

HOLLEY NAVARRE WATER SYSTEM
ANNUAL ELECTION OF BOARD OF DIRECTORS
JANUARY 16, 2024
7:00 P.M. - 7:29 P.M.

MARK MILLER, PRESIDENT

MIKE MATTHEWS, VICE PRESIDENT

BILL THIEL, SECRETARY

JOE CAMPBELL, TREASURER DIRECTOR

DARYL LYNCHARD, DIRECTOR

DAVID CRUMBLEY, DIRECTOR

DON LINNELL, DIRECTOR

JEFF CRIGLER, CEO HNWS

EMERALD MCDANIEL, HNWS

BARBARA CARAWAN, HNWS

PHIL PHILLIPS, MESI

CLINTON WELLS, HNWS

CHRIS LEGG, HNWS

AMBER BUCHOLTZ, HNWS

ALSO PRESENT:

WILL DUNAWAY, ESQUIRE

DEBORAH KHARUF, COURT REPORTER

TAPPIE VILLANE, SUPERVISOR OF ELECTIONS

(AND HER STAFF)

ROB LOW, WES SILER, HARLAN HALL, KURT COSBY,

RICH SCHAEFFER, CARMEN REYNOLDS

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

2 MR. MILLER: I have got 7:00 o'clock, so
3 voting is officially closed.

4 Okay. While Tappie and her crew are in
5 the process of tabulating the vote, we are going to go
6 ahead and resume our meeting here.

7 The first item is to -- we need a number
8 of members in attendance. So can I ask once again if
9 everybody who is a Holley Navarre Water System member to
10 raise your hand?

11 Director Thiel, will you give us a count?

12 MR. THIEL: 32.

13 MR. MILLER: 32.

14 Okay. So Mr. Crigler, will you give us
15 the information regarding the proof of the public notice
16 of our annual membership meeting?

17 MR. CRIGLER: Yes. So the notice of the
18 annual meeting was published in the Navarre Press on
19 December 8th. And we also did an email out to all the
20 members as well. And it went out at the same time.

21 MR. MILLER: Thank you. Next item is
22 financials and audit update. Mr. Crigler?

23 MR. CRIGLER: Yes. So since we don't do,
24 quote, unquote, official business at this meeting other
25 than the election, we will be presenting the unapproved

1 November and December financials, unaudited financials at
2 the February Board meeting.

3 And I would also like to announce our 2023
4 audit is underway. And we should be completing that and
5 presenting those results to the Board at the April Board
6 meeting. Then, of course, our 2022 audit is available to
7 our members upon request.

8 MR. MILLER: Thank you, sir.

9 Next item is the election results. And we
10 will just sit tight while they finish tabulating.

11 (MR. CAMPBELL SAYS SOMETHING INAUDIBLE.)

12 MR. MILLER: You know, that's a good idea.
13 We are going to go ahead and open it up to Member Forum
14 if anyone is on our list to speak.

15 I have first on the list Carmen Reynolds.
16 Did you want to speak to the Member Forum?

17 MS. REYNOLDS: Carmen Reynolds. Good
18 evening. Carmen Reynolds. Can you hear me?

19 MR. MILLER: Yes.

20 MS. REYNOLDS: Okay. 9621 Sunnybrook
21 Drive, Navarre. Well, we are here. And, typically, in
22 the past, the members come in the evening for this annual
23 membership meeting. And we have input, dialog, back and
24 forth, and you-all vote.

25 I was informed when I walked in that

1 you-all passed a rate increase this morning along with
2 the COLA. Is that correct?

3 MR. MILLER: The COLA was approved in
4 December. The budget was approved also in December, but
5 it was approved as a temporary budget until the annual
6 meeting where we did approve it this morning.

7 MS. REYNOLDS: Okay. So when people are
8 off work at night for the annual meeting, they -- this
9 year, you did it differently. Is that correct?

10 MR. MILLER: No. We always do the budget
11 in the morning meeting.

12 MS. REYNOLDS: Okay. So can you, please,
13 for us tell us what the vote was for the budget and the
14 rate increase?

15 MR. MILLER: The budget passed
16 unanimously.

17 MS. REYNOLDS: So that would be 7-0?

18 MR. MILLER: Yes.

19 MS. REYNOLDS: And the rate increase for
20 the record is --

21 MR. MILLER: It was four and a half
22 percent is what the budgeted rate increase was.

23 MS. REYNOLDS: Okay.

24 MR. LYNCHARD: But that was done -- that
25 was voted on after. We didn't vote on the rate increase.

1 We voted on the budget.

2 (SPEAKING OVER EACH OTHER.)

