

HOLLEY NAVARRE WATER SYSTEM
BOARD MEETING
AUGUST 21, 2018
6:00 P.M. - 6:20 P.M.

PRESENT AT MEETING:

- WILL GOULET, PRESIDENT
- MARK MILLER, VICE PRESIDENT
- DOUG LARSON, SECRETARY TREASURER
- DARYL LYNCHARD, DIRECTOR
- BRETT RAMSEY, DIRECTOR
- SHANE KAHL, DIRECTOR
- JOE AGUIRRE, DIRECTOR
- BARBARA CARAWAN, OFFICE MANAGER
- PAUL GARDNER, GM, HNWS
- TORIN BRAND, IT DEPT. HNWS
- PHIL PHILLIPS, MESI
- CORY SNYDER, 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
- JAMIE GENTRY, NAVARRE PRESS
- DAVE STROHMEIER, STROHMEIER INSURANCE
- ANDREW SOWELL, STEPHANIE CONN, LANDRUM
- JOSH TITTLE

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

2 MR. GOULET: I will call this meeting to
3 order.

4 If you will stand and say the pledge of
5 allegiance, please.

6 (PLEDGE OF ALLEGIANCE.)

7 MR. GOULET: Mark, will you lead us in
8 prayer, please?

9 MR. MILLER: Yes.

10 (INVOCATION GIVEN BY MR. MILLER.)

11 MR. GOULET: Mr. Secretary, do we have a
12 quorum present?

13 MR. LARSON: Yes, we do.

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

16 Let's see here, do we have a approval for
17 the July 17th regular Board meeting minutes and
18 transcripts?

19 MR. LARSON: I make a motion that we
20 approve them.

21 MR. GOULET: Do I have a second?

22 MR. MILLER: I will second --

23 MR. GOULET: Any further discussion?

24 MR. MILLER: -- I would just like to make
25 a note that Shane's name is misspelled in there. And

1 could we get a correction on the spelling of his name?

2 MS. CARAWAN: Sorry about that.

3 MR. KAHL: That's not the first time.

4 MR. GOULET: All right. With no other
5 objections, all those in favor say "Aye"?

6 MR. MILLER: Aye.

7 MR. LYNCHARD: Aye.

8 MR. LARSON: Aye.

9 MR. RAMSEY: Aye.

10 MR. KAHL: Aye.

11 MR. AGUIRRE: Aye.

12 MR. GOULET: All those opposed?

13 (NO AUDIBLE RESPONSE.)

14 MR. GOULET: Motion carries.

15 Membership certificates.

16 MR. LARSON: I would like to make a motion
17 to approve July -- there are 487 new memberships.

18 MR. GOULET: All right. Do I have a
19 motion to approve -- or do I have a second?

20 MR. MILLER: I will second.

21 MR. GOULET: Any further discussion?

22 (NO AUDIBLE RESPONSE.)

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

24 MR. MILLER: Aye.

25 MR. LYNCHARD: Aye.

1 MR. LARSON: Aye.

2 MR. RAMSEY: Aye.

3 MR. KAHL: Aye.

4 MR. AGUIRRE: Aye.

5 MR. GOULET: All opposed?

6 (NO AUDIBLE RESPONSE.)

7 MR. GOULET: Motion carries.

8 Finance report, Mr. Gardner?

9 MR. GARDNER: We had a good month this
10 month -- or last month. We had a total revenue of
11 \$1,017,869.23. Total expenses were \$136,000 -- I'm
12 sorry, \$824,160.31 -- left us with a net income of
13 \$193,708.92.

14 That's a big jump over last month.
15 Revenue was way up and expenses were down. So it's been
16 a good month.

17 MR. GOULET: Okay. Do I have a motion to
18 approve as presented?

19 MR. LARSON: I make a motion to approve.

20 MR. GOULET: Do I have a second?

21 MR. LYNCHARD: I will second.

22 MR. GOULET: Any further discussion or
23 questions?

24 (NO AUDIBLE RESPONSE.)

25 MR. GOULET: Without that, all those in

1 favor say "Aye"?

