

1 HOLLEY NAVARRE WATER SYSTEM  
2 THE CLUB AT HIDDEN CREEK  
3 COMBINED BOARD MEETINGS  
4 SEPTEMBER 17, 2019  
5 6:00 P.M. - 6:40 P.M.

6 MIKE KENNEDY, PRESIDENT

7 KEVIN LANIER, SECRETARY-TREASURER

8 DARYL LYNCHARD, DIRECTOR

9 FRED TERASA, DIRECTOR

10 MARK MILLER, DIRECTOR

11 BARBARA CARAWAN, OFFICE MANAGER

12 ROB WILLIAMSON, CEO, HNWS

13 PHIL PHILLIPS, MESI

14 CORY SNYDER, MESI

15 CLINTON WELLS, HNWS

16 DANNY HAWKINS, HNWS

17 MARK TURNER, HNWS

18 TORIN BRAND, IT HNWS

19 CINDY CALLEN, GM, CLUB AT HIDDEN CREEK

20 ALSO PRESENT:

21 KEITH KILPATRICK, ESQUIRE

22 DEBORAH KHARUF, COURT REPORTER

23 JAMIE GENTRY, NAVARRE PRESS

24

25

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

2 MR. KENNEDY: I call this meeting to  
3 order. Director Miller, would you please lead us in a  
4 prayer?

5 (INVOCATION BY DIRECTOR MILLER.)

6 MR. KENNEDY: Director Teresa, would you  
7 lead us in the pledge of allegiance?

8 (PLEDGE OF ALLEGIANCE LED BY DIRECTOR TERASA.)

9 MR. KENNEDY: Secretary Lanier, do we have  
10 a quorum?

11 MR. LANIER: We have a quorum.

12 MR. KENNEDY: Thank you, sir.

13 Announcements: Audio and video recorders  
14 are in use. Please silence all cell phones.

15 If anybody would like to address the  
16 Board, just sign up for the Member Forum. Sign-up sheet  
17 is there at the front of the door.

18 First order of business is the approval of  
19 the minutes and transcript for the August 20th regular  
20 Board meeting, August 27th personnel meeting. Do we have  
21 a motion to approve the August 20th and August 27th  
22 meeting minutes and transcript as presented?

23 MR. LANIER: I motion that we approve the  
24 minutes for August 20th and for August 27th and also that  
25 the August 27th personnel minutes can be released.

1 MR. KENNEDY: Do I have a second?

2 MR. TERASA: Second.

3 MR. MILLER: I will second.

4 MR. KENNEDY: We have a second. Any  
5 further discussion?

6 MR. MILLER: I would like to ask that the  
7 minutes be amended to reflect that I did have to exit the  
8 meeting or leave the meeting just prior to the Hidden  
9 Creek presentation --

10 MR. KENNEDY: Yes, sir.

11 MR. MILLER: -- the regular August Board  
12 meeting.

13 MR. KENNEDY: Great. All right. Thank  
14 you.

15 Any further discussion?

16 (NO AUDIBLE RESPONSE.)

17 MR. KENNEDY: Those in favor say "Aye"?

18 MR. MILLER: Aye.

19 MR. TERASA: Aye.

20 MR. LANIER: Aye.

21 MR. LYNCHARD: Aye.

22 MR. KENNEDY: Those opposed say "No"?

23 (NO AUDIBLE RESPONSE.)

24 MR. KENNEDY: Motion carries.

25 Next item is the approval of memberships.

1 Secretary Lanier?

2 MR. LANIER: Hang on a second. All right.  
3 I make a motion that we approve 393 new members and we  
4 have 377 cancelled members and four transfers.

5 MR. KENNEDY: Do we have a second?

6 MR. LYNCHARD: Second.

7 MR. KENNEDY: Any further discussion?

8 (NO AUDIBLE RESPONSE.)

9 MR. KENNEDY: Those in favor say "Aye"?

10 MR. MILLER: Aye.

11 MR. TERASA: Aye.

12 MR. LANIER: Aye.

13 MR. LYNCHARD: Aye.

14 MR. KENNEDY: Those opposed say "No"?

15 (NO AUDIBLE RESPONSE.)

16 MR. KENNEDY: Motion carries.

17 Next item is review of 2019 finance --  
18 August 2019 financial statements. Mr. Williamson?

19 MR. WILLIAMSON: Good evening, Mr.  
20 Chairman. Good evening, Board. For the month ending  
21 August 31st, 2019, we had total revenue of \$986,746.09  
22 against expenses of \$769,347.39 for an operating income  
23 of \$217,399.70.

24 Looking at revenue, still kind of taking a  
25 look at the impact fee, cap fee revenue, and it looks

1 like from the peak of 2017 that things are trending  
2 downward as far as impact fee, the months of the year,  
3 you are \$140,000 less than prior year and about \$240,000  
4 under budget.

5                   That's what was forecasted, so we can  
6 definitely see the impact fee numbers are kind of  
7 declining, like you said. We might have hit that peak in  
8 2017 with that trend.

