

**PASQUOTANK COUNTY, NORTH CAROLINA**

**APRIL 13, 2016**

The Pasquotank County Board of Commissioners met today in an emergency meeting on Wednesday, April 13, 2016 in the Hugh Cale Commissioners Board Room in the Pasquotank County Courthouse.

**MEMBERS PRESENT:** Joseph S. Winslow, Jr., Chairman  
Cecil Perry, Vice-Chairman  
Jeff Dixon  
Frankie Meads  
Bettie Parker  
Dr. William Sterritt  
Lloyd E. Griffin, III (Via Conference Call)

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** Rodney Bunch, County Manager  
R. Michael Cox, County Attorney  
Sheri Small, Finance Officer  
David Smithson, Water Superintendent  
Lynn Scott, Clerk to the Board  
John Morrison, Twiford Law Firm  
Lauren Arizaga-Womble, Twiford Law Firm

The meeting was called to order at 9:00 AM by Chairman Joseph Winslow. County Attorney Mike Cox asked for a motion that the Board enter Closed Session.

Motion was made by Frankie Meads, seconded by Bettie Parker that the Board enter Closed Session per N.C.G.S. 143-318.11(a)(3) to protect the attorney-client privilege to discuss DVW Ventures v. Pasquotank County and to consult with the attorney concerning Pasquotank County vs City of Elizabeth City. The motion carried unanimously.

Upon the end of Closed Session;

Motion was made by Frankie Meads, seconded by Jeff Dixon that the Board return to Regular Session. The motion carried unanimously.

After a lengthy Closed Session, Attorney Morrison checked the hallway to see if press was waiting in order to encourage them to join the meeting. No one was waiting.

Motion was made by Frankie Meads, seconded by Cecil Perry to instruct staff to prepare and send a letter in response to the City's suggested water purchase contract. The letter is to inform the Mayor and Councilmen that: 1) The County kindly rejects their offer, which would violate the Perquimans County contract, as well as the County's bond covenants, 2) Request the City to pay back fees of approximately \$273,000, 3) Request a meeting of the two Boards by Friday at noon, 4) Request approval of agreement by 3:00 PM, Friday, April 15, 2016 or the reverse osmosis water being supplied to the City along Halstead Boulevard Extended and water produced at the Weeksville Water Plant and supplied to the City at the River Road meter box will be shut off at 5:00 PM Friday, April 15, 2016, and 5) Note the County is aware the City has inquired about a commercial account and the County encourages this due to the health and safety of our citizens. Upon approval of the documents by the Board of Commissioners, County Staff is directed to Hand Deliver said documents to the Mayor's office, as well as the press. The motion carried unanimously.

Attorney Morrison stated that the contract that will be offered to the City will be identical to the previous contract, with the exception of removing all phrases that we are building a new RO plant. Further, it will include a limitation on Exhibit A and elsewhere in the contract, stating although discretion is in the hand of the Pasquotank County Commissioners to set the rate based

on the factors in Exhibit A, there is a limitation that that we can at no time under any circumstances charge more to the City of Elizabeth City than we jointly charge Pasquotank County and Perquimans County. There will also be a new clause on merger stating this paper shall constitute the entire agreement between the parties and any prior understandings or any prior representation of any kind proceeding or contemporaneous with the date of this agreement shall be of no force or affect whatsoever except to the extent they are specifically incorporated in this written agreement. A clause will also be added stating that prior to execution each member of the County Board of Commissioners and each member of the City Council has carefully and individually reviewed the document and they have read and understood the agreement and it is their agreement and not the agreement of their managers. He thinks it would be wise to put a mandatory mediation clause in the contract. He explained the difference between mediation and arbitration. He said we can also add an arbitration clause if the Board chooses. He said the advantages of arbitration are it is much quicker and much less expensive than litigation. He said the danger is, which can also be an advantage, is there is no appeal from the arbitrators decision. He said he suggested both clauses. Attorney Cox said when this dispute first arose the City suggested a binding arbitration and the County declined.

After brief discussion, the majority of the Board reached a consensus to not include an arbitration clause.

Motion was made by Frankie Meads, seconded by Cecil Perry that the Board approve the contract, with the said changes. The motion carried unanimously.

Attorney Morrison read the press release and asked for the Board's approval.

Motion was made by Jeff Dixon, seconded by Bettie Parker to release the press release, as written to the media immediately. The motion carried unanimously.

Chairman Winslow asked if there was any further business to come before the Board. There being no further business, he asked for a motion to adjourn the meeting.

Motion was made by Jeff Dixon, seconded by Bettie Parker to adjourn the meeting. The motion carried and the meeting was adjourned at 11:00 AM.

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CHAIRMAN

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CLERK