

**RESOLUTION NO. 2003-07**

**A RESOLUTION ADOPTING THE WATER MASTER  
PLAN - 2003 REVISION AND NEGATIVE  
DECLARATION**

**WHEREAS**, in 1998 the County of Sacramento adopted a new Community Plan and General Plan Amendment establishing new land uses within the boundaries of the Rio Linda/Elverta Community Water District; and,

**WHEREAS**, in 2000 the Sacramento Area Water Forum Agreement was signed establishing the projected sources of water to serve development through the year 2030, including development within the District; and,

**WHEREAS**, the District engaged the services of the engineering firm of Camp, Dresser and McKee to prepare a *Water Master Plan* for the District based upon the new Community Plan and the Water Forum Agreement; and,

**WHEREAS**, the Board of Directors on February 26, 2001 held a public hearing on the *Water Master Plan* and Negative Declaration on the *Water Master Plan* and adopted said *Water Master Plan* and Negative Declaration; and

**WHEREAS**, the *Water Master Plan* needs to be revised in order to update project priorities, to address approximately 177 acres adjacent to the District that is not currently being served by any water purveyor, to address new water quality standards and to provide for a conjunctive use water supply as a result of Sacramento County PF-8 requirements as they apply to the Elverta Specific Plan; and

**WHEREAS**, the Board of Directors held a public workshop on the *Water Master Plan - 2003 Revision* on June 18, 2003; and

**WHEREAS**, on July 21, 2003 further discussions about the *Water Master Plan - 2003 Revision* took place during a noticed public meeting and a "Public Hearing" for adoption of said plan and the negative declaration was scheduled for August 18, 2003; and



**WHEREAS**, notice of said "Public Hearing" was advertised in the local newspaper and the Negative Declaration was circulated for a period of 20 days concluding on August 12, 2003; and

**WHEREAS**, the Board of Directors have reviewed the revisions to the master plan and the environmental determination in the negative declaration and now wish to adopt a revised master plan and negative declaration.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Rio Linda/Elverta Community Water District that the *Water Master Plan* dated November 2000 is hereby revised to delete the current "Section 7" in its entirety and substituting in its place the "New Section 7" provided as the attached "Exhibit A" and to be called the "*Water Master Plan - 2003 Revision*"; and

**AND BE IT FURTHER RESOLVED** that the "Negative Declaration" for the *Water Master Plan - 2003 Revision* provided as the attached "Exhibit B" is hereby approved and adopted.

**INTRODUCED AND ADOPTED** on this 18th day of August 2003, by the following vote:

AYES, in favor hereof: GRIFFIN, WICKHAM, BLANCHARD, CATER

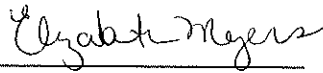
NOES: HARRIS

ABSTAIN: NONE

ABSENT: NONE

  
\_\_\_\_\_  
Doug Cater  
President, Board of Directors

Attest:

  
\_\_\_\_\_  
Elizabeth Meyers  
Clerk of the Board



**EXHIBIT A  
TO RESOLUTION 2003-07**

**RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT  
MASTER PLAN - 2003 REVISION**

**Introduction**

This document has been prepared as an amendment to the Rio Linda/Elverta Community Water District (District); *Water Master Plan*, November 2000 (hereafter, Master Plan). This document is titled the, *Master Plan - 2003 Revision*," (hereafter, 2003 Revision).

A review of development since the Master Plan adoption in 2000 indicates that little significant development has occurred. What development has occurred has been smaller sized projects that are "in-filling" within developed areas. Larger residential projects anticipated by the Master Plan are still expected but have not yet been constructed. The large industrial water user that was anticipated in the Master Plan has not proceeded and is not expected to develop their project.

While the proposed land uses have not changed within the District, changes in the water management within the District and region warrant preparing an update to the Master Plan. This 2003 Revision also allows the District to be more active in the planning and eventual delivery of surface water to the Elverta Specific Plan area, as required by the conditions of approval of the Elverta Specific Plan.

**Background**

This 2003 Revision has been prepared to reflect the changes affecting the District that have occurred since the adoption of the Master Plan.

- The changes due to development have been minor.
- The population has not increased significantly.
- Demand for water has grown slightly. The growth in demand is not as rapid as anticipated by the Master Plan.
- Buildout conditions have not changed significantly with the exception of the large industrial water demand anticipated by the Master Plan. Promoters of that project have withdrawn the project from the permitting process and that project is no longer expected to be developed.

Based upon the above conditions the 2003 Revision has been prepared based upon the same projections of population and water demands for buildout as anticipated in the Master Plan. The significant difference is that growth has been slower than projected. The buildout population and demands are expected to be similar to the projections in the Master Plan. Buildout will take a longer time to occur unless the pace of development increases. Buildout is now expected to occur in 2035.

