

HOLLEY NAVARRE WATER SYSTEM

BOARD MEETING

JUNE 19, 2018

6:00 P.M. - 6:29 P.M.

PRESENT AT MEETING:

WILL GOULET, VICE PRESIDENT

DEBBIE GUNNOE, SECRETARY

MARK MILLER, DIRECTOR

DARYL LYNCHARD, DIRECTOR

GEO MAYER, DIRECTOR

BARBARA CARAWAN, OFFICE MANAGER

PAUL GARDNER, GM, HNWS

TORIN BRAND, IT DEPT. HNWS

CORY SNYDER, MESI

DALE LONG, MESI

CLINTON WELLS, HNWS

ZACH LEWIS, HNWS

MARK TURNER, HNWS

JENNIFER TWEEDY, HNWS

DANNY HAWKINS, HNWS

ALSO PRESENT:

KEITH KILPATRICK, ESQUIRE

DEBORAH KHARUF, COURT REPORTER

JIM GRACE, UNDERWOOD ANDERSON INSURANCE

ROMI WHITE, SOUTH SANTA ROSA NEWS

SANDI KEMP, NAVARRE PRESS

JOE AND ANGELA CAMPBELL, DOUG LARSON

T.J. GOULET, SHERRY DEVASHER, DAYNA ALDRICH,

HEATHER SCRUGGS, BRAD MAYER

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

2 MR GOULET: I would like to call this
3 meeting to order. Mark, will you lead us in a prayer,
4 please?

5 MR. MILLER: Will you please bow your
6 heads and I would like to ask that we begin by observing
7 a moment of silence for the passing of former Board
8 member, Bud White.

9 (INVOCATION GIVEN BY DIRECTOR MILLER.)

10 MR. GOULET: Pledge of allegiance.

11 (PLEDGE OF ALLEGIANCE.)

12 MR. GOULET: Do we have a quorum present?

13 MS. GUNNOE: Yes, we do.

14 MR. GOULET: Audio and video recorders are
15 in use. If you can, please silence your cell phones.

16 First thing on the agenda tonight is to
17 approve removal of appointed Board members from Holley
18 Navarre Water System Board.

19 I would like to motion that Geo Mayer and
20 Debbie Gunnoe be immediately removed from their appointed
21 positions on this Board for cause. Their actions
22 surrounding the removal of Hidden Creek General Manager
23 not only caused our water company considerably financial
24 loss but also was a public embarrassment to this Board
25 and the Water Company.

1 MR. MILLER: So moved.

2 MR. LYNCHARD: I will second it.

3 MR. GOULET: We have a motion and a
4 second. Any further discussion?

5 MS. GUNNOE: Yes. I have discussion in
6 that it wasn't me that brought embarrassment to the Water
7 Company. It was those who released a confidential
8 personnel meeting information out to the public via
9 newspaper and social media.

10 If it had been kept confidential, we could
11 have proceeded appropriately and no embarrassment would
12 have been brought to the Water Company.

13 MR. GOULET: Okay. Any other further
14 discussion?

15 MR. MAYER: I have a comment.

16 MR. GOULET: Yes, sir?

17 MR. MAYER: I want to thank my colleagues
18 for appointing me to the Board, inexperienced as I was, I
19 didn't realize it was a four-month appointment, but
20 nevertheless, I appreciate your fulfilling your
21 commitment to appoint me. I think that's all I have to
22 say.

23 MR. GOULET: Thank you, sir.

24 With no further discussion, let's take a
25 vote. All those in favor for removal, say "Aye"?

1 MR. LYNCHARD: Aye.

2 MR. MILLER: Aye.

3 MR. GOULET: All those opposed?

4 (NO AUDIBLE RESPONSE.)