9                   Water connections through August: 16,825  
10 connections on the water side. 9,330 sewer connections.  
11 Just a little update there. But other than that, we are ahead  
12 of prior year in net operating income compared to prior  
13 year and to budget through eight months of the year. And  
14 that concludes my report, Mr. Chairman.

15                   MR. KENNEDY: Thank you, sir. Do we have  
16 a motion to approve the August 2019 financial statements  
17 as presented?

18                   MR. MILLER: So moved.

19                   MR. KENNEDY: Thank you. Second?

20                   MR. LANIER: Second.

21                   MR. KENNEDY: Any further discussion on  
22 the financials?

23                   (NO AUDIBLE RESPONSE.)

24                   MR. KENNEDY: Okay. Those in favor say  
25 "Aye"?

1 MR. MILLER: Aye.

2 MR. TERASA: Aye.

3 MR. LANIER: Aye.

4 MR. LYNCHARD: Aye.

5 MR. KENNEDY: Those opposed say "No"?

6 (NO AUDIBLE RESPONSE.)

7 MR. KENNEDY: Motion carries.

8 Next order of business is the new  
9 application -- new member applications. Mr. Williamson?

10 MR. WILLIAMSON: Thank you, Mr. Chair.  
11 This is the item that the Board wanted to have some  
12 changes brought into it. And we also wanted to make sure  
13 we afforded our General Counsel, Keith Kilpatrick, who is  
14 here, to have an opportunity to review this a little bit  
15 further and then add some language to the agreement.

16 I don't know if he wants to -- Keith, do  
17 you want to speak to that?

18 MR. KILPATRICK: Not right at this second  
19 unless you want me to. Are you talking about the  
20 wireless communication?

21 MR. WILLIAMSON: No. The new member  
22 application is where we are now. The Board had had some  
23 questions about how we were -- how the new member  
24 application was written to make sure that it provided for  
25 being consistent with our governing documents and our

1 current election process.

2                   So we added language -- or Keith added  
3 language into the disclaimer page that he thinks takes  
4 care of that. That's Item 1 on the disclaimer page. And  
5 we think we have got a good product here that matches  
6 what the Board's requests were.

7                   MR. KILPATRICK: And it complies with the  
8 bylaws as well.

9                   MR. WILLIAMSON: It does comply with our  
10 governing documents. So this would take us from 29  
11 different forms down to one and set the stage for when  
12 the website comes online that we would have the  
13 capability of going to online registration and kind of  
14 streamline the process here.

15                   So you now had this reviewed. It is  
16 compliant with our governing documents and we would like  
17 the Board to approve the use of this new member  
18 application.

19                   MR. KENNEDY: Okay. Thank you, sir. Do  
20 we have a motion?

21                   MR. MILLER: I motion to approve it as  
22 presented.

23                   MR. KENNEDY: Do we have a second?

24                   MR. LANIER: I will second it. I had a  
25 question. It says, "One vote per certificate." Doesn't

1 it -- don't you only get one vote regardless of how many  
2 certificates you own?

3 MR. KILPATRICK: Actually, if I may,  
4 address that?

5 MR. KENNEDY: Yes.

6 MR. KILPATRICK: No. The bylaws are very  
7 specific as to -- and I actually quoted, I believe it's  
8 Article V. If you look at Article V, and I believe  
9 Article VIII of Subsection 5, where it says:

10 "Pursuant to the bylaws, each member shall  
11 have only one vote per the certificate."

12 And that comes straight from the -- and  
13 that's to make sure that two people from that certificate  
14 that hook up that line, that residence, if you will,  
15 can't vote. Just one person from that residence.

16 MR. LYNCHARD: I think also -- if I am --  
17 Barbara, you may know this, but it doesn't matter how  
18 many taps I have got individually. I am only a member  
19 once.

20 MS. CARAWAN: That's correct.

21 MR. LYNCHARD: I pay my \$5.00 once. Now,  
22 if I have got another corporation or something like that,  
23 it pays its \$5.00, so --

24 MS. CARAWAN: That's correct.

25 MR. LYNCHARD: So you are only going to



1 have that one certificate, no matter how many houses or  
2 taps you own.

3 MR. LANIER: Yeah. I was looking at it as  
4 taps and not as the certificates. I stand corrected.

5 MR. KENNEDY: Okay. All right. Do we  
6 have any further discussion?

7 (NO AUDIBLE RESPONSE.)

8 MR. KENNEDY: Very well. Those in favor  
9 say "Aye"?

10 MR. MILLER: Aye.

11 MR. TERASA: Aye.

12 MR. LANIER: Aye.

13 MR. LYNCHARD: Aye.

14 MR. KENNEDY: Those opposed say "No"?

15 (NO AUDIBLE RESPONSE.)

16 MR. TERASA: Good job, Staff, on that.

17 MR. KENNEDY: Motion carries.

18 MR. KILPATRICK: Like I said, Amber and  
19 Cory did a lot of -- we circled the wagons with Rob on  
20 two or three different occasions, and, yeah, they --  
21 those two really stepped up as well.

