirement
3 benefit at an 80 percent funding level, which is not as
4 simple as that sounds. There are, like, five other
5 rules. You end up doing what is called, "Chasing the
6 market."

7 So had we actually been funding at that
8 same level throughout the beginning part of the year, we
9 would have lost 20 percent of that in market fluctuation.
10 So the majority of what drives that required minimum
11 contribution level is really market movement.

12 And since we froze the plan and dropped \$6
13 or \$7 million out, there was no required contribution
14 this year. There will be next year to start up.

15 So the question then remains: Do you
16 continue to fund at a previous level knowing you are in
17 a --

18 DR. PEAVEY: Downturn.

19 MR. TY CAMPBELL: -- down economic cycle?
20 If that's the case, then every time we throw a dollar
21 this year at it, between now and the beginning of the
22 year now, we would have had to replace that with \$.25 and
23 you would end up playing chasing that market value
24 throughout the year.

25 If we are required not to make that

1 contribution, which we are not, it does not make sense to
2 throw good money after bad in this market when our
3 requirement starts 2023.

4 MR. MILLER: That explains it.

5 MR. TY CAMPBELL: Sure.

6 MR. MILLER: I mean, I wasn't aware that
7 our requirement this year had gone to zero, so that's
8 a -- I guess for the budget, that's a good thing.

9 DR. PEAVEY: Mr. President, we just got
10 the actuary numbers at the end of May, first part of
11 June, so we had just gotten those and seen those
12 ourselves. And we discussed that only yesterday with the
13 O&M Committee.

14 MR. MILLER: I have one other question.
15 On the year-to-date, when it goes down to the summary of,
16 you know, net income, budgeted net income, the net
17 unrestricted -- total net unrestricted income on budget
18 has a negative \$2.4 million and we are at less than
19 \$400,000 to the negative.

20 So we are -- we are better than budget,
21 but I am wondering, were we really budgeted for a \$2.4
22 million dollar loss as of this time.

23 And then, on restricted, it has a budgeted
24 net restricted income of \$9.6 million loss. And I am --

25 MR. TY CAMPBELL: What page are you on?

1 MR. MILLER: I am on page 126 of our
2 back-up. It's the year-to-date financials. And it
3 starts with budget, and then, it goes to expenses, and
4 then, it summarizes it on the net income. And I am on
5 the year-to-date over on the right-hand side.

6 I was looking at those numbers today.
7 Wait a minute, it just doesn't look right to me that we
8 would be budgeted for that big of a negative.

9 DR. PEAHEY: You got it?

10 MR. CAMPBELL: Well, there is an
11 assumption there is also \$10 million dollars worth of
12 total restricted capitalized expenses. So on this page,
13 this is driven. That's driven by the budget number.

14 And that -- there are assumptions in that
15 budget that may or may not come to pass this year due to
16 Eglin and so forth. So that's kind of a soft budget
17 number in that we can anticipate a year ahead of time
18 that Eglin would have been -- as an example --

19 DR. PEAHEY: And we would have spent the
20 money.

21 MR. TY CAMPBELL: And we would have spent
22 the money. But we did not at that point.

23 MR. MILLER: Okay. It's just, I guess
24 what I am looking for is -- what did we -- what did we
25 budget year-to-date for net income?

1 And where are we actual net income? And
2 those numbers are not even close. So that's why I am
3 confused. And to me, it is confusing, but I am hoping
4 for some --

5 MR. JOE CAMPBELL: That's why you go
6 through the analysis in your packet back at 112 where it
7 talked about actual revenue and actual expenses.

8 MR. THIEL: Yeah.

9 MR. JOE CAMPBELL: So the budget is just a
10 target to see everything, you know, even though we are
11 under in revenue, we are also under in expenses as well.

12 MR. TY CAMPBELL: Right. This is totally
13 a revenue predicated on taps.

14 MR. PHILLIPS: The revenue would show on
15 the first page. It goes to the year-to-date. You could
16 see the --

17 MR. JOE CAMPBELL: Hang on. Go ahead,
18 Mike.

19 MR. KENNEDY: Would page 123 help your
20 answer? Because that's what their total revenue is what
21 they are projecting on page 123. That's your revenue.
22 The first one is your budget.

23 MR. MILLER: Okay. Yeah. Those numbers
24 make more sense.

25 MR. KENNEDY: Okay.

1 MR. MILLER: Okay. Maybe, I am just not
2 understanding that other chart.

3 MR. KENNEDY: Yeah. The one at the bottom
4 of the other one, it's with restricted and unrestricted
5 everything out, but you add back Eglin and all that and
6 it kind of --

7 DR. PEAVEY: That we haven't spent.

8 MR. KENNEDY: Yeah. That would be a good
9 one to sit with.

10 DR. PEAVEY: Yeah. Anytime. Anytime.

11 MR. KENNEDY: Ty can and Dr. Peavey will
12 straighten it all out.

13 MR. MILLER: All right. No other
14 questions.

15 MR. JOE CAMPBELL: Don?

16 MR. LINNELL: I am fine.

17 MR. JOE CAMPBELL: Anything else?

18 MR. TY CAMPBELL: No, sir.

19 DR. PEAVEY: No, sir.

20 MR. JOE CAMPBELL: All right.

21 MR. THIEL: I make a motion to approve the
22 financial statements as presented.

23 MR. JOE CAMPBELL: Director Thiel has a
24 motion to approve.

25 MR. KENNEDY: I will second.

1 MR. LINNELL: I will second.

2 MR. JOE CAMPBELL: We have two seconds.

3 Don has got that one.

4 Any other discussion? Any other
5 questions?

6 (NO AUDIBLE RESPONSE.)

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

8 MR. THIEL: Aye.

9 MR. LINNELL: Aye.

10 MR. KENNEDY: Aye.

11 MR. MILLER: Aye.

12 MR. JOE CAMPBELL: Aye. Motion approved.

13 All right. Finance Committee updates, Mr.
14 Thiel?

15 MR. THIEL: All right. Director Lynchard
16 is not here, but the Eglin project, you should have all
17 gotten a copy of the minutes from the last meeting in our
18 thing and our attorney just covered most of the important
19 facts. I don't have anything to add.

20 MR. JOE CAMPBELL: Can I ask one question,
21 Mr. Dunaway?

22 MR. DUNAWAY: Yes, sir.

23 MR. JOE CAMPBELL: So if that Eglin
24 project committee meeting is just talking about internal
25 processes to Holley Navarre Water System, we can have

1 more than one Director there.

2 Can we have more than Director there? Or
3 does that in any shape or form when they are talking
4 about Eglin come in the sunshine?