5 MR. GOULET: Motion carries. Thank you.

6 I appreciate your serving on the Board. Thank you, Geo.

7 DIRECTOR GUNNOE AND DIRECTOR MAYER EXIT THE
8 CONFERENCE ROOM.

9 MR. LYNCHARD: I make a motion that we
10 approve you as President.

11 MR. GOULET: We have a motion. Do we have
12 a second?

13 MR. MILLER: I will second it.

14 MR. GOULET: Any further discussion?

15 (NO AUDIBLE RESPONSE.)

16 MR. GOULET: All those in favor say "Aye"?

17 MR. LYNCHARD: Aye.

18 MR. MILLER: Aye.

19 MR. GOULET: All those opposed?

20 (NO AUDIBLE RESPONSE.)

21 MR. GOULET: Motion carries.

22 MR. LYNCHARD: I would like to make a
23 motion we elect or appoint Mark Miller Vice President.

24 MR. GOULET: I will second that motion.

25 We have a motion and a second. Any

1 further discussion?

2 (NO AUDIBLE RESPONSE.)

3 MR. GOULET: All those in favor say "Aye"?

4 MR. LYNCHARD: Aye.

5 MR. MILLER: Aye.

6 MR. GOULET: All those opposed?

7 (NO AUDIBLE RESPONSE.)

8 MR. GOULET: Motion carries.

9 I would like to -- Item Number 4, we would
10 like to approve and appoint Doug Larson to Secretary
11 Treasurer position of Holley Navarre Water System.

12 Can I get a motion?

13 MR. LYNCHARD: Yes. I will make that
14 motion.

15 MR. GOULET: Do I have a second?

16 MR. MILLER: I will second it.

17 MR. GOULET: Is there any further
18 discussion?

19 MR. MILLER: I would just like to say I
20 was initially not in favor of Doug being in that position
21 as a non-Board member. But, right now, I think we
22 certainly would benefit from having someone in that
23 position.

24 And I think when Doug was doing the job
25 before, he did a great job as far as the handling of all

1 the member certificates. And he really surprised me,
2 actually, so I am in favor of that.

3 MR. GOULET: All right. We have a motion
4 and a second. With no further discussion, all those in
5 favor say "Aye"?

6 MR. LYNCHARD: Aye.

7 MR. MILLER: Aye.

8 MR. GOULET: All those opposed?

9 (NO AUDIBLE RESPONSE.)

10 MR. GOULET: Motion carries.

11 We need to appoint a Personnel Chair. If
12 you guys want, I would do that for us.

13 MR. LYNCHARD: I will do it.

14 MR. MILLER: I am in favor of that.

15 I make a motion that Will be the Personnel
16 Chair.

17 MR. LYNCHARD: I will second it.

18 MR. GOULET: No further discussion. All
19 those in favor say "Aye"?

20 MR. LYNCHARD: Aye.

21 MR. MILLER: Aye.

22 MR. GOULET: All those opposed?

23 (NO AUDIBLE RESPONSE.)

24 MR. GOULET: Motion carries.

25 We need to approve a Finance Chair. I

1 would like to recommend Mr. Daryl Lynchard for that if we
2 could.

3 I would make a motion to make Daryl
4 Lynchard the Personnel (sic) --

5 MR. MILLER: I will second.

6 MR. GOULET: Any further discussion?

7 MR. KILPATRICK: Finance Chair.

8 MR. GOULET: Sorry. Finance Chair.

9 MR. LYNCHARD: Okay.

10 MR. GOULET: Any further discussion?

11 (NO AUDIBLE RESPONSE.)

12 MR. GOULET: All those in favor say "Aye"?

13 MR. LYNCHARD: Aye.

14 MR. MILLER: Aye.

15 MR. GOULET: All those opposed?

16 (NO AUDIBLE RESPONSE.)

17 MR. GOULET: Motion carries.

18 We need to appoint an additional check
19 signer -- from speaking to Barbara, Mark, if we could
20 have you as a check signer on the Club at Hidden Creek
21 and also on Holley Navarre Water System.