Because the projected population, land use, and water demand at buildout have not changed, a major revision of the Master Plan is not warranted. As addressed by the existing Master Plan, the Study Area, Existing Water System, Land Uses, Population and Housing Projections, all remain valid. Water Demands and peaking factors also remain valid.

Phasing of Demands is observed to be occurring at a slower rate than expected by the Master Plan. The change in this condition does warrant some review and re-prioritizing of the improvements or adjusting of the time frame for implementation of improvements.

Regional supply conditions have changed to some degree. The Master Plan provided for groundwater to be the District's source of supply with the exception of surface water required for the Elverta Specific Plan area. Development, by several water agencies, of a regional transmission pipeline, and future capability of that pipeline to deliver surface water to the District from either the Sacramento River or the American River is expected to occur in the foreseeable future. The District foresees benefits in regards to water supply reliability and water quality that could be provided by planning for these facilities. This 2003 Revision to the Master Plan anticipates planning for participation in the regional transmission pipeline.

Groundwater Supply conditions have not changed significantly. However the regional efforts to develop conjunctive management of groundwater and surface water to provide a reliable supply to users of water in the region have moved ahead. The information in the Groundwater Supply section of the Master Plan is still considered valid with the exception that the water quality standards for drinking water have changed. The most significant change in the standards is the change of the maximum contaminant level (MCL) for Arsenic from 50 parts per billion (ppb) to 10 ppb. The Arsenic MCL of 10 ppb goes into effect in 2006. This MCL may be set even lower by the State. The State is considering a limit of 5 ppb. Because of the changes in the Arsenic MCL the 2003 Revision includes improvement projects to provide removal of arsenic for three existing wells.

Hydraulic Modeling and Analysis Criteria have not changed significantly from the Master Plan. No new work has been performed on these aspects of the master plan. During Phase 1-B of the capital improvement plan in the 2003 Revision, planning and modeling will be performed for the Elverta Specific Plan area. The results of this planning effort will be incorporated into the distribution system improvements.

The Well Capacity and Storage Analysis have not been altered at this time. During Phase 1-B of the 2003 Revision, preliminary design and analysis for storage facilities will be conducted to determine the size and location of storage facilities that are identified in the 2003 Revision.

The Water System Analysis section of the Master Plan remains unchanged. During Phase 1-B of the 2003 Revision, analysis of the water system will be conducted to include the improvements in the Master Plan and the 2003 Revision. This analysis will include evaluating the condition, performance, and operation of the wells, storage tanks, and the regional transmission pipeline that are included in the 2003 Revision.

Chapter 7 – Capital Improvement Program of the Master Plan has significantly changed. Section 7 of the Master Plan should be replaced with the enclosed Section 7 containing the header, "Master Plan - 2003 Revision." This 2003 Revision amends the Master Plan when approved by the District's Board.

# Section 7

## Capital Improvement Program

### Overview of Recommended Improvements

The recommended water system improvements for the RLECWD water system at buildout are shown on Figure 7-1A. These improvements include well improvements and pipeline improvements. The recommended improvements are based on the water system analyses described in Section 6 review of areas with high numbers of repairs, and areas that are anticipated to have significant construction occurring because of street improvements or development.

Some of the recommended improvements will be funded through the District's Capital Improvement Program (CIP). These projects include:

- Replacement of existing wells over time due to age and condition that will also provide increased system capacity for new customers (installing new larger wells at existing or nearby sites);
- New wells to provide increased system capacity for new customers; and
- Pipeline improvements to provide better service to existing customers that may also provide increased system capacity for new customers.

The CIP does include some facilities (wells and pipelines) that will be constructed to serve the Elverta Specific Plan Area. It is anticipated that most of the Elverta Specific Plan Area facilities will be constructed as part of the proposed specific plan for the development. The District will consider these facilities in its planning and may construct a portion of the facilities. The District will review and approve all the water system improvement plans and accept the constructed facilities after approval of satisfactory completion. Although not all these facilities are included in the CIP, most are identified in this section for planning purposes. The regional transmission mains are not located on Figure 7-1A. These facilities are identified in the plan and are to be defined in location and size as a project of the capital improvement plan.

The CIP also does not include pipeline extensions built solely to serve new customers outside the Elverta Specific Plan Area. Such new customers might include new development and existing residents with private wells. These pipeline extensions are identified separately in this section. It is anticipated that a separate financing mechanism, or combination of mechanisms, may be used for such facilities.