22 Thank you, Cory and Amber.

23 MR. KENNEDY: And to reiterate, you guys  
24 took this down from 27 different --

25 MR. WILLIAMSON: 29, I think.

1 MR. KENNEDY: 29 forms down to a  
2 consolidated one, so --

3 MR. WILLIAMSON: Amber and Cory really led  
4 the charge on this and put that together. Amber is on  
5 vacation tonight. Cory is on vacation here.

6 MR. SNYDER: Almost.

7 MR. WILLIAMSON: I am not trying to gloat.  
8 Chris is actually at a conference at Punta  
9 Gorda for -- that's why he is not here tonight. But,  
10 yeah, they did a great job of it.

11 MR. KENNEDY: Excellent job.

12 The next item is the Water Tank Number 1  
13 lease versus management agreement. Mr. Williamson?

14 MR. WILLIAMSON: Thank you. Is Debbie  
15 Sullivan in the audience tonight?

16 MS. SULLIVAN: I am.

17 MR. WILLIAMSON: Hi, Debbie.

18 MS. SULLIVAN: Hi.

19 MR. WILLIAMSON: So Debbie is here  
20 tonight, if you have any questions from the cellular  
21 carrier management agreement side of the house.

22 Basically, what we have here is when  
23 I took the job, evidently, there was some ongoing  
24 discussions between my predecessor and a gentleman that  
25 works for AT&T about doing a lease of the tank across the

1 street and putting an antenna for AT&T there.

2 In discussing it with Staff, I -- we  
3 didn't have folks that were really familiar with what was  
4 going on there too much. We had -- we have an existing  
5 agreement with the same gentleman for the Shannon Road  
6 location.

7 And I think this was an attempt to add an  
8 additional lease for this tower. And so, it prompted me  
9 to look at how many other water companies approach  
10 providing access to their tanks? And in doing that  
11 research, it seemed like there is a better alternative to  
12 negotiating directly with an individual carrier for any  
13 number of reasons.

14 And so, it came down to a comparison  
15 between either entering into an agreement with AT&T --  
16 and you can see the very complex agreement that has been  
17 provided as part of their backup. Keith has had the  
18 opportunity to review that AT&T lease and it -- it's one  
19 of the least favorites agreements that I have ever had  
20 the occasion to look through.

21 But the other option that Staff is  
22 recommending is to enter into a management agreement.  
23 And Destin Water Users use this, and there is also a lot  
24 of other references that are down there. It provides a  
25 lot of advantages that I feel, in that, basically, you

1 are outsourcing the management of negotiating these  
2 contracts with different cell carriers.

3                   We are going to get the best deal. They  
4 take care of making sure that it doesn't interfere or add  
5 any additional cost to the maintenance of the tanks. And  
6 so, Staff's recommendation is that we would move forward  
7 with a cell carrier management agreement.

8                   And Keith has not had an opportunity to  
9 review that agreement yet. So we would obviously ask  
10 that the Board would approve that, pending Keith's  
11 approval. But if Keith, after his review, didn't have  
12 any issues with the agreement, that you would direct me  
13 to sign all related documents.

14                   There's no physical impact here if we sign  
15 the agreement with AT&T. The gentleman -- Pat Dominick  
16 is his name who called me today to tell me he wouldn't be  
17 showing up.

18                   Or if we sign the agreement with the  
19 management company, we are not going to realize any  
20 revenue until the earliest is next year. So we are not  
21 out any money this year. But we do have the opportunity,  
22 I would say, somewhere between \$60,000 and \$100,000, to  
23 place antennas on the different tanks that we have that  
24 aren't currently -- that don't currently have antennas on  
25 them.

1                   And it would be a new source of revenue or  
2 a good source of revenue for us, supplemental revenue for  
3 the next fiscal year.

4                   MR. KENNEDY: Okay. All right. Do we  
5 want to entertain a motion?

6                   MR. LYNCHARD: So what are we approving  
7 here?

8                   MR. KENNEDY: Well, Staff has got a  
9 recommendation here to approve the --

10                  MR. WILLIAMSON: Pending Keith's review,  
11 we would ask for the Board to approve us to enter into a  
12 utilities services management agreement.

13                  MR. KENNEDY: Versus a direct agreement  
14 with --

15                  MR. WILLIAMSON: Suez.

16                  MR. LYNCHARD: Suez?

17                  MR. WILLIAMSON: Yes.

18                  MR. LYNCHARD: Okay.

19                  MR. KENNEDY: Correct.

20                  MR. KILPATRICK: Rob, can I ask a  
21 question? Is that in lieu of the AT&T contract? Is  
22 that --

23                  MR. WILLIAMSON: That's correct.

24                  MR. KILPATRICK: -- an alternative?

25                  MR. KENNEDY: Staff was not recommending

1 that we enter into an agreement with AT&T specifically.  
2 In fact, if the Board would not want to enter into the  
3 management agreement, which would give us the flexibility  
4 of negotiating with multiple carrier -- and I don't know  
5 if Debbie wants to come up and answer any questions you  
6 might have, but she cut her vacation short to be here  
7 with us, just in case the Board had any questions, so --

8 MR. KENNEDY: Why don't we do a little Q&A  
9 since this is -- yeah, if you don't mind?

10 MS. SULLIVAN: Okay.

11 MR. WILLIAMSON: This is kind of new to  
12 me, too.

13 MR. MILLER: Question: We do have one  
14 existing --

15 MS. SULLIVAN: I appreciate you letting me  
16 talk to you.

17 MR. WILLIAMSON: We do. We have one  
18 existing cell tower contract with AT&T, \$25,000 a year.  
19 And that is at the Shannon Road location.