22 MR. MILLER: Okay. I will do that.

23 MR. GOULET: And then, the pension is
24 already taken care of. We are both sitting on that Board
25 currently, so we are fine with being appointed to the

1 pension, so no action needs to be taken on that.

2 I would like to approve Mark Miller to be
3 our other representative on the Fairpoint Board of
4 Directors. I make a motion to do that.

5 MR. LYNCHARD: I think that he would be
6 great on that. I will second it.

7 MR. GOULET: Okay. Any further
8 discussion? Mark, are you fine with that?

9 MR. MILLER: I am fine with that.

10 MR. GOULET: All right. All in favor say
11 "Aye"?

12 MR. LYNCHARD: Aye.

13 MR. MILLER: Aye.

14 MR. GOULET: All opposed?

15 (NO AUDIBLE RESPONSE.)

16 MR. GOULET: Motion carries.

17 We need to approve the May 15th Holley
18 Navarre Water System Board of Directors regular meeting
19 minutes. Have you guys had time to review that yet?

20 MR. MILLER: Yes.

21 MR. LYNCHARD: Yes.

22 MR. GOULET: Can I get a motion?

23 MR. LYNCHARD: I make a motion we approve
24 them as presented.

25 MR. MILLER: I will second it.

1 MR. GOULET: All right. Any further
2 discussion?

3 (NO AUDIBLE RESPONSE.)

4 MR. GOULET: All those in favor say "Aye"?

5 MR. LYNCHARD: Aye.

6 MR. MILLER: Aye.

7 MR. GOULET: All opposed?

8 (NO AUDIBLE RESPONSE.)

9 MR. GOULET: Motion carries.

10 Membership certificates with the work
11 sheet. I know these were already taken care of.

12 May, we had 404 new memberships and we
13 canceled, 388 memberships in May. We need to get
14 a motion to approve those.

15 MR. LYNCHARD: I make a motion to approve.

16 MR. MILLER: I will second.

17 MR. GOULET: I have a motion and a second.

18 Any further discussion on that?

19 MR. LYNCHARD: Nope.

20 MR. GOULET: All those in favor say "Aye"?

21 MR. LYNCHARD: Aye.

22 MR. MILLER: Aye.

23 MR. GOULET: All those opposed?

24 (NO AUDIBLE RESPONSE.)

25 MR. GOULET: Motion carries.

1 Mr. Gardner, can you go over the finance
2 with us?

3 MR. GARDNER: I can. For the month of
4 May, we had a total revenue of \$915,559.10. That was
5 down a little bit over last month. We had expenses,
6 total expenses of \$141,00 -- I'm sorry -- \$839,700.83,
7 and it left us with a \$75,858.27 income.

8 MR. GOULET: Is there any further
9 discussion on the May financial statements? Daryl?

10 MR. LYNCHARD: One thing, I would like to
11 ask Barbara real quick about the financials just so
12 everybody is on the same page. We discussed -- we had an
13 email the other day about restricted and unrestricted
14 income.

15 The restricted income is the income that
16 we receive from the sewer taps?

17 MS. CARAWAN: Water and sewer.

18 MR. LYNCHARD: Water and sewer taps?

19 MS. CARAWAN: Yes.

20 MR. LYNCHARD: And I believe that's listed
21 on the financial statement under amortization expense;
22 correct?

23 MS. CARAWAN: No, sir.

24 MR. LYNCHARD: What is that?

25 MS. CARAWAN: The amortization expense?

1 MR. LYNCHARD: I believe it is. We always
2 had that discussion.

3 MS. CARAWAN: It's been back and forth.

4 MS. KEMP: Are the mikes working?

5 MR. LYNCHARD: Huh?

6 MS. KEMP: It doesn't seem like the mikes
7 are working.

8 MR. LYNCHARD: I'm sorry.

9 MS. KEMP: You need to get closer.

10 MR. LYNCHARD: What I am getting at
11 basically is looking at the financials, we are showing a
12 \$75,000 profit, but in reality, of that \$75,000 profit,
13 almost \$112,000 of it is restricted for water and sewer
14 taps.