### Well Improvements

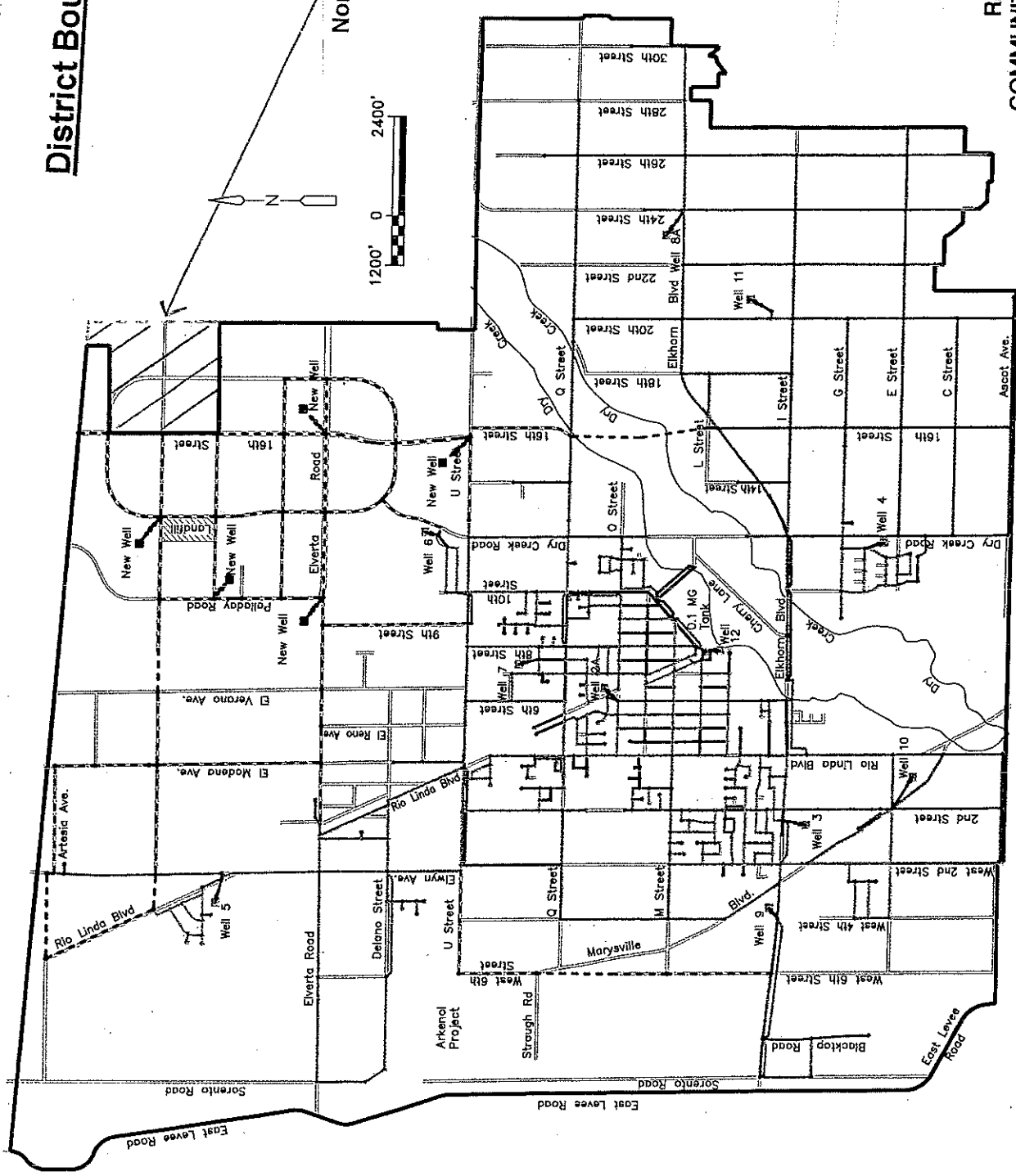
Figure 7-1A identifies conceptual locations for new wells assuming 1,500 gallons per





# District Boundary Map

Non-franchised Area (177 +/- acres)



WATER SYSTEM  
 RIO LINDA / ELVERTA  
 COMMUNITY WATER DISTRICT

## LEGEND

- 4-INCH (EXISTING)
- 6-INCH (EXISTING)
- 8-INCH (EXISTING)
- 12-INCH (EXISTING)
- FUTURE PIPELINE
- RLECWD BOUNDARY

**CDM**

Camp Dresser & McKee Inc.



minute (gpm) capacity per well. It is also assumed that the existing wells will be replaced with new 1,500 gpm wells in the future, either by expanding the existing site or by acquiring a new site in the vicinity of the existing well. If groundwater conditions are such that it is not possible to achieve 1500 gpm at wells, then a larger number of wells of smaller capacity will be needed.

The conceptual locations for new wells were determined based on proximity to intersections of large diameter pipelines, and the ability to minimize required pipeline improvements by dispersing the future supply throughout the system. The conceptual locations also allow a minimum spacing between wells that is similar to the existing minimum spacing.

New wells could be located in the general vicinity of the conceptual locations assuming that adequate pipeline capacity is provided from the well to the modeled major pipeline connection. The actual location, capacity and number of new wells would be determined based on specific development needs and well test drillings. The District should coordinate with Sacramento County Transportation Division to ensure that new well sites are located outside of future right-of-way areas. The minimum spacing required between wells to avoid interference should also be checked.