2 MR. MILLER: Aye.

3 MR. LYNCHARD: Aye.

4 MR. LARSON: Aye.

5 MR. RAMSEY: Aye.

6 MR. KAHL: Aye.

7 MR. AGUIRRE: Aye.

8 MR. GOULET: All opposed?

9 (NO AUDIBLE RESPONSE.)

10 MR. GOULET: Motion carries.

11 Unfinished business: Redacted meeting and
12 transcripts and special and confidential meetings for
13 posting to the website.

14 This is prior to the new Board members
15 getting on this. This is some housecleaning stuff we
16 needed to take care of.

17 Do I have a motion to approve? And if you
18 could please specify the dates?

19 MR. LARSON: We are going to start with
20 the January 31st summary. I would like to make a motion
21 to approve the summary.

22 MR. LYNCHARD: Mr. President, if possible,
23 could we make a motion for all of them -- other than the
24 5-2 minutes?

25 MR. LARSON: We could do it that way.

1 MR. GOULET: That's fine.

2 MR. MILLER: I think it would be simpler
3 just to -- I don't think -- I don't have any issues with
4 any of them. I have reviewed them all, so --

5 MR. LARSON: Okay. Then, I make a motion
6 to approve all the outstanding summaries, minutes, and
7 transcripts excluding the 5-2 meeting, which is still
8 under review.

9 MR. GOULET: All right.

10 MR. MILLER: Would you read the dates of
11 those meetings just for the record?

12 MR. LARSON: We have a January 31st
13 summary, the 2-4 summary with the redaction, and the 5-11
14 minutes and transcripts.

15 MR. LYNCHARD: Okay.

16 MR. MILLER: I will second that motion.

17 MR. GOULET: Any further discussion?

18 (NO AUDIBLE RESPONSE.)

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

20 MR. MILLER: Aye.

21 MR. LYNCHARD: Aye.

22 MR. LARSON: Aye.

23 MR. RAMSEY: Aye.

24 MR. KAHL: Aye.

25 MR. AGUIRRE: Aye.

1 MR. GOULET: All opposed?

2 (NO AUDIBLE RESPONSE.)

3 MR. GOULET: Motion carries.

4 All right. Approval for RFP and search
5 company for Holley Navarre Water System CFO, COO.

6 Daryl, do we have any input on it?

7 MR. LYNCHARD: We are still -- I am going
8 back and forth with the company that I have contacted.
9 They are wanting to make sure they can help us. They are
10 looking for a little bit more information on what we are
11 looking for, so I told them that I would get with the
12 Board and we will give them a little better definition
13 and they will move along with it.

14 MR. GOULET: Okay. So probably want to
15 just table that motion until --

16 MR. LYNCHARD: Yes. Table the motion
17 until we get a definite answer from the company to make
18 sure they can help us.

19 MR. GOULET: And as soon as Daryl gets
20 some more information on that, he will report back to the
21 Board, and then, we can make a decision on that. Okay?

22 Approve revise MXU meter damage policy.
23 Who would like to present that to the Board?

24 MR. GARDNER: I can do that. You know, as
25 we discussed the last time, there was some issue about

1 people not wanting to sign it, because it just kind of
2 totally held them responsible.

3 So Keith has -- we made some changes on
4 it. So I think everybody got to see it. I seen it on
5 emails back and forth where everybody seemed pretty happy
6 with it. It's pretty straightforward.

7 You know, it says: "Should equipment be
8 damaged due to customer neglect, it may -- it may result
9 in a charge to your account."

10 You know, that was always kind of the
11 policy. We never -- you know, we took it on a one-on-one
12 basis, anyway. We looked at it and kind of used our
13 judgment on whether this was intentional or it could have
14 been avoided and stuff.

15 So I think it's -- and everybody else has
16 approved it, I think this would suffice for what we
17 needed. It's mainly about getting the information out
18 there that these things are expensive and not mess with
19 them.

20 MR. LYNCHARD: Yeah.

21 MR. GARDNER: We have got some different
22 equipment now that helps avoid some of the problems we
23 had before like getting struck by lawnmowers and stuff.

