

RESOLUTION 21-06

RESOLUTION OF THE BOARD OF DIRECTORS OF IRONHOUSE SANITARY DISTRICT AUTHORIZING FURTHER EVALUATION OF THE POTENTIAL NEW USE PRESENTED BY MONTEZUMA WATER, LLC, SUBJECT TO FURTHER REVIEW AND CONDITIONS

WHEREAS, in 2018, the District issued a Request for Qualifications (RFQ) for potential partners and participants to work with the agency to achieve the goals for Jersey Island outlined in the RFQ; and

WHEREAS, on December 18, 2018, the Board of Directors selected Montezuma Water as its preferred partner based on the firm's history of innovation, its strong relationship with federal, state, local and regional agencies, and the financial and organizational capacity to address unique and challenging issues; and

WHEREAS, after negotiations between Montezuma Water and District staff and consultants, on May 7, 2019, the District and Montezuma Water, LLC ("Montezuma") entered into a Partner Agreement for Jersey Island, as amended on May 18, 2021 by a First Amendment to Partner Agreement (collectively, the "Partner Agreement"); and

WHEREAS, under Section 2.2.2 of the Partner Agreement, Montezuma was required to investigate, evaluate, and pursue potential new uses and submit to the District a detailed New Use Evaluation ("NUE") of any potential new uses by August 7, 2021; and

WHEREAS, the District has 90 days from the submission of a NUE to review the potential new uses and consider authorizing Montezuma to pursue "those new uses that are allowed by law or may be permitted on Jersey Island and that meet the District's intent to implement viable uses on Jersey Island;" and

WHEREAS, the District's approval of a potential new use constitutes approval for Montezuma to initiate further investigation and permitting activities, such as land use entitlements and compliance with CEQA, and for the parties to begin negotiating a New Use Agreement subject to approval by the Board; and

WHEREAS, Montezuma submitted an NUE with a conceptual land use plan that includes the following new uses: (a) wildlife and habitat refuge; (b) up to 450 single family homes; (c) a sports and recreation center; (d) a public marina and watersports center; (e) a 125-room hotel, workforce housing, ferry and shuttle terminal, and neighborhood retail center; (f) wind and solar energy production; (g) specialty agriculture; and (h) a habitat enhancement and mitigation bank (collectively, the "Potential New Use"); and

WHEREAS, development of the Potential New Use will require County approval of the development outside the Urban Limit Line (ULL) and/or amendments to the ULL and compliance with the Surplus Lands Act; and

WHEREAS, the Potential New Use is more complex than envisioned in the Partner

Agreement and will require property disposition not contemplated in the Partner Agreement; and

WHEREAS, the Board has considered Montezuma's NUE and the Potential New Use at a noticed public meeting in compliance with the Partner Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Ironhouse Sanitary District based upon the recitals above, the staff report and all oral and written testimony during the October 12, 2021 workshop and the October 27, 2021 noticed meeting, that the District hereby authorizes Montezuma to pursue, subject to further review and approval, the Potential New Use for further investigation and study, subject to the following requirements:

1. Montezuma will engage with regulatory agencies and stakeholders on the Potential New Use and provide a written report to the District regarding these meetings and outcomes by February 1, 2022.
2. Montezuma will provide a written description of the regulatory approach for the Potential New Use, including the sequence of all regulatory approvals and the estimated timeframe for the regulatory process, by February 1, 2022.
3. Montezuma will provide a detailed summary of the revenue flow to the District and how the District and RD 830 could benefit from the development during the next 10 years by February 1, 2022.
4. Montezuma and District staff shall negotiate the terms of an amendment to the Partner Agreement and a new Reimbursement Agreement to address the complexity of the anticipated land approvals and disposition and cost sharing, for consideration by the Board before proceeding with any formal land use or other applications. The amendment would include a schedule and/or proposed terms for a Lease/Option to Purchase Agreement for Jersey Island.

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by the Sanitary Board of the Ironhouse Sanitary District at a meeting thereof held on the 27th day of October 2021.

AYES, and in favor thereof, Members: D. Morrow, P. Zirkle, A. Lowrey, S. Morgan
and C. Lauritzen.

NOES, Members: None.

ABSENT, Members: None.



Secretary
(SEAL)

ATTEST:



President