

MINUTES OF THE SPECIAL MEETING

NORTH BEACH WATER DISTRICT

September 16, 2008

Water Commissioners

Present: Brian Sheldon Gwen Brake
Absent: RD Williams

The meeting was opened at 6 PM by President Sheldon. A quorum was present.

President Sheldon stated that the original agenda specified a review of the Transition Team documents but because adoption of the Water System Plan by the NBWD is essential to the completion of the transition process, President Sheldon requested that the agenda be amended to include the consideration of Resolution 19-2008. THE MOTION TO AMEND THE AGENDA TO CONSIDER RESOLUTION 19-2008 WAS MADE BY COMMISSIONER BRAKE AND SECONDED BY PRESIDENT SHELDON. THE MOTION CARRIED.

Commissioner Brake presented the documents agreed upon by the Transition Team meeting on September 10.

President Sheldon and Commissioner Brake completed a line-by-line review of the Transition Team documents starting with the Declarations Document.

- PDA Section Item #8 regarding a potential conflict of interest on the part of the PDA was added to the document.
- PDA Section Item #9 recognizing the due diligence completed by the North Beach Water District was added to the document.
- NBWD Section Item #9 was amended to include a more accurate statement regarding the rate increase implemented by the PDA.

The Quit Claim Deed was discussed. According to David Burke, the Warranty Deed is more appropriate. Commissioner Brake stated that the Transition Team had suggested a preliminary title search versus title insurance. Title insurance could cost as much as \$60,000 based on all of the parcels listed. A preliminary search would run less than \$15,000. The money would need to be borrowed from the county. She stated that some sort of property transfer document needs to be conveyed from the PDA to the district.

President Sheldon stated that if we could get what title insurance or the title search that the PDA had acquired on the initial purchase of the properties, that might be sufficient. Commissioner Williams would probably know what documents existed.

Commissioner Brake suggested that a motion be made to ask Commissioner Williams if he would conduct a search for property descriptions, documentation on easements, preliminary title search or title insurance in the records or deeds that may exist on the 18 parcels listed and help the district address the issue of the draft warranty deed. PRESIDENT SHELDON MADE THE MOTION TO REQUEST THE ASSISTANCE OF COMMISSIONER WILLIAMS IN THE DISCOVERY PROCESS. COMMISSIONER BRAKE SECONDED THE MOTION. THE MOTION CARRIED.

President Sheldon offered to contact the Title Company to see if any title insurance existed for the PDA.

President Sheldon and Commissioner Brake reviewed the Transfer of Water Utility Assets document. Two major areas were discussed.


- Question from the document: Is North Beach Water District a municipal corporation? A question for Rod Kaseguma.
- Section 7.5 Employees: Both President Sheldon and Commissioner Brake agreed that the General Manager was the only employee the district can agree to retain based on a standard employment contract. Since all employees are under his supervision, it would be up to the manager to manage employees and budgets. The PDA will be asked to provide a draft employment contract for the general manager, which would then need approval from the District's Attorney. This section may belong in the Declarations document as a "We intend..." instead of "We guarantee."
- Section 9.13 Sale, Assignment: This section needs to be discussed with David Burke.

Minor changes were made to both the Declarations document and the Transfer of Assets documents.

Resolution 19-2008 Adopting the Water System Plan. President Sheldon read the proposed resolution into the record. President Sheldon stated the Water System Plan (WSP) will be approved by the Department of Health soon. A MOTION TO ADOPT RESOLUTION 19-2008 WAS MADE BY COMMISSIONER BRAKE AND SECONDED BY PRESIDENT SHELDON. THE MOTION CARRIED.


The meeting was adjourned.

Respectfully submitted




Gwen Brake, Secretary

Attest:



Brian Sheldon, President



RD Williams, Commissioner