20 MR. MILLER: And when does that contract  
21 go through? And how would this affect that one contract?

22 MR. WILLIAMSON: It would not affect.  
23 Either way we go, that is a stand-alone agreement that  
24 the Board has previously approved. And it was renewed, I  
25 believe, in the 2018 time period. So that agreement is

1 in place for the next 20 years.

2 MR. MILLER: Okay.

3 MR. KENNEDY: If you don't mind?

4 MS. SULLIVAN: Okay. I will give you guys  
5 a brief of what our company does. Again, I'm Debbie  
6 Sullivan with Utility Service Communications. We are a  
7 part of Suez Company, the largest maintenance company in  
8 the United States.

9 And what our company does is we market  
10 your water tanks to the wireless industry. And if and  
11 when a carrier becomes interested in co-locating on your  
12 tank, it then become our responsibility to make sure that  
13 that installation is done in such a manner that it  
14 doesn't damage your tank or break down the structural  
15 integrity of the tank.

16 This is a debt-free, non-liable agreement  
17 on behalf of you. You don't assume any liability  
18 associated with that. The agreement with the carrier is  
19 between our company and the carrier.

20 As you said, the AT&T agreement that you  
21 read was very unfavorable to you. That is correct.

22 Our -- I have a National Master License  
23 Agreement with AT&T that took me three years to negotiate  
24 with them. I have been doing this for 20 years.

25 So what we do is once we receive

1 information from the carrier that they wish to co-locate,  
2 when we talk about Pat Dominick, I have worked with him  
3 for years. As a matter of fact, we are about to have  
4 another site with him not too far from here, I hope, by  
5 next year.

6 He is with Site Acquisition Company. And  
7 the Site Acquisition Company is like a real estate  
8 company. AT&T will contact him and say, "We need a site  
9 in this geographical area." We go find one.

10 So the first thing they are going to do is  
11 look for elevated structures such as towers, water tanks,  
12 whatever, so they don't have to build a tower. Once they  
13 find one, they will contact whoever owns those to see if  
14 there is a possibility that you will let them -- let AT&T  
15 co-locate on the tank.

16 Once AT&T does the tank, Pat Dominick goes  
17 away. He goes to the next site, the next site. He  
18 doesn't work for AT&T. He works as a subcontractor on  
19 this, by the way.

20 Once the carrier has contacted us and they  
21 have submitted their application, then we physically --  
22 and I have Mr. Lee Duke here with me tonight -- he is a  
23 Project Manager for our company as well.

24 We physically come to the site. We design  
25 the installation on the site. We meet with the carrier



1 at the site at the time. We tell them where their  
2 equipment needs to go on the tank.

3                   We meet with the representative from the  
4 Water Board to make sure that we are placing the  
5 equipment in an area that won't hinder any of the  
6 operations at the tank site. We design the tank  
7 installation so that will maximize your revenue.

8                   When I say that, we are required, if they  
9 are going on top of a tank, they have to build a corral.  
10 This corral, depending on the size of your tank, will not  
11 only hold those antennas for AT&T, and they are going to  
12 be multiple antennas. We are talking six-plus antennas  
13 per carrier. It's not just one antenna.

14                   But we design it in such a way that you  
15 can get multiple carriers on the same structure. All of  
16 the equipment is placed on the tank in a manner that the  
17 tank can still be maintained. It's off the tank, too.  
18 We blast it and hang it in the future.

19                   Once we have done all of that, then we go  
20 into the licensing phase, which I do all the legal work.  
21 We require a gross structural analysis to be performed on  
22 the tank. All the technical services and the  
23 construction, Lee Duke handles that.

24                   The drawings have to be approved by us.  
25 We will only let three of our authorized contractors --

1 not ours -- they are independent contractors -- to do the  
2 steel work on the tank. And we only have three in the  
3 country that we will allow to do the work on the tank.

4           They can use their own contractors to do  
5 the civil work, but they have to use one of our  
6 contractors that we have approved. We don't make any  
7 money on it or anything like that. These contractors  
8 come from the water tank side of the business, not the  
9 tower industry.

10           And once all that is done and the license  
11 agreement has been executed, and, here again, the license  
12 agreement is between our company and the carrier, not  
13 you. And, of course, the contract, original contract  
14 comes to you. Lee will coordinate with whomever he needs  
15 to coordinate here with the Water Board, and he will let  
16 you know when we have completed all the due diligence,  
17 the structural has been performed and approved, the  
18 drawings have been approved by us, then we will issue an  
19 NTP, a Notice to Proceed.

