

RESOLUTION 98-2

RESOLUTION OF THE SUNNYSLOPE COUNTY WATER DISTRICT AUTHORIZING A JOINT ACQUISITION OF REAL PROPERTY WITH THE CITY OF HOLLISTER

WHEREAS, the Sunnyslope County Water District ("District") finds as follows:

A. District's Statutory Authority. District has the power under the California Water Code to do all acts necessary to carry out fully the provisions of the County Water District Law to provide sufficient water in the District for any present or future beneficial use (section 31001) and to acquire and use any property necessary to carry out the business of the District (sections 31040 and 31041).

B. Contracts with the City of Hollister. On April 15, 1991, District entered into a written agreement ("Joint Agreement") with the City of Hollister to jointly construct, own, operate and maintain facilities ("Treatment Facility") to transmit and treat water obtained through the San Felipe Division of the Central Valley Project ("San Felipe water"). On August 30, 1995, District and the City of Hollister entered into an "Agreement For Cost Sharing Of Professional Services In Connection With Proposed Water Treatment Plant" ("Cost Sharing Agreement").

On February 24, 1997, District and the City of Hollister supplemented the Joint Agreement and Cost Sharing Agreement by entering into a Memorandum of Understanding ("MOU") to define their respective rights and interests and memorialize their joint principles and objectives in negotiating a long term municipal and industrial water supply agreement for conjunctive use of San Felipe water and groundwater.

C. Acquisition of Necessary Property. In order to provide a site for part of the Treatment Facility, District must acquire a certain parcel of property located in San Benito County, California, APN 21-060-06 ("the Property"), along with a 25'wide Waterline Easement and a 40'wide Temporary Construction Easement benefitting the property (collectively "Easements").

D. Joint Acquisition Agreement. District finds it to be in District's best interest to enter into a Joint Acquisition Agreement with the City of Hollister providing that each party pay one-half of the purchase price of the Property and Easements plus one-half of the escrow costs as consideration for a one-half undivided ownership interest in the Property and Easements.

E. Finances. District has funds available to purchase a fifty-percent ownership interest in the Property and Easements. District may determine later to refinance part or all of the purchase price under the authority of Water Code section 31300.

F. CEQA Compliance. Use of the Property as a site for part of the Treatment Facility was studied in an Environmental Impact Report ("EIR") prepared pursuant to the California Environmental Quality Act ("CEQA"). The Draft EIR was prepared and the Notice of Completion ("NOC") of the EIR was filed in the Office of Planning and Research in July 1995. The Draft EIR and NOC is hereby incorporated by reference.

In response to comments generated during the period of public review of the EIR from August 31, 1995 to September 15, 1995, a written Response to Comments was prepared on February 9, 1996. The Response to Comments contains (1) Corrections and Additions to the Draft EIR, (2) a description of the public process and (3) Written Comments on the Draft and the Responses. The Response to Comments is hereby incorporated by reference. A Mitigation Monitoring Program has been designed pursuant to the Public Resources Code section 21081.6.

The City of Hollister certified the Final EIR, which is comprised of the Draft EIR, Response to Comments and the Mitigation Monitoring Program, by Resolution No. 96-50 on March 18, 1996.

Conditions with respect to the need for the Property and the analysis of the site alternatives for the Treatment Facility remain the same as when certified by Hollister in the Final EIR.

The acquisition of the Property is a step in the implementation of the Treatment Facility project. However, the land acquisition itself will not have a significant effect on the environment. No mitigation measures are required before the District approves the acquisition of the Property.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. District adopts the above findings.
2. The Board approves the form of the Joint Acquisition Agreement, a true copy of which is attached hereto as Exhibit "A" to this Resolution, and authorizes the District to acquire a one-half undivided ownership interest in the Property and Easements.
3. The District shall execute the Joint Acquisition Agreement and shall expend District funds for the purpose of purchasing its interest in the Property and Easements on the terms and conditions of the Joint Acquisition Agreement.
4. The Board directs and authorizes the General Manager of Sunnyslope County Water District to execute such documents and take such actions as may be necessary to proceed with the joint purchase of the Property and Easements.
5. In compliance with Public Resources Code section 21152(a), within five (5) days of adoption of this Resolution, a Notice of

Determination ("NOD") shall be filed in the office of the San Benito County Clerk; within twenty-four (24) hours of filing, the NOD shall be posted for public notice in the Clerk's office.