24 Did you want to say something?

25 MS. TWEEDY: No. I was just saying that

1 we took the signature portion off and now we just -- we
2 present this to them when they set up new service.

3 MR. LYNCHARD: That looks like a plan.

4 MR. GOULET: With that, do I have a motion
5 to approve?

6 MR. LYNCHARD: I make a motion that we
7 approve the new policy.

8 MR. MILLER: I will second.

9 MR. GOULET: All right. Is there any
10 further discussion?

11 (NO AUDIBLE RESPONSE.)

12 MR. GOULET: All right. There's a motion
13 and a second. All those in favor say "Aye"?

14 MR. MILLER: Aye.

15 MR. LYNCHARD: Aye.

16 MR. LARSON: Aye.

17 MR. RAMSEY: Aye.

18 MR. KAHL: Aye.

19 MR. AGUIRRE: Aye.

20 MR. GOULET: All opposed?

21 (NO AUDIBLE RESPONSE.)

22 MR. GOULET: Motion carries. Thank you.

23 New Business, 2018 group insurance

24 renewal. Paul?

25 MR. GARDNER: Well, I sent you a -- kind

1 the budget's restraints?

2 MR. GARDNER: Yes. Yes.

3 MR. GOULET: Okay. So this is staff's
4 recommendation, also?

5 MR. GARDNER: Yes, sir.

6 MR. GOULET: All right.

7 MR. MILLER: The question is the Landrum
8 insurance -- is that off the table now? Is that still --

9 MR. GARDNER: No. It's not off the table
10 now. The deal with United Healthcare is that they would
11 hold that on if we didn't go out and shop. But if we
12 don't want to -- if we want to take our chances, we can
13 go out for something else, we can always do that, too,
14 but --

15 MR. GOULET: Well, during the meeting, it
16 was -- it wasn't apples to apples. The Landrum was like
17 apples to bananas or apples to oranges. It wasn't equal.

18 MR. GARDNER: That's a good point.

19 MR. GOULET: It's wasn't equal health
20 insurance. And it was a ten percent -- they were able to
21 guarantee us a ten percent increase, because, like he
22 said, the market was saying 12 to 16 at the time.

23 And I did look into that. And they were
24 able to guarantee us a ten percent increase across the
25 board instead of the higher rate. And it is the same

1 coverage that the employees have and that was staff's
2 recommendation.

3 Then Paul said it is within the budget,
4 so that's why I told him to bring it in front of the
5 Board and the Board had to vote on it.

6 MR. MILLER: Right. I am not speaking
7 against this --

8 MR. GOULET: No. I know.

9 MR. MILLER: I just -- I know we talked
10 about the Landrum -- and Landrum had more -- different
11 options for the employees and a couple of the options
12 were at a lower cost. So, I mean, it's --

13 MR. GARDNER: Well, yeah, they were not
14 really comparable to what the employees have now.

15 MR. MILLER: And this is better?

16 MR. GARDNER: Oh, yeah. Definitely.

17 MR. MILLER: Okay.

18 MR. GARDNER: And I believe the Board's
19 intentions were to try to keep the policy -- keep the
20 employees with the same policy they have now, if
21 possible.

22 MR. LYNCHARD: How does this affect the
23 net cost of our HR services from Landrum now? Because I
24 believe a big chunk of their savings on HR were from the
25 fact that they were going to save us about \$100,000 a

1 year in insurance costs.

2 MR. GARDNER: And that's probably true,
3 Daryl, but --

4 MR. LYNCHARD: So we know what the net
5 cost is now?

6 MR. GARDNER: No. Because we hadn't been
7 able to look at any of their policies yet.

8 MR. LYNCHARD: No. I mean the cost of
9 their HR services.

10 MR. GARDNER: I don't know. I have got
11 Landrum here tonight. They can speak to it, if you would
12 like them to?

13 Would you like to?

14 MR. LYNCHARD: Can you answer that
15 question?

16 MR. SOWELL: Yeah. Absolutely. So the
17 net cost is roughly \$100,000, which was full service.
18 It's basically less than what it was going to cost to
19 piece meal all the projects together like last year, and
20 then, in addition to that net cost, the health insurance
21 savings was going to be an additional savings to you.