20           He will contact you and let you know when  
21 construction will begin. We collect the money for 12  
22 months. And all of our tank owners get paid by March 1st  
23 of every year. So if -- it's not going to happen in  
24 2019. Say, for instance, this license agreement  
25 commences June 1st.

1                   Then, by end of February 1st or March of  
2 2021, you will get the revenue from June to December of  
3 the previous year. And that's how we pay all our  
4 customers.

5                   It's a 70/30 split. Tank owners receive  
6 70 percent. We retain 30 percent. We don't charge you  
7 anything. We do all the marketing. We do all the legal.  
8 We do all the engineering at no cost to you. So it's a  
9 debt-free, non-liable agreement.

10                   MR. KENNEDY: And it's --

11                   MS. SULLIVAN: You haven't read the  
12 agreement yet?

13                   MR. KILPATRICK: No. I just -- I just  
14 reading it right now. I understand the breakdown. When  
15 you say gross, meaning that you guys assume all the  
16 expenses with developing and stuff like that?

17                   MS. SULLIVAN: Yes.

18                   MR. KILPATRICK: Now, with regards to  
19 liability, I mean, I guess you would have workers that  
20 have Workers Comp. And they are all licensed, and they  
21 work for your company?

22                   MS. SULLIVAN: Yes.

23                   MR. KILPATRICK: Do you have any other  
24 contracts with any other water companies in place right  
25 now?

1 MS. SULLIVAN: Oh, yeah.

2 MR. KILPATRICK: Okay. Like?

3 MS. SULLIVAN: We did one with Destin  
4 Water.

5 MR. KILPATRICK: Okay.

6 MS. SULLIVAN: Yeah. We have got that  
7 same agreement with Destin Water.

8 MR. KILPATRICK: What about Gulf Breeze?

9 MS. SULLIVAN: No. Not Gulf Breeze. I  
10 have got Gulfport. We have got Milton. We have got  
11 Auburn Water right here, which I am going to be working  
12 with Pat Dominick on Auburn Water as well.

13 We are nationwide. So we do this across  
14 the United States with that agreement.

15 MR. LANIER: What's a typical annual  
16 lease?

17 MS. SULLIVAN: It all depends upon where  
18 the tank is located. What other options do they have?  
19 And I evaluate that when I come here, because I come from  
20 site work as well. And I do what they call a  
21 drive-around, and I look at what other options are here  
22 for the carrier, how big is your tank, how many carriers  
23 could I possibly get on that tank.

24 Because when we come and design this tank  
25 for this one carrier, we are not designing it for AT&T.

1 We are designing it for the last carrier. If we think we  
2 can get three on there, then we are going to design the  
3 tank for three carriers in the beginning, which AT&T will  
4 have to go in a certain position so that we can put other  
5 carriers around that installation that is on the tank.

6 And it all depends on how much equipment  
7 they are going to place on the tank, too. So it's  
8 location, Number 1, what other options they have, how  
9 much equipment are they going to put on the tank, how  
10 much ground space do they want, and how many antennas and  
11 lines do they want to use. And all these other  
12 equipment. Now, we already use the TMAs and all of that.

13 MR. KILPATRICK: So your -- the contract  
14 shall go for ten years, and then, it renews automatically  
15 for five years. Is that --

16 MS. SULLIVAN: Yeah. The management  
17 agreement will continue to be in place for as long as the  
18 license agreement with the carrier. A license agreement  
19 with all our carriers are initially 25 years.

20 MR. WILLIAMSON: That's the same term as  
21 the AT&T agreement was.

22 MS. SULLIVAN: Yeah. They won't enter  
23 into an agreement for less than that anymore. They have  
24 got too much money invested in developing the site.  
25 Because when they develop the site, this site has to work



1 that you have up there, do we wind up getting -- do the  
2 owners get more money?

3 MS. SULLIVAN: Oh, absolutely. And every  
4 time they went to do an upgrade -- let me tell you how  
5 fast the industry moves. I have got multiple tanks right  
6 now that AT&T is on and other carriers are on.

7 And AT&T may be doing an LTE upgrade and a  
8 5G upgrade at the same time. Pat Dominick may call me  
9 for the LTE upgrade that he is handling for AT&T.

10 And Site Acquisition ABC over here could  
11 be calling me for the 5G upgrade. So I have got two  
12 upgrades going on at the same time, same carrier, same  
13 tank.

14 So this was going to be a first amendment.  
15 This was going to be a second amendment. We have to  
16 gauge that on where we are in the process, so we get the  
17 amendment in the order in which they have.

18 And then, to go further, in a lot of  
19 cases, they will enter into an amendment here to do an  
20 upgrade and enter into another agreement for another  
21 upgrade. We get to the third amendment, and they haven't  
22 done the installation from the last two amendments.

23 But I still have to track every single  
24 model number of every equipment that was supposed to be  
25 on the tank so that I can pull it back off again,

1 although it didn't go on.