3 MR. MILLER: We voted to approve the
4 budget that we had already approved in December as a
5 temporary budget.

6 MS. REYNOLDS: Okay. So, Director
7 Lynchard, could you audibly restate what that
8 clarification was?

9 MR. LYNCHARD: The rate increase was voted
10 on in December. The budget was voted on this morning.

11 MR. CRUMBLEY: And the rate increase was
12 4-2, by the way.

13 MR. LYNCHARD: Yeah.

14 MR. CRUMBLEY: Me and Daryl opposed it.

15 MS. REYNOLDS: Thank you.

16 MR. MILLER: Next on our list is Harlan
17 Hall? No? Okay.

18 Rick Schaeffer?

19 Any other?

20 MR. SCHAEFFER: Yeah. Rick Schaeffer,
21 6915 Jasper Street. I have just a few short questions
22 and you have sort of already answered some of them.

23 So you approved the rate increase in
24 December. Is that correct? And the budget when?

25 MR. MILLER: It was officially approved at

1 this morning's meeting.

2 MR. SCHAEFFER: This morning. Okay. And
3 so, tap fees. Are they paid by each business and each
4 homeowner; right? And they are pretty high.

5 And so, what do the tap fees pay for? The
6 material and labor to do that job?

7 MR. MILLER: Tap fees pay for the demands
8 on our infrastructure. It reserves that capacity in our
9 system for the future, basically. Every new business,
10 every new home that comes on board puts additional demand
11 on our system. And so, the tap fees are a way for
12 everyone -- every new business to share in that cost.

13 If we didn't charge a tap fee, then the
14 cost of expanding our system would become the burden of
15 people that already have a water tap. And the fair way
16 to do it is, you know, have those tap fees paid by people
17 that are benefiting from it.

18 MR. SCHAEFFER: I agree. Seems like some
19 of them are exorbitant to, you know, start a business.
20 Some businesses can't afford to pay that kind of money up
21 front.

22 MR. MILLER: It all depends on their water
23 usage. A restaurant is going to use more than a doctor's
24 office would.

25 MR. SCHAEFFER: So proposed increase. Or

1 you already voted on the increase. What exactly does
2 that accomplish?

3 MR. MILLER: Well, it -- our expenses have
4 risen across the board, you know, expenses for chemicals
5 and vehicles and labor. And, you know, everything across
6 the board has risen. So the rate increase was
7 necessitated based on the budgeted expenses for this
8 year.

9 And you basically take what your projected
10 expenses are going to be and what your revenue stream is,
11 and, you know, calculate that into the amount of water
12 that you are going to sell or the amount of sewage you
13 are going to treat. And that's how the four and a half
14 percent was arrived at.

15 MR. SCHAEFFER: Okay. That seems a bit
16 high to me, four and a half percent. That's
17 considerable, but, nowadays, what are you going to do?

18 But can we get a copy of the budget? You
19 said we can get a copy of the budget?

20 MR. MILLER: Yes. Absolutely.

21 MR. SCHAEFFER: And so, after the
22 meeting --

23 MR. MILLER: Is the budget online?

24 MS. CARAWAN: It's not.

25 MR. MILLER: It's not online?

1 MS. CARAWAN: No.

2 MR. MILLER: If you will put a request in
3 to Mr. Crigler, they can provide you one. Any
4 information, any financial information that you want,
5 including the budget.

6 MR. SCHAEFFER: And he is the CEO?

7 MR. MILLER: Yes.

8 MR. SCHAEFFER: All right. Very good.

9 MR. MILLER: Thank you.

10 Emerald just let me know that there is an
11 inspection of records request form that is available
12 under our document section on our website.

13 So any information that you would like as
14 a member that is not available that is not immediately
15 posted online, you can fill out this inspection of
16 records request form and those records will be provided
17 to you.

18 Okay. I am going to go ahead and move
19 forward with the results of our Annual Board of Directors
20 Election. We had -- let me make sure I am doing this
21 right.

22 Okay. So I am just going to go down in
23 the order that the names were on the ballot.

24 Rob Low had 354 total votes.

25 Mark Miller had 369 total votes.

1 Wes Siler had 159 total votes.

2 And William Thiel had 115 total votes.

3 So the two elected candidates are Rob Low
4 and Mark Miller.

5 I would like to give Director Thiel an
6 opportunity to give an outgoing statement, if you would
7 like?

8 MR. THIEL: I really don't have too much
9 to say. I would like to thank the Holley Navarre Water
10 membership for allowing me to serve for the past three
11 years. And I especially want to thank the Holley Navarre
12 Water System staff and those folks for the support you
13 have given me.