THE FOREGOING RESOLUTION was passed and adopted at a regular meeting of the Board of Directors of the Sunnyslope County Water District held on February 12, 1998 by the following vote:

AYES: DIRECTORS: Hailstone, R. Anderson, D. Anderson
& Fitch.

NOES: DIRECTORS: None.

ABSENT: DIRECTORS: Nelson.

SUNNYSLOPE COUNTY WATER DISTRICT

By *Stephen B. Hailstone*
Stephen B. Hailstone,
Vice-President

(S E A L)

ATTEST:

Bryan M. Yamaoka
BRYAN M. YAMAOKA, Secretary

**AGREEMENT BETWEEN THE CITY OF HOLLISTER AND
SUNNYSLOPE COUNTY WATER DISTRICT TO ACQUIRE
PROPERTY FROM ARTHUR RALPH RICHARDSON**

The CITY OF HOLLISTER ("Hollister") and SUNNYSLOPE COUNTY WATER DISTRICT ("Sunnyslope") agree, on
February 2, 1998 as follows:

1. EXPLANATORY RECITALS

a. On April 15, 1991, Sunnyslope and Hollister entered into a written agreement ("Joint Agreement") to jointly construct, own, operate and maintain facilities ("Treatment Facility") to transmit and treat water obtained from the San Felipe Division of the Central Valley Project ("San Felipe Water").

b. On August 30, 1995, District and the City of Hollister entered into an "Agreement For Cost Sharing Of Professional Services In Connection With Proposed Water Treatment Plant" ("Cost Sharing Agreement").

c. On February 24, 1997, District and the City of Hollister supplemented the Joint Agreement and Cost Sharing Agreement by entering into a Memorandum of Understanding ("MOU") to define their respective rights and interests and memorialize their joint principles and objectives in negotiating a long term municipal and industrial water supply agreement for conjunctive use of San Felipe water and groundwater.

d. On January 8, 1998, Hollister entered into a purchase and sale agreement ("Purchase Agreement") with Arthur Ralph Richardson ("Grantor"), fee owner of two parcels of real

property located in San Benito County, California, APN 21-060-06 ("Parcel 1" or "the Property") and APN 21-060-04 ("Parcel 2"). The Property and Parcel 2 are more particularly described in Exhibit A which is attached and hereby incorporated herein.

e. The Purchase Agreement provides that Grantor will convey to Hollister fee title to the Property plus a 25' wide Waterline Easement across Parcel 2 and a 40' wide Temporary Construction easement across Parcel 2 (collectively "Easements"). The Property, Parcel 2 and the Easements are further described in a diagram in attached Exhibit B which is hereby incorporated into this Joint Acquisition Agreement.

f. The Purchase Agreement further provides that Hollister will pay Grantor one hundred sixty-six thousand one hundred dollars (\$166,100.00).

g. The Property and the Easements will provide a site for part of the Treatment Facility.

h. By Resolution 98-2 of the Sunnyslope County Water District, Sunnyslope is authorized and directed to acquire and own the Property and the Easements jointly with Hollister.

i. Use of the Property as a site for part of the Treatment Facility was studied in an Environmental Impact Report ("EIR") prepared pursuant to the California Environmental Quality Act ("CEQA"). The Draft EIR was prepared and the Notice of Completion ("NOC") of the EIR was filed in the Office of Planning and Research in July 1995. The Draft EIR and NOC are hereby incorporated by reference.

j. In response to comments generated during the period of public review of the EIR from August 31, 1995 to September 15, 1995, a written Response to Comments was prepared on February 9, 1996. The Response to Comments contains (1)

Corrections and Additions to the Draft EIR, (2) a description of the public process and (3) Written Comments on the Draft and the Responses. The Response to Comments is hereby incorporated by reference. A Mitigation Monitoring Program has been designed pursuant to the Public Resources Code section 21081.6.

k. Hollister certified the Final EIR, which is comprised of the Draft EIR, the Response to Comments and the Mitigation Monitoring Program, by Resolution No. 96-50 on March 18, 1996.