15 MS. CARAWAN: That's correct.

16 MR. LYNCHARD: So we have really from an
17 operating -- from an unrestricted standpoint, we had a
18 loss for the month.

19 MS. CARAWAN: Correct.

20 MR. LYNCHARD: Just for the benefit of
21 everybody that is here.

22 MR. GOULET: Can we get a motion to
23 approve the financials as presented?

24 MR. LYNCHARD: I make a motion to approve
25 the financials as presented.

1 MR. MILLER: I will second.

2 MR. GOULET: All right. Any further
3 discussion?

4 (NO AUDIBLE RESPONSE.)

5 MR. GOULET: All right. All those in --

6 MR. GARDNER: Just so everyone knows, I
7 was going to read the taps for this month, we had -- for
8 this month, we had 34 water taps and 28 sewer taps. And
9 that's down a little bit from the previous month.

10 MR. MR. GOULET: Thank you, Paul. We have
11 a motion and a second to approve it. All those in favor
12 say "Aye"?

13 MR. LYNCHARD: Aye.

14 MR. MILLER: Aye.

15 MR. GOULET: All those opposed?

16 (NO AUDIBLE RESPONSE.)

17 MR. GOULET: Motion carries.

18 Jim Grace from Underwood Anderson
19 Associates. Could you come up and give your --

20 MR. GARDNER: Mr. Grace, he carries our
21 property -- our liability insurance and our Workman's
22 Comp -- not Workman's Comp. He represents Workman's
23 Comp.

24 Anyway, we are up for renewal. He has
25 done a real good job. He has actually saved us a lot of

1 money this time around, so I would like for him to speak
2 on it and take any questions from the Board.

3 MR. GRACE: Good evening. And it's a
4 pleasure to be here in front of the Board. And my name
5 is Jim Grace with Underwood Anderson Insurance. And I am
6 your agent that represents the portfolio for the -- for
7 most of all of your insurance for Holley Navarre Water
8 System and to give you have an overview of what -- what
9 your insurance portfolio is comprised of, it is comprised
10 of your property insurance, any equipment insurance that
11 you may have to your commercial general liability
12 insurance.

13 It concerns a commercial crime policy,
14 some professional liability, cyber liability, a
15 commercial auto policy, Workman's Compensation,
16 employment practices liability, Directors and Officers
17 Liability and an umbrella policy. It is quite a
18 comprehensive policy.

19 And this policy is -- with the exception
20 of the Workman's Compensation, it is -- this program is
21 through Philadelphia Insurance Company and this program
22 especially is endorsed by the National Association of
23 Water Systems. So this policy, without going into --
24 diving into the enhancements on this policy, it has a lot
25 of bells and whistles unique to the water system

1 industry, particularly in some pollution coverages, in
2 some failure to supply coverages that may happen, so
3 there is a lot of unique coverages associated with the
4 policy.

5 About 90 days ago, Paul -- this is routine
6 for us every year -- over and above our interaction
7 throughout the year, Paul and I do a portfolio review and
8 we review all the locations and we do property reviews on
9 values of buildings. We do reviews of all the vehicles
10 and all the drivers that are associated with the Water
11 System.

12 We do equipment evaluation so that we make
13 sure we have got the equipment insured for the proper
14 amounts. We also evaluate some of the -- for Workman's
15 Compensation, there's rating parameters that have to do
16 with payrolls and just various other things on this.

17 And after Paul and I do this review, we go
18 out to market and we say, "Is there a good program out
19 there?"

20 And we have found this year that this is
21 still the premier program that we are representing.
22 Without going into a lot of detail this year, on the last
23 -- on the very last page of the proposal that I presented
24 to the Board of Directors, you can see that your expiring
25 premium last year was \$218,486. And this year, we have

1 obtained a renewal of \$208,377 with the savings of
2 \$10,109 for the Water System.