5 MR. DUNAWAY: Yeah. We had made the
6 determination that the Eglin project, and so, all
7 decision-making processes regarding it would be in the
8 sunshine.

9 MR. JOE CAMPBELL: Okay. That's fine.

10 MR. DUNAWAY: I mean, I can imagine a
11 scenario in which there could be a discussion of -- like,
12 for instance, you know, you are going to buy a tractor or
13 truck that might also be used in Eglin, but that is going
14 to happen outside.

15 MR. JOE CAMPBELL: Yeah.

16 MR. DUNAWAY: But if it says "Eglin," I
17 think it's safer to be in the sunshine.

18 MR. JOE CAMPBELL: Okay. We will go with
19 that. And we get a pretty good synopsis. I just asked
20 the question.

21 Okay, Bill. I'm sorry.

22 MR. THIEL: Okay. Director Linnell, do
23 you have anything from the Capital Improvements?

24 MR. LINNELL: So we got the big truck in,
25 big dump truck. So that bill hit. That's good, though.

1 We are going to need that. Otherwise, you have to reset
2 and take another look at what the true forecast is going
3 to be a year from now. We are looking forward to seeing
4 that next month.

5 Otherwise, everything looks -- from my
6 memory, everything is on track. We are just waiting on a
7 few things, like same as Eglin, waiting on a few
8 things.

9 MR. THIEL: Okay. Director Kennedy,
10 anything on the budget? We have already kind of beaten
11 that horse.

12 MR. KENNEDY: Yes, sir. Nothing more to
13 add.

14 MR. THIEL: Okay. That's all I have.

15 MR. JOE CAMPBELL: I do have one thing
16 there. Director Lynchard last meeting had a couple of
17 questions. One was cleared up by Legal at the executive
18 session.

19 The other is he asked about spray field
20 costs that were in our budget and why they weren't in
21 Hidden Creek's.

22 And this Board made the decision and paid
23 for and voted on to pay for spray field costs like we
24 would any other, like you would for Greskovich or Holley
25 by the Sea News -- not you -- Holley by the Sea ponds.

1 So that's kind of why that is. I just wanted to give him
2 an answer to that.

3 And he had actually had a second comment
4 about why we are reporting that we were not paying any
5 cost for the golf course. And the actual statement was
6 that this company was not paying any golf course
7 operational costs. So we are not subsidizing the golfers
8 like they were in the past.

9 So he had a concern about that. I just
10 wanted to make sure, matter of record, that that is not
11 the case. We are paying for spray field items, as we
12 would if there wasn't a golf course. But factors as golf
13 course operations, this, the Water System as a whole, is
14 not subsidizing.

15 MR. THIEL: I would add one thing that,
16 Mr. President, that it's true we are paying for the spray
17 field items, but we are not paying for the cutting of the
18 spray field, which would be a normal cost we would have
19 to pay for. But the golf course obviously cuts it
20 different and more often, so they are picking that up.

21 So the Water Company is getting a benefit
22 of the basic free --

23 MR. JOE CAMPBELL: I just -- he brought
24 that up. I felt I owed him an answer to that. So,
25 unfortunately, he is not here for personal reasons. But

1 he got his other answer at the executive session.

2 MR. DUNAWAY: Mr. Chairman, there was
3 another matter that Director Lynchard brought up at that
4 meeting that I was asked to look at. And would now be
5 the time to clarify that?

6 It had to do with the bylaws and Article
7 IX and whether the company, whether the bylaws
8 established the company as a just cause employment entity
9 as opposed to an at-will, which is the State.

10 I can hold it until another time or --

11 MR. MILLER: Considering Director Lynchard
12 isn't here --

13 MR. JOE CAMPBELL: Yeah. I don't remember
14 that one. I just remember the two for the -- we didn't
15 cover that during the executive session?

16 MR. DUNAWAY: Right. It came up there.
17 And I was asked to review it. I have an answer. I can
18 always email that.

19 MR. JOE CAMPBELL: Would you mind sending
20 it to all of us? That way, we all have it.

21 MR. DUNAWAY: Yes, sir.

22 MR. JOE CAMPBELL: Okay. Thank you. All
23 right. Item 3, organizational resources, conflict of
24 interest. Mr. Cross?

25 MR. CROSS: Yes. So, since January, we

1 have been working with a third party HR company called
2 Nora Resources. They have been reviewing our compliance,
3 our policy handbook, processes and procedures. So we
4 have been asked to bring forward the -- it was previously
5 called the Nepotism Policy. We would like it to be
6 called the Conflict of Interest Policy. That would be
7 for you guys to review.

8 Basically, it just talked about the
9 moonlighting clause that they had in the original policy
10 needed to be revamped. Conflict of interest, family
11 members and full disclosure of any partnerships for any
12 contract we would have.

13 MR. KENNEDY: Are you looking for, Dr.
14 Peavey, a motion to accept this policy?

15 DR. PEAVEY: What we would like to do,
16 sir, is come back in the month of August with the whole
17 proposed changes. But because the Board had asked
18 specifically regarding the Nepotism portion, we would ask
19 an independent third party as well as our legal counsel
20 attorney to take a look at that.

21 So this is what we would propose for the
22 Board to see in that regard that they had asked for.

23 MR. KENNEDY: So you are just looking at
24 it, asking us to review it --

25 DR. PEAVEY: That specific -- yes, sir.

1 MR. KENNEDY: -- next month --

2 DR. PEAVEY: And then, the next month, we
3 will bring it before the Board to review the employment
4 handbook.

5 MR. THIEL: The one that is in our
6 minutes, sir, is the draft and the --

7 DR. PEAVEY: Yes, sir.

8 MR. THIEL: Okay.

9 MR. JOE CAMPBELL: It's in our packet.

10 MR. KENNEDY: Yeah. It looked good. To
11 me, I had not --

12 DR. PEAVEY: Well, again, we had an
13 independent third party review it, draft it, to meet the
14 requirements, legal requirements. We also asked one of
15 the staff attorneys from Clark Partington to take a look
16 at it as well, Mr. Daniel Harrell. He reviewed it. He
17 gave his approval.

18 MR. JOE CAMPBELL: Okay. There is also
19 two other items I would like to -- since we are looking
20 at the HR policy as a whole.

21 DR. PEAVEY: Okay.

22 MR. JOE CAMPBELL: One is the termination
23 policy. I see that the term doesn't discuss how or why
24 or who. Can you give us an idea what has been the best
25 practice for that?

