



RESOLUTION NO. 2025-13

**RESOLUTION DECLARING FISCAL EMERGENCY FOR
DIABLO GRANDE COMMUNITY FACILITIES DISTRICT
NO. 1 AND AUTHORIZING THE FILING OF A PETITION
UNDER CHAPTER 9 OF THE UNITED STATES
BANKRUPTCY CODE**

WHEREAS, the Governing Board of the Western Hills Water District (the “**Board**”) is the governing authority for Diablo Grande Community Facilities District No. 1 (the “**CFD**”).

WHEREAS, on November 25, 2025, the Board held a duly noticed public hearing on the fiscal condition of the CFD to take public comment.

WHEREAS, the Board finds that the financial state of the CFD jeopardizes the health, safety, or well-being of the residents within the jurisdiction of the CFD.

WHEREAS, the Board finds that the CFD is presently unable to pay its obligations.

WHEREAS, given the CFD’s fiscal emergency and the impact on the CFD’s residents, the Board finds that it is in the best interests of the CFD to authorize Mark Kovich, as Designee, and attorneys of Burke, Williams & Sorensen, LLP, as counsel for the CFD, to file a petition for protection under Chapter 9 of the United States Bankruptcy Code (Title 11 U.S.C.) and to execute whatever documents are required to commence and prosecute the CFD’s bankruptcy case.

NOW, THEREFORE, the Governing Board of the Western Hills Water District as the governing authority for Diablo Grande Community Facilities District No. 1 does hereby resolve:

SECTION 1. Incorporation of Recitals.

The Board finds and determines that the above-referenced recitals and findings are true and correct and material to this Resolution.

SECTION 2. Board Actions.

The Board hereby takes the following actions:

(a) The Board adopts the findings listed above and hereby declares a fiscal emergency of the Diablo Grande Community Facilities District No. 1 (the “**CFD**”).

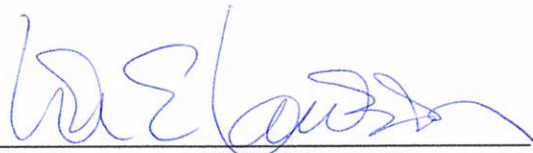
(b) The Board hereby authorizes Mark Kovich, as Designee, and attorneys of Burke, Williams & Sorensen, LLP, as counsel for the CFD, to file a petition for protection

under Chapter 9 of the United States Bankruptcy Code (Title 11 U.S.C.) and to execute whatever documents are required to commence and prosecute the CFD's bankruptcy case.

Moved by Director M. Kovich, second by Director M. Oliver, that the foregoing resolution be adopted. Upon roll call the following vote was had:

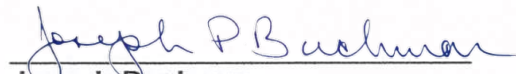
Ayes: J. Frederick, M. Johnson, M. Davies

I, Lori Lawson, Secretary of the Board of Directors of the Western Hills Water District, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a duly noticed meeting of the said Board of Directors held on the 25th day of November, 2025.



Lori Lawson, WHWD Board Secretary

APPROVED AS TO FORM:



Joseph Buchman
WHWD Special Counsel