

RESOLUTION NO. 2014-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE LAKE ARROWHEAD COMMUNITY SERVICES
DISTRICT, COUNTY OF SAN BERNARDINO, STATE OF
CALIFORNIA, AUTHORIZING THE ACQUISITION OF
THE RIMFOREST WATER SYSTEM AND RELATED
PROPERTY FROM THE CITY OF BIG BEAR LAKE,
DEPARTMENT OF WATER AND POWER, AND
DIRECTING STAFF TO NEGOTIATE AND FINALIZE A
PURCHASE AND SALE AGREEMENT**

WHEREAS, the Lake Arrowhead Community Services District (“District”) is organized and operates pursuant to the California Government Code section 61000, *et seq.*; and

WHEREAS, pursuant to California Government Code section 61100, the District is authorized to and does provide water and wastewater service to most customers within the boundaries of the service area of the District; and

WHEREAS, the area known as Rimforest, which is an unincorporated community located in San Bernardino County and that is more accurately described in the attached Exhibit A (“Rimforest Area”), is located within the jurisdictional boundaries of the District’s service area and the District provides wastewater service to the Rimforest Area, but not water service; and

WHEREAS, the City of Big Bear Lake (“City”) owns and operates a water system and certain assets related to such in the Rimforest Area (“Rimforest System”), which is not located contiguous to the City, and provides water service to customers in the Rimforest Area; and

WHEREAS, the City has determined that the Rimforest System is unnecessary for the provision of water service to the inhabitants of the City and desires to transfer to the District and the District is willing to acquire from the City the Rimforest System in exchange for the District assuming the debt service obligations attributable to the Rimforest System in an amount as determined by the City and District; and

WHEREAS, the total amount of the debt service obligations the City attributes to the Rimforest System is equal to payments of \$6,788.70 per month commencing on October 1, 2014 through and including September 1, 2015, and thereafter \$4,815.32 per month commencing on October 1, 2015 through and including March 1, 2022, for a total of \$457,059.36; and

WHEREAS, the City is required by its City Charter to obtain voter approval for the sale of certain property assets, including the Rimforest System, and therefore, the City must submit the proposed sale of the Rimforest System to the City’s electorate and it must be approved by the City’s electorate in order for the sale of the Rimforest System to be final; and

WHEREAS, the City plans to place the approval of the sale of the Rimforest System on the City's June 3, 2014 election ballot; and

WHEREAS, the Board of Directors of the District ("Board") authorizes the General Manager to negotiate with the City for the purchase of the Rimforest System and execute a purchase and sale agreement with the City for the Rimforest System provided that the purchase price does not exceed the amounts listed above and upon terms acceptable to the General Manager and General Counsel..

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Lake Arrowhead Community Services District as follows:

1. Incorporation of Recitals: The Board finds and determines that the Recitals set forth above are true and correct and are incorporated herein and made an operative part of this Resolution.

2. Implementation: The Board hereby authorizes and directs the General Manager and General Counsel of the District to take any and all necessary actions to negotiate with the City for the acquisition of the Rimforest System from the City and to execute any and all necessary documents to finalize any necessary agreements, provided that the purchase price does not exceed the payment of \$6,788.70 per month commencing on October 1, 2014 through and including September 1, 2015, and thereafter, \$4,815.32 per month commencing on October 1, 2015 through and including March 1, 2022, for a total of \$457,059.36.

3. Severability: If any section, subsection, clause or phrase in this Resolution No. 2014-01 or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution No. 2014-01 or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Resolution 2014-01 and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

ADOPTED by the Board of Directors of the Lake Arrowhead Community Services District at a regular meeting held on February 25, 2014, by the following vote:

AYES: Gross, Keefe, Wagner, and Wurm

NOES: None

ABSTAIN: None

ABSENT: Thompson



John Wurm, Vice President of the Board of
Directors of the Lake Arrowhead
Community Services District

ATTEST:



Kathleen Field, Secretary to the Lake
Arrowhead Community Services
District and to the Board of Directors

(SEAL)

CERTIFICATION

I, Kathleen Field, Board Secretary of the Lake Arrowhead Community Services District, hereby certify that the foregoing is a full, true and correct copy of the Resolution No. 2014-01 adopted by the Board of Directors of said Agency at the regular meeting of said Board held on the 25th day of February 2014, by the following vote:

AYES: Gross, Keefe, Wagner, and Wurm
NOES: None
ABSTAIN: None
ABSENT: Thompson

Kathleen Field

Kathleen Field, Secretary to the Lake
Arrowhead Community Services District
and to the Board of Directors