2. JOINT ACQUISITION AND USE

a. Hollister and Sunnyslope agree to jointly acquire and use the Property and Easements for the purpose of constructing, owning, operating, maintaining and using the Treatment Plant.

b. The joint acquisition will be accomplished by means of three steps in one escrow transaction. In the first step of the transaction, Sunnyslope and Hollister will each deposit eighty-three thousand fifty dollars (\$83,050.00) into escrow.

c. In the second step of the transaction, Hollister will pay Arthur Ralph Richardson one hundred sixty-six thousand one hundred dollars (\$166,100.00) as consideration for the Property and Easements and will acquire fee title to the Property.

d. In the third step of the transaction, Sunnyslope will pay Hollister eighty-three thousand fifty dollars (\$83,050.00) and Hollister will grant Sunnyslope title to a one-half undivided interest in the Property and Easements.

e. Hollister and Sunnyslope will direct Chicago Title Co., the escrow company for the transaction, that Hollister

and Sunnyslope will equally divide the escrow costs for the transaction. Escrow costs for the transaction are estimated to be two thousand dollars (\$2,000.00).

3. COUNTERPART PROVISION

This Agreement may be executed in counterparts, each of which when fully executed shall be deemed an original.

The duly authorized representatives of Hollister and Sunnyslope sign this JOINT ACQUISITION AGREEMENT on behalf of Hollister and Sunnyslope.

CITY OF HOLLISTER

Dated: 2-2-98

By Ken Duran
Ken Duran, Mayor

By Frank D. Felice
Frank D. Felice, Clerk

SUNNYSLOPE COUNTY WATER DISTRICT

Dated: 2-18-98

By Stephen B. Hailstone
Stephen B. Hailstone
Vice President

By Bryan Yamaoka
Bryan Yamaoka, Secretary

APPROVED AS TO FORM:

Elaine M. Cass
Elaine Cass
City Attorney
City of Hollister

Lloyd W. Lowrey, Jr.
Lloyd W. Lowrey, Jr.
Counsel
Sunnyslope County Water District

EXHIBIT A

Parcel One

Lot Twenty-four (24) as shown and delineated on that certain Map entitled: "R.D. Walker's Santa Clara Valley Farms", filed November 13, 1916, in the Office of the County Recorder of San Benito County, State of California.

Parcel Two

Lot Twenty-two (22) as shown and delineated on that certain Map entitled: "R.D. Walker's Santa Clara Valley Farms", filed November 13, 1916, in the Office of the County Recorder of San Benito County, State of California.