3 MR. GOULET: I've got a question for you.
4 Do we have any coverage -- or do we need coverage on the
5 Greskovich property? Is that covered, also?

6 MR. GRACE: Greskovich?

7 MR. GARDNER: There's really nothing that
8 would --

9 MR. GOULET: Pollution.

10 MR. LYNCHARD: Probably falls under the
11 blanket of our general liability, I would think.

12 MR. GARDNER: Yeah. We have got a big
13 umbrella.

14 MR. GOULET: I was just making sure,
15 because I didn't see it listed on here. And I knew that
16 was something that has just come online, so I didn't know
17 if we were going to need coverage on that, also.

18 MR. GARDNER: Yeah. The only thing I can
19 see is what Zach said, there might be some pollution
20 liability there, but we do have a pollution policy. And
21 then, we have the -- correct me if I'm wrong --
22 \$5 million umbrella?

23 MR. GRACE: Yes. We have a \$5 million
24 umbrella.

25 MR. GOULET: Okay. I just didn't know if

1 he was aware of the Greskovich property. That's what I
2 didn't know.

3 MR. GRACE: I will make a note and we will
4 make sure that it's indicated on the schedule if it is an
5 area of concern.

6 MR. GOULET: Thank you, sir. I appreciate
7 it.

8 MR. LYNCHARD: The last item on the
9 premium comparison is the graft, D&O crime, EPLI, and
10 cyber. And I noticed that there is no premium that is
11 shared. Does that mean we don't have coverage?

12 MR. GRACE: No. It is -- last year, we
13 had your --

14 MR. LYNCHARD: Okay. Separated.

15 MR. GRACE: We had your coverages through
16 a different carrier last year with Travelers and those --
17 all of those coverages have been incorporated into the
18 program with Philadelphia Insurance Company.

19 MR. LYNCHARD: Okay.

20 MR. GRACE: It is incorporating in your
21 premium.

22 MR. LYNCHARD: Thank you.

23 MR. MILLER: Were there any changes to the
24 amounts of any of the coverages? Or are we going with
25 the exact same coverages as what we had last year?

1 MR. GRACE: I think that -- I think that
2 there probably were some minor property changes
3 on equipment values, because we only insure your
4 equipment for ACV -- what it's worth today. And those
5 are some things that Paul and I review. We look at every
6 piece of equipment and we may drop a lawnmower from
7 \$5,000 to \$3,000.

8 We may drop -- so we look at all the
9 equipment on each of those values. We look at the
10 vehicles and we look at the contents in a building.
11 Specifically, I don't have the information on any
12 particular location what changes we made, but I could get
13 that information.

14 MR. GARDNER: I think the deductibles are
15 all the same. I don't think we changed any deductibles.

16 MR. GRACE: No.

17 MR. GARDNER: And like he said, we did
18 adjust some coverage for things we didn't think there was
19 enough coverage on. We actually took some coverage off
20 of some we thought was over-insured, so --

21 MR. GOULET: All right. With that being
22 said, do I have a motion to approve as presented?

23 MR. LYNCHARD: I make a motion to approve
24 as presented.

25 MR. GOULET: Do I have a second?

1 MR. MILLER: I will second.

2 MR. GOULET: Any further discussion?

3 (NO AUDIBLE RESPONSE.)

4 MR. GOULET: All those in favor say "Aye"?

5 MR. LYNCHARD: Aye.

6 MR. MILLER: Aye.

7 MR. GOULET: All those opposed?

8 (NO AUDIBLE RESPONSE.)

9 MR. GOULET: Motion carries.

10 Thanks for coming down tonight, Jim. I
11 appreciate it.

12 (MR. GRACE LEAVES PODIUM AND IS SEATED IN
13 AUDIENCE.)