2 MR. WILLIAMSON: Basically, we are hiring  
3 an expert, paying them 30 percent.

4 MS. SULLIVAN: Actually, you don't pay us  
5 anything. It's a shared revenue. You don't pay  
6 anything.

7 MR. KENNEDY: Right.

8 MR. LANIER: Clinton, you are the one who  
9 is mostly affected by this. What are your thoughts on  
10 this?

11 MR. WELLS: Well, we have got a contract  
12 with Suez right now to do all the tank maintenance, so  
13 they are responsible for the tank, upkeep of our tank.  
14 So we went through this years ago when we first started  
15 getting approached with putting antennas on the tanks.

16 And we thought it would be an issue if we  
17 allowed a contractor just to come in, fly a crane up  
18 there and go to welding on a tank that we had a contract  
19 with somebody else to maintain.

20 And we felt like it was important then to  
21 only allow the tank contractor that had the contract for  
22 maintenance to do the installation way back then. And I  
23 think this is still basically the same thing. We have  
24 had Utility Service for years, which is now Suez. And we  
25 are still in contract with Suez right now.



1 MS. SULLIVAN: And we are sister  
2 companies. You know, they work on the maintenance side.  
3 And we are -- they do the maintenance. You pay them a  
4 fee for that. We do site management. We pay you.

5 You can pay them for that or not. And as  
6 long as you have Utility Service or Suez performing the  
7 maintenance as an MP, on your Maintenance Program  
8 customer, they can never increase your maintenance costs  
9 because of the antennas that are on the tank.

10 If you did not have US or Suez, then I  
11 can't control what another company would charge you. I  
12 don't have any control of that. Because any time you add  
13 equipment on a tank, you have to re-rig the tank to do  
14 the maintenance on the tank.

15 You are going to have to work around all  
16 of that equipment. And it will drive your cost up. How  
17 much, I am not sure. It all depends on how much  
18 equipment and how it is installed on the tank.

19 MR. WELLS: We did run into an issue one  
20 time with a gentleman that just came in and put some  
21 equipment on the tank. And they ran the cables up the  
22 ladder rungs, and then, you couldn't get your feet --

23 MR. PHILLIPS: If they are properly  
24 corralled, though, it is generally not an issue. And  
25 Mark is chomping at the bit over here to mention that we

1 use our tanks for our SCADA System --

2 MS. SULLIVAN: Right.

3 MR. PHILLIPS: -- and also for our meter  
4 read system as well, so --

5 MS. SULLIVAN: This won't interfere with  
6 that at all. You have to realize that we work for you,  
7 so we protect your interests above everything else.  
8 That's what we do.

9 We are a water tank company. We are an  
10 asset to the other company. We have got -- if I didn't  
11 protect the tank, then we wouldn't be in business.

12 MR. KENNEDY: So if I understand it  
13 correctly, we already use Suez to do the maintenance.  
14 And then, this would just be a value add -- not a value  
15 add, but you guys would be well-coordinated since you --  
16 I think -- I believe Suez purchased --

17 MS. SULLIVAN: We work totally independent  
18 of one another. However -- however, if we -- if we have  
19 the management on your tank, and we put a carrier on your  
20 tank, Utility Service can't come in and say, "Well, since  
21 we have quoted you on the maintenance on your tank, you  
22 have allowed, you know, these antennas to go on your tank  
23 and the welding. We are going to have to re-rig."

24 Because they will. There is no doubt  
25 about it. But they can't charge you any more for it

1 because we are sister companies and we went on the tank.  
2 That is our site management.

3 MR. KENNEDY: Okay. All right. Is there  
4 any --

5 MS. SULLIVAN: I am not saying they will  
6 all be perfect. There is no way in which -- especially a  
7 pedisphere. I need to tell you a little bit about a  
8 pedisphere. Because you have such a tight confinement  
9 within the dry riser, to get that coax in there and not  
10 obstruct the ladder, to keep it OSHA compliant, you have  
11 to have so much space between the back ladder rung, the  
12 sides, and all that. It's tight in there.

13 I don't know what size that riser is. So  
14 we put in what is called like expansion brackets on the  
15 walls of the tank. And that's where your coax will snap  
16 in.

17 Well, in the past, I would design it where  
18 the coax would go between the expansion bracket and the  
19 wall instead of the ladder. But now, we are designing  
20 them a little differently, so we try to keep that coax  
21 away from the wall as much as we can without obstructing  
22 the ladder, the access to it, so that the tank can be  
23 maintained.

24 Because if it can't, then, we have got to  
25 pull the carrier off. And then, that's not a good

1 situation, either. So we always try to design the site  
2 so that the carrier don't have to go offline, either.

3 Because if they go on a COW, which is a  
4 Cell On Wheels, they cannot provide service from. Cell  
5 phones just won't work like they would normally.

6 MR. KENNEDY: And I wish the gentleman  
7 from AT&T, because I would rather ask him than you, but  
8 since you are competing for the same job, but what is --  
9 I guess, ultimately, in the end, what it is value add  
10 that you are providing, you know, over -- I get it --  
11 that he is coming in. He is basically selling the job  
12 and then moving on.