1 MR. CROSS: So we typically just follow
2 the letter of the law. So each violation is going to be
3 as different as a person that does the violation. So it
4 just depends on egregiousness of what it is. But the
5 only standard is for our company is everybody gets a
6 letter of explanation explaining why they were
7 terminated.

8 MR. JOE CAMPBELL: Okay. Did it discuss
9 why or where or who is at that meeting that this
10 letter --

11 MR. CROSS: No. Because that is going to
12 be different per the need.

13 MR. JOE CAMPBELL: What is HR best
14 practice? I mean, is it a group of five gaggled around
15 the person? Or is it just the supervisor and HR? What
16 is the standard?

17 MR. CROSS: So if it is something where
18 somebody has had a consistent argument with multiple
19 managers, you would have them all in there so they could
20 be ready to have a discussion if needed.

21 MR. JOE CAMPBELL: Okay. I know we had an
22 executive session. I would like to see if we can expand
23 on that, exactly how you do it and where you do it.

24 You know, in private, we chastise -- we
25 chastise in private. We praise in public, sort of thing.

1 Who would be there? You know, more than one manager?
2 But definitely not anybody outside their chain of
3 responsibility, I would imagine so.

4 So if you wouldn't mind getting the best
5 practice?

6 DR. PEAVEY: Mr. President, we will get
7 the independent third party as well as our legal counsel
8 to review that.

9 MR. JOE CAMPBELL: Yeah.

10 DR. PEAVEY: Make sure the draft is
11 included in there, as is necessary.

12 MR. LINNELL: So I have got a comment I
13 want to follow up on. What I heard from Jarod was, I
14 hope, not necessarily true. What I think you said is a
15 number of people might be in there, could be impacted or
16 decided by how many people had problems with each other,
17 something along those lines. And there is going to be a
18 conversation.

19 Are you saying there was a conversation
20 during the meeting where the employee is going to be
21 terminated? Isn't that a little late to have a
22 conversation?

23 DR. PEAVEY: No. That's not --

24 MR. LINNELL: So did I hear wrong?

25 MR. CROSS: So there could -- there is

1 really no legal guideline. You could have a full
2 termination in front of everybody they work with, but --

3 MR. JOE CAMPBELL: Well, I can tell you,
4 this Board would not be satisfied if we terminated
5 somebody in front of everybody they work with.

6 MR. CROSS: Correct.

7 MR. JOE CAMPBELL: Like I said, my feeling
8 -- and I think we talked about it in the executive
9 session is you chastise in private and that would assume
10 that means you fire in private. And you praise in
11 public, so if you can -- just like Dallas said, if you
12 can get us a best practice of HR.

13 MR. CROSS: There is none.

14 DR. PEAVEY: There is none.

15 MR. JOE CAMPBELL: I am just asking him to
16 look to expand.

17 MR. MILLER: Well, likely a third party
18 can step in and give us some recommendations. I think
19 that is a good way to go with it.

20 MR. JOE CAMPBELL: So that was one. And
21 then, the other thing is the Board understands that you
22 folks, staff, CEO, HR, managers have the responsibility
23 and ability and the oversight to hire and fire.

24 But we also feel at some point if they are
25 not -- kind of like the whistleblower policy, it should

1 not be a case of where an employee contacts the Board
2 with whatever grievance they feel, and then, they are
3 fired about that.

4 So I would like to again go back to
5 that -- kind of like the Board of Directors' email that
6 members have. I don't know if it would go with the
7 whistleblower policy or anything, but, again, the Board
8 discussed not that we would get into the business of that
9 but that -- it's kind of like non-retribution.

10 So if an employee comes to the Board with
11 a concern, we go to the CEO, as we should, but that's not
12 for retaliation.

13 DR. PEAVEY: I would agree, Mr. President.
14 I think we would look to guidance from the outside
15 counsel and our internal counsel to make sure that if
16 there is a grievance of any sort against management,
17 myself or whoever that may be, that there would be a
18 policy and a guideline to go by.

19 MR. JOE CAMPBELL: All right. Because it
20 just goes with that, you know, hostile work environment,
21 and they need an avenue. Not that the Board would be in
22 the hiring and firing business, but kind of like that
23 whistleblower -- our oversight procedure and procedures.

24 I am going to tell you, I have an email
25 from an employee who -- a lower level manager who told

1 them, "If you talk to the Board of Directors, you will be
2 terminated."

3 And I don't think -- in our executive
4 session, this Board particularly said, "That is not going
5 to happen."

6 DR. PEAVEY: I think the difference and
7 the perception of the difference is that an employee has
8 every right to go to the Board if they have a grievance,
9 again, against management, so that there is no
10 retribution.

11 On the other side of that, the Board has
12 made clear that it's not the Board's place --

13 MR. JOE CAMPBELL: Right.

14 DR. PEAVEY: -- to give instructions to
15 employees. That's the CEO's job. So there is clear
16 difference between the two.

17 MR. JOE CAMPBELL: Yeah. I agree and we
18 agree.

19 DR. PEAVEY: Okay.

20 MR. JOE CAMPBELL: If an employee did come
21 to the Board, it should be that the Board brings it to
22 the CEO.

23 DR. PEAVEY: Absolutely.

24 MR. JOE CAMPBELL: Okay.

25 DR. PEAVEY: Absolutely.

1 MR. JOE CAMPBELL: Anything else?
2 Anything I forgot?

3 (NO AUDIBLE RESPONSE.)

4 MR. JOE CAMPBELL: Okay. Thank you for
5 that.

6 All right. Item 4, Board of Directors,
7 conflict resolution. This again came up with some of
8 our -- during our executive session and some of it needed
9 to be updated.

10 We had it in your package. And,
11 particularly, it talked about Board of Directors would
12 not be treated to -- let me read it to you.

13 It's Item G. And, Mr. Dunaway, you
14 reviewed that; correct?

15 MR. DUNAWAY: I did, sir.

16 MR. JOE CAMPBELL: So, basically, we added
17 Item G to the previous Board resolution that said to
18 avoid the perception of conflict of interest and
19 favoritism, all Board members will be treated
20 administratively like any other Water System member,
21 including adhere to policies -- system policies and the
22 day-to-day business processes and practices.

23 MR. KENNEDY: Are we looking to approve
24 that? Because this is attached to the resolution.

25 MR. JOE CAMPBELL: It is attached to the

1 resolution. If everybody is satisfied with that, we are.
2 I know we talked about it in executive session. This
3 went to that Board consensus that we talked about, but
4 Mr. Dunaway recommended we do it here and add it to the
5 Board resolutions if it needed update. Anyhow --

6 MR. KENNEDY: I make a motion to approve
7 the changes to the resolution of confidentiality and Code
8 of Conduct of Board and committee members.