LEGEND

- ① 11.25' 0" E. 2.50 CHAINS
- ② 11.15' 19" E. 2.80 CHAINS

NO SCALE
LENGTH IS IN CHAINS

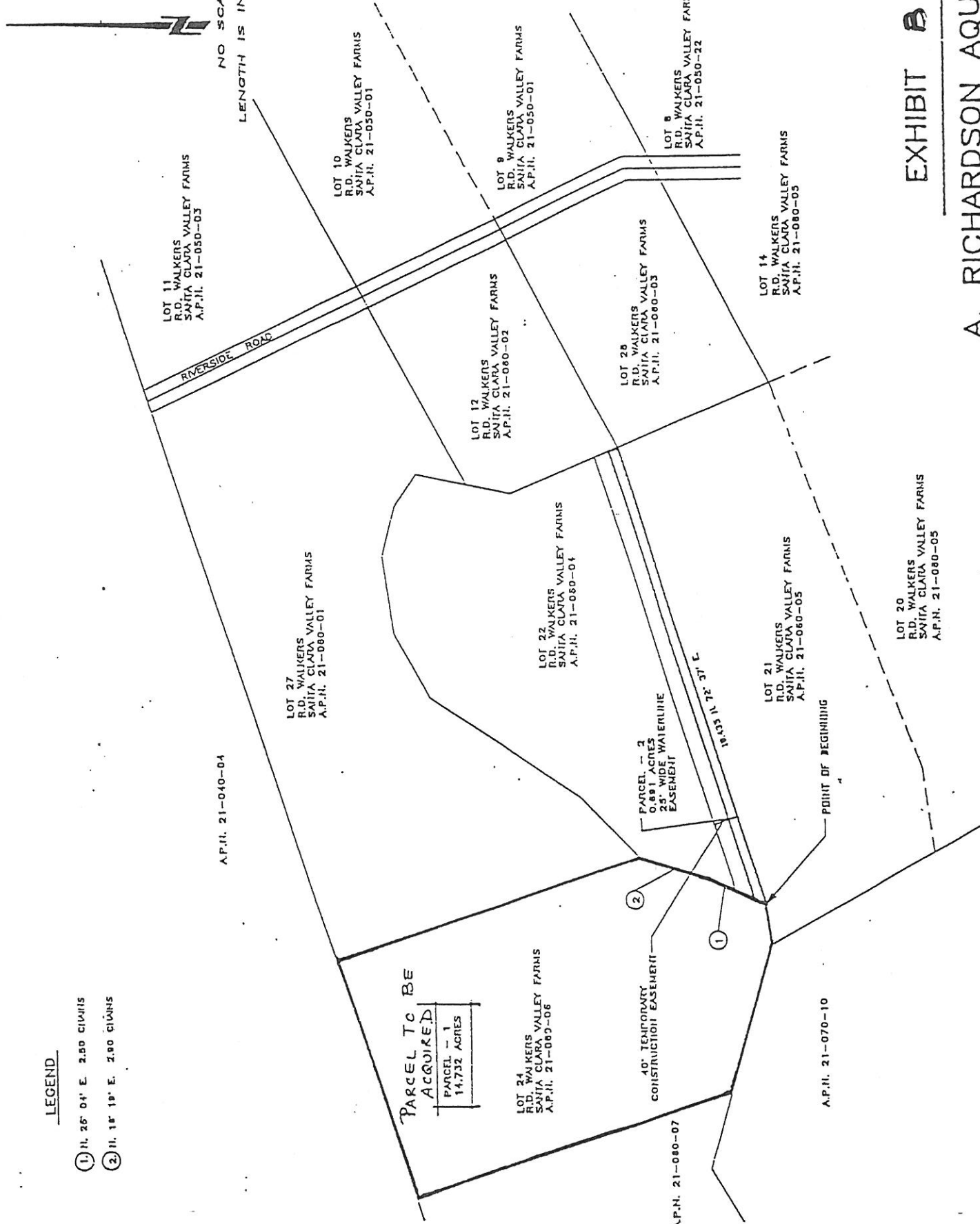


EXHIBIT B

A. RICHARDSON AQUISITION

LOT 11
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-050-03

LOT 10
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-050-01

LOT 9
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-050-01

LOT 8
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-050-22

LOT 14
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-080-03

LOT 12
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-080-02

LOT 25
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-080-03

LOT 27
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-080-01

LOT 22
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-080-01

LOT 21
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-080-05

LOT 20
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-080-05

A.P.N. 21-040-04

PARCEL TO BE ACQUIRED
PARCEL - 1
14.732 ACRES

LOT 24
R.D. WALKERS
SANTA CLARA VALLEY FARMS
A.P.N. 21-080-06

PARCEL - 2
0.891 ACRES
25' WIDE WATERLINE
EASEMENT

40' TEMPORARY
CONSTRUCTION EASEMENT

A.P.N. 21-080-07

A.P.N. 21-070-10

POINT OF BEGINNING

N 72° 37' E