13 MS. SULLIVAN: Right.

14 MR. KENNEDY: So you are what --

15 MS. SULLIVAN: He want to put AT&T on your  
16 tank.

17 MR. KENNEDY: Okay.

18 MS. SULLIVAN: We want to design your tank  
19 for multiple carriers and generate a revenue stream  
20 coming in that will offset whoever has maintenance on  
21 your tank or whatever funds you need for that to go in.  
22 So we are going to protect your tank. AT&T just wants  
23 antennas on your tank.

24 MR. KENNEDY: Okay. And, Staff, do you  
25 have any concerns?

1                   MR. MILLER: I see it as an opportunity to  
2 have an additional revenue stream without tying up our  
3 Staff and management with negotiating individual  
4 contracts for individual, you know, towers on tanks and  
5 trying to monitor and maintain that and monitor the  
6 installations and everything.

7                   That's just -- that's taking Staff time  
8 away from the water and sewer business. If this can  
9 provide a revenue stream, you know, and someone else is  
10 in charge of handling all of that for us, I am in favor  
11 of it.

12                   So I will make the motion that we approve  
13 the contract with Suez, subject to Keith giving it a  
14 thorough review and addressing any concerns he might have  
15 on it.

16                   MR. KENNEDY: All right. We have a  
17 motion. Do I have a second?

18                   MR. TERASA: Second.

19                   MR. LANIER: I would like to modify that  
20 to include Rob the authority to sign that document.

21                   MR. MILLER: Yeah. And modify the motion  
22 to add that -- that upon Keith's review and giving his  
23 blessing that Rob would have the authority to sign all  
24 documents and contracts.

25                   MR. KENNEDY: Okay.

1 MR. TERASA: Second.

2 MR. KENNEDY: All right. I have a second.

3 Now, for further discussion, which I think we have  
4 discussed?

5 MR. LYNCHARD: We already had that.

6 MR. KENNEDY: All right. We had that.

7 So those in favor say "Aye"?

8 MR. MILLER: Aye.

9 MR. TERASA: Aye.

10 MR. LANIER: Aye.

11 MR. LYNCHARD: Aye.

12 MR. KENNEDY: Those opposed say "No"?

13 (NO AUDIBLE RESPONSE.)

14 MR. KENNEDY: Motion carries.

15 Thank you, Ms. Sullivan.

16 MS. SULLIVAN: Thank you.

17 MR. TERASA: Thank you.

18 MR. KENNEDY: All right. We are on to

19 Hidden Creek.

20 MR. LANIER: We still have one more.

21 MR. KENNEDY: I have got one more?

22 MR. LANIER: Number 4 --

23 MR. KENNEDY: Oh, I scratched the wrong

24 one. Yeah. I scratched --

25 MR. WILLIAMSON: It's information only,

1 Mr. Chairman, but just that when we get the numbers of  
2 what the County has spent to date, that we would finalize  
3 the draft MOA, get that to the Board via email.

4                   If it happens before the October Board  
5 meeting and that we would be requesting the Board at that  
6 time to review. And if they are comfortable with sending  
7 the initial draft to Santa Rosa County Staff that they  
8 would approve us to do so, with the understanding that  
9 that agreement is going to come back to this Board for  
10 approval before it goes on to the Board of County  
11 Commissioners.

12                   MR. KENNEDY: Very good.

13                   MR. WILLIAMSON: So that's information  
14 only at this time, Mr. Chair.

15                   MR. KENNEDY: Thank you, sir. Anybody  
16 need to comment on that? We are good?

17                   All right. Now we go to the Hidden Creek.

18                   Ms. Callen?

19                   MS. CALLEN: All right. So our course  
20 revenue was \$160,299 for the month of August. Expenses  
21 were \$144,135 with a total course operating income of  
22 \$16,164.

23                   We are a little bit lower than previous  
24 year. It was a very hot month for golf and a lot of rain  
25 outs, but we still came out positive, so --

1 MR. KENNEDY: Very good.

2 MS. CALLEN: -- I am happy.

3 MR. KENNEDY: Do you think it was the heat  
4 that was most -- just -- it was 105 every day.

5 MS. CALLEN: Yeah. We had 11 days of rain  
6 that affected play.

7 MR. KENNEDY: Got you.

8 MR. MILLER: I think I heard that it was  
9 the hottest August on record.

10 MR. KENNEDY: It's been brutal.

11 MS. CALLEN: It does slow down golf.

12 MR. KENNEDY: It does. It was brutal.

13 All right. Anything else, Ms. Callen?

14 MS. CALLEN: That's all I have got for  
15 you.

16 MR. KENNEDY: All right. Thank you. Do  
17 we have a motion to approve the August 2019 financial  
18 statement as presented?

19 MR. TERASA: So moved.

20 MR. MILLER: Second.

21 MR. KENNEDY: There is a second.

22 Any further discussion?

23 (NO AUDIBLE RESPONSE.)