9 MR. JOE CAMPBELL: Okay. Do I have a
10 second?

11 MR. LINNELL: Second.

12 MR. JOE CAMPBELL: All right. Any
13 discussion?

14 MR. MILLER: My discussion is Item G, I am
15 lost what heading number it is -- page --

16 MR. JOE CAMPBELL: Page four of six, sir.
17 It talks about the Board where --

18 MR. DUNAWAY: Paragraph 6.

19 MR. MILLER: Item G, is that the only
20 change to that document?

21 MR. JOE CAMPBELL: That is the only change
22 to the document. Correct; Dallas?

23 DR. PEAHEY: Yes, sir.

24 MR. JOE CAMPBELL: No other questions?
25 Any other discussion?

1 (NO AUDIBLE RESPONSE.)

2 MR. JOE CAMPBELL: Any other discussion?
3 Any other questions?

4 (NO AUDIBLE RESPONSE.)

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

6 MR. THIEL: Aye.

7 MR. LINNELL: Aye.

8 MR. KENNEDY: Aye.

9 MR. MILLER: Aye.

10 MR. JOE CAMPBELL: Aye.

11 Any opposed?

12 (NO AUDIBLE RESPONSE)

13 MR. JOE CAMPBELL: Motion passes.

14 Member Services again. Ms. Amber and CEO.

15 DR. PEAVEY: Mr. President and Board, upon
16 review of the current instances where we have had
17 tampering, people stealing water, those kind of things, I
18 went back with staff to look and review what the
19 tampering and connection policy was. And what we found
20 was there was not really not a very well-defined policy
21 of any kind.

22 In our service agreement that the
23 customers agree to when they set up service, there are
24 different levels of penalty, what I would call it for
25 lack of a better term, that would be applicable to

1 somebody that was stealing water or that we had tampering
2 with a meter, meter box, those kind of things.

3 So based upon the review of the
4 discussions that the Board of Directors had from 1991
5 through the end of last year when Customer Service and
6 staff came back to the Board talking about the legal
7 recommendations and the need to set up this policy, we
8 put together with legal counsel to look at this tampering
9 and illegal connection policy and we propose that the
10 Board upon review approve this so that we could put this
11 in place so we can handle this going forward.

12 Because, right now, there is no defined
13 policy or procedure to go by.

14 MR. JOE CAMPBELL: Now, Emerald mentioned
15 that everybody -- Directors have the timeline dating back
16 to 1991 --

17 DR. PEAVEY: Yes, sir.

18 MR. JOE CAMPBELL: -- where the Board has
19 talked about this, but nobody really put it into a
20 policy?

21 DR. PEAVEY: That's correct.

22 MR. JOE CAMPBELL: But it was on
23 application, member applications and that sort of thing?

24 DR. PEAVEY: Well, the penalty portions
25 were, that's correct. But there wasn't a process --

1 MR. KENNEDY: So I take it, Mr. Peavey,
2 what we have done is we have taken a motion from 1991 and
3 everything we have done over the years, and now, we have
4 formalized it with a very concise --

5 DR. PEAHEY: Yes. With legal guidance to
6 make sure that we stayed within the parameters of our
7 authority.

8 MR. JOE CAMPBELL: And this, does this
9 state the Florida Statute as well that criminal
10 prosecution -- yeah, nevermind, it does.

11 MR. DUNAWAY: It's in the tampering fee
12 structure.

13 DR. PEAHEY: Yes.

14 MR. JOE CAMPBELL: The only thing that I
15 thought it didn't cover, I don't know if this is even --
16 is if I am on Plot A and I am taking it from Plot B, and
17 I don't own Plot A, and there is no account that you are
18 charged on, who does that go to?

19 DR. PEAHEY: I would submit -- I would
20 expect that would go back to the CEO and staff to make a
21 decision on the way to process and proceed with that.

22 MR. JOE CAMPBELL: Is that in here? Was
23 that that first paragraph that says, "This policy, with
24 the consent of the engineer and the CEO, are the only
25 exceptions."

1 DR. PEAVEY: Yes, sir.

2 MR. JOE CAMPBELL: And will this be
3 sufficient?

4 MR. DUNAWAY: Yes. So we talked -- we
5 actually talked about a scenario that would come up like
6 that. And, essentially, it was -- we had somebody that
7 was coming in. They weren't -- they are not getting
8 water from their tap. They didn't -- they weren't paying
9 for it.

10 And the idea we just turn them off and see
11 who showed up to complain.

12 DR. PEAVEY: Right. Plan to figure out
13 when we make sure --

14 MR. DUNAWAY: And then, when they show up
15 to complain, we figure out who they are and make sure
16 they open an account in the right name. That would be
17 the process.

18 MR. JOE CAMPBELL: And the concern there
19 to me is -- well, I talk about having concern. You know,
20 the scenario I see is kind of a food truck issue, because
21 they are moving, and so, they come in. They pay. There
22 is a fire line here. I tap in it and I use it. And
23 then, I move on. And they don't have an account with us
24 at that location.

25 That's -- you feel that is good? You will

1 have the authority to call the Sheriff or whatever you
2 need to do --

3 Who will you attribute blame to, I guess,
4 is who I am looking for.

5 DR. PEAVEY: Well, I'm sorry. Counsel,
6 comment?

7 MR. DUNAWAY: Well, two things on that one
8 on these food trucks. I think these food trucks are a
9 new area for all of us, but you have County -- they are
10 not supposed to just be able to --

11 MR. JOE CAMPBELL: And I am not
12 disparaging food trucks.

13 MR. DUNAWAY: Right. Right. Just
14 enterprising businesses with a creative model of
15 delivery, but -- so that -- there is that issue.

16 So you do have the County enforcement
17 issue, but I do think that we will have enough of -- in
18 that situation that if it's a complete repeat offender.
19 If we have one that is moving from area to area to area,
20 that we could make a case to -- whether they would
21 prosecute it, I don't know, but we can make a case.

22 MR. JOE CAMPBELL: It's just how we
23 attribute that. Okay. All right.

24 MR. THIEL: In that scenario, do we check
25 with the County to see if the food truck has permission

1 in accordance with them?