22 MR. LYNCHARD: Yes.

23 MR. SOWELL: Even with our service, you
24 are better off than you would be doing kind of the
25 individual projects that you are doing.

1 MR. LYNCHARD: Okay.

2 MR. SOWELL: Does that make sense?

3 MR. LYNCHARD: Well, I thought last year
4 we didn't have you for HR services.

5 MR. GOULET: Yeah, we did.

6 MR. LYNCHARD: We did?

7 MR. SOWELL: Well, last year, we did some
8 individual policies. HR had an ala carte menu, if you
9 would. This year, we are doing all the services.

10 MR. LYNCHARD: Okay.

11 MR. SOWELL: We compared what the ala
12 carte menu would be, given the projects you wanted to
13 tackle this year, and the HR -- the all-inclusive HR
14 services was the better deal --

15 MR. LYNCHARD: Okay.

16 MR. SOWELL: And the health insurance was
17 really just going to be icing on the cake to that deal.

18 MR. LYNCHARD: Yes.

19 MR. SOWELL: -- so --

20 MR. MILLER: So there's no penalty to us
21 for not going with Landrum on the health?

22 MR. SOWELL: Absolutely not.

23 MR. MILLER: Okay.

24 MR. SOWELL: The big thing for health
25 insurance was going to be the benefits and administration

1 side of everything. So kind of having you all under one
2 umbrella and one roof. But we are really agnostic
3 whether you want to keep your own plan or use our plan.
4 It's whatever is easier for you guys.

5 MR. LYNCHARD: All right. Thanks.

6 MR. GOULET: All right. So with Paul's
7 review of that, the Board acknowledges that it is going
8 to be a ten percent increase. If it's the Board's liking
9 to make that into a motion and vote on it to get it
10 approved?

11 MR. MILLER: Since we were in the meeting
12 and know the details, would you maybe state the motion or
13 word the motion the way you would like it?

14 MR. GOULET: Well, to approve staff's
15 recommendation of not to exceed the ten percent increase
16 from last year for insurance and benefit coverage.

17 MR. MILLER: So moved.

18 MR. LARSON: I will second.

19 MR. GOULET: So I have a motion and
20 second. Any further discussion?

21 (NO AUDIBLE RESPONSE.)

22 MR. GOULET: All right. All those in
23 favor say "Aye"?

24 MR. MILLER: Aye.

25 MR. LYNCHARD: Aye.

1 MR. LARSON: Aye.

2 MR. RAMSEY: Aye.

3 MR. KAHL: Aye.

4 MR. AGUIRRE: Aye.

5 MR. GOULET: All those opposed?

6 (NO AUDIBLE RESPONSE.)

7 MR. GOULET: Motion carries.

8 Engineer's report?

9 MR. PHILLIPS: Once again treated less
10 wastewater than we sold water to the customers. This
11 month, it was -- we were 205,000 gallons short of water
12 sold, which is really good.

13 I think that was even better than last
14 month. I can't even tell you what the number was. For
15 the year on that number, we are averaging about 9,000
16 gallons a day treated over water sold.

17 Obviously, that number will continue to
18 come down if we keep seeing what we are seeing. It did
19 rain a little bit more last month, so that was good that
20 we stayed there.

21 To give you an idea on the re-use, which
22 had been an issue in the past, everyone knows our current
23 limit is 1.968 since we added Greskovich. We are running
24 about 73 percent of that total, 1.441 MGD was our
25 average, including the I&I. So that's where we stand on

1 waste water.

2 Under project reviews, in-house sewer
3 projects, we have a total of 28 so far this year. Eight
4 of them have been finished. Five of them are in design
5 construction. There's another 15 we provided assessments
6 to various people.

7 There's been 14 commercial projects, five
8 of which have now been approved. Nine are still under
9 some form of review. There's been six total
10 subdivisions, three of which have now been approved and
11 three of which are now still currently in review.

12 To give you an idea of just the number of
13 lots, the in-house sewer extension project, 28 of those,
14 204 potential service lots. The commercial development
15 projects total of 49, equivalent ERUs, and the
16 subdivisions are 153 total lots.