14 I hope that in the future that the Board
15 is responsive to the members and deal with the facts and
16 not deal with the rumors and the stuff on social media
17 that tends to go flying around about what is truth and
18 what is not. That's basically all I have to say.

19 MR. MILLER: And I would just like to say
20 thank you, Bill, for your service to the Board. You have
21 been an excellent Board member. You really do your due
22 diligence and you have been a great contribution to our
23 Board. I appreciate your service on the Board.

24 MR. MILLER: Okay. So we need to do a
25 Board Reorganization meeting. We have a tentatively

1 scheduled Board Reorganization Meeting for January 23rd,
2 2024, at 6:00 p.m. I would like to see if that date
3 would work for all of our current members.

4 And, Rob Low, are you okay with that?

5 MR. LOW: Yes.

6 MR. MILLER: January 23rd at 6:00 p.m.

7 Thumbs up?

8 MR. LYNCHARD: Good with me.

9 MR. MILLER: Everybody good? Okay.

10 MR. CAMPBELL: Not me. But I will cancel
11 what I have to.

12 MR. MILLER: Okay.

13 MR. CRIGLER: Just point out to our two
14 Directors, we have a Fairpoint meeting that day. So we
15 should have ample time to get back from Gulf Breeze.

16 We don't think it's going to be a very
17 long meeting at all, so it shouldn't be a problem at all.

18 MR. MILLER: Okay. Sounds good. All
19 right. Are we still tabulating the Articles of
20 Incorporation vote? Is that where we are at right now?

21 Okay. We will hang out just a few more
22 minutes and get the results of that vote.

23 MR. HALL: Just a real quick -- Harlan
24 Hall, 7712 Manatee, Navarre. Just a quick thought --
25 seems like we waited -- not anything against the

1 tabulation, but we opened the meeting, and we had to wait
2 to get the results.

3 I am not complaining about that. I am
4 just saying it was dead time there. Would it be possible
5 next year to move the vote of the budget to the evening
6 time?

7 We had plenty of time to discuss it and
8 for all of you Board members to have voted prior to the
9 election results. I mean -- and the only reason I am
10 asking that is that way, it's done at night in front of
11 the members.

12 It's probably going to have the same
13 results, 7-0, but it just looks better.

14 MR. MILLER: We did have a number of folks
15 at the morning meeting as well, not as many as are here
16 tonight, but, you know, so the vote was done before the
17 members.

18 MR. CAMPBELL: But there was, I am
19 assuming, some lively discussion at the December meeting.

20 MR. MILLER: There was.

21 MR. CAMPBELL: Okay.

22 MR. HALL: I am not --

23 (SPEAKING OVER EACH OTHER.)

24 MR. HALL: I am not saying that even. We
25 did have some good discussion at the December meeting. I

1 was here. But if we could just move it. And we have
2 got -- look right now. Do you know what I mean?

3 We have got time to have done it in the
4 evening without horribly extending this meeting.

5 MR. MILLER: Right.

6 MR. HALL: Just a suggestion.

7 MR. MILLER: We will take a look at that
8 next year.

9 MR. LYNCHARD: I think it's a good idea.

10 MR. MATTHEWS: I do, too.

11 MR. MILLER: Ms. Reynolds?

12 MS. REYNOLDS: Carmen Reynolds, Navarre.
13 Did you state how many of those were proxies? Because I
14 didn't catch it if you did.

15 MR. MILLER: I don't have a count on the
16 proxies, but I think it was a total of --

17 MR. CAMPBELL: There was 47 absentee
18 ballots and 18 proxies this year. That's what Amber
19 mentioned this morning. 47 absentee ballots and 18
20 proxies.

21 MR. MILLER: Now, question, though, the
22 proxies -- not all of those were for the election. Some
23 of those were for the Articles.

24 MR. LYNCHARD: That's right. There were
25 only five regular Director proxies.

1 MR. CAMPBELL: I saw four.

2 MR. LYNCHARD: Four. Okay. Four proxies
3 for the election.

4 MR. CAMPBELL: I'm going by what Amber
5 said.

6 MR. LYNCHARD: Yeah. There were four for
7 the Board members.

8 MS. REYNOLDS: Second part of the
9 question. I couldn't help myself. I know we had some
10 lively discussion about the rate increase at the December
11 meeting. And you talked about, Chairman Miller, the new
12 hourly wage increase for the State of Florida. It goes
13 up a dollar every year or something like that.

14 Because personnel is such a high cost
15 driver, will bonuses and salary increases be part of this
16 typically, so that we feel better about this rate
17 increase? Do y'all know?