2 DR. PEAVEY: Normally, in the course of
3 business, we would look at that just to be sure, so we
4 get all the facts.

5 MR. THIEL: Yeah. Thank you.

6 MR. DUNAWAY: I mean, except if they
7 illegally tap in, we have no way of knowing --

8 DR. PEAVEY: That's fine. That's fine.

9 MR. KENNEDY: Mr. President --

10 MR. JOE CAMPBELL: Yes, sir.

11 MR. KENNEDY: -- can I make a motion to
12 approve the tampering and illegal connection policy as
13 presented?

14 MR. THIEL: I second.

15 MR. JOE CAMPBELL: Okay. And would this
16 be -- do we have any cases now? Or would this be
17 retroactive?

18 DR. PEAVEY: It couldn't be retroactive,
19 but, yes.

20 MR. LINNELL: You said is or is not?

21 DR. PEAVEY: Could not be.

22 MR. JOE CAMPBELL: Okay.

23 MR. MILLER: I would personally like to
24 see us have a full Board when we approve this and have a
25 little more time to look at it and look at the history of

1 what we have done in the past, that kind of thing. I
2 think that's the right thing to do.

3 MR. JOE CAMPBELL: Why in the executive
4 session did you nod your head and not say anything? But,
5 again, historically, if anyone of these Board -- James
6 was the one that actually was the one that voted and
7 brought up implementing the Florida Statute for that
8 service, and we did have a quorum.

9 I don't know. Does anybody else feel the
10 same way?

11 MR. LINNELL: No. Like I said, we talked
12 about it.

13 MR. KENNEDY: Yeah. Motion is still on
14 the table.

15 MR. JOE CAMPBELL: Motion and a second.
16 Okay.

17 MR. MILLER: How is the new policy
18 different than what was approved 4-14-21?

19 DR. PEAVEY: I am sorry, at that time, we
20 were making recommendations and just discussing the
21 issues and why we were looking at doing this policy.

22 MR. MILLER: But we never put the policy
23 in place?

24 DR. PEAVEY: No.

25 MR. JOE CAMPBELL: All they did was the

1 fining back in 2009 and said, "Just fine them."

2 But other than that, it's been on the
3 application when you sign up for it -- it says that you
4 don't. But that's kind of why we are going through that
5 because there was none. There was none. The Board never
6 formally voted on tampering.

7 MR. KENNEDY: And what -- go ahead.

8 DR. PEAVEY: And what I was going to add
9 to that, Mr. President, is we didn't just come up with
10 this policy. What we actually did was call and speak to
11 certain folks at City of Gulf Breeze, City of Pace,
12 Midway, and others just to see what they were doing so we
13 could make sure or ensure that we were within reason for
14 how we would treat our customers and these specific type
15 of members --

16 MR. THIEL: So part of this policy being
17 approved, I understand what you are saying is people
18 would have to come to get a Board resolution for each
19 individual case.

20 DR. PEAVEY: That's right.

21 MR. THIEL: So I think it's -- evidence in
22 the policy is a good idea.

23 MR. KENNEDY: And just to add one other
24 thing, I mean, if you guys look at the memorandum that
25 they gave us of the timeline, it is all over the place.

1 In '91, we were doing one thing. In 2009, we are doing
2 another one. In 2019, doing another thing, so this just
3 solidifies the policy.

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

6 (NO AUDIBLE RESPONSE.)

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

9 MR. THIEL: Aye.

10 MR. LINNELL: Aye.

11 MR. KENNEDY: Aye.

12 MR. MILLER: Aye.

13 MR. JOE CAMPBELL: Aye. Five, oh, motion
14 approved.

15 Okay. Engineering. Monthly operations
16 report, Mr. Phil.

17 MR. PHILLIPS: There is nothing really in
18 the monthly report that looks weird. The I&I was pretty
19 good in June, but we didn't have that much rain in June.

20 Chris tells me that I&I has increased in
21 July. It will be reflected next month, I am sure. I
22 think I heard you say, something, 100,000 gallons a day?

23 MR. LEGG: 215,000 gallons a day.

24 MR. PHILLIPS: Yeah. So that will
25 increase the annual average. Joe asked me prior to the

1 meeting about a drop-dead date when we might hit
2 capacity. And assuming the I&I continues on an annual
3 average basis to be what it has been the last couple
4 years, we are still a few years away from that based on
5 present growth, which actually has slowed down a little
6 bit lately in terms impact fee sales.

7 So unless anybody has any questions about
8 that operational data? Go ahead.

9 MR. THIEL: I am like a dog with a bone
10 with this. I am not real happy with 13.6 unaccounted for
11 loss. What was the goal again? Less than ten percent?

12 MR. WELLS: It is less than ten percent.
13 We are diligently trying to figure out what is going on.
14 We are looking for leaks. We still haven't found them.
15 What we get from the meter to the SCADA System that
16 reports our numbers --

17 MR. THIEL: Last month, you said you
18 recalibrated the pump or whatever?

19 MR. WELLS: We checked.

20 DR. PEAVEY: We did the flow meters at the
21 pumps. But what we are doing is going back and checking
22 the algorithms in the SCADA system itself and the way
23 that it translate those signals into the water loss to
24 make sure that is actual based -- it is all based on the
25 information we are receiving.

1 MR. WELLS: If all that comes back,
2 Mr. Thiel, then, it will be -- we have got a leak
3 somewhere in the bottom of the creek or wet ditch or
4 something. We just haven't found it yet.

5 DR. PEAVEY: So we are looking at
6 everything.

7 MR. THIEL: Good.

8 DR. PEAVEY: Because we do want it
9 below --

10 MR. THIEL: Keep looking.

11 DR. PEAVEY: Absolutely.

12 MR. JOE CAMPBELL: And what did you say?
13 It was a calibration?

14 MR. WELLS: We have checked calibration.

15 DR. PEAVEY: For the flow meters.

16 MR. JOE CAMPBELL: Yeah. What was the
17 other thing that you mentioned?

18 MR. WELLS: The other is the algorithm
19 that goes from the meter through the SCADA that reports
20 it to us.

21 MR. JOE CAMPBELL: Got it.

22 MR. KENNEDY: My question was back on the
23 I&I. So back when I first got on in 2019, do we have
24 quantitative data where we can see that we actually, with
25 the annual, that we are actually doing better year over

1 year on the amount of I&I versus the amount of rainfall?

2 Like, in 2019, we took in, say, 100
3 million gallons, but now, because you guys have been
4 doing so good, you know, you are actively doing it now,
5 we took in 50 million. Is there a way to say that?

6 MR. PHILLIPS: I would say the answer to
7 that, Mike, is yes. However -- however I&I comes and
8 goes based on ground water levels and how much it rains.

9 DR. PEAVEY: Saturation.

10 MR. PHILLIPS: There is absolutely
11 positively no doubt in Phil Phillips' mind that they have
12 done a bunch of things to correct I&I, particularly that
13 portion of I&I that comes very quickly.