Each well would be equipped with a constant speed or variable speed motor and pump, which would provide a discharge pressure to the system of 60 psi. Each well would include a hydropneumatic tank to prevent short cycling, a pipeline to the distribution system, appropriate valves and backflow prevention, electrical controls for pump operation, and a disinfection treatment system. Each well site will have a fenced enclosure and a low maintenance yard, such as pavement or gravel. Noise and air quality requirements at the well sites should also be considered in the well design as required by local ordinances and regional air quality codes. In addition, the well design should consider applicable requirements for waste discharge. The estimated cost for new wells does not include arsenic or radon treatment. See Appendix B for information on additional costs for arsenic and radon treatment. Note Appendix B has not been updated to reflect the lower costs for Arsenic treatment available today.

Permanent emergency backup during power outages should be provided to meet the maximum day demand, at a minimum. The emergency backup system may be a backup direct drive engine, fuel tank, and a controller that senses a voltage drop and starts the backup motor. An alternative power supply, on-site generation and sale of excess power to the grid, is being investigated and could be used by the District where well sites are suitable for the facilities. These facilities would be natural gas fired, have redundant generation capability, and allow the utility grid to act as another backup power supply. At buildout, a minimum of 60 percent of the well sites (18 out of 30 wells) should have a permanent emergency backup system. In the near-term, all wells should be constructed with a permanent emergency backup system. As the number of wells increases over the long-term, the need for a permanent emergency backup system should be evaluated on a case-by-case basis depending on the well location, its proximity to other wells with backup, and the power grid serving the well.



## Pipeline Improvements

Figure 7-1 shows the conceptual locations and sizes of pipeline improvements at buildout with the District serving all urban development. Proposed pipeline improvements are sized for buildout demands. The recommended system configuration continues the current mode of providing supply from a dispersed network of well locations. However, this 2003 Revision also allows for a backbone transmission system to convey large flows throughout the system from concentrated supply points. This approach allows possible future use of surface water in lieu of or in conjunction with groundwater.

The recommended pipeline improvements are based on providing at least the minimum fire flows required by the American River Fire Protection District. The Fire Protection District requires a minimum pipeline diameter of 8-inches for new development. Larger diameters may be needed for service to high-density residential, schools, commercial and industrial areas. The requirement for a minimum 8-inch diameter does not apply to retrofit projects to improve existing pipelines. Smaller 6-inch diameter pipes are acceptable for retrofit projects, such as replacing existing 4-inch diameter pipes to provide the minimum fire flows.

The existing system contains a number of existing unlooped (dead end) pipes at various locations. These locations must be flushed periodically for water quality purposes. The CIP contains some recommended near-term projects that will loop some of these locations, as shown on Figure 7-1, in order to provide adequate fire flows and system pressures. Other locations would be looped in the future when pipelines are extended to serve new customers, as shown by pipeline extensions on Figure 7-1.

The CIP identifies, as low priority near-term improvements, the locations where pipeline extensions could be constructed in public rights-of-way to loop existing dead end pipes. These low priority projects are not needed to provide adequate fire flows or pressures to existing customers (i.e., to meet the minimum requirements), but would improve the hydraulics and water quality at those locations. The District could either construct these improvements through the CIP, or wait until the extensions are needed to serve new customers.

Other existing dead end locations, such as cul-de-sacs, do not require improvements for purposes of fire flows or pressures. It is not cost effective to construct pipe improvements solely to reduce the need for flushing. Most of these locations would require easements through private property to construct loops to connect to a nearby pipe. Constructing a pipe parallel to the existing pipe with a check valve to circulate water through the parallel "loop" would not reduce the need for flushing, during low demand periods water would sit in both pipes. Therefore, it is recommended that the District plan to continue its flushing program at these locations, rather than constructing pipe improvements.

Future pipeline extensions solely to serve new customers outside the Elverta Specific Plan area are discussed in more detail later in this section. For future pipeline alignments, it is recommended that the District coordinate with Sacramento County Transportation Division regarding future right-of-way locations and widths. Alignments for future



pipelines, including valves, fire hydrants and other appurtenances, should consider ultimate right-of-way requirements. As noted later in this section, the CIP costs do not include land acquisition costs for future pipeline rights-of-way.

## **Basis for Estimated Capital Costs**

The cost estimates are planning-level capital costs. The estimated capital costs include all construction costs, plus a 50 percent allowance for contingencies, engineering, legal, environmental, and administration. Land acquisition costs are included for new or expanded well sites, assuming ½ acre per site. Pipelines are assumed to be constructed within public rights-of-way or easements dedicated to the District.

All costs are in year 2000 dollars, and are based on an Engineering News Record Construction Cost Index (ENR CCI) for "Twenty Cities" of 6240 (June 2000). Project cost estimates can be adjusted in the future based on the ratio of a future ENR CCI versus the index value of 6240 used in this master plan.

