

RESOLUTION 2019-04

**RESOLUTION OF THE CHINO BASIN WATERMASTER,
SAN BERNARDINO COUNTY, CALIFORNIA,
AFFECTING DEFERRED COMPENSATION FOR EXECUTIVES**

Account Number: 307195

Name of Employer: Chino Basin Watermaster

State: California

Title of Program Coordinator: Chief Financial Officer

Amendment and Restatement of the Chino Basin Watermaster 457(f) Deferred Compensation Plan

WHEREAS, effective June 1, 2015, the Board of Directors (the "Board") of Chino Basin Watermaster (the "Watermaster") adopted the Chino Basin Watermaster 457(f) Deferred Compensation Plan (the "Plan"); and

WHEREAS, the Board now desires to amend and restate the Plan, effective March 1, 2019, to clarify the Board's intent (i) that the Plan be an unfunded deferred compensation plan, which provides for deferral of compensation in accordance with Section 457(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an "eligible deferred compensation plan" within the meaning of Section 457(b) of the Code, (ii) that the Plan comply with the requirements of Sections 457(f) and 409A of the Code, and (iii) to make other changes desirable to facilitate the administration of the Plan; and

WHEREAS, the Board confirms the ongoing participation of Peter Kavounas and Joseph Joswiak in the Plan; and

WHEREAS, the Board has reviewed a draft of the Plan, as amended and restated effective March 1, 2019; and

WHEREAS, the Board desires to change how earnings are credited to the accounts of participants in the Plan so that, effective March 1, 2019, earnings shall be credited to each Plan participants account at the rate of 2.0% per annum, with such earnings to be compounded quarterly (or proportionally where the time period is less than a full quarter); and

WHEREAS, the Board believes that it has the authority and that it is in the best interest of the Watermaster to amend and restate the Plan effective as of March 1, 2019 and to implement the change in the earnings rate; and

NOW, THEREFORE, BE IT RESOLVED, that, based on and in accordance with the foregoing recitals (including the defined terms therein), the form, terms and provisions of the Restated Plan hereby are, authorized, adopted and approved effective as of March 1, 2019, in substantially the form attached hereto as Appendix A with such changes as may be recommended by counsel; and

BE IT FURTHER RESOLVED, that the Chief Financial Officer of the Watermaster (the "CFO") hereby is authorized and directed to execute the Restated Plan on behalf of the Watermaster; and

BE IT FURTHER RESOLVED, that, effective March 1, 2019, earnings shall be credited to the accounts of participants in the Restated Plan at the rate of 2.0% per annum, with such earnings to be compounded quarterly (or proportionally where the time period is less than a full quarter); and

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

Adoption of The Second Chino Basin Watermaster 457(f) Deferred Compensation Plan

WHEREAS, the Board desires to implement, effective as of March 1, 2019, a second nonqualified deferred compensation plan that is intended to meet the requirements of Sections 457(f) and 409A of the Internal Revenue Code of 1986, as amended (the "Second 457(f) Plan"); and

WHEREAS, the purpose of the Second 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 Second 457(f) Plan (each, a Participant) to have an account that will be credited with allocations of employer contributions and earnings, which amounts will be paid upon the earlier of the Participant's (a) the date of death while employed, (b) Disability Date (as defined in the Second 457(f) Plan), (c) Retirement Eligibility Date (as defined in the Second 457(f) Plan), or (d) Involuntary Separation from Service without Cause (as defined in the Second 457(f) Plan); and

WHEREAS, the Board has determined that the accounts of participants in the Second 457(f) Plan shall be credited with earnings at the rate of 2.0% per annum, with such earnings to be compounded quarterly (or proportionally where the time period is less than a full quarter); and

WHEREAS, the Board desires to select Joseph Joswiak, who is the Chief Financial Officer of the Watermaster, for participation in the Second 457(f) Plan; and

WHEREAS, the Board has reviewed a draft of the Second 457(f) Plan 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 Second 457(f) Plan;

NOW, THEREFORE, BE IT RESOLVED, that, based on and in accordance with the foregoing recitals (including the defined terms therein), the form, terms and provisions of the Second 457(f) Plan hereby are, authorized, adopted and approved effective as of March 1, 2019, in substantially the form attached hereto as Appendix B with such changes as may be recommended by counsel; and

BE IT FURTHER RESOLVED, that the CFO hereby is authorized and directed to execute the Second 457(f) Plan on behalf of the Watermaster; and

BE IT FURTHER RESOLVED, that, effective March 1, 2019, earnings shall be credited to the accounts of participants in the Second 457(f) Plan at the rate of 2.0% per annum, with such earnings to be compounded quarterly (or proportionally where the time period is less than a full quarter); and

BE IT FURTHER RESOLVED, that the CFO, on behalf of the Watermaster, may delegate any administrative duties relating to the Second 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 Second 457(f) Plan, and

BE IT FURTHER RESOLVED, that Joseph Joswiak hereby is selected to be a participant in the Second 457(f) Plan, his participation therein shall commence effective March 1, 2019; and

General Authority

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.

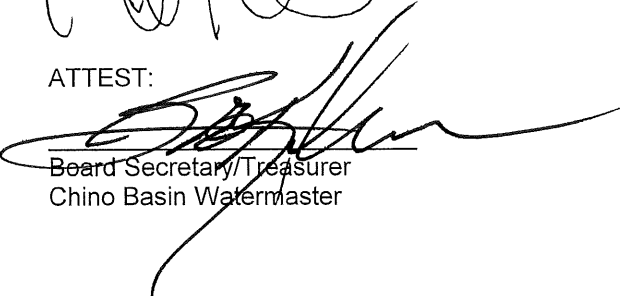
ADOPTED by the Watermaster Board on this 28th day of February, 2019.

APPROVED:



Chair, Watermaster Board

ATTEST:



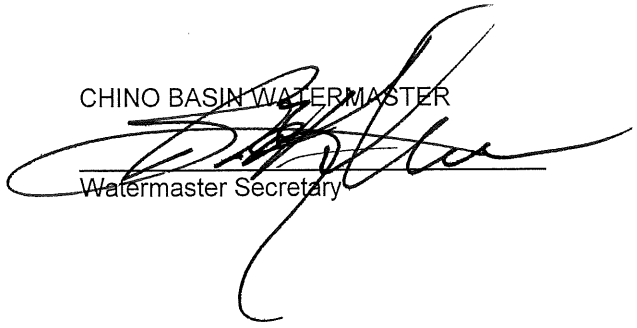
Board Secretary/Treasurer
Chino Basin Watermaster

STATE OF CALIFORNIA)
)ss
COUNTY OF SAN BERNARDINO)

I, Bob Kuhn, Secretary of the Chino Basin Watermaster, DO HEREBY CERTIFY that the foregoing Resolution being No. 2019-04, was adopted at a regular meeting of the Chino Basin Watermaster Board by the following vote:

AYES: 9
NOES: 0
ABSENT: 0
ABSTAIN: 0

CHINO BASIN WATERMASTER



Watermaster Secretary

Date: February 28, 2019