

RESOLUTION No. 2008-09

**RESOLUTION OF THE BOARD
OF THE RIO LINDA / ELVERTA COMMUNITY
WATER DISTRICT
ADOPTING AN IDENTITY THEFT PREVENTION PROGRAM**

WHEREAS, the RLECWD is a County Water District organized and existing pursuant to the California Water Code Law, commencing with Section 30000; and

WHEREAS, the Fair and Accurate Credit Transaction Act of 2003 (“FACTA”), section 114, as implemented by the Red Flag Rules, 16 C.F.R. § 681.2, issued by the Federal Trade Commission along with other federal agencies, requires creditors of customer accounts to implement an Identity Theft Prevention Program; and

WHEREAS, RLECWD is a creditor because it provides services to customers prior to receipt of payment through customer accounts, including utility service accounts, which are maintained primarily for personal, family or household purposes and involve multiple payments or transactions, and for which there is a reasonably foreseeable risk of identity theft; and

WHEREAS, RLECWD is therefore required to implement an Identity Theft Prevention Program; and

WHEREAS, the purpose of the Identify Theft Prevention Program is to detect, prevent and mitigate identity theft in connection with all customer accounts, taking into consideration the level of risk for identity theft given the RLECWD’s scope of services provided and the types of accounts; and

WHEREAS, the Identify Theft Prevention Program is created to identify patterns, practices and specific activities that indicate the possible existence of identity theft, referred to as “Red Flags,” and sets forth the procedures for detecting Red Flags and responding to Red Flags when discovered; and

WHEREAS, the RLECWD Board of Directors desires to adopt and implement an Identity Theft Protection Program as required under Federal Law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of RLECWD as follows:

Section 1. Adoption of Identity Theft Prevention Program. The RLECWD hereby adopts the “Identity Theft Prevention Program” attached hereto as Exhibit “A”.

Section 2. Designation of Authority. The RLECWD Board of Directors of the RLECWD authorizes the Administrative Supervisor to act on the RLECWD Board of Directors behalf to oversee the implementation and administration of the Identity Theft Prevention Program in accordance with Federal Law.

Section 3. Amending the Identity Theft Prevention Program. The Identity Theft Prevention Program may be amended from time to time by resolution of the RLECWD Board of Directors.

Section 4. Effective Date. This Resolution shall be effective as of November 10, 2008.

ADOPTED this 10th day of November, 2008, by the following vote:

AYES: (5) Blanchard, Arbios, Morris, Paine, and Harris

NOES: None

ABSENT: None

ABSTAIN: None



Robert W. Blanchard / President

ATTEST:



Secretary to the Board, Clifford D. Dillon

IDENTITY THEFT PREVENTION PROGRAM

I. PURPOSE

The Fair and Accurate Credit Transaction Act of 2003 (“FACTA”), section 114, as implemented by the Red Flag Rules, 16 C.F.R. § 681.2, issued by the Federal Trade Commission along with other federal agencies requires creditors of customer accounts to implement an Identity Theft Prevention Program. Pursuant to the regulations, Rio Linda / Elverta Community Water District (“RLECWD”) is a creditor because it provides services to customers prior to receipt of payment through customer accounts, including utility service accounts, which are maintained primarily for personal, family or household purposes and involve multiple payments or transactions, and for which there is a reasonably foreseeable risk of identity theft. Therefore, RLECWD is required to implement an Identity Theft Prevention Program.

The purpose of this Identify Theft Prevention Program (“Program”) is to detect, prevent and mitigate identity theft in connection with all customer accounts, taking into consideration the level of risk for identity theft given the RLECWD’s scope of services provided and the types of accounts. This Program is created to identify patterns, practices and specific activities that indicate the possible existence of identity theft, hereinafter referred to as “Red Flags.” The Program sets forth the procedures for detecting Red Flags and responding to Red Flags when discovered.

II. DEFINITIONS

“Red Flag” shall mean a pattern, practice or specific activity that indicates the possible existence of identity theft as defined in the Red Flag Rules, and as specifically enumerated in Section 5. 16 C.F.R. § 681.2.

“Identity theft” shall mean a fraud committed or attempted using the personal identifying information of another person without his/her authority. 16 C.F.R. 603.2 (a).

“Customer account” shall mean a utility service account or other account provided by RLECWD that constitutes a “covered account” under the Red Flag Rules.

“Personal identifying information” shall mean information that may be used to identify a specific person, including, but not limited to, a social security number, date of birth, government issued driver’s license or identification number, government passport number, unique biometric data such as fingerprints or physical appearance, any unique electronic identification number, telephone number or address.

III. DESIGNATION OF AUTHORITY

The Board of RLECWD designates the authority to develop, oversee, implement and administer the Program to the Administrative Supervisor.

As part of the Administrative Supervisor's oversight responsibilities for the Program, the Administrative Supervisor is required to review and approve all material changes to the Program as necessary to address changing identity theft risks. The Administrative Supervisor is also responsible for reviewing reports prepared by RLECWD's staff regarding RLECWD's compliance with FACTA and the Red Flag Rules requiring the implementation of an Identity Theft Prevention Program.

IV. COMPLIANCE REPORTS TO BE PREPARED BY RLECWD STAFF

The Administrative Supervisor will designate RLECWD staff involved with the implementation of the Program to prepare reports regarding RLECWD's compliance with FACTA and the Red Flag Rules requiring the implementation of an Identity Theft Prevention Program. The reports should address material matters related to the Program, such as the following:

- (a) The effectiveness of the RLECWD's policies and procedures to address the risk of identity theft in connection with opening customer accounts, as well as with existing accounts. This includes identifying any issues related to identifying, detecting and responding to Red Flags;
- (b) Third-party service provider arrangements;
- (c) Significant incidents of identity theft or Red Flag detection, and RLECWD's responses to those incidents;
- (d) Recommendations for material changes to the program to ensure that customer accounts are adequately protected from the risk of identity theft.

The reports should be prepared at least annually for review by the Administrative Supervisor and/or the Board.

V. RED FLAGS IDENTIFIED BY RLECWD

In identifying the Red Flags applicable to RLECWD's customer accounts, RLECWD considered the following risk factors:

- (a) The types of accounts RLECWD maintains;
- (b) The methods RLECWD provides to open customer accounts;
- (c) The methods RLECWD provides to access to customers' accounts;

- (d) RLECWD's previous experiences with identity theft in connection with the customer accounts.

The Red Flags identified in this Program have been incorporated from sources, which include supervisory guidance, past incidents of identity theft, and changes in methods of identity theft risk.

RLECWD's Identified Red Flags are as Follows:

Alerts, notifications or other warnings received from consumer reporting agencies or service providers providing fraud protection services:

- Fraud or active duty alerts from consumer reports.
- Notice of a credit freeze from a consumer reporting agency in response to request for a consumer report.
- Notice of address discrepancy provided by a consumer reporting agency.
- A consumer report indicates a pattern of activity that is inconsistent with the history or usual pattern of activity of a customer or applicant.
- Recent significant increase in the volume of inquiries of the customer's credit.
- Unusual number of recently established credit relationships.
- A material change in the use of credit, especially in regards to credit relationships recently established.
- A customer had an account with RLECWD or any other creditor that was closed for cause or identified for abuse of account privileges.

Suspicious Documents:

- Documents used for identification purposes appear to have been altered or forged.
- The photograph or physical description on the identification documents do not match the appearance of the person presenting the identification.
- Other information in identification documents does not match the information provided by the individual presenting the identification documents.
- Other information in the identification documents does not match the information on file with RLECWD.

- The application to open the account appears to have been forged, altered, or gives the appearance of having been destroyed and reassembled.

