



A STATE OF
CALIFORNIA
PUBLIC AGENCY

QUAIL VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Mike Biglay
Enrique Lopez
James Sweany
Catherine Tate
Scott Woehrer

RESOLUTION NO. 01-2023

A RESOLUTION OF THE BOARD OF DIRECTORS OF QUAIL VALLEY WATER DISTRICT APPROVING THAT CERTAIN AGREEMENT BY AND BETWEEN QUAIL VALLEY WATER DISTRICT AND CENTRAL STATES WATER RESOURCES FOR THE SALE OF THE DISTRICT'S ASSETS, FACILITIES, AND UTILITY SYSTEM(S), ENTITLED "AGREEMENT FOR SALE OF UTILITY SYSTEM" AND AUTHORIZING GENERAL MANAGER HARDENBROOK TO EXECUTE THE AGREEMENT AND ASSOCIATED SALE DOCUMENTS ON BEHALF OF THE DISTRICT.

WHEREAS, on or about November 14, 2022, Central States Water Resources ("CSWR"), a Missouri corporation, approached District through a Letter of Intent ("LOI") proposing material terms to purchase District assets and to assume responsibility with respect to and operation of Quail Valley Water District's ("District") Water System, as well as for providing water and water related services to customers connected in and to the service area after purchase and assumption of the foregoing;

WHEREAS, since receipt of the November 14, 2022, LOI, the District has engaged in extensive communications and negotiations with CSWR concerning the potential asset sale and purchase of the District to CSWR;

WHEREAS, on or about January 16, 2023, an Agreement for Sale of Utility System setting forth material terms and conditions of the asset purchase and sale of the District was proposed by CSWR, and since that time has been reviewed, discussed and negotiated to ensure that executing the same is in the best interests of the District and its constituents, end-users, and/or customers; and

WHEREAS, the Board of Directors of District, after careful consideration and investigation, has determined that the purchase of District assets and assumption of the operation of Water System will best ensure the continued operation of the Water System and offer economy of scale not currently available to District along with other advantages including, but not limited to increased access to operating capital, as well as additional operational, technical, and managerial resources; and

WHEREAS, based on the foregoing, the Board of Directors of District has determined that it is in the best interest of District to enter into the Agreement for Sale of Utility System with CSWR;



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NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of District authorizes General Manager Hardenbrook to execute the identified agreement, including associated purchase and sale documents, with CSWR – California Utilities Operating Company, LLC, to proceed with asset purchase and sale activities and related efforts, and to take all other actions necessary to effectuate the intent of this resolution.

Passed and adopted by the Board of Directors of Quail Valley Water District on May 20th, 2023, by the following vote:

AYES: Directors Biglay
Directors Tate
Directors SWEANY

NOES: Directors
None

ABSENT: Directors Lopez
Directors WOEHRE

Mike Biglay, President

ATTEST:

Dawnette Boatman, Secretary, Quail Valley Water District

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