The cost estimates are based on available cost data from the Sacramento area supplemented with cost data from other Northern California projects, general cost curves, and CDM's previous experience in the area. A unit capital cost of \$6 per inch diameter-foot is used to estimate pipeline capital costs (6-inch at \$55 per LF, 8-inch at \$70 per LF, and 12-inch at \$110 per LF). Pipeline costs include valves and appurtenances and, where applicable, pavement removal and replacement, traffic control, correction of utility interferences, and County street-cut fees.

A capital cost of \$1 million per well is used to estimate well capital costs. Well costs include well and site development, pump house, hydropneumatic tank, up to 1,000 LF of 12-inch discharge pipeline to distribution system, appropriate valves and backflow prevention, electrical controls for pump operation, disinfection treatment system, fenced enclosure with low maintenance yard, and an emergency engine-driven backup system.

The cost estimates for new wells do not include potential future costs for additional wellhead treatment for arsenic, iron and manganese, or radon. Appendix B provides information on the potential additional costs, if such treatment is required in the future.

## **Phasing Assumptions**

The implementation schedule is based on the phases shown below.

### **Improvements, excluding the Elverta Specific Plan Area:**

- Near Term Improvements, Phase 1-A, between 2000 to 2005
- Near Term Improvements, Phase 2-A between 2005 to 2010,
- Near Term Improvements, Phase 3-A, between 2010 to 2015

### **Improvements, for the Elverta Specific Plan Area:**

- Near Term Improvements, Phase 1-B, between 2000 to 2005
- Near Term Improvements, Phase 2-B, between 2005 to 2010
- Near Term Improvements, Phase 3-B, between 2010 to 2015

### **Improvement for all areas**

- Intermediate Improvements between 2015 to 2025, for all areas
- Long Term Improvements between 2025 to 2035 (buildout assumed by 2035), for all areas

The near-term improvement projects are to correct existing deficiencies, as well as provide some additional capacity to meet future demands. Intermediate improvements are for planned replacement of existing older wells that will also provide additional capacity to meet future demands. Long-term improvements are solely to provide service to areas not currently served.

The recommended CIP projects include scheduled replacement of the existing wells, starting with the older wells first as near-term improvements. The near-term replacements include: Wells No. 4 and 6. In addition, a new well is recommended to provide backup to Well 8A. The remainder of the wells (including 8A) would be replaced as intermediate improvements. In addition, there is a contingency item under near-term improvements to cover replacement of failing hydropneumatic tanks, if needed, at up to two well sites scheduled for later implementation.

The estimated phasing of these improvements is based on the immediate needs for system improvements identified in the analyses, and the estimated growth in demands that will require new or expanded facilities. However, the actual schedule, especially for long-term improvements, would depend on the actual timing of development and hookup of new customers to the District, and the actual growth in demands.

## **Recommended CIP Projects**

Table 7-1A presents the recommended near-term CIP projects and costs by phase, excluding projects in the Elverta Specific Plan Area. The near-term improvements are described in more detail than future phases. The near term improvements are prioritized by importance to the operation of the water system. They are also numbered for the sequence of implementation. All near-term pipeline projects in Table 7-1A are upgrade projects to increase the level of service and reliability of the existing system for existing and future customers. The near-term well projects are to replace existing wells with new larger wells, which replaces existing capacity and also provides additional capacity for future customers. The costs for the well replacements could be allocated based on the proportion of existing capacity and additional capacity at approximately 35 percent for existing customers and 65 percent for future customers.

A description of the near term CIP projects follows Table 7-1A.



RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT  
 MASTER PLAN UPDATE 2003  
 CAPITAL IMPROVEMENT PROGRAM

Table 7-1 A  
 Recommended Near-Term CIP Projects (2000 to 2015)