Suspicious Personal Identifying Information:

- Personal information provided is inconsistent with information provided by an external source, for example where the address provided does not match the address contained in a consumer report.
- Personal identifying information is inconsistent with other personal identifying information provided by the customer, such as a date of birth and the social security number range that do not correlate.
- Personal identifying information provided is associated with known fraudulent activity, as indicated by internal or third-party sources, such as the address or phone number on an application was previously provided on another fraudulent application.
- Personal identifying information is of a type commonly associated with fraudulent activity, as indicated by internal or third-party sources, such as a fictitious address, or an invalid phone number.
- The social security number provided is the same as the social security number of another applicant attempting to open an account or an existing customer.
- The address or telephone number provided is the same as other individuals attempting to open an account or existing customers.
- The individual opening the account cannot provide all of the required personal identifying information for an application.
- Personal identifying information is inconsistent with the information provided by the customer on file with RLECWD.
- Where challenge questions are used by RLECWD to verify the identity of an individual, the individual claiming to be the customer cannot answer challenge questions correctly.

Unusual Use of or Other Suspicious Activity Related a Customer Account:

- Shortly after receiving a notice of change of address for the account, RLECWD receives a request to add another name to the account.
- A new account is used in a manner commonly associated with known patterns of fraud, such as a first payment is made, and then no subsequent payments are made.

- An account is used in a manner inconsistent with the established pattern of activity for the account, such as a nonpayment where there was never been a late or missed payment.
- An inactive account becomes active.
- Mail sent to the customer is returned repeatedly.
- RLECWD is notified that a customer is not receiving his/her paper account statements.
- RLECWD is notified of unauthorized transactions on a customer's account.

Notice of Possible Identity Theft:

- RLECWD is notified by a customer of possible identity theft in connection with his/her account.
- RLECWD is notified by a victim of identity theft of possible identity theft in connection with a customer account.
- RLECWD is notified by law enforcement of possible identity theft in connection with a customer account.
- RLECWD is notified by others of possible identity theft in connection with a customer account.

VI. PROCEDURES FOR DETECTING RED FLAGS

The following procedures are being implemented by RLECWD's to detect the Red Flags identified with opening of accounts and existing accounts identified above:

- (a) Obtain personal identifying information of an individual to verify his/her identity prior to opening an account.
- (b) Authenticate the identity of customers when they are requesting information about their accounts.
- (c) Authenticate the identity of customers when they are requesting to make any changes to their accounts.
- (d) Verify the validity of all billing address change requests.
- (e) Conduct a credit check when opening a new account.

- (f) Monitor transactions.
- (g) Verify all requests to change banking information used for payment purposes.

Members of RLECWD's staff will be assigned and trained to detect Red Flags.

In addition, RLECWD may employ the services of a third party service provider and/or utilize computer software programs to assist in detecting Red Flags.

VII. PROCEDURES FOR RESPONDING TO RED FLAGS

In order to prevent and mitigate identity theft, and after taking into consideration the risks of identity theft applicable to the customer accounts, RLECWD implements the following procedures to respond to all Red Flags that are discovered. One or more of these procedures will be used each time a Red Flag is detected:

- (h) Monitor accounts for evidence of identity theft.
- (i) Contact the Customer.
- (j) Change or add a password, security code or other device that provide access to the account.
- (k) Reopen an account with a new account number.
- (l) Close an existing account.
- (m) Not open a new account.
- (n) Not selling an account to a debt collector.
- (o) Not attempting to collect on an account.
- (p) Notify law enforcement.
- (q) Determine that no response is warranted given the particular circumstances.
- (r) Ask the customer to appear in person with government issued identification.
- (s) Require a deposit to be paid before providing service.
- (t) Do not provide account information to anyone other than the account holder, or other individual authorized by the account holder.
- (u) Update all account information.
- (v) Deactivate payment method, such as a credit card registered for online payment.

- (w) Connect or disconnect service.
- (x) Initiate an investigation.

In addition to any of the actions above, the Administrative Supervisor will be notified of any Red Flags discovered.

VIII. TRAINING OF STAFF

RLECWD staff that will be directly involved with opening customers' account or servicing customer accounts in a manner that would place them in a position to detect Red Flags, or allow them access to customers' private information shall be trained to detect Red Flags and appropriately respond when Red Flags are discovered. RLECWD's staff participation is crucial to the effective implementation of this Program.

The Administrative Supervisor will oversee all staff training to ensure that training is adequate to ensure effective implementation of the Program.

IX. OVERSIGHT OF THIRD-PARTY SERVICE PROVIDER INVOLVED WITH CUSTOMER ACCOUNTS

If, RLECWD employs a third-party service provider to perform any activity in connection with a customer account, the Administrative Supervisor is responsible for ensuring that the activity is conducted in compliance with reasonable policies and procedures to detect, prevent and mitigate the risk of identity theft. This may be achieved by requiring that a third-party service provider has policies and procedures to detect the Red Flags identified by RLECWD, and also requiring the third-party service provider to review RLECWD's Program and agree to report any Red Flags to the Administrative Supervisor.

X. USE OF A THIRD PARTY SERVICE PROVIDER TO ASSIST IN THE IMPLEMENTATION OF THE PROGRAM

RLECWD may hire a third-party service provider in order to implement this Program. The third-party service provider may provide services such as the implementation and administration of computer software programs that detect Red Flags. If a third-party service provider is used to assist in the detection of Red Flags, the third-party service provider is required to immediately notify the Administrative Supervisor if any Red Flags are discovered.

The Administrative Supervisor is responsible for overseeing any third-party service provider in an appropriate and effective manner. The Administrative Supervisor's oversight shall include periodic meetings and/or receipt and review of periodic reports from the third-party

District Office, and on the District's website.

2.01.150 Agendas. The Secretary shall prepare the agenda for the meeting containing a brief description of each agenda item and post it at least 72 hours prior to the regular Board meeting after consultation with the President. If a Board member twenty-four (24) hours prior to the posting of the agenda requests a matter be placed on an agenda, the Secretary may include an item on that agenda to permit discussion of the matter, subject to approval by the President. Agendas for special Board meetings shall be posted at least twenty-four (24) hours prior to the meeting. The Board by majority vote, or as otherwise provided by law, may modify the agenda prior to proceeding to the consideration of the first matter. All matters shall be considered by the Board in the order listed on the agenda as posted or modified, to the extent of time available. No action may be taken on any matter which did not appear on the posted agenda except as permitted by State law. Agenda items not considered or completed at a meeting for lack of time become agenda items at the following meetings in accordance with the foregoing policies.

2.01.160 Public Comment. An item shall be placed on each regular meeting agenda labeled "Public Comment" to provide citizens with an opportunity to express views on matters not otherwise on the agenda. Whether on this agenda item or on another item, such public expression shall be subject to the rules provided herein. No person may address the Board without the permission of the presiding officer, or a majority of the quorum, or as otherwise required by law. Except as required by law, the presiding officer may not recognize anyone other than a Board member or member of the Board staff until Board members have discussed the agenda item under consideration. A person addressing the Board shall begin by offering his name and address. Each speaker shall limit his remarks to two (2) minutes, except as otherwise specifically provided for in these rules, or except as time is extended by the presiding officer with the consent of a majority. Each speaker shall avoid repetition of the remarks of prior speakers and speak only to the agenda item under consideration. Following each speaker's remarks, each Board member shall be given the opportunity to comment further and to address questions to the speaker.

2.01.170 Form of Action. The Board may act through the enactment of an ordinance whenever appropriate. A resolution shall be adopted to amend, repeal or otherwise modify the Policy Manual. Other actions may be taken in the form of a minute order.

