

RESOLUTION 19-01

RESOLUTION OF THE BOARD OF DIRECTORS OF IRONHOUSE SANITARY DISTRICT APPROVING AND AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A PARTNER AGREEMENT FOR JERSEY ISLAND WITH MONTEZUMA WATER, LLC

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, the District received three potential partner responses to its RFQ and, 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, on April 2, 2019, the Board received an update regarding the negotiations including a proposed Term Sheet between the parties; and

WHEREAS, the District and Montezuma Water have negotiated the terms of a Partner Agreement for Jersey Island, attached hereto; and

WHEREAS, the Partner Agreement for Jersey Island provides, among other things, that: (1) Montezuma Water will investigate, evaluate and pursue, at its cost and expense (subject to reimbursement), new uses or business opportunities on Jersey Island and present an evaluation of such new uses to the District for review and approval; (2) Montezuma Water will apply for and coordinate land use approvals and permits for approved uses on Jersey Island, including California Environmental Quality Act review; (3) Montezuma Water and District will negotiate terms of Use Agreements for any approved new uses, including potential revenue sharing provisions, subject to review and approval by the Board of Directors; (4) District will maintain Jersey Island until such time as and to the extent that Partner or a new user takes on all of such responsibility for any portion of Jersey Island; and (5) Montezuma Water will report on the status of its activities.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Ironhouse Sanitary District that:

1. The Board of Directors hereby finds and determines that approval of the Partner Agreement for Jersey Island is exempt under the CEQA Guidelines (California Code of Regulations Title 14, Chapter 3) pursuant to Section 15061(b)(3): General Rule Exemption, since it can be seen with certainty that there is no possibility that approval of the agreement would have a significant effect on the environment. The Partner Agreement for Jersey Island sets forth a framework for evaluating potential new uses, subject to future permitting and CEQA compliance. Consistent with Section 15004(b)(4), the agreement constitutes a preliminary agreement and (a) CEQA compliance will be required in connection with consideration of any entitlements, permits and approvals related to new uses and use agreements; (b) the agreement

does not bind either party to a definitive course of action prior to CEQA compliance; (c) the agreement does not restrict the District, or any other lead agency, from considering any feasible mitigation measures and alternatives for new uses, including the 'no project' alternative; and (d) the agreement does not restrict the District from denying or disapproving any new use or use agreement.

2. The Board of Directors hereby approves and authorizes the General Manager to enter into the Partner Agreement for Jersey Island in the form attached hereto, with minor modifications as may be approved by the General Manager in consultation with the General Counsel. The General Manager is further authorized to take any actions necessary to effectuate the terms of the Partner 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 7th day of May, 2019.

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

NOES, Members: None

ABSENT, Members: None

ATTEST:



President


Secretary
(SEAL)