Improvement	Quantity	Unit	Estimated Capital Cost (\$)	Phase	Priority	Order of Construction	Historic Priority
<b>Central Portion of Existing Service Area</b>							
<b>PHASE 1-A: JULY 1, 2003 - JUNE 30, 2005</b>							
Install Pressure Control Valves at Elkhorn Boulevard and at Q Street near Dry Creek Road	1	L.S.	\$ 35,000	1-A	3	1	‡
Install compressors on pneumatic tanks at Wells 11, 10, & 7	1	L.S.	\$ 4,000	1-A	4	1	‡
Model hydraulics and determine the most suitable location for new well	1	L.S.	\$ 2,000	1-A	2	1	‡
Construct new 1500 gpm well with on-site power generation	1	L.S.	\$ 850,000	1-A	1	3	‡
Install backbone computerized SCADA system	1	L.S.	\$ 125,000	1-A	6	2	‡
Abandon Well 3 and sell property	1	Ea.	\$ 8,000	1-A	7	5	‡
Pipeline 7th Street north to S Street, 8 inch,	1,400	L.F.	\$ 154,000	1-A	8	Discretionary	‡
Complete extending 12-inch pipeline from K Street to Well 12. This extension will provide additional backup reliability to portion of the service area east of Dry Creek.	700	L.F.	\$ 77,000	1-A	9	Discretionary	3
<b>Subtotal for Phase 1-A Improvements in Central Portion of Existing Service Area</b>							
			\$ 1,255,000				
<b>PHASE 2-A: JULY 2005 - JUNE 30, 2010</b>							
One 2-million gallon storage tank	1	L.S.	\$ 700,000	2-A	10	T.B.D.	‡
One new 1500 gallon per minute well	1	L.S.	\$ 900,000	2-A	11	T.B.D.	‡
Arsenic Treatment for three existing wells	1	L.S.	\$ 1,200,000	2-A	13	T.B.D.	‡
District Office construction	1	L.S.	\$ 650,000	2-A	14	Discretionary	‡
Planning, design, and environmental for Sacramento River regional transmission pipeline connecting mains	1	L.S.	\$ 500,000	2-A	15	T.B.D.	‡
<b>Subtotal Phase 2-A Improvements in Central Portion of Existing Service Area</b>							
			\$ 3,950,000				
<b>PHASE 3-A: JULY 2010 - JUNE 2015</b>							
Sacramento River regional transmission pipeline connecting mains construction	1	L.S.	\$ 2,500,000	3-A			
Distribution pipelines for surface water	12,500	L.F.	\$ 1,500,000	3-A	12	T.B.D.	‡
One new 1500 gallon per minute well	1	L.S.	\$ 900,000	3-A	T.B.D.	T.B.D.	‡
Install new pipelines to improve water quality (reduce the need for flushing) at existing deadend locations where loops could be constructed within public rights-of-way. These pipelines are not required to provide adequate fire flows and pressures (i.e., to meet the minimum requirements), but would improve hydraulics and water quality at those locations. These improvements could be deferred until pipeline extensions are needed to serve new customers. Locations and sizes are shown below.							
Delano Street between Electric Avenue and El Modena Avenue (8-inch)	1,000	LF	\$ 70,000	3-A	T.B.D.	T.B.D.	
2nd Street between Shady Woods Way and south of Q St at Archway Ave (8-inch)	1,000	LF	\$ 70,000	3-A	T.B.D.	T.B.D.	
<b>Subtotal low priority loops for water quality purposes</b>							
	2,000	LF	\$ 140,000	3-A	T.B.D.	T.B.D.	

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT  
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 CAPITAL IMPROVEMENT PROGRAM

Table 7-1 A  
 Recommended Near-Term CIP Projects (2000 to 2015)

Improvement	Quantity	Unit	Estimated Capital Cost (\$)	Phase	Priority	Order of Construction	Historic Priority
Replace 4-inch deadend pipes with 6-inch pipes at locations shown below to provide adequate fire flows in the central portion of the service area. Prior to implementing, review each location on a case-by-case basis to determine whether an existing or new hydrant or nearest loop would be adequate, or if new pipe is needed. (Locations are listed in priority order - from highest to lowest.)							3
Coronation Court	400	LF	\$ 22,000	3-A	T.B.D.	T.B.D.	
Herring Ave	250	LF	\$ 13,750	3-A	T.B.D.	T.B.D.	
Manuel St	350	LF	\$ 19,250	3-A	T.B.D.	T.B.D.	
Elder St	350	LF	\$ 19,250	3-A	T.B.D.	T.B.D.	
Coral Sun Ct	150	LF	\$ 8,250	3-A	T.B.D.	T.B.D.	
Coral Sun Ct	250	LF	\$ 13,750	3-A	T.B.D.	T.B.D.	
Cottle Av	250	LF	\$ 13,750	3-A	T.B.D.	T.B.D.	
Archway Ave, West of Rio Linda Blvd	250	LF	\$ 13,750	3-A	T.B.D.	T.B.D.	
Bummer St	250	LF	\$ 13,750	3-A	T.B.D.	T.B.D.	
Herring Av	150	LF	\$ 8,250	3-A	T.B.D.	T.B.D.	
Dutra Ave	250	LF	\$ 13,750	3-A	T.B.D.	T.B.D.	
Yukon Ct	150	LF	\$ 8,250	3-A	T.B.D.	T.B.D.	
Skaqway Ct	150	LF	\$ 8,250	3-A	T.B.D.	T.B.D.	
Shady Willow Ct	250	LF	\$ 13,750	3-A	T.B.D.	T.B.D.	
(See footnote 2 regarding 4-inch pipes at some locations.)							
<b>Subtotal pipe replacements</b>	<b>3,450</b>	<b>LF</b>	<b>\$ 189,750</b>	<b>3-A</b>	<b>T.B.D.</b>	<b>T.B.D.</b>	<b>3</b>
Install new 6-inch loop connection between the existing 6-inch pipe at the end of Marindell Court (south of Delano St) and the existing 8-inch stub in U Street west of Elwyn Avenue, in order to provide adequate fire flows to residential development served off Marindell Court and side streets.	1,000	LF	\$ 70,000	3-A	T.B.D.	T.B.D.	
Contingency for replacing hydro pneumatic tanks at up to 2 existing well sites if needed.	2	EA	\$ 75,000	3-A	T.B.D.	T.B.D.	
<b>Subtotal Phase 3-A Improvements in Central Portion of Existing Service Area</b>			<b>\$ 5,374,750</b>				
<b>Subtotal for Near Term Improvements in Central Portion of Existing Service Area</b>			<b>\$ 10,579,750</b>				
<b>Northwest Portion of Existing Service Area</b>							
<b>PHASE 1-A: JULY 1, 2003 - JUNE 30, 2005</b>							
Abandon Well 5 and replace with pump station	1	Ea.	\$ 100,000	1-A	6	4	†
<b>Subtotal for Phase 1-A Improvements in Northern Portion of Existing Service Area</b>			<b>\$ 100,000</b>				
<b>PHASE 3-A: JULY 2005 - JUNE 30, 2010</b>							
Replace existing 6-inch pipe in Elwyn Avenue between Eliverta Road and Artesia Avenue with 12-inch pipe to provide adequate fire flows. Tie new 12-inch into existing school at Artesia Ave for fire flows (replace existing 4-inch).	6,500	LF	\$ 715,000	3-A	T.B.D.	T.B.D.	2