2.01.175 Ordinances. An ordinance may be adopted at a special or regular meeting. An ordinance shall take effect immediately upon adoption, and the Secretary shall post the full text of said ordinance in the District office and publish a summary of the ordinance in a newspaper printed, published and circulated in the District at least five (5) days prior to and within fifteen (15) days after adoption of the ordinance. The latter posting and publishing shall also include the names of those directors voting for and against the ordinance.

2.01.180 Quorum; Vote Required. The majority of the Board shall constitute a quorum for the transaction of business. No ordinance, resolution, or motion shall be passed or become effective without the affirmative votes of at least a majority of the full board. An

abstention shall be recorded as an abstention and shall have the effect of a non-vote.

SECTION 2. Subchapter 2.01.400 "Compliance and Enforcement" (Sections 2.01.405 through 2.01.435) and Resolution No. 2007-02 are hereby repealed.

SECTION 3. This Resolution shall take effect immediately upon its adoption.

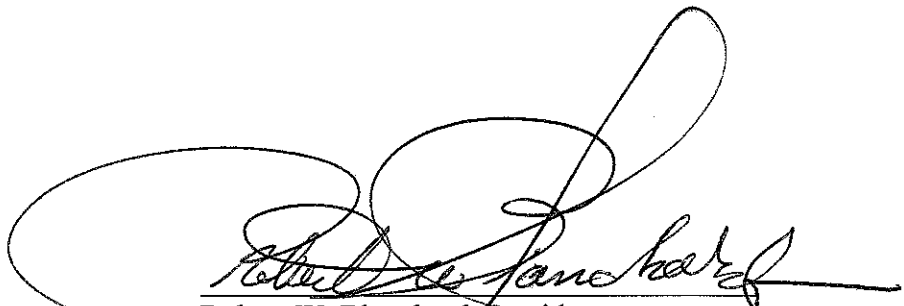
PASSED, APPROVED AND ADOPTED this 3rd day of December, 2008, by the following vote:

AYES:

NOES:


ABSENT:

ABSTAIN:

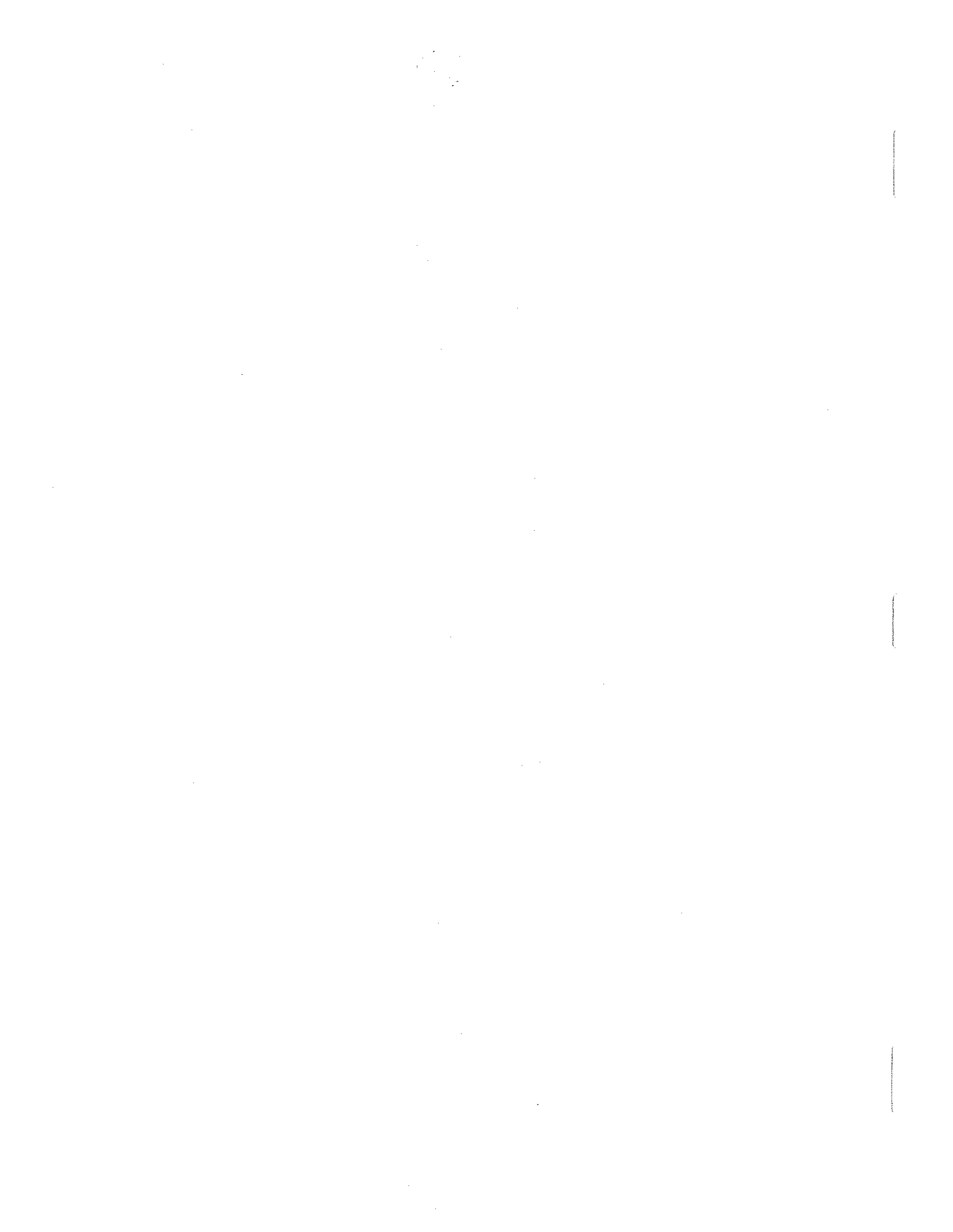


Robert W. Blanchard, President

Attest:



Clifford D. Dillon, Secretary to the Board



RESOLUTION No. 2008-09

**RESOLUTION OF THE BOARD
OF THE RIO LINDA / ELVERTA COMMUNITY
WATER DISTRICT
ADOPTING AN IDENTITY THEFT PREVENTION PROGRAM**

WHEREAS, the RLECWD is a County Water District organized and existing pursuant to the California Water Code Law, commencing with Section 30000; and

WHEREAS, the Fair and Accurate Credit Transaction Act of 2003 ("FACTA"), section 114, as implemented by the Red Flag Rules, 16 C.F.R. § 681.2, issued by the Federal Trade Commission along with other federal agencies, requires creditors of customer accounts to implement an Identity Theft Prevention Program; and

WHEREAS, RLECWD is a creditor because it provides services to customers prior to receipt of payment through customer accounts, including utility service accounts, which are maintained primarily for personal, family or household purposes and involve multiple payments or transactions, and for which there is a reasonably foreseeable risk of identity theft; and

WHEREAS, RLECWD is therefore required to implement an Identity Theft Prevention Program; and

WHEREAS, the purpose of the Identify Theft Prevention Program is to detect, prevent and mitigate identity theft in connection with all customer accounts, taking into consideration the level of risk for identity theft given the RLECWD's scope of services provided and the types of accounts; and

WHEREAS, the Identify Theft Prevention Program is created to identify patterns, practices and specific activities that indicate the possible existence of identity theft, referred to as "Red Flags," and sets forth the procedures for detecting Red Flags and responding to Red Flags when discovered; and

WHEREAS, the RLECWD Board of Directors desires to adopt and implement an Identity Theft Protection Program as required under Federal Law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of RLECWD as follows:

Section 1. Adoption of Identity Theft Prevention Program. The RLECWD hereby adopts the "Identity Theft Prevention Program" attached hereto as Exhibit "A".

Section 2. Designation of Authority. The RLECWD Board of Directors of the RLECWD authorizes the Administrative Supervisor to act on the RLECWD Board of Directors behalf to oversee the implementation and administration of the Identity Theft Prevention Program in accordance with Federal Law.

