



RESOLUTION NO. 2026-06

RESOLUTION OF THE GOVERNING BOARD OF THE WESTERN HILLS WATER DISTRICT, AS THE GOVERNING AUTHORITY FOR DIABLO GRANDE COMMUNITY FACILITIES DISTRICT NO. 1, APPROVING THE SALE OF THE FORECLOSED CUSTOM LOT IDENTIFIED AS STANISLAUS COUNTY ASSESSOR'S PARCEL NUMBER 025-025-034, AND AUTHORIZING THE EXECUTION OF ALL DOCUMENTS NECESSARY TO COMPLETE THE SALE OF THE CUSTOM LOT

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

WHEREAS, the CFD is the owner of 103 delinquent properties ("**CFD Properties**") as a result of foreclosure actions commenced and completed by the Water District (on behalf of the CFD) pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311 of the California *Government Code*).

WHEREAS, the CFD Properties include a custom lot identified by Stanislaus County Assessor's Parcel No. 025-025-034-000 and depicted on the parcel map attached hereto as Exhibit "1" and incorporated herein by this reference ("**CUSTOM LOT**").

WHEREAS, the CUSTOM LOT has Mello-Roos delinquencies (including principal, penalties, interest, and legal fees and costs) in the amount of \$37,327.00.

WHEREAS, the CUSTOM LOT is on the list parcels that the Treasurer-Tax Collector has been seeking to take to a Stanislaus County tax sale due to delinquent *ad valorem* property taxes. In February 2026, the amount due to the Stanislaus County was (\$5,106.35).

WHEREAS, Gina Hayley ("**HAYLEY**") wishes to purchase the CUSTOM LOT from the CFD for the amount of \$37,327.00 in order to build a home on it.

WHEREAS, HAYLEY intends to pay all outstanding *ad valorem* property taxes at closing. Further, after closing, HAYLEY intends to pay all future *ad valorem* property taxes and Mello-Roos special taxes levied against the CUSTOM LOT.

WHEREAS, it is in the best interest of the CFD (and its bond holders) to sell the CUSTOM LOT to HAYLEY because the CFD will recover the Mello-Roos delinquencies at closing and because HAYLEY will be obligated to pay all future Mello-Roos special taxes after closing that are needed to pay back to the bond holders. The sale will also pay off the delinquent *ad valorem* property taxes and remove the CUSTOM LOT from the Treasurer-Tax Collector's tax sale list.

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 are true and correct and material to this Resolution.

SECTION 2. Approval of Sale of Custom Lot.

The sale of the CUSTOM LOT by the CFD to HAYLEY for the amount of \$37,724.00 (subject to a satisfactory appraisal) is hereby approved by the Board, and Mark Kovich (the President of the Western Hills Water District) is hereby authorized and instructed to execute any and all necessary documents related to the conveyance.

SECTION 3. Appraisal of Custom Lot.

The Board also authorizes Mark Kovich to obtain an appraisal for the CUSTOM LOT, and to use any CFD funds to pay for the cost of the appraisal. ___

SECTION 4. Exemption from CEQA.

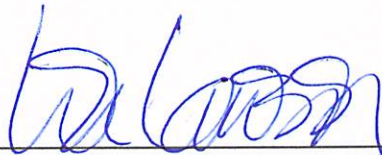
The Board finds that the conveyance of the CUSTOM LOT is exempt from the requirements of the California Environmental Quality Act (CEQA) because it can be seen with certainty that the mere acquisition of the CUSTOM LOT has no potential to cause significant effects on the environment since the proposed conveyance does not change land uses or expand the existing use of the CUSTOM LOT. (See, California Code of Regulations, Title 14, Section 15061(b)(3).)

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

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

Noes: M. Oliver

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 regular meeting of the said Board of Directors held on the 11th day of June, 2026.



Lori Lawson, WHWD Board Secretary

