

**RESOLUTION 2015-03**

**RESOLUTION OF THE CHINO BASIN WATERMASTER,  
SAN BERNARDINO COUNTY, CALIFORNIA,  
ESTABLISHING THE  
CHINO BASIN WATERMASTER 457(f) DEFERRED COMPENSATION PLAN**

**Name of Employer: Chino Basin Watermaster**  
**State: California**  
**Title of Program Coordinator: Chief Financial Officer**

**WHEREAS**, the Board of Directors (the "Board") of Chino Basin Watermaster (the "Watermaster") desires to implement a nonqualified deferred compensation plan that meets the requirements of Sections 457(f) and 409A of the Internal Revenue Code of 1986, as amended (the "457(f) Plan"); and

**WHEREAS**, the purpose of the 457(f) Plan is to allow each individual who (i) is a key management and other highly compensated employee of the Watermaster and (ii) has been specifically selected by the Watermaster to participate in the 457(f) Plan (each, a Participant"), to elect to receive allocations of employer contributions; and,

**WHEREAS**, the Board desires to select Peter Kavounas, the General Manager of the Watermaster, for participation in the 457(f) Plan; and

**WHEREAS**, the Board has reviewed a draft 457(f) Plan for Peter Kavounas as to the benefits it provides, the payout provisions and the terms and conditions of its administration and operation; and

**WHEREAS**, the Board believes that it has the authority and that it is in the best interest of the Watermaster to establish the 457(f) Plan;

**NOW, THEREFORE, BE IT RESOLVED**, that the form, terms and provisions of the Chino Basin Watermaster 457(f) Plan (the "457(f) Plan") hereby are, authorized, adopted and approved effective as of June 25, 2015, in substantially the form attached hereto as Appendix A with such changes as may be recommended by counsel; and

**BE IT FURTHER RESOLVED**, that Peter Kavounas hereby is selected as a participant in the 457(f) Plan; and

**BE IT FURTHER RESOLVED**, that the Chief Financial Officer of the Watermaster (the "CFO") hereby is authorized and directed to execute the 457(f) Plan with respect to Peter Kavounas on behalf of the Watermaster; and

**BE IT FURTHER RESOLVED**, that, in accordance with Section 2.4 of the 457(f) Plan and until change by this Board, the Watermaster shall be responsible for the expenses related to the administration of the 457(f) Plan; and

**BE IT FURTHER RESOLVED**, that, in accordance with the applicable terms of the 457(f) Plan, each participant's account under the 457(f) Plan shall be adjusted for hypothetical investment gains and losses, which investment accretions shall mirror the investment gains and losses of the ICMA target date fund in the Watermaster's 457(b) plan with the target date that is closest to the date on which the participant will attain age 65; and

**BE IT FURTHER RESOLVED**, that, the CFO hereby is authorized and directed to administer and operate the 457(f) Plan in accordance with its terms and the decisions made by the Board as set forth herein; except that the following shall be reserved solely to the Board and may be acted upon solely by the Board, provided, however, these actions are consistent with the terms of the 457(f) Plan: (i) the Board shall have the sole and absolute discretion to select the individuals who may become eligible to participate in the 457(f) Plan; (ii) the Board shall have the sole and absolute discretion to terminate an individual's

eligibility to participant in the 457(f) Plan; and (iii) the Board shall have the sole and absolute discretion to amend and terminate the 457(f) Plan, in accordance with Section 9.6, and

**BE IT FURTHER RESOLVED**, that the CFO, on behalf of the Watermaster, may delegate any administrative duties relating to the 457(f) Plan to appropriate employees and others; and shall execute all necessary agreements and other documents and take all actions incidental to the administration of the 457(f) Plan, and


**BE IT FURTHER RESOLVED**, that, on or before June 30, 2015, the Watermaster is hereby directed to contribute \$4,750.27 to the 457(f) Plan; however, this amount shall remain an asset of the Watermaster, but shall be separately recorded on the books and records of the Watermaster as a contractual obligation; and

**BE IT FURTHER RESOLVED**, that all actions taken by the Board members and the officers, employees and agents of the Watermaster prior to the date hereof which are in furtherance of these resolutions hereby are confirmed, ratified and approved; and

**BE IT FURTHER RESOLVED**, that, in addition to the specific authorizations set forth in any of the foregoing resolutions, the officers of the Watermaster be, and each of them hereby is, authorized to take from time to time any and all such action and to execute and deliver from time to time any and all such agreements, instruments, requests, receipts, notes, applications, reports, certificates and other documents as may be necessary or advisable in their opinion, or in the opinion of any of them, to effectuate, consummate and comply with the purpose and intent of any of the foregoing resolutions.

**ADOPTED** by the Watermaster Board on this 25th day of June, 2015.

By:

  
Chair, Watermaster Board

ATTEST:

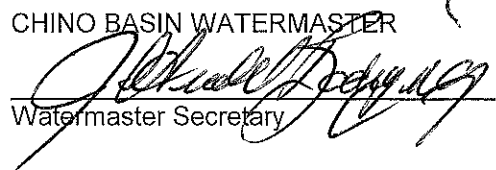
  
Board Secretary/Treasurer  
Chino Basin Watermaster

STATE OF CALIFORNIA                    )  
  )ss  
COUNTY OF SAN BERNARDINO        )

I, J. Arnold Rodriguez, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2015-03, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES: 8  
NOES: 0  
ABSENT: 1  
ABSTAIN: 0

CHINO BASIN WATERMASTER

  
Watermaster Secretary

Date:

6/25/2015