14 MR. GOULET: Engineer's Report?

15 MR. LONG: Not much to report. I think
16 Cory said there was no extensions --

17 MR. SNYDER: No new major extensions have
18 been completed since last month and just still stacking
19 up on projects -- commercial projects under review, so --

20 MR. GOULET: Okay. If we could at the
21 next Board meeting kind of give us a scenario where we
22 are with our projects that we currently have going and
23 our future projects, an estimated date that they are
24 planning on starting them. So that way if we are an
25 inconvenience to anybody in Navarre, that we can put it

1 on the website and Torin can let them know that this
2 street or whatever -- just try to be neighborly.

3 MR. LONG: You are talking more like
4 in-house project?

5 MR. GOULET: Yes, sir, if we could,
6 please?

7 MR. GARDNER: He already does that, you
8 know, like, intermittently. But I guess you can adjust
9 it more.

10 MR. SNYDER: Yeah.

11 MR. MILLER: Was there a business item we
12 may have skipped over? Or is that --

13 MR. GOULET: No. They -- I'm sorry --
14 they actually withdrew it. They are going to redo their
15 plans and come back again. Sorry. Paul just told me.

16 MR. MILLER: Nevermind. It's still on my
17 agenda so --

18 MR. GOULET: I appreciate that. All
19 right. We have public forum. If anyone has any
20 questions?

21 MR. MILLER: Before we move to public
22 forum, we have some empty seats here. I would like to
23 make a motion that we discuss procedure for filling empty
24 seats.

25 MR. GOULET: All right. We will put that

1 under new business. That's fine.

2 MR. LYNCHARD: Can I start?

3 MR. MILLER: Yes.

4 MR. LYNCHARD: I think we should hold a
5 straw poll with the members --

6 MR. MILLER: We seconded the motion to add
7 it to the agenda?

8 MR. LYNCHARD: Yes. Yes. I will second
9 the motion to add it to the agenda.

10 MR. MILLER: Thank you.

11 MR. GOULET: We are in discussion. Go
12 ahead.

13 MR. LYNCHARD: You go ahead and start.

14 MR. MILLER: Well, no. You go ahead and
15 start.

16 MR. LYNCHARD: I think we should do it
17 like we would a normal election where we give a certain
18 period of time, maybe a couple of weeks to accept --
19 allow people to get Board packets that are interested on
20 being on the Board and give them time to get their
21 signatures and get all of paperwork in order and be able
22 to turn in it.

23 And then, you know, do what administrative
24 stuff we have got to do. And then, I would like to see
25 us -- obviously, we can't call it an election because we

1 another week for people to come in and cast a ballot for
2 their preference. I do agree we should appoint based --
3 because of the number of seats here that need filling, I
4 think the members should be the one to decide that, not
5 us three.

6 MR. LYNCHARD: I believe so, too.

7 MR. GOULET: So a motion and a second. As
8 far as setting dates for application --

9 MR. MILLER: I don't think there was a
10 motion made on this item. So we are kind of --

11 MR. LYNCHARD: We are kind of working our
12 way through it.

13 MR. MILLER: Right. Right.

14 MR. GOULET: I guess, if you want to get
15 it on paper, we could do a Board action without a
16 meeting, and then, we could put it to the media and have
17 it put out there, however else you want to do.

18 AUDIENCE: Can't hear you.

19 MR. LYNCHARD: Or do we want to just --

20 MR. GOULET: Sorry.

21 MR. LYNCHARD: Can we start now allowing
22 people to come pick up their packets?

23 MR. MILLER: I would like to make a
24 motion, okay, that we go ahead and announce that we have
25 four open seats on our Water Board here. And we give a

1 two-week period from the date that announcement runs to
2 allow people to submit an application to be a Board
3 member.

