



**BOARD OF DIRECTORS**  
**SPECIAL MEETING MINUTES**  
**Wednesday, July 31, 2017**  
**PHCD Office, 1819 Trousdale Drive, Burlingame**  
**Revised 9/25/17**

1. **CALL TO ORDER:** Chair Cappel called the meeting to order at 13:30 hours.
2. **ROLL CALL:** Present were Chair Cappel, Vice Chair Navarro, Secretary Galligan, Director Pagliaro, and Treasurer Zell. Also present were CEO Fama and PHCD Staff Paul Wright.
3. **CONSENT CALENDAR:** None.
4. **ORAL COMMUNICATIONS:** None was offered.
5. **REPORT OUT FROM CLOSED SESSIONS:** July 31, 2017 – Chair Cappel reported that the Board has accepted the negotiated terms between Apple Tree Dental, MN, Apple Tree Dental, CA, and PHCD to assume control of the ATD CA Board and separate the ATD CA, Inc. from Minnesota. This will be presented for Action under New Business.
6. **COMMITTEE REPORTS:** Deferred
7. **BOARD CHAIR'S REPORT:** Deferred
8. **TREASURER'S REPORT:** Deferred
9. **DIRECTORS' REPORTS:** Deferred
10. **CEO Report:** Deferred

**11. OLD BUSINESS:**

- A. **PHCD response to Civil Grand Jury's 2016-2017 Report on Independent Special District Transparency:** CEO Fama reported that PHCD is #1 ranking because of compliance, and has to respond to the report by September 18<sup>th</sup>. The Civil Grand Jury report states PHCD only has to respond to the second recommendation, which is to maintain the website by standards to maintain transparency. Director Pagliaro recommended when mentioning the District to capitalize it.

*It was moved by Director Pagliaro and seconded by Secretary Galligan to approve response to the report as presented. The motion passed 5-0.*

**12. NEW BUSINESS:**

- A. **Approval of Transaction Agreements and Organizational Documents Regarding Apple Tree Dental CA Transition and Reorganization as District Affiliate Entity:**

*Chair Cappel stated that after careful consideration of all aspects of the deal and the deal documents presented to the Board, he moved that the Board (i) approve the Assumption and Settlement Agreement and all related documents attached as exhibits to the main agreement, to transfer to local control Apple Tree Dental California, Inc., from Apple Tree Dental California, LLC and Apple Tree Dental Minnesota, in substantial accordance with the transaction documents presented to the Board today and (ii) direct District staff and counsel to complete the transaction*

*documents, obtain execution of same, and perform all other tasks and actions that are required to carry out the duties and rights of the District with respect to the transaction*  
*The motion was seconded by Secretary Galligan. The motion passed, 4/0/1.*

*Ayes: Directors Cappel, Navarro, Galligan, and Zell*

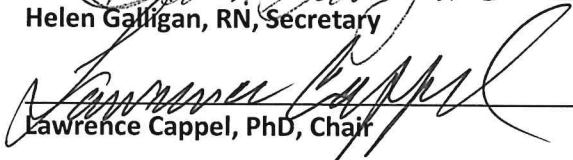
*Abstention: Director Pagliaro*

13. **ADJOURNMENT:** Chair Cappel adjourned the meeting at 13:40 hours

Written and submitted by: Paul Wright, Office Coordinator

Approved by

  
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Helen Galligan, RN, Secretary

  
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Lawrence Cappel, PhD, Chair