

MINUTES
TREECE RELOCATION TRUSTEE MEETING
August 26, 2010

Roll Call: Bicknell, McBride, Hamilton, Dahmen-Present; Delmont-absent

Staff Present: Bob Jurgens, Ryan Singer. Chris Gruenwald via conference

Open Meetings questions: Discussion was held regarding executive sessions. Are the appraisers considered an independent contractor and subject to hiring and firing? Chris: Contractors are not classified as state employees, the hiring process must be in the open and not done in executive session. The chair asked for formal research by the attorney, as it relates to an appraisers values and ensuing discussion, indicating the Trust may need to have an executive session.

Vice Chair asked: Can we go into executive session to hire a contractor? Chris's response: No. Can we go into executive session for the purpose of discussing the purchase of property? Response: Chris; initially, probably can't go into executive session, but he will investigate the issue and get back to us.

MMSC to accept the minutes of the last Trust meeting.

Staff Update: Jurgens reported that \$3.5 million had been awarded to KDHE. \$75,000 request has been made to Dept of Administration for approval and transfer.

Chair asked; can we hire someone for select work? Jurgens recommended waiting a week.

Question by Hamilton: What about minority contractors for appraisal work? Response: Jurgens, It has been in the papers sufficiently long enough to pass the 30 day test.

Jurgens; September 7th will be the deadline for proposal submittal.

Next meeting: September 9th at 10:00 a.m. Purpose to approve the appraisal submittals.

Question: What about liens on properties? Staff suggested a letter of legal determination on liens. Chris Gruenwald to provide a letter on lien issues.

Chair: Are Trustees bonded? Yes, with the State of Kansas surety bond. Chris Gruenwald will provide written confirmation.

Question, Hamilton: What about sewer and water costs for the people who want to stay? Re: Program Trust Plan, page 15, what will be the costs to the residents? Response: **Jurgens:** It may be cheaper to install new lines to those residents rather than capping a lot of lines. EPA may have heartburn with our facilitating utility connections. Residents will have to pay Rural Water District (RWD) benefit fees.

Chair: They will have to get water from RWD, electric from existing supplier; sewer will have to a consortium of residents.

Chris Gruenwald: Two legal levels; Kansas Statutes and EPA/KDHE EPA may have broader language than K.S.A. Remember; the Trust is to focus on buy-out, not on providing funds to keep them in Treece.

Hamilton: Paragraph 4.3- Is that meant to be capping lines on those properties to be purchased, and/or capping (an economic decision) or other lines?

Chair: Isn't this a utility company decision? Utilities need to get easements & annex the area to their certificated territory.

Jurgens: This is why we need to stay away from this utility issue.

Vice Chair: I thought we were to have two attorneys assisting the Trust? **Chris Gruenwald:** Sam is moving to China. We don't have another Assistant AG for Trust tasks.

Vice Chair: Will we have physical presence of legal counsel during the buy-out? The Trust needs this.

Chris: We'll do our best, but I don't have the authority to say, yes, to coming down.

Chair: Sewer issues will need to be addressed by the remaining citizens.

Discussion with appraisers: Jurgens went over the RFP with the appraisers present.

Chair: Will absentee appraisers be able to respond in writing? Yes.

MMSC to amend the response presentation date, to allow written proposals later than the 8/26/10 date established in our previous meeting. New date 9/7/10.

Jurgens: Walk thru in the RFP will require on site visits. Not drive by appraisals. Appraiser response/bids will be due 9/7/10.

Suggestion: That an actual appraiser do the review with the Trust. Staff will contemplate on this suggestion.

Chris Gruenwald to investigate who covers the cost of appraiser's time if subpoenaed to appear in Court. Plus he will see if they can be bonded via the Trust.

Jurgens: We may have to write an indemnification clause into the purchase agreement to cover the appraisers.

Jurgens: Will write the Secretary of State as to the location of official records.

Jurgens: I will provide the Secretary/Treasurer the State reporting forms, for attachment to the monthly financial statement provided by the accountant.

Question: How many applications do we potentially have? : 57 homes; 2 businesses; 6 renters; 10 vacant lots. Some properties have title issues. Quiet Titles cost between \$750 to \$1,000. Most of the people in Treece do not have the money.

Chair: Solicited the idea of having an estate attorney the scope of the problem we may be facing, and obtain a written opinion on each issue. Bob Jurgens volunteered to create a list of the issues.

Question: Is there a well by the water tower that has been abandoned and not capped? Pam Pruitt, City Clerk will verify the status.

Question: Water line easements: Does the City have those easements? When the City transfers lines to the RWD, who does the legal work?

Question: Annexation of properties outside of the City limits of Treece: Who does the filing? RWD is willing to take over the lines, but at limited legal costs.

Question/Hamilton: When do we shut off the water in the City of Treece? How long does the RWD have to take it over? Can we legally shut it off? What happens to the folks not moving out? Are we forcing them to pay the RWD fees? What are our legal steps?

Jurgens: KDHE has spent \$48,589.37 on the Treece project since 12/1/09 to 8/7/10, from general funds.

Question: McBride; what is the Trust's responsibility in this project for bonded debt of the City of Treece? For example, Utility bonds. It will need to be investigated.

MMSC Hamilton/McBride, to adjourn.

Jim Dahmen, Secretary 8/26/10