Section 3. Amending the Identity Theft Prevention Program. The Identity Theft Prevention Program may be amended from time to time by resolution of the RLECWD Board of Directors.

Section 4. Effective Date. This Resolution shall be effective as of November 10, 2008.

ADOPTED this 10th day of November, 2008, by the following vote:

AYES: (5) Blanchard, Arbios, Morris, Paine, and Harris

NOES: None


ABSENT: None

ABSTAIN: None



Robert W. Blanchard / President

ATTEST:



Secretary to the Board, Clifford D. Dillon

IDENTITY THEFT PREVENTION PROGRAM

I. PURPOSE

The Fair and Accurate Credit Transaction Act of 2003 (“FACTA”), section 114, as implemented by the Red Flag Rules, 16 C.F.R. § 681.2, issued by the Federal Trade Commission along with other federal agencies requires creditors of customer accounts to implement an Identity Theft Prevention Program. Pursuant to the regulations, Rio Linda / Elverta Community Water District (“RLECWD”) is a creditor because it provides services to customers prior to receipt of payment through customer accounts, including utility service accounts, which are maintained primarily for personal, family or household purposes and involve multiple payments or transactions, and for which there is a reasonably foreseeable risk of identity theft. Therefore, RLECWD is required to implement an Identity Theft Prevention Program.

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II. DEFINITIONS

“Red Flag” shall mean a pattern, practice or specific activity that indicates the possible existence of identity theft as defined in the Red Flag Rules, and as specifically enumerated in Section 5. 16 C.F.R. § 681.2.

“Identity theft” shall mean a fraud committed or attempted using the personal identifying information of another person without his/her authority. 16 C.F.R. 603.2 (a).

“Customer account” shall mean a utility service account or other account provided by RLECWD that constitutes a “covered account” under the Red Flag Rules.

“Personal identifying information” shall mean information that may be used to identify a specific person, including, but not limited to, a social security number, date of birth, government issued driver’s license or identification number, government passport number, unique biometric data such as fingerprints or physical appearance, any unique electronic identification number, telephone number or address.

III. DESIGNATION OF AUTHORITY

The Board of RLECWD designates the authority to develop, oversee, implement and administer the Program to the Administrative Supervisor.

As part of the Administrative Supervisor's oversight responsibilities for the Program, the Administrative Supervisor is required to review and approve all material changes to the Program as necessary to address changing identity theft risks. The Administrative Supervisor is also responsible for reviewing reports prepared by RLECWD's staff regarding RLECWD's compliance with FACTA and the Red Flag Rules requiring the implementation of an Identity Theft Prevention Program.

IV. COMPLIANCE REPORTS TO BE PREPARED BY RLECWD STAFF

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- (a) The effectiveness of the RLECWD's policies and procedures to address the risk of identity theft in connection with opening customer accounts, as well as with existing accounts. This includes identifying any issues related to identifying, detecting and responding to Red Flags;
- (b) Third-party service provider arrangements;
- (c) Significant incidents of identity theft or Red Flag detection, and RLECWD's responses to those incidents;
- (d) Recommendations for material changes to the program to ensure that customer accounts are adequately protected from the risk of identity theft.

The reports should be prepared at least annually for review by the Administrative Supervisor and/or the Board.

V. RED FLAGS IDENTIFIED BY RLECWD

In identifying the Red Flags applicable to RLECWD's customer accounts, RLECWD considered the following risk factors:

- (a) The types of accounts RLECWD maintains;
- (b) The methods RLECWD provides to open customer accounts;
- (c) The methods RLECWD provides to access to customers' accounts;

- (d) RLECWD's previous experiences with identity theft in connection with the customer accounts.

The Red Flags identified in this Program have been incorporated from sources, which include supervisory guidance, past incidents of identity theft, and changes in methods of identity theft risk.

RLECWD's Identified Red Flags are as Follows:

Alerts, notifications or other warnings received from consumer reporting agencies or service providers providing fraud protection services:

- Fraud or active duty alerts from consumer reports.
- Notice of a credit freeze from a consumer reporting agency in response to request for a consumer report.
- Notice of address discrepancy provided by a consumer reporting agency.
- A consumer report indicates a pattern of activity that is inconsistent with the history or usual pattern of activity of a customer or applicant.
- Recent significant increase in the volume of inquiries of the customer's credit.
- Unusual number of recently established credit relationships.
- A material change in the use of credit, especially in regards to credit relationships recently established.
- A customer had an account with RLECWD or any other creditor that was closed for cause or identified for abuse of account privileges.

Suspicious Documents:

- Documents used for identification purposes appear to have been altered or forged.
- The photograph or physical description on the identification documents do not match the appearance of the person presenting the identification.
- Other information in identification documents does not match the information provided by the individual presenting the identification documents.
- Other information in the identification documents does not match the information on file with RLECWD.

- The application to open the account appears to have been forged, altered, or gives the appearance of having been destroyed and reassembled.

Suspicious Personal Identifying Information:

- Personal information provided is inconsistent with information provided by an external source, for example where the address provided does not match the address contained in a consumer report.
- Personal identifying information is inconsistent with other personal identifying information provided by the customer, such as a date of birth and the social security number range that do not correlate.
- Personal identifying information provided is associated with known fraudulent activity, as indicated by internal or third-party sources, such as the address or phone number on an application was previously provided on another fraudulent application.
- Personal identifying information is of a type commonly associated with fraudulent activity, as indicated by internal or third-party sources, such as a fictitious address, or an invalid phone number.
- The social security number provided is the same as the social security number of another applicant attempting to open an account or an existing customer.
- The address or telephone number provided is the same as other individuals attempting to open an account or existing customers.
- The individual opening the account cannot provide all of the required personal identifying information for an application.
- Personal identifying information is inconsistent with the information provided by the customer on file with RLECWD.
- Where challenge questions are used by RLECWD to verify the identity of an individual, the individual claiming to be the customer cannot answer challenge questions correctly.

Unusual Use of or Other Suspicious Activity Related a Customer Account:

- Shortly after receiving a notice of change of address for the account, RLECWD receives a request to add another name to the account.
- A new account is used in a manner commonly associated with known patterns of fraud, such as a first payment is made, and then no subsequent payments are made.

- An account is used in a manner inconsistent with the established pattern of activity for the account, such as a nonpayment where there was never been a late or missed payment.
- An inactive account becomes active.
- Mail sent to the customer is returned repeatedly.
- RLECWD is notified that a customer is not receiving his/her paper account statements.
- RLECWD is notified of unauthorized transactions on a customer's account.

Notice of Possible Identity Theft:

- RLECWD is notified by a customer of possible identity theft in connection with his/her account.
- RLECWD is notified by a victim of identity theft of possible identity theft in connection with a customer account.
- RLECWD is notified by law enforcement of possible identity theft in connection with a customer account.
- RLECWD is notified by others of possible identity theft in connection with a customer account.

VI. PROCEDURES FOR DETECTING RED FLAGS

The following procedures are being implemented by RLECWD's to detect the Red Flags identified with opening of accounts and existing accounts identified above:

- (a) Obtain personal identifying information of an individual to verify his/her identity prior to opening an account.
- (b) Authenticate the identity of customers when they are requesting information about their accounts.
- (c) Authenticate the identity of customers when they are requesting to make any changes to their accounts.
- (d) Verify the validity of all billing address change requests.
- (e) Conduct a credit check when opening a new account.

- (f) Monitor transactions.
- (g) Verify all requests to change banking information used for payment purposes.

Members of RLECWD's staff will be assigned and trained to detect Red Flags.

In addition, RLECWD may employ the services of a third party service provider and/or utilize computer software programs to assist in detecting Red Flags.