18 MR. MILLER: Bonuses are figured into our
19 budget as well as the COLA, cost of living increase,
20 which was two percent which was figured into our budget.

21 MS. REYNOLDS: That was up to two percent
22 over the 4.5 percent.

23 MR. MILLER: No.

24 MR. LYNCHARD: No.

25 MR. MILLER: No. There was a two percent

1 cost of living increase across the board for all of our
2 employees.

3 MS. REYNOLDS: Separate and distinct from
4 the 4.5 percent.

5 MR. CRIGLER: No. No.

6 MR. MILLER: The rate increase and -- the
7 rate increase encompasses not just the increase in wages
8 but increases in all of our expenses -- vehicle expense,
9 chemicals, you know, everything, fuel. Everything is
10 more expensive right now.

11 MS. REYNOLDS: Right.

12 MR. LYNCHARD: Mark, I think we are
13 confusing two things. The rate increase was four and a
14 half percent. That's the rate increase.

15 Now, on the other parts of our budget,
16 individual line items have increased. They don't have
17 anything to do with the rate increase. The salaries went
18 up by two percent. The employee expenses went up by two
19 percent per year. But that doesn't have anything to do
20 with the four percent -- it's not magically six and a
21 half percent.

22 MR. CRUMBLEY: Water and sewer.

23 MR. LYNCHARD: The water and sewer rates
24 went up four and a half percent. Our employee -- our
25 labor costs are going up two percent.

1 MS. REYNOLDS: Right. What I was asking
2 is it seems as though they are going to be taken care of
3 with the COLA. Does that then mean that other money on
4 the other side, the 4.5 percent, is some of that going to
5 be bled off for bonuses and salary increases?

6 MR. LYNCHARD: No.

7 MR. MILLER: No.

8 MS. REYNOLDS: Okay. That's a very good
9 answer. Thank you very much.

10 MR. CAMPBELL: Is this the last one on the
11 agenda?

12 MR. MILLER: I think so.

13 I want to clarify the question. I want to
14 clarify the question regarding the number of proxies.

15 Proxy ballots for the vote on the Articles
16 of Incorporation amendment was 18 proxies for the
17 Articles of Incorporation Amendment.

18 As far as the election of Directors, there
19 were a total of four proxies for election of Directors.

20 So I think we are definitely moving in the
21 right direction on proxy voting, but depending on what
22 the Articles of Incorporation vote is --

23 All right. So the vote for -- the vote to
24 amend the Articles of Incorporation. Yes votes was 239.
25 No votes was 259. Over votes was 1 and under votes was

1 6.

2 So according to our members, the amendment
3 to our Articles of Incorporation did not pass.

4 It was close. That would be someone that,
5 I guess, did not vote if it's a --

6 MR. DUNAWAY: Over vote is they voted for
7 both. Under vote is no vote.

8 MR. MILLER: Okay. Under vote was no vote
9 and over vote was they voted for both yes and no.

10 So does that -- I guess that invalidates
11 that.

12 Okay. So based on those results, there is
13 no action necessary by the Board. We will continue to
14 operate under our existing Articles of Incorporation and
15 our bylaws.

16 And if no other business is to come before
17 the Board, I will take a motion to adjourn the meeting.

18 MR. CAMPBELL: So moved.

19 MR. LYNCHARD: Second.

20 MR. MILLER: I have a motion and a second.

21 All in favor say "Aye"?

22 MR. LYNCHARD: Aye.

23 MR. LINNELL: Aye.

24 MR. CAMPBELL: Aye.

25 MR. THIEL: Aye.

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MR. CRUMBLEY: Aye.

MR. MATTHEWS: Aye.

MR. MILLER: Meeting adjourned.

WHEREUPON, THE HOLLEY NAVARRE BOARD OF
DIRECTORS ELECTION MEETING ADJOURNED AT 7:28 P.M.

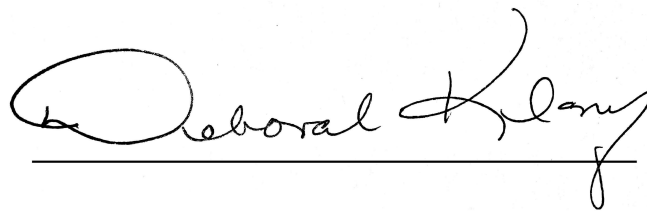
1 CERTIFICATE OF REPORTER

2
3 STATE OF FLORIDA

4 COUNTY OF SANTA ROSA

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

16 Dated this 5th day of February, 2024.

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21 DEBORAH G. KHARUF

22 Court Reporter and Notary Public,

23 State of Florida at Large.

24 Commission number HH 387801

25 My commission expires July 6, 2027.