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT  
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 CAPITAL IMPROVEMENT PROGRAM

Table 7-1 A

Recommended Near-Term CIP Projects (2000 to 2015)							
Improvement	Quantity	Unit	Estimated Capital Cost (\$)	Phase	Priority	Order of Construction	Historic Priority
Replace existing 6-inch in Rio Linda Blvd between Eilwyn Avenue and Rafael Drive with 12-inch pipe to provide adequate fire flows.	1,000	LF	\$ 70,000	3-A	T.B.D.	T.B.D.	2
<i>Subtotal for Phase 3A Improvements in Northwest Portion of Existing Service Area</i>			\$ 785,000				
<i>Subtotal for Near Term Improvements in Northwest Portion of Existing Service Area</i>			\$ 885,000				
<b>Southeast Portion of Existing Service Area</b>							
<b>PHASE 3-A: JULY 2010 - JUNE 2015</b>							
Install a new 1500 gpm well with emergency engine-driven backup system near Well 8A to provide backup for fire flows and peak hour flows. (Conceptual location shown near Q & 24th Streets)	1	EA	\$ 1,000,000	3-A	T.B.D.	T.B.D.	1
When new well constructed, replace existing 8-inch pipeline in Q Street from new well east to 26th Street with 12-inch pipe to provide adequate fire flows. (Actual alignment to be determined based on actual well location.)	2,000	LF	\$ 220,000	3-A	T.B.D.	T.B.D.	1
Replace existing 8-inch pipe in Eikhorn Blvd from Well 8A east to 26th Street with 12-inch pipe to provide adequate fire flows.	1,500	LF	\$ 165,000	3-A	T.B.D.	T.B.D.	1
Construct an 8-inch loop to connect the existing 8-inch deadend pipes at 30th Street north of Eikhorn Blvd and at Q & 28th Streets to provide adequate fire flows.	2,500	LF	\$ 275,000	3-A	T.B.D.	T.B.D.	1
Loop pipes with 8-inch pipes at the following dead end locations at the south District boundary to provide adequate fire flows: - Between 22nd and 24th Streets - Between 24th and 26th Streets	2,000 1,500	LF LF	\$ 110,000 \$ 82,500	3-A 3-A	T.B.D. T.B.D.	T.B.D. T.B.D.	3
Replace Well No. 4 at existing or new site (with 1500 gpm well with emergency engine-driven backup system)	1	EA	\$ 1,000,000	3-A	T.B.D.	T.B.D.	2
<i>Subtotal for Phase 3A Improvements in Southeast Portion of Existing Service Area</i>			\$ 2,852,500				
<i>Subtotal for Near Term Improvements in Southeast Portion of Existing Service Area</i>			\$ 2,852,500				
<b>Total for Near Term Improvements in Existing Service Area</b>			<b>\$ 14,317,250</b>				

(1) The estimated capital costs include all construction costs plus a 50 percent allowance for contingencies, engineering, legal, environmental, and administration. Estimated well costs include land costs to expand existing sites or acquire new sites. Pipeline costs do not include land costs; since it is assumed that pipes will be constructed within public rights-of-way or easements to be dedicated by landowners. Costs for wellhead treatment of arsenic, radon, or iron & manganese are not included. See Appendix B for a discussion of potential costs.

(2) A current development project between Front and 6th Streets north of Q Street will replace an existing 4-inch deadend pipe on the east side of Front Street with an 8-inch pipe. This new 8-inch pipe should be connected to the existing 4-inch pipe on the west side of Front Street. These improvements will provide adequate fire flows at this location. In addition, a proposed development will extend a new 8-inch pipeline to tie into an existing 4-inch pipe off Rio Linda Boulevard between K Street and Lilac Lane. This extension to loop this location will provide adequate fire flows. The future extension is shown on Figure 7-1.

