

**RESOLUTION NO. 2023-13**  
**A RESOLUTION OF THE SCOTIA COMMUNITY SERVICES**  
**DISTRICT BOARD OF DIRECTORS APPROVING THE RIVER**  
**INTAKE PUMPS WARRANTY AGREEMENT WITH THE TOWN**  
**OF SCOTIA, LLC, CONCERNING THE SCOTIA RAW WATER**  
**SYSTEM, INCLUDING TRANSFER OF WARRANTY BY SHN**  
**FROM THE TOWN OF SCOTIA, LLC TO THE SCOTIA**  
**COMMUNITY SERVICES DISTRICT**

**WHEREAS**, the Town of Scotia, LLC (“TOS”) and the Scotia Community Services District (“SCSD”) entered and executed that certain written Asset Transfer Agreement, dated April 27, 2017, pursuant to which the TOS agreed to transfer its rights and interest in certain infrastructure for water and wastewater lines, pipes storm drains, distribution and collection systems, streets and street lighting, to the SCSD; and

**WHEREAS**, also before the SCSD Board of Directors on this date is a Resolution accepting an Offer of Dedication of certain Utility Corridor Infrastructure from the TOS, which includes the River Intake Pumps that make up part of the Scotia Raw Water System; and

**WHEREAS**, the TOS has offered the SCSD a “River Intake Pump Warranty Agreement” (“Warranty Agreement”) pertaining to the Scotia Raw Water System, as fully set forth in the Exhibit A, attached hereto; and

**WHEREAS**, in relevant part, the Warranty Agreement includes a one-time nonrefundable capital contribution of \$75,000 from the TOS to the SCSD for the purpose of providing additional operating reserves for the maintenance and operation of the Raw Water Intake System, while also providing an additional \$75,000 in a savings account for any/all claims by the SCSD for warranty claims related to failures of the Raw Water Intake System not attributable to the negligence acts or omissions of the District and/or its agents and employees, including any failure to operate the Raw Water Intake System in the manner specified in the Water System Maintenance Agreement; and

**WHEREAS**, the warranty period for submitting claims related to failures of the Raw Water Intake System, as set forth immediately above, runs from the effective date of the Warranty Agreement until December 31, 2023; and

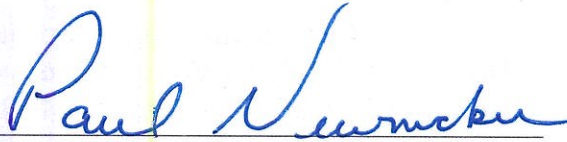
**WHEREAS**, the SCSD Board of Directors finds that the Warranty Agreement is in the best interest of the SCSD.

**NOW, THEREFORE, BE IT RESOLVED:**

1. The SCSD Board of Directors hereby accepts and approves the Warranty Agreement with the TOS, as attached hereto and incorporated herein as Exhibit A, and directs and authorizes the Board President to execute the Warranty Agreement on behalf of the SCSD.
2. The Board President is hereby directed to execute the Certificates of Acceptance.
3. This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** on the 17th day of August 2023, by the following vote of the governing body:

APPROVED:

  
Paul Newmaker, Board President, Scotia CSD

ATTEST:

  
Board Clerk, Scotia CSD

#### CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2023-13, passed and adopted at a regular meeting of the Scotia Community Service District Board of Directors, County of Humboldt, State of California, held on the 17<sup>th</sup> of August 2023, by the following vote:

AYES: Ansted, Black, Newmaker, Pryor, Sellen

NOES: 0

ABSENT: 0

ABSTENTIONS: 0

  
Board Clerk, Scotia CSD