4 And then, we follow through with the
5 vetting process. And then, one week prior to next
6 month's regular meeting, we will allow members to come
7 into the office and do a straw poll. I won't call it a
8 ballot, because it's not an election -- do a straw poll
9 as to their preferences as to who they want to be on this
10 Board.

11 MR. LYNCHARD: Yes. I will second that.

12 MR. GOULET: Any further discussion?

13 MR. GOULET: I have a motion and a second.
14 Any further discussion on that?

15 MR. LYNCHARD: Nope.

16 MR. GOULET: All those in favor say "Aye"?

17 MR. LYNCHARD: Aye.

18 MR. MILLER: Aye.

19 MR. GOULET: All those opposed?

20 (NO AUDIBLE RESPONSE.)

21 MR. GOULET: Motion carries. Thank you.

22 We have public forum. If you would like to pick up the
23 microphone, state your name and address and if you have
24 any questions or any concerns?

25 MS. SCRUGGS: Heather Scruggs, 2310

1 Crescent Wood Road. I just have a question about what
2 y'all are just talking about. You have three people that
3 have already been vetted for the last time. Do they have
4 to get all the signatures again?

5 MR. LYNCHARD: I would say no.

6 MR. MILLER: Yeah. I kind of agree with
7 that. If they have already gone through the process -- I
8 think you still should turn in an application, but I
9 think we can waive the requirement to get the signatures.

10 MR. GOULET: I think if there are any
11 updates needed to your application, I would just -- I
12 would fill another out with the signatures and Barbara
13 has already checked, I am sure everything would be fine
14 with that. But just do another application so it's on
15 top.

16 MR. MILLER: But were there three or two?
17 It was you and Bo?

18 MS. SCRUGGS: And I know Bryan Duncan, if
19 he was still interested, he was vetted as well.

20 MR. MILLER: Did he go through the vetting
21 process?

22 MR. GOULET: Thank you, Heather. Anyone
23 else?

24 MR. MAYER: My name is Brad Mayer. I live
25 at 2138 Palmetto Lake Drive. I am on the Board of

1 Directors for our homeowners association and I serve as
2 Treasurer and Secretary.

3 Last April, last year, I contacted the
4 Water System about getting a tap for our dock and boat
5 slip which was put in back in 2006 by the third developer
6 that finally got the association going.

7 And then, he turned everything over to the
8 owner. So we currently -- we have a lot of problem. We
9 have got 42 lots in there. Of the 18 -- there's 18 of
10 those lots that have assigned boat slips.

11 And we are not able really to -- some of
12 the owners are not able to sell their lots and stuff
13 because we don't have power and water and stuff for
14 there. So when I contacted the Water System last year, I
15 was getting a quote for how much it would be for a tap,
16 which I then put in a budget and established our dues for
17 2018 and stuff and then started the process this year
18 here and filled out a development application form to get
19 a water tap and going down that path.

20 And just recently about a week ago, I was
21 told that we couldn't have a water tap, which is kind of
22 confusing to our Board, especially when you have Sea
23 Pines Townhomes, Pier 23, other multi-residential
24 facilities that have docks and boat slips. So I am not
25 understanding why we can't get a water tap for our boat

1 slips.

2 MR. GOULET: Dale, can you weigh in on
3 that? What our permit from Real Water Management is from
4 being --

5 MR. GARDNER: I think Cory can handle that
6 better.

7 MR. GOULET: Cory. I'm sorry.

8 MR. SNYDER: Our permit with the Water
9 Management District in 2005 established that we can't
10 sell what is defined as a yard meter. And I spoke to the
11 Water Management District last Friday to kind of get
12 their interpretation.

13 And they agreed with me that a yard meter
14 was a meter that was solely for recreational non-potable
15 use such as a dock slip that would be to wash boats down.

16 MR. LYNCHARD: So we are not -- we are not
17 allowed -- it's not that we choose not to sell water. We
18 are not allowed to sell water.