14 But, for instance, the Woodmont area is
15 still a huge contributor to I&I. And we are still in the
16 process of the contractor clearing out the trees and the
17 brush so that they can go in there and fix that area.

18 So, yeah, I think it has been done. And
19 probably, if we put together a chart, I would want to
20 show you a correlation. I just don't know. Again,
21 because it varies by the type of rainfall in the ground
22 water, I wouldn't -- I wouldn't want to celebrate today
23 that we are done.

24 DR. PEAVEY: But you have a gentleman
25 sitting right there that can tell you, the reduction in

1 the amount of I&I that he is receiving at the wastewater
2 treatment plant.

3 MR. LEGG: Yeah. We have had a reduction
4 of I&I at the treatment plant. One of the things, the
5 way we can tell day-to-day, I mean, Clinton discussed it
6 the other day -- two years ago, a year ago, whenever we
7 would get hit with a heavy rain, about 45 days, you would
8 see a slope up, and then, it would kind of take off, and
9 it would go down.

10 Now, heavy rain comes, and instead of it
11 taking forever to get up there and stay there --

12 DR. PEAVEY: Siphon.

13 MR. LEGG: -- it spikes -- the rain stops.
14 Load stops. Just right now, we have got such high ground
15 water level right now, there is just nothing we can do
16 about it. But you can tell the difference --

17 DR. PEAVEY: Correct.

18 MR. LEGG: -- in the I&I. It's not fixed,
19 obviously, but it is 200,000 or better above, but it is a
20 whole lot better now.

21 MR. KENNEDY: But everybody feel
22 confident --

23 DR. PEAVEY: We are on the right track.

24 MR. LEGG: We are on the right track.

25 MR. KENNEDY: Thank you.

1 MR. JOE CAMPBELL: So, Phil, you mentioned
2 an easement. So those easements are just sewer?

3 MR. PHILLIPS: Well, actually, the
4 easements are storm water as well.

5 MR. JOE CAMPBELL: Storm water. Okay.

6 MR. PHILLIPS: They were originally set up
7 as storm water easements and we adopted them or the
8 County allowed us to adopt in the revised platting
9 process when that developer wanted to put the sewer in as
10 an amenity.

11 MR. JOE CAMPBELL: Okay. All right.
12 Thank you. Any other questions for staff?

13 MR. KENNEDY: No.

14 MR. JOE CAMPBELL: Okay. Member Forum.
15 Ms. Sonia Negley?

16 MS. NEGLEY: Do I need to do anything with
17 this? Is this good? Okay.

18 As the form said, I am Sonya Negley, and I
19 am a member of the Holley Navarre Water System, located
20 at 7294 Brevard Street, which is just around the corner.

21 My property is part of what was told to us
22 was an easement that Holley Navarre Water System -- all
23 the correspondence came from Holley Navarre Water System
24 saying that there was an easement in the rear of my
25 property.

1 However, there is no survey dating back --
2 I am the third owner -- dating back to the first owner
3 that says that there was an easement.

4 I have been told by someone who said -- I
5 thought it was the CEO. Sorry. It's not you, Emerald.
6 That was a mistake. Because now I see him, and that was
7 not the person that came out to my house -- that they
8 were going to provide this information, and it's not
9 there.

10 So I paid to have the plat reviewed, which
11 there is no easement on the plat. Then, I was told by
12 the same person that it was a County easement. So I went
13 to the County, went to Dave Piech, and then, worked my
14 way through Public Works.

15 And I have, even as of today, when I told
16 again it was a County easement, that it is in no way an
17 asset for the County. It is not an easement and that
18 their closest easement to my house is across the street
19 at the back of the Woodlands property.

20 So that was incorrect. That was not
21 stated correctly. Now, suffice it to say that there is a
22 sewer that runs along the back of our entire block. I
23 don't know how far it goes, but I know I have talked to
24 every single neighbor on Brevard and Rexford, and so that
25 sewer runs through the back yard.

1 The manhole is actually in the corner, the
2 northwest corner of my yard. So let's just say that it
3 was an easement of necessity, Florida Statute 704.1.
4 That's fine. But it should not be costing me money.

5 So -- and I was going to not come before
6 this Board, because I understand that there needs to be
7 some access to sewer, except for twenty years, well, more
8 than twenty years, the house was built in '99. I bought
9 it in 2006. The access to that sewer has been through my
10 gate.

11 When the first access happened, I -- and
12 my husband asked, "What do we need to do? Do we need to
13 do anything?"

14 They said, "Absolutely not. Just don't
15 put a lock on your gate." They came through the same
16 gate. I have gates on both sides. They came through the
17 same gate from 2006 until 2022.

18 And do you know how many times they
19 accessed that manhole? Five. Five times in that length
20 of time. Five times.

21 So let's just say it's for necessity. I
22 wasn't going to come before the Board. I paid \$1800 to
23 have a permitted shed. Now, the shed was permitted with
24 the County on my property that hovered -- what is being
25 told is an easement -- a utility easement.

1 It had a -- it was built on, whatever,
2 concrete, so the concrete extends -- so if you mess with
3 the concrete on one end, it affects the whole entire
4 workshop.

5 Electricity was running through this
6 workshop as well --

7 MR. JOE CAMPBELL: May I interrupt? So
8 what is it that you are looking for this Board to do?

9 MS. NEGLEY: Well, I am about to tell you.

10 MR. JOE CAMPBELL: Okay.

11 MS. NEGLEY: Because on -- so all of this
12 is on the property. This is a preface to what I am about
13 to tell you and I have a written statement.

14 So, on July 8th, your contractor whom --
15 your representative from Holley Navarre Water System said
16 it was the County's contractor, which was a lie, because
17 Andrew Hill, who is the Assistant Public Works Director
18 for Santa Rosa County came out and he said, "Absolutely
19 not a contractor. And we would never treat our property
20 owners like this."

21 Number 1, they came out to remove the
22 fencing, which was my neighbor's fence that separated
23 their yard and my yard.

24 And when the contractor removed it, he
25 removed it with a backhoe and a mulching system which

1 caused shards of wood --

2 MR. JOE CAMPBELL: Let me ask some
3 questions now because --

4 MS. NEGLEY: Well, wait till I tell you --

5 MR. JOE CAMPBELL: Ma'am, no, your time is
6 up. I am just trying to get to the crux of -- what is it
7 that you're asking this Board to do?