(4) Added in 2003 Master Plan Update (T.B.D.) To Be Determined

## Near Term Capital Improvement Projects Excluding Elverta Specific Plan Area

### Phase 1-A: July 1, 2003 – June 30, 2005 (Excluding Elverta Specific Plan Area Projects)

#### *Central Portion of Existing Service Area*

- Install Pressure Control Valves at Elkhorn Boulevard and at Q Street near Dry Creek Road. This project will install two pressure control valves. These valves will help sustain pressures in the distribution system southeast of Dry Creek. This area of the District experiences the lowest operating pressures. The valves will allow the wells in this area to be adjusted to provide more pressure without raising the pressure levels in the remainder of the District. The valves will be installed below grade, in vaults with traffic rated hatches.
  
- Install compressors on pneumatic tanks at Wells 11, 10, & 7. This project will install new compressors on three pneumatic tanks. The compressors will allow the pumps at these tanks to operate in a variety of modes not currently feasible. This will allow operators to adjust the set points to provide a more even distribution of pressure throughout the system and avoid excessive pressures in localized areas. This has the potential of reducing losses through reduces leakage and also reduce energy costs.
  
- Model hydraulics and determine the most suitable location for new well. This project will analyze the performance of the distribution system with the new pressure controls and compressors and allow a re-evaluation of the location where new wells may be located to get the most benefit for the District and minimize the exposure to contaminants.
  
- Construct a new well 1500 gpm with on-site power generation. This project will construct a new municipal water supply well at a location the District selects. The well will be designed and constructed targeting a production rate of 1500 gallons per minute. The well site will be acquired by the District in conformance with the District standards for well siting criteria. The finished site will have a building enclosing the wellhead and the chemical injection equipment. The new well will include SCADA controls. The on-site power generation will be provided by natural gas powered generators and be fully enclosed in a separate building from the well and water system. The generators will be redundant. The generators will provide primary power and backup power. The electric grid will provide another backup power source.
  
- Install backbone computerized SCADA system. This project will install a basic backbone control system for the District wells. The system can provide control and monitoring of pump operations, and system conditions such as pressure and flow rates at the wells, chemical equipment operating status, and other functions. The SCADA system will require a main terminal (computer) at the District office and communication capability (modem and land lines or spread spectrum radio). The terminal will have the software allowing the operator to control pump operation and to see flow rates and pressures at the wells. This backbone SCADA system will incorporate as many wells as possible based upon the authorized budget. Wells not included in the SCADA project will be set to operate

compatibly with the SCADA system and be provided SCADA control in the future as funding is authorized for the remaining wells.

- Abandon Well 3 and sell property. This project will abandon Well 3 in accordance with Sacramento County Environmental Health standards. Well 3 has the lowest production rate, approximately 400 gpm, of the District wells. It is situated on a very small parcel that makes construction of a new well on the site difficult and costly. Abandonment of the well is recommended after the first new well is operational. This will reduce operating costs by eliminating monitoring and maintenance costs of Well 3.
- Pipeline 7<sup>th</sup> Street north to S Street. This project will replace an existing pipeline that is deteriorated and failing. The pipeline typically fails by splitting along the length of the pipe. This style of failure will and does recur and is an indication the pipe material is failing. Replacement of this pipeline will reduce demands upon staff and District resources that are utilized responding to the need to make repairs on this line on an almost weekly basis. This project involves replacing approximately 1,400 linear feet of 8-inch diameter pipe with the same size pipe.
- Bike path from K Street to Well 12. This project was identified in the Master Plan to improve flow from Well 12. This project involves replacing approximately 700 linear feet of 8-inch diameter pipe with 12-inch diameter pipe.

*Northwest Portion of Existing Service Area*

- Abandon Well 5 and replace with pump station. This project will abandon Well 5 in accordance with Sacramento Environmental Health standards. In place of the well a package pump station will be installed at the site. This pump station will boost pressures at the furthest portion of the District's distribution system. Well 5 is a low production well that produces water with high levels of iron and manganese. Removing it from production will improve water quality.

**Phase 2-A: July 2005 – June 30, 2010 (Excluding Elverta Specific Plan Area Projects)**

*Central Portion of the Existing Service Area*

- One 2-million gallon storage tank. This project will construct one water tank at a location determined in the 2003 Revision. The tank will have a capacity of two million gallons.
- One new 1500 gallon per minute well. This project will construct one new well. The well will have features similar to the well in Phase 1A above. The well will be on a new site. The location will be as determined by the master plan 2003 Revision.
- Arsenic Treatment for three existing wells. This project will provide wellhead treatment of arsenic for three wells. The Federal maximum contaminant level (MCL) for arsenic is required to be below 10 parts