19 MR. SNYDER: No. We are not. It's in the
20 Fairpoint permit which oversees the Holley Navarre Water
21 System permit.

22 MR. MAYER: So what is the difference for
23 things like Sea Pines Townhomes with their dock and boat
24 slips and Pier 23?

25 MR. LONG: Probably grandfathered them

1 would be my guess.

2 MR. GARDNER: No. No. Because we did
3 away with all the yard meters. If they are getting water
4 to their dock, it's through another meter that wasn't --
5 that wasn't sold for that purpose.

6 I mean, you know, if you have a meter
7 there already for another purpose, it's not a yard meter.
8 And if you look into it, of course, we can't do nothing
9 about that. But we can't actually sell one for the
10 purpose -- for the sole purpose of washing boats or
11 outside use.

12 So if Pier -- what did you say 21?

13 MR. MAYER: Pier 23.

14 MR. GARDNER: Pier 23 -- if they have got
15 one, it's probably -- it's probably through their master
16 account, and they tapped onto their own account
17 somewhere, which we can't do nothing about that. Their
18 account was sold for potable use, but they have tied
19 ahold to it, and we can't do nothing about that.

20 But what I am trying to say, if you have a
21 homeowner there who had a meter for a house, we couldn't
22 stop him from tying on and running up to his dock. But
23 we can't sell that meter exclusively for washing boats or
24 watering grass.

25 MR. MAYER: Okay.

1 MR. HAWKINS: And they also will be
2 charged sewer for the water that is used on there because
3 of your water --

4 MR. GOULET: If they are not on septic --
5 if they are not on septic.

6 MR. GARDNER: That's kind of a moot point
7 since we just can't sell any.

8 MR. HAWKINS: Yeah.

9 MR. GARDNER: Yeah.

10 MR. MILLER: Does your association have an
11 office or a general bathroom for everyone or any kind of
12 amenities that everyone uses?

13 MR. MAYER: No, we don't.

14 MR. MILLER: I don't know of another
15 solution.

16 MR. LYNCHARD: No happy solution.

17 MR. GARDNER: We would love to sell all
18 the meters we could, but that's just our permit. We
19 can't violate our permit.

20 MR. MAYER: I understand. Is there
21 another route that we could look at?

22 MR. HAWKINS: A well.

23 MR. GARDNER: A well.

24 MR. SNYDER: Use a filtrating system.

25 MR. GOULET: Thank you for coming, sir.

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Is there anyone else?

(NO AUDIBLE RESPONSE.)

MR. GOULET: All right.

MR. LYNCHARD: I make a motion to adjourn.

MR. MILLER: Second.

MR. GOULET: Meeting adjourned.

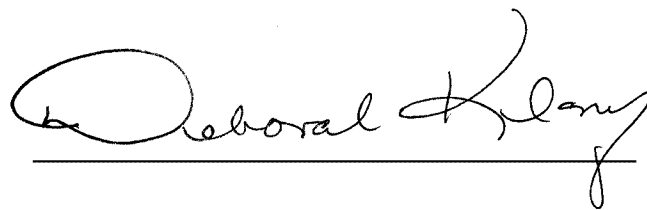
WHEREUPON THE HOLLEY NAVARRE WATER SYSTEM
BOARD MEETING ADJOURNED AT 6:29 P.M.

CERTIFICATE OF REPORTER

STATE OF FLORIDA
COUNTY OF SANTA ROSA

I, DEBORAH G. KHARUF, Court Reporter and Notary Public, State of Florida at Large, hereby certify that I was authorized to and did stenographically report the foregoing meeting of the Holley Navarre Board of Directors and that the transcript is a true record of said meeting. I further certify that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any attorney or counsel connected with the action; nor am I financially interested in this proceeding or its outcome.

Dated this 1st day of July, 2018.



DEBORAH G. KHARUF
Court Reporter and Notary Public,
State of Florida at Large.
Commission number FF 221569
My commission expires July 6, 2019.