8 MS. NEGLEY: There's damages to my
9 property.

10 MR. JOE CAMPBELL: Okay.

11 MS. NEGLEY: On the 8th, I called. Nobody
12 would even return -- that could have avoided these
13 damages.

14 MR. JOE CAMPBELL: Well, there's a couple
15 of things. Did you ever get the letter that says that we
16 are going to work on an easement behind your property?
17 Because there are easements.

18 When you say sewer line, there's easements
19 there and --

20 MS. NEGLEY: Okay. I would like to see
21 the legal easement --

22 MR. JOE CAMPBELL: Let me -- the fact that
23 people in the past didn't do what they should have done,
24 this Board and this organization with this leadership and
25 staff is doing it the right way.

1 So it's not just your easement. It's
2 Woodmont easement and then one other one that I can't
3 remember. So there are easements for sewer access, --

4 MS. NEGLEY: So I would like to see the
5 easement because I have asked for it.

6 MR. JOE CAMPBELL: What I am going to ask
7 you -- because I went by your property today when I rode
8 my bike and it looks like they are clearing like anybody
9 else.

10 So the question is: Did you get the
11 letter that said you need to move your fence if there is
12 an easement?

13 MS. NEGLEY: That wasn't my fence so I
14 could not remove it.

15 MR. JOE CAMPBELL: Okay. That's -- your
16 neighbor, then, has the issue with us. Not you; right?

17 MS. NEGLEY. No. Because the shards of
18 fencing and nails came onto my property --

19 MR. JOE CAMPBELL: What I am going to ask
20 you to do is gather all your damages you feel you have --

21 MS. NEGLEY: I have. And I sent it to
22 this Board since July 8th. I sent it to the Board. I
23 sent it to staff. I sent the photos. I have sent
24 videos.

25 MR. JOE CAMPBELL: Do you have that

1 package with you?

2 MS. NEGLEY: I sent it to Emerald, but she
3 said they can only get so big of whatever --
4 measurements --

5 MR. JOE CAMPBELL: Did you send it to the
6 Board of Directors? Or if you make a copy for the Board,
7 I will get your package and we get it to staff and legal
8 to see what we can do about it. Okay?

9 MS. NEGLEY: Okay. But I want to see
10 where this is an easement because this is a huge
11 problem --

12 MR. JOE CAMPBELL: I am probably going to
13 tell you that -- if I look over, the engineers are going
14 to tell you, the Property Appraiser cited -- he measured
15 your property --

16 MS. NEGLEY: I paid somebody to do that.
17 I have that.

18 MR. JOE CAMPBELL: Okay.

19 MS. NEGLEY: And it's not -- and the
20 County has said, "This is not ours."

21 MR. MILLER: Did we have all of those
22 easements surveyed?

23 DR. PEAVEY: Yes. Yes, we did. Of
24 course.

25 MR. MILLER: We got a survey that shows

1 that easement --

2 MR. JOE CAMPBELL: Which is why --

3 (SPEAKING OVER EACH OTHER.)

4 MS. NEGLEY: But you just can't say our
5 easement and survey something. We need to know --
6 property owners need to know what are the -- it is not
7 recorded. There is no record in Santa Rosa County.
8 Period.

9 MR. JOE CAMPBELL: Well, if you give us
10 the package, I will work with Emerald or somebody so we
11 can get that package, we will get it to staff and legal
12 to review whatever claims you have against the Water
13 System.

14 How is that? Okay? Thanks for your time.

15 Any other members?

16 (NO AUDIBLE RESPONSE.)

17 MR. JOE CAMPBELL: Okay. Last question.

18 Last thing we have, we need a follow-up executive
19 session. And Mark is out Wednesdays.

20 And I kind of wanted to think for -- I was
21 going to try to do it this Thursday, but I kind of want
22 Daryl's -- yeah, Mike is shaking his head no.

23 I know Daryl -- how is everybody for next
24 Thursday the 28th?

25 MR. KENNEDY: Good by me, as far as I

1 know.

2 MR. JOE CAMPBELL: Hopefully, just 45
3 minutes, an hour. What time? 6:00 o'clock? Is that a
4 good time?

5 DR. PEAVEY: Here, Mr. President?

6 MR. JOE CAMPBELL: This is available;
7 correct?

8 DR. PEAVEY: Yes.

9 MR. JOE CAMPBELL: So Closed Executive
10 Session on the 28th.

11 MR. MILLER: Maybe we should be by Joe's
12 pool.

13 MR. JOE CAMPBELL: We can't do that.

14 DR. PEAVEY: Are you needed, Will?

15 MR. DUNAWAY: Mr. Chairman, with counsel
16 or without?

17 MR. JOE CAMPBELL: Let me discuss with the
18 rest of the Board members. At this point, I don't think
19 so, Will. It's just the personnel --

20 MR. DUNAWAY: Just let me know.

21 MR. JOE CAMPBELL: Yeah. Unless anybody
22 has -- anybody else feels Will needs to be there? Are
23 you free in case we do?

24 MR. DUNAWAY: Yes.

25 MR. JOE CAMPBELL: Anything else, Bill?

1 MR. THIEL: No.

2 MR. JOE CAMPBELL: Mike, are you good?

3 MR. KENNEDY: I believe so. Yes, sir.

4 MR. MILLER: I would like to just make a
5 statement that it has come to the Board's attention that
6 emails from membership to the Board of Directors have not
7 been getting to the Board of Directors for quite some
8 time.

9 And your email did come through, so they
10 have fixed the problem.

11 MR. JOE CAMPBELL: It's fixed.

12 MR. MILLER: Since then. But I would like
13 to have follow-up on that and know what happened. Has IT
14 let the Board know why the emails haven't been getting to
15 us?

16 I would like to have any -- any recovery
17 of those emails that can be done. I think those need to
18 be sent to the Board, you know, if they were sent, there
19 should be a record of them somewhere.

20 I would like to direct staff to try to
21 recover those emails and get them to the Board along with
22 date stamps.

23 MR. JOE CAMPBELL: Now, it is working
24 because I received another one this afternoon. My only
25 caution to the Board is everybody jumping in there

1 with -- we need to -- if it is something staff can give
2 us information on, then they need to do that before we
3 jump in with our three cents, ten cents and our
4 experience in which we may or may not have in this area.

5 MR. MILLER: I just want to see our emails
6 have been -- our members have been trying to send us
7 for -- I would say going on the last year, because I have
8 gotten reports that people said they emailed the Board
9 and we didn't get them.

10 So I would like to know why we didn't get
11 them. I would like to have them recovered and know that
12 the problem is fixed. I mean, that's a big issue to me.
13 If the members can't contact us, we have got a problem.