24 MR. KENNEDY: All right. Those in favor  
25 say "Aye"?



1 MR. MILLER: Aye.

2 MR. TERASA: Aye.

3 MR. LANIER: Aye.

4 MR. LYNCHARD: Aye.

5 MR. KENNEDY: Those opposed say "No"?

6 (NO AUDIBLE RESPONSE.)

7 MR. KENNEDY: Motion carries.

8 Engineering. Mr. Phillips?

9 MR. PHILLIPS: I have nothing specific to  
10 report unless someone has a question about those MORs.

11 We had another good month. I&I is  
12 non-existent right at the moment, so --

13 MR. KENNEDY: I think Director Lynchard  
14 has a question.

15 MR. LYNCHARD: I have got a question  
16 that's more or less a -- it is really not a question that  
17 you can answer specifically, but --

18 MR. PHILLIPS: Well, that's a challenge --

19 MR. LYNCHARD: -- how are we doing on  
20 our --

21 MR. PHILLIPS: So much for the time --

22 (SPEAKING OVER EACH OTHER.)

23 MR. LYNCHARD: How are we doing on  
24 our I&I? And the reason I say it that way is because you  
25 don't know what I&I is until it start raining.

1 I mean, today, you think, it's great. We  
2 don't have a leak anywhere. Then, tomorrow. But how do  
3 we think we are doing? Compared to prior years? Are we  
4 catching up?

5 MR. PHILLIPS: I am probably not the  
6 person to ask about that specifically. Danny probably  
7 has the most impact on that, but you are right. Until it  
8 rains, we don't see inflow and until it rains a lot, we  
9 don't see infiltration. We have neither right now, so --

10 MR. LYNCHARD: Exactly.

11 MR. PHILLIPS: But they are working on it.

12 MR. MILLER: Year-to-date is .047, so  
13 that's not bad.

14 MR. WELLS: It's dry.

15 MR. PHILLIPS: This month was a negative  
16 month, which means we actually sent less re-use to the  
17 golf course than wastewater sold, which is what you would  
18 expect.

19 MR. HAWKINS: And we haven't stopped  
20 working on possible problems. So we are continuously  
21 doing that. But until we get the event you are talking  
22 about, it's hard to gauge what is going on, but Chris has  
23 done an excellent job of recovering every time we have  
24 had, even though, we haven't had a lot of rain, the rain  
25 events that we had, he has recovered quickly, so --

1 MR. LYNCHARD: Yeah.

2 MR. KENNEDY: Well -- and thank you for  
3 everything on finding all the possibles and squaring them  
4 away.

5 Great. All right. Onto Clarifier Number  
6 4. Mr. Snyder?

7 MR. SNYDER: Turned flow on yesterday  
8 morning, so the biggest -- the riskiest part of that  
9 project is past us. Now that we are putting flow into  
10 it, the remaining items are just cleaning up the site and  
11 doing some little odds and ends, stairs, concrete pad,  
12 stuff like that. So the project is essentially done.

13 MR. KENNEDY: Are we going live, then?

14 MR. SNYDER: We are live right now.

15 MR. KENNEDY: Very nice.

16 MR. SNYDER: We are good to go.

17 MR. KENNEDY: Excellent. Any questions?

18 Thank you, sir. Good job on the project  
19 management.

20 All right. Well, I believe we are on to  
21 our member forums. If any member would like to speak,  
22 there is a sign-up sheet in the back. And we will see --

23 MS. CARAWAN: No, sir.

24 MR. KENNEDY: No sign up. All right.

25 We have no further speakers. Do we have a

1 motion to adjourn?

2 MR. TERASA: Motion.

3 MR. KENNEDY: Do we have a second?

4 MR. LYNCHARD: Second.

5 MR. KENNEDY: Those in favor say "Aye"?

6 MR. MILLER: Aye.

7 MR. TERASA: Aye.

8 MR. LANIER: Aye.

9 MR. LYNCHARD: Aye.

10 MR. KENNEDY: Meeting adjourned. Thank  
11 you, everyone.

12 WHEREUPON, THE MEETING OF THE HOLLEY  
13 NAVARRE WATER SYSTEM BOARD OF DIRECTORS CONCLUDED AT 6:40  
14 P.M.

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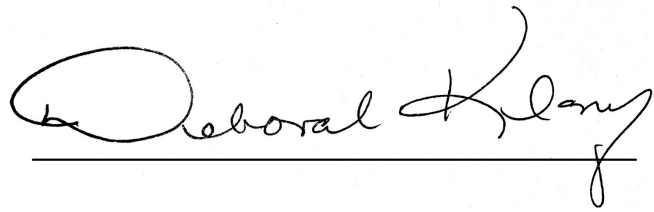
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CERTIFICATE OF REPORTER

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 for Holley Navarre Water System Board of Directors and that this 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 3rd day of October, 2019.



DEBORAH G. KHARUF  
Court Reporter and Notary Public,  
State of Florida at Large.  
Commission number GG 310633  
My commission expires July 6, 2023.