VII. PROCEDURES FOR RESPONDING TO RED FLAGS

In order to prevent and mitigate identity theft, and after taking into consideration the risks of identity theft applicable to the customer accounts, RLECWD implements the following procedures to respond to all Red Flags that are discovered. One or more of these procedures will be used each time a Red Flag is detected:

- (h) Monitor accounts for evidence of identity theft.
- (i) Contact the Customer.
- (j) Change or add a password, security code or other device that provide access to the account.
- (k) Reopen an account with a new account number.
- (l) Close an existing account.
- (m) Not open a new account.
- (n) Not selling an account to a debt collector.
- (o) Not attempting to collect on an account.
- (p) Notify law enforcement.
- (q) Determine that no response is warranted given the particular circumstances.
- (r) Ask the customer to appear in person with government issued identification.
- (s) Require a deposit to be paid before providing service.
- (t) Do not provide account information to anyone other than the account holder, or other individual authorized by the account holder.
- (u) Update all account information.
- (v) Deactivate payment method, such as a credit card registered for online payment.

- (w) Connect or disconnect service.
- (x) Initiate an investigation.

In addition to any of the actions above, the Administrative Supervisor will be notified of any Red Flags discovered.

VIII. TRAINING OF STAFF

RLECWD staff that will be directly involved with opening customers' account or servicing customer accounts in a manner that would place them in a position to detect Red Flags, or allow them access to customers' private information shall be trained to detect Red Flags and appropriately respond when Red Flags are discovered. RLECWD's staff participation is crucial to the effective implementation of this Program.

The Administrative Supervisor will oversee all staff training to ensure that training is adequate to ensure effective implementation of the Program.

IX. OVERSIGHT OF THIRD-PARTY SERVICE PROVIDER INVOLVED WITH CUSTOMER ACCOUNTS

If, RLECWD employs a third-party service provider to perform any activity in connection with a customer account, the Administrative Supervisor is responsible for ensuring that the activity is conducted in compliance with reasonable policies and procedures to detect, prevent and mitigate the risk of identity theft. This may be achieved by requiring that a third-party service provider has policies and procedures to detect the Red Flags identified by RLECWD, and also requiring the third-party service provider to review RLECWD's Program and agree to report any Red Flags to the Administrative Supervisor.

X. USE OF A THIRD PARTY SERVICE PROVIDER TO ASSIST IN THE IMPLEMENTATION OF THE PROGRAM

RLECWD may hire a third-party service provider in order to implement this Program. The third-party service provider may provide services such as the implementation and administration of computer software programs that detect Red Flags. If a third-party service provider is used to assist in the detection of Red Flags, the third-party service provider is required to immediately notify the Administrative Supervisor if any Red Flags are discovered.

The Administrative Supervisor is responsible for overseeing any third-party service provider in an appropriate and effective manner. The Administrative Supervisor's oversight shall include periodic meetings and/or receipt and review of periodic reports from the third-party

service provider regarding what services are being provided, any Red Flags that have been detected, and any possible modifications to the services provided to increase the effectiveness.

XI. PERIODIC IDENTIFICATION OF CUSTOMER ACCOUNTS

The Administrative Supervisor will periodically review the types of accounts it maintains for customers to determine which are “covered accounts” under the Red Flag Rules, and therefore are subject to this Program.

XII. PERIODIC UPDATE OF THE PROGRAM

This Program shall be updated periodically to ensure that the identified Red Flags, the procedures to detect Red Flags, and the responses to the Red Flags when discovered adequately protect customers from identity theft. The updating of the Program should take into consideration any changes in the customers’ level of risk of identity theft by looking at the following factors:

- (a) RLECWD’s recent experiences with identity theft in connection with the customer accounts.
- (b) Changes in methods of identity theft.
- (c) Changes in methods of detecting, preventing and mitigating identity theft.
- (d) Changes in the types of customer accounts offered.
- (e) Changes in arrangements with any third-party service providers involved in the implementation of the Program.

RLECWD staff or the Administrative Supervisor may recommend modifications to the Program. However, any modification to the Program may not be implemented unless first approved by the Board.

RESOLUTION NO. 2008-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT AMENDING THE POLICY MANUAL

WHEREAS, the Rio Linda/Elverta Community Water District ("District") Board of Directors reviewed Subchapter 2.01.100 "Board Proceedings," adopted by Resolution No. 1996-02-01 and Subchapter 2.01.400 "Compliance and Enforcement," adopted by Resolution No. 2007-02, at its regular meeting on November 10, 2008; and

WHEREAS, the Board of Directors now wishes to amend and/or repeal the above-referenced subchapters of the Policy Manual.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT DOES HEREBY RESOLVE:

SECTION 1. Subchapter 2.01.100 "Board Proceedings," adopted by Resolution No. 1996-02-01, is hereby amended to read, in its entirety, as follows:

2.01.100 BOARD PROCEEDINGS

2.01.110 Regular Meetings. The regular meeting of the Board of Directors shall be held on the second Monday of each month at 7:00 p.m. at the Depot/Visitor Center at 6730 Front Street, Rio Linda..

2.01.120 Ralph M. Brown Act. The Board shall hold its meeting in the manner required by the Ralph M. Brown Act. (See CA Gov. Code § 54950 et. seq.)

2.01.130 Meetings to be Informal; Robert's Rules of Order. It is the intent of the Board that meetings shall remain as informal as reasonably possible consistent with the business needs of the District. Failure to comply with these rules shall not invalidate an otherwise lawful action of the Board. Nevertheless, whenever the President, or a majority of the Board, deems it necessary for the orderly conduct of business, formal proceedings may be initiated. In such case, the meeting shall be conducted pursuant to Robert's Rules of Order except as otherwise provided in this Chapter.

2.01.140 Posting Notice. Notices and other items required to be posted by law or Board direction shall be posted on the bulletin board at 810 Oak Lane, in the window of the

District Office, and on the District's website.

2.01.150 Agendas. The Secretary shall prepare the agenda for the meeting containing a brief description of each agenda item and post it at least 72 hours prior to the regular Board meeting after consultation with the President. If a Board member twenty-four (24) hours prior to the posting of the agenda requests a matter be placed on an agenda, the Secretary may include an item on that agenda to permit discussion of the matter, subject to approval by the President. Agendas for special Board meetings shall be posted at least twenty-four (24) hours prior to the meeting. The Board by majority vote, or as otherwise provided by law, may modify the agenda prior to proceeding to the consideration of the first matter. All matters shall be considered by the Board in the order listed on the agenda as posted or modified, to the extent of time available. No action may be taken on any matter which did not appear on the posted agenda except as permitted by State law. Agenda items not considered or completed at a meeting for lack of time become agenda items at the following meetings in accordance with the foregoing policies.

2.01.160 Public Comment. An item shall be placed on each regular meeting agenda labeled "Public Comment" to provide citizens with an opportunity to express views on matters not otherwise on the agenda. Whether on this agenda item or on another item, such public expression shall be subject to the rules provided herein. No person may address the Board without the permission of the presiding officer, or a majority of the quorum, or as otherwise required by law. Except as required by law, the presiding officer may not recognize anyone other than a Board member or member of the Board staff until Board members have discussed the agenda item under consideration. A person addressing the Board shall begin by offering his name and address. Each speaker shall limit his remarks to two (2) minutes, except as otherwise specifically provided for in these rules, or except as time is extended by the presiding officer with the consent of a majority. Each speaker shall avoid repetition of the remarks of prior speakers and speak only to the agenda item under consideration. Following each speaker's remarks, each Board member shall be given the opportunity to comment further and to address questions to the speaker.

2.01.170 Form of Action. The Board may act through the enactment of an ordinance whenever appropriate. A resolution shall be adopted to amend, repeal or otherwise modify the Policy Manual. Other actions may be taken in the form of a minute order.