14 MR. KENNEDY: Well, don't forget, Mark,
15 members can always contact us.

16 MR. MILLER: They think they are
17 contacting us when they click on that button. And if it
18 is not coming through to the Board, that's a problem.

19 MR. KENNEDY: Well, there is the other
20 thing. As Board members, we can directly -- back out to
21 a member sending us emails should not be happening --

22 MR. MILLER: I am not saying that should
23 happen --

24 MR. KENNEDY: So if we are not making a
25 response --

1 MR. MILLER: We are making decisions
2 without the input of our members. And we made a decision
3 on our pool policy without having the benefit of getting
4 emails from the members that that was affecting. That is
5 a problem.

6 MR. KENNEDY: I am just saying, from a
7 processing perspective, none of us Board members need to
8 be responding to --

9 MR. MILLER: I agree with you.

10 MR. KENNEDY: If they don't get a response
11 from a Board member, which they shouldn't get -- if they
12 don't get a response from staff, then they would easily
13 either call -- I am just saying --

14 MR. JOE CAMPBELL: Well, the evidence
15 that --

16 MR. KENNEDY: The onus of communication is
17 not just one way with us.

18 If someone does not get it, they can
19 follow-up and make sure. I am with you on the emails.

20 MR. MILLER: They assume that we got it
21 and didn't respond or didn't care or didn't -- and that's
22 a problem.

23 MR. JOE CAMPBELL: Let me play devil's
24 advocate, though, because, also, that drop-down menu has
25 everybody in -- it has got the wastewater treatment

1 That's why we are saying, you, at least, have us as your
2 last stop.

3 MS. NEGLEY: Which is what I used as my
4 last stop.

5 MR. KENNEDY: Correct.

6 MS. NEGLEY: And your name and contact
7 number and phone numbers are no place on that website.

8 MR. KENNEDY: Exactly.

9 MS. NEGLEY: The Board is and your
10 position, but no numbers.

11 MR. KENNEDY: Exactly. Because we -- you
12 start with them and then you work your way up to us.

13 MR. JOE CAMPBELL: And, Dallas, you
14 mentioned that IT was working that or has looked at that?

15 DR. PEAVEY: They have looked at that.
16 There was an issue with the third party migration of
17 those emails. But it doesn't -- Mark, it doesn't go back
18 to last year. It just happened the last three months.
19 And we were not aware of it until we made that change.

20 We did, in fact, spend an extensive amount
21 of time with both our IT folks and the third party and
22 those emails cannot be recovered because we don't know
23 what was sent. Anything that we could find, anything
24 that we tracked, I mean, there is no reason for us not to
25 get it -- let the members contact the Board members.

1 There is nothing we are trying to cut out the Board from.

2 Anything that comes in, certainly, we want
3 to make sure that you get it.

4 MR. MILLER: I just know I haven't gotten
5 one since July of last year --

6 DR. PEAHEY: But we have had people
7 before, members that said, "I did," and nothing happened.
8 They didn't contact anybody. We hope that if they did
9 they got it.

10 If you didn't get it -- because I would
11 have got it as well -- I am attached to that just so we
12 get it.

13 MR. JOE CAMPBELL: But did those that say
14 they didn't get through, did you placate -- did you
15 answer their questions?

16 MR. MILLER: I have one that messaged me
17 on Facebook, and I said, "I need more information." And
18 that's when I brought up the issue that, "Hey, we have
19 got emails that are not coming through."

20 He said he clicked on the link. He sent
21 me a screenshot of the website with the contact Board of
22 Directors' link and said, "That's what I clicked on."
23 And it didn't come through.

24 DR. PEAHEY: Well, we have a regular
25 process --

1 MR. MILLER: I have not talked --

2 DR. PEAVEY: We have a regular process now
3 on a monthly basis that IT goes back and makes sure that
4 those email addresses are working.

5 MR. MILLER: Okay.

6 DR. PEAVEY: Okay.

7 MR. JOE CAMPBELL: And just one last note
8 on that, I am going to ask, again, if the Directors, if
9 they give staff a chance to answer those. Because I
10 think the last two that came in were really pretty
11 simple --

12 DR. PEAVEY: Absolutely.

13 MR. JOE CAMPBELL: -- for Member Services
14 or somebody to have answered.

15 All right. Anything else?

16 (NO AUDIBLE RESPONSE.)

17 MR. JOE CAMPBELL: Don?

18 MR. LINNELL: Nothing from me.

19 MR. JOE CAMPBELL: All right. I will
20 entertain a motion.

21 MR. KENNEDY: Motion to adjourn.

22 MR. JOE CAMPBELL: Does anybody second?

23 MR. LINNELL: second.

24 MR. JOE CAMPBELL: Any other discussion?
25 Any other questions?

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(NO AUDIBLE RESPONSE.)

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

MR. THIEL: Aye.

MR. LINNELL: Aye.

MR. KENNEDY: Aye.

MR. MILLER: Aye.

MR. JOE CAMPBELL: Aye. Thank you for
your time.

WHEREUPON, THE BOARD OF DIRECTORS MEETING

CONCLUDED AT 7:09 P.M.

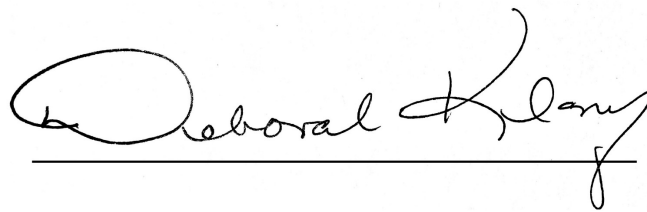
1 CERTIFICATE OF REPORTER

2
3 STATE OF FLORIDA

4 COUNTY OF SANTA ROSA

5 I, DEBORAH G. KHARUF, Court Reporter and
6 Notary Public, State of Florida at Large, hereby certify
7 that I was authorized to and did stenographically
8 transcribe from audio and video file the foregoing Board
9 of Directors Meeting for Holley Navarre Water System and
10 that the transcript is a true record of said meeting. I
11 further certify that I am not a relative, employee,
12 attorney or counsel of any of the parties, nor am I a
13 relative or employee of any attorney or counsel connected
14 with the action; nor am I financially interested in this
15 proceeding or its outcome.

16 Dated this 6th day of August, 2022.

17
18 A handwritten signature in cursive script, reading "Deborah G. Kharuf", is written over a horizontal line. The signature is positioned in the center of the page, between lines 17 and 20.
1920
21 DEBORAH G. KHARUF

22 Court Reporter and Notary Public,

23 State of Florida at Large.

24 Commission number GG 310633

25 My commission expires July 6, 2023.