

RESOLUTION NO. 2015-18

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT
EXPRESSING ITS INTENT TO PROCEED
WITH PURCHASE OF BASE ANNUAL PRODUCTION RIGHTS**

WHEREAS, the Phelan Pinon Hills Community Services District (hereinafter referred to as “the District”) is a community services district organized and operating pursuant to California Government Code Section 61000 et seq.;

WHEREAS, the District is a party to the Judgment entered in City of Barstow v. City of Adelanto, Riverside County Superior Court Case No. 208568 (“the Mojave Adjudication”), in which it has been determined that there is an overdraft of the Mojave River Basin Area (“the Basin”) and each of its respective Subareas, including but not limited to the Subarea of which the District is a part; and

WHEREAS, the District’s Board of Directors (“the Board”) has determined that it is in the best interests of the public and the customers and users of District water services for the District to acquire additional base annual production rights in the Basin in order to obtain greater Free Production Allowance under the Mojave Adjudication and to reduce and/or avoid payment of costs for supplemental replacement water.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Phelan Pinon Hills Community Services District as follows:

1. The Board hereby expresses its tentative intent to purchase 929 acre feet of base annual water production rights in the Oeste Subarea of the Basin from Aqua Capitol Management LP for the total price of \$2,554,750.00, subject to subsequent approval and acceptance by the Board in the exercise of its sole discretion of the final contract documents to be prepared in connection

therewith, as well as approval of the water rights transfer by the Mojave Basin Area Watermaster. The Board expressly reserves the right to rescind this Resolution at any time prior to completion of said transaction.

2. The District's General Manager is hereby authorized and directed to negotiate and prepare any and all documents necessary to effectuate the intent of the Board as reflected herein.

ADOPTED this 1st day of July, 2015.

AYES: Brandon, Morrisette, Pace, Whalen
NOES:
ABSTAIN:
ABSENT: Roberts



President, Board of Directors

ATTEST:



Secretary, Board of Directors