17 MR. GOULET: Can the Board get a copy of
18 that tonight before you leave out of here?

19 MR. PHILLIPS: Yes.

20 MR. GOULET: And, Barbara, if we could,
21 and I know I talked to the engineers a little bit about
22 this -- so we can keep up to speed on how many feet of
23 sewer and water --

24 MR. GARDNER: It's in -- actually in the
25 book.

1 MR. GOULET: I didn't see it. Where is
2 it?

3 MR. GARDNER: It's under Tab 4.

4 MR. GOULET: Because I know I asked about
5 it.

6 MR. GARDNER: If you look at where the
7 water, sewer taps are --

8 MR. GOULET: There it is. Thank you.

9 MR. GARDNER: Water lines.

10 MR. PHILLIPS: We can add this summary
11 sheet that we use in there. It has the total number of
12 ERUs. It has the total projected impact fees that we
13 receive.

14 MR. GOULET: Okay.

15 MR. LYNCHARD: And I believe last month,
16 you gave us the report on the waste water that we treated
17 versus what our -- what we should -- what our capacity
18 was versus what we had done in the past?

19 MR. PHILLIPS: Right.

20 MR. LYNCHARD: Can we get that report from
21 now on in our packages?

22 MR. PHILLIPS: Sure.

23 MR. LYNCHARD: Okay.

24 MR. GOULET: Cool.

25 MR. GARDNER: You can see every month is

1 separated at the bottom. That's footage of pipe
2 year-to-date, water and sewer.

3 MR. GOULET: Is that -- the 87 project
4 with the new bridge in that, are we good with all that,
5 then? There is no other addition on that?

6 MR. PHILLIPS: We are not -- we are
7 currently done to Fairpoint on this.

8 MR. GOULET: Okay.

9 MR. WELLS: Yes. It's complete. We are
10 done.

11 MR. PHILLIPS: As long as they don't hurt
12 us.

13 MR. GARDNER: The only thing we have got
14 left on that job is we have got about four or five bridge
15 hangers that had to be relocated when they switch traffic
16 over and start doing expansion joints on the old bridge.

17 MR. GOULET: Good. Good. So that's taken
18 care of. All right. Anything else to add?

19 MR. PHILLIPS: No. Just as a point of
20 interest, we still have not heard from the County on the
21 Eglin project. Paul has the latest word on that. He can
22 share that.

23 MR. GARDNER: Dan Shepard, yeah, he sent
24 me an email tonight saying that he is -- something is
25 supposed to be -- he is supposed to sign a letter and

1 send it out this week. So hopefully, by the end of this
2 week, first of next week, we will have their letter.

3 MR. GOULET: Okay.

4 MR. PHILLIPS: We are waiting with baited
5 breath.

6 MR. GOULET: Do any of the departments
7 have anything to add?

8 (NO AUDIBLE RESPONSE.)

9 MR. GOULET: All right. Good. Well, with
10 that being done, we have public forum. Is there anybody
11 in the public that would like to come up and talk at the
12 podium regarding the Holley Navarre Water System?

13 (NO AUDIBLE RESPONSE.)

14 MR. GOULET: All right. No public forum.
15 Do Board members have anything else they
16 want to address this evening?

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

18 MR. GOULET: All right.

19 MR. LYNCHARD: I make a motion to adjourn.

20 MR. GARDNER: We have Landrum here to talk
21 to us afterwards.

22 MR. GOULET: Right. And that's going to
23 be personnel, so we have to do that in private. So
24 motion to adjourn?

25 MR. LARSON: I will second.

1 MR. GOULET: All right. All those in
2 favor say "Aye"?

3 MR. MILLER: Aye.

4 MR. LYNCHARD: Aye.

5 MR. LARSON: Aye.

6 MR. RAMSEY: Aye.

7 MR. KAHL: Aye.

8 MR. AGUIRRE: Aye.

9 MR. GOULET: Meeting adjourned. Thanks
10 for coming, everybody.

11 WHEREUPON, THE BOARD MEETING FOR THE
12 HOLLEY NAVARRE WATER SYSTEM CONCLUDED AT 6:20 P.M.

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