2.01.175 Ordinances. An ordinance may be adopted at a special or regular meeting. An ordinance shall take effect immediately upon adoption, and the Secretary shall post the full text of said ordinance in the District office and publish a summary of the ordinance in a newspaper printed, published and circulated in the District at least five (5) days prior to and within fifteen (15) days after adoption of the ordinance. The latter posting and publishing shall also include the names of those directors voting for and against the ordinance.

2.01.180 Quorum; Vote Required. The majority of the Board shall constitute a quorum for the transaction of business. No ordinance, resolution, or motion shall be passed or become effective without the affirmative votes of at least a majority of the full board. An

abstention shall be recorded as an abstention and shall have the effect of a non-vote.

SECTION 2. Subchapter 2.01.400 "Compliance and Enforcement" (Sections 2.01.405 through 2.01.435) and Resolution No. 2007-02 are hereby repealed.

SECTION 3. This Resolution shall take effect immediately upon its adoption.

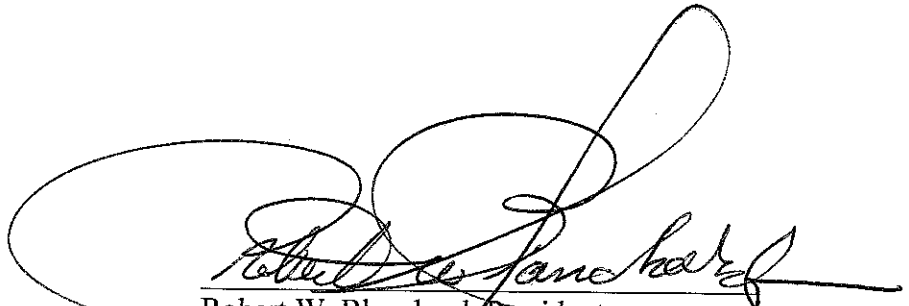
PASSED, APPROVED AND ADOPTED this 3rd day of December, 2008, by the following vote:

AYES:

NOES:


ABSENT:

ABSTAIN:



Robert W. Blanchard, President

Attest:



Clifford D. Dillon, Secretary to the Board

August 21, 2008

RESOLUTION NO. 2008-07

**A RESOLUTION AUTHORIZING THE GENERAL MANAGER
TO ACT ON BEHALF OF THE RIO LINDA / ELVERTA
COMMUNITY WATER DISTRICT REGARDING THE
STATE REVOLVING FUND**

WHEREAS, the District qualifies for the State of California, Health and Human Services Agency, Department of Public Health, Safe Drinking Water State Revolving Fund; and

WHEREAS, the District shall submit an application with supporting documentation including a Resolution appointing an authorized representative, the General Manager; and

NOW, THEREFORE BE IT RESOLVED, that General Manager, Clifford D. Dillon is appointed as authorized representative to act on behalf of Rio Linda / Elverta Community Water District for all fiduciary and administrative requirements of the State of California, Department of Public Health, Safe Drinking Water State Revolving Fund.

All distributions shall be made pursuant to District policy (i.e. all checks require two authorized signatures).

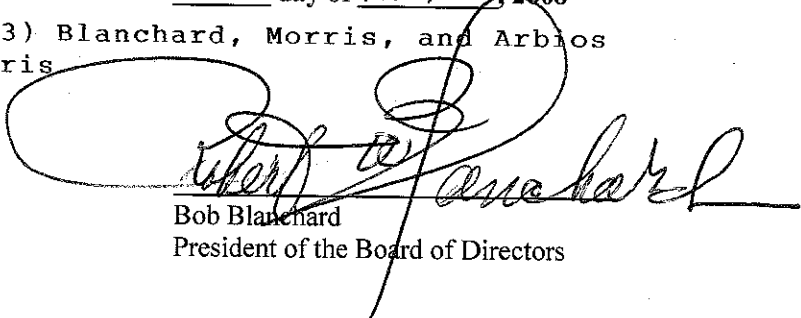
ADOPTED, SIGNED AND APPROVED this 21st day of AUGUST, 2008

AYES, in favor hereof: (3) Blanchard, Morris, and Arbios

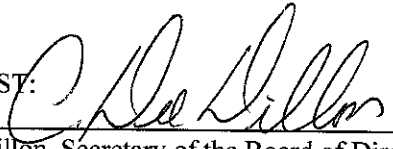
NOES: (2) Paine and Harris

ABSTAIN: None

ABSENT: None


Bob Blanchard
President of the Board of Directors

ATTEST:


Dee Dillon, Secretary of the Board of Directors

RESOLUTION 2008-06

A RESOLUTION OF CENSURE ADOPTED BY THE BOARD OF DIRECTORS OF THE RIO LINDA-ELVERTA COMMUNITY WATER DISTRICT REGARDING THE CONDUCT OF MARY HARRIS

WHEREAS, the Rio Linda-Elverta Community Water District ("District") is a county water district organized under the California Water Code; and

WHEREAS, Mary Harris is a member of the District Board of Directors ("Board"); and

WHEREAS, on April 16, 2007, the Board adopted Resolution No. 2007-02 adding Section 2.01.400 to the District Policy Manual setting forth a procedure to censure board members for misconduct or failure to meet the standards of conduct set forth in the Policy Manual; and

WHEREAS, at the Board meeting on May 27, 2008, at the request of President Blanchard, a majority of the Board directed that a hearing be scheduled to consider whether Mary Harris should be censured for misconduct; and

WHEREAS, the Board conducted a censure hearing at its June 9, 2008, meeting, and upon its conclusion directed that a resolution of censure declaring the Board's disapproval and disavowal of Mary Harris' conduct be prepared for the Board's consideration and adoption; and

WHEREAS, the Board has determined that this action is necessary and prudent to prevent future conduct of this nature.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE DISTRICT DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

The Board finds that Mary Harris has engaged in the following unauthorized and unacceptable conduct:

1. **Reporting to the County Sheriff of an Unsubstantiated Incident Involving the General Manager** Director Harris made a report to the County Sheriff alleging that General Manager Dillon committed attempted battery by throwing a water bottle at her on the evening of March 10, 2008. The incident allegedly took place after the board meeting at approximately 10:30 p.m. Both Mr. Dillon and Roger Putty, an individual who was also present, have contradicted Director Harris' representation of the incident. Director Harris has not presented any evidence to support the report. Accordingly, the Sheriff's office has not pursued the matter beyond an initial investigation. Director Harris' accusation of criminal activity by the General Manager, which is unsubstantiated

by witnesses or other evidence, violates the following section of the District's Code of Ethics:

2.01.085(k) Directors should develop a working relationship with the General Manager wherein current issues, concerns and District project can be discussed comfortably and openly.

More generally, the report accusing the General Manager of criminal activity, unsupported by any evidence, is unethical and unprofessional.

2. **Refusal to Leave a Closed Session in Which She Had an Economic Interest, Despite Direction from Legal Counsel and the Board of Directors.** During a closed session meeting of the board of directors on May 12, 2008, Director Harris refused to leave the room during a discussion on potential litigation in which she had an economic interest, after both legal counsel and the board of directors directed her to recuse herself. This conduct violates Government Code Section 87100 of the Political Reform Act, which provides as follows:

Gov't. Code §87100 No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.

This conduct also violates the following sections of the District's Code of Ethics:

2.01.085(i) Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action Directors should commit to supporting such action and not to create barriers to the implementation of said action.

2.01.085(j) The work of the District is a team effort. All individuals should work together in the collaborative process, assisting each other in conducting the affairs of the District.


The Board hereby censures Mary Harris for the conduct described herein and expresses the strongest possible disapproval and disavowal thereof.

ADOPTED, SIGNED AND APPROVED this 3 day of June, 2008

AYES: Blanchard, Morris, Arbias
NOES: Paine
ABSTAIN: HARRIS
ABSENT:


Bob Blanchard
President of the Board of Directors

ATTEST:


Dee Dillon, Secretary of the Board of Directors

May 12, 2008

RESOLUTION NO. 2008-05
A RESOLUTION PROVIDING WORKERS COMPENSATION INSURANCE FOR
VOLUNTEER PERSONNEL

WHEREAS, this Board desires to provide Workers' Compensation Insurance benefits for persons authorized by the District to perform volunteer services for the District, and

WHEREAS, the Legislature of the State of California has provided through legislation (Labor Code Section 3363.5) authorization for the inclusion of such coverage in the District's workers' compensation insurance policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Rio Linda/Elverta Community Water District hereby adopts the policy that an unpaid person authorized to perform volunteer service for the District shall be deemed to be an employee of the District for the purposes of Workers' Compensation Insurance benefits provided for by law for any injury or illness sustained by them while engaged in the performance of services for the District under its direction and control.

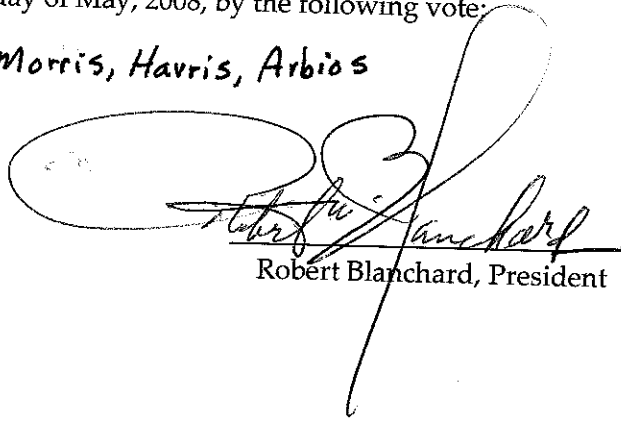
PASSED AND ADOPTED on this 12th day of May, 2008, by the following vote:

AYES, in favor hereof: *Blanchard, Morris, Harris, Arbio*

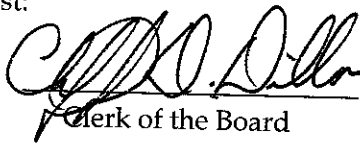
NOES:

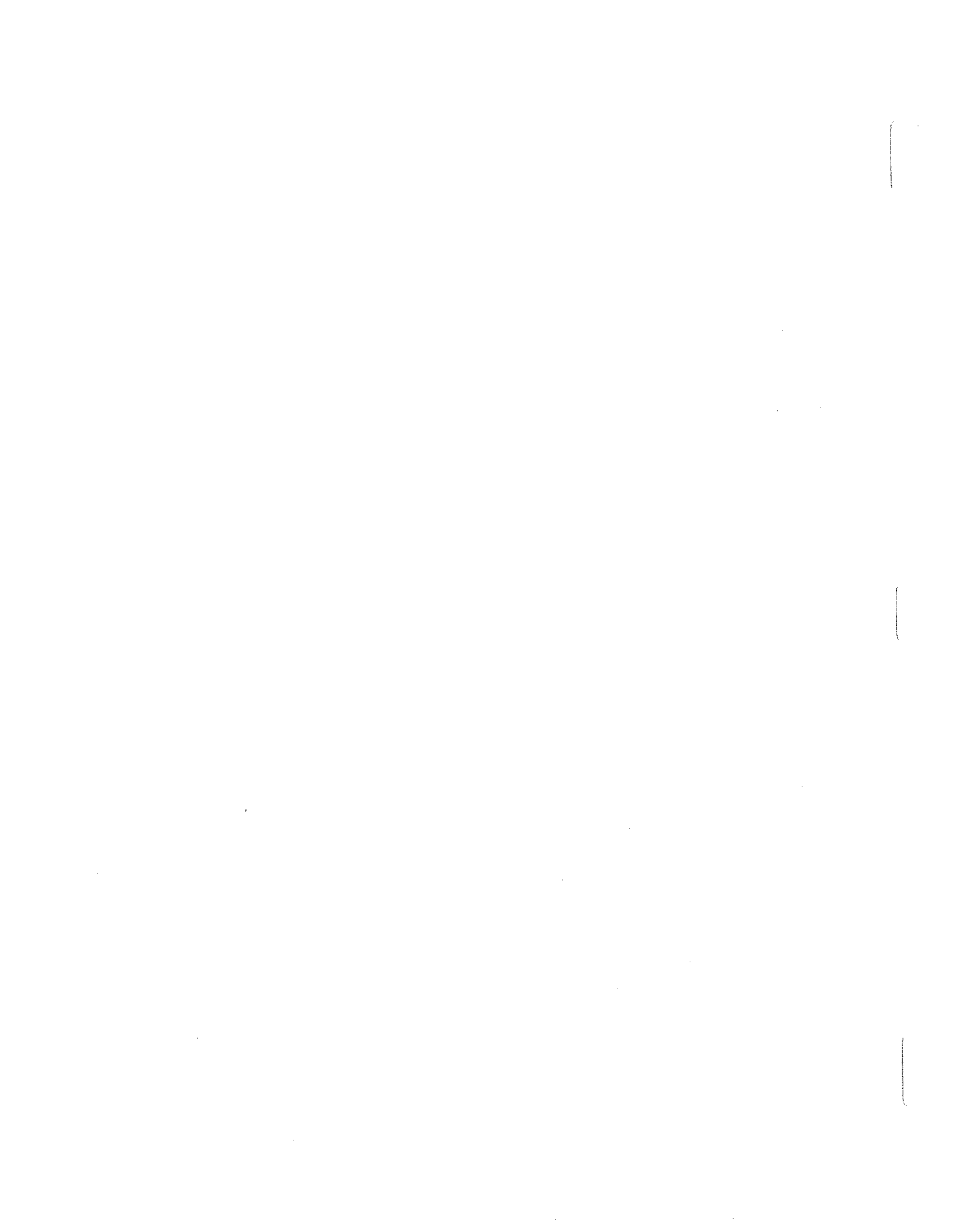
ABSTAIN:

ABSENT: *Paine*


Robert Blanchard, President

Attest:


Clerk of the Board



RESOLUTION NO. 2008-04
A RESOLUTION CALLING THE 2008 GENERAL DISTRICT ELECTION

WHEREAS, an election will be held within the Rio Linda / Elverta Community Water District on November 4, 2008 for the purpose of electing three directors; and

WHEREAS, a statewide general election will be held within the County of Sacramento on the same date; and

WHEREAS, Election Code §10403 requires jurisdictions to file with the Board of Supervisors, and a copy with the Registrar of Voters, a resolution requesting consolidation with a statewide election.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Rio Linda / Elverta Community Water District as follows:

1. The District hereby requests the Board of Supervisors of Sacramento County to consolidate the regularly scheduled General District Election with the statewide election to be held November 4, 2008.
2. The election notice shall be combined with all other Special Districts for publication purposes.
3. Candidates for Director at said election are to prepay the District for the publication of the candidate's statement, pursuant to Election Code §13307.
4. The limitation on the number of words that a candidate may use in his or her candidate's statement shall be 200 words.
5. The District hereby agrees to reimburse the Registrar of Voters for actual costs accrued, such costs to be calculated by the method set forth in the County's current Election Cost Allocation Procedures.

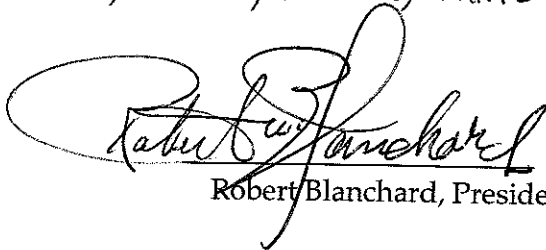
PASSED AND ADOPTED on this 14th day of April, 2008, by the following vote:

AYES, in favor hereof: (5) Blanchard, Morris, Harris, Arbias, Paine

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE


Robert Blanchard, President

Attest:


Clerk of the Board



RESOLUTION NO. 2008-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT ADOPTING A POLICY FOR THE RETENTION OF ELECTRONIC MAIL

WHEREAS, the Rio Linda/Elverta Community Water District ("District") is required, pursuant to the California Public Records Act (codified as Government Code section 6250 *et seq.*) to provide, upon request, a copy of certain identifiable public records, as defined by Government Code section 6252, subdivision (e), which contain "information relating to the conduct of the public's business prepared, owned, used or retained" by the District, regardless of physical form or characteristics; and

WHEREAS, the District recognizes a need to establish a policy for managing the retention of electronic mail that relates to the District's business and qualifies as a public record; and

WHEREAS, the General Counsel and District Staff have prepared the "Rio Linda/Elverta Community Water District Retention of Electronic Mail (Email) Policy" ("Policy"), which is attached hereto as Exhibit "A" and incorporated herein by this reference, for consideration and adoption by the Board of Directors; and

WHEREAS, the Policy complies with the provisions of the California Public Records Act; and

WHEREAS, the establishment of the Policy will facilitate the orderly and efficient retention and destruction of, and access to, the District's electronic mail.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT DOES HEREBY RESOLVE:

SECTION 1. The Board of Directors hereby approves and adopts the "Rio Linda/Elverta Community Water District Retention of Electronic Mail (Email) Policy," attached hereto as Exhibit "A."

SECTION 2. The Secretary to the Board of Directors shall certify to the adoption of this Resolution.

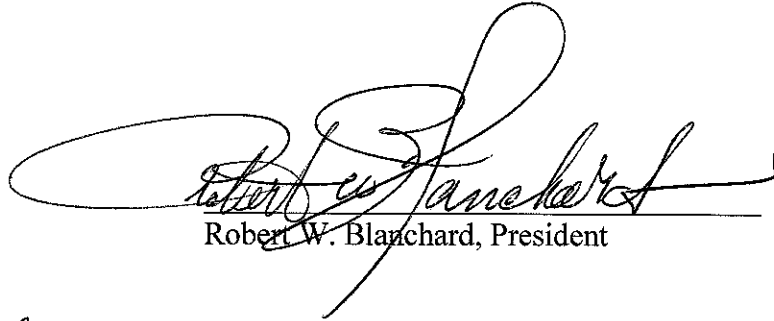
SECTION 3. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 14th day of April, 2008.

AYES, in favor hereof: (5) Blanchard, Morris, Harris, Arbios, Paine
NOES: NONE


ABSTAIN: NONE

ABSENT: NONE



Robert W. Blanchard, President

Attest:



Secretary to the Board

EXHIBIT "A"

"RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT RETENTION OF
ELECTRONIC MAIL (EMAIL) POLICY"

[Attached behind this page]

March 10, 2008

RESOLUTION NO. 2008-02

**A RESOLUTION OF CENSURE
ADOPTED BY THE BOARD OF DIRECTORS OF
THE RIO LINDA-ELVERTA COMMUNITY WATER DISTRICT
REGARDING THE CONDUCT OF MARY HARRIS**

WHEREAS, the Rio Linda-Elverta Community Water District ("District") is a county water district organized under the California Water Code; and

WHEREAS, Mary Harris is a member of the District Board of Directors ("Board"); and

WHEREAS, on April 16, 2007, the Board adopted Resolution No. 2007-02 adding Section 2.01.400 to the District Policy Manual setting forth a procedure to censure board members for misconduct or failure to meet the standards of conduct set forth in the Policy Manual; and

WHEREAS, at the Board meeting on November 19, 2007, at the request of Director Zack Arbios, a majority of the Board directed that a hearing be scheduled to consider whether Mary Harris should be censured for misconduct; and

WHEREAS, the Board conducted a censure hearing at its January 28, 2008, meeting, and upon its conclusion directed that a resolution of censure declaring the Board's disapproval and disavowal of Mary Harris' conduct be prepared for the Board's consideration and adoption; and

WHEREAS, the Board has determined that this action is necessary and prudent to prevent future conduct of this nature.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE DISTRICT DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

The Board finds that Mary Harris has engaged in the following unauthorized and unacceptable conduct:

1. At the February 26, 2007 Board meeting, Mary Harris participated in a decision in which she had a financial interest (voting to approve reimbursement of expenses incurred by her for attendance at an unauthorized meeting).

2. The Board declares that Mary Harris is not authorized to represent, take action, or speak for or on behalf of either the Board or the District under any circumstances unless formally authorized to do so by a majority of the Board.


ADOPTED, SIGNED AND APPROVED this 10th day of MARCH, 2008

AYES, in favor hereof; (3) Blanchard, Arbios, and Morris

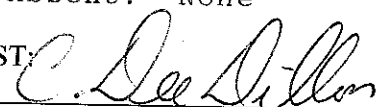
NOES: (1) Paine

Abstain: (1) Harris

Absent: None


Bob Blanchard
President of the Board of Directors

ATTEST:


Dee Dillon, Secretary of the Board of Directors

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March 10, 2008

RESOLUTION NO. 2008-01

**A RESOLUTION OF CENSURE
ADOPTED BY THE BOARD OF DIRECTORS OF
THE RIO LINDA-ELVERTA COMMUNITY WATER DISTRICT
REGARDING THE CONDUCT OF ZACK ARBIOS**

WHEREAS, the Rio Linda-Elverta Community Water District ("District") is a county water district organized under the California Water Code; and

WHEREAS, Zack Arbios is a member of the District Board of Directors ("Board"); and

WHEREAS, on April 16, 2007, the Board adopted Resolution No. 2007-02 adding Section 2.01.400 to the District Policy Manual setting forth a procedure to censure board members for misconduct or failure to meet the standards of conduct set forth in the Policy Manual; and

WHEREAS, at the Board meeting on November 19, 2007, at the request of Director Mary Harris, a majority of the Board directed that a hearing be scheduled to consider whether Zack Arbios should be censured for misconduct; and

WHEREAS, the Board conducted a censure hearing at its January 28, 2008, meeting, and upon its conclusion directed that a resolution of censure declaring the Board's disapproval and disavowal of Zack Arbios' conduct be prepared for the Board's consideration and adoption; and

WHEREAS, the Board has determined that this action is necessary and prudent to prevent future conduct of this nature.

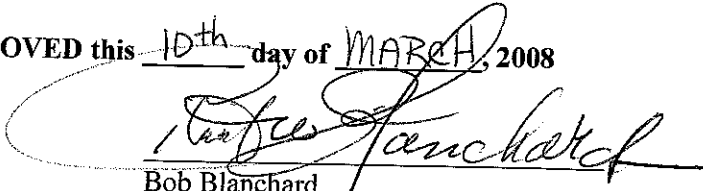
NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE DISTRICT DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

1. The Board finds that Zack Arbios has engaged in the following unauthorized and unacceptable conduct:


Zack Arbios has not always valued the opinions of other directors, a violation of Section 2.01.085(b): "The dignity, style, values and opinions of each Director should be respected."

2. The Board hereby censures Zack Arbios for the conduct described herein and expresses the strongest possible disapproval and disavowal thereof.

ADOPTED, SIGNED AND APPROVED this 10th day of MARCH, 2008


Bob Blanchard
President of the Board of Directors

ATTEST:


Dee Dillon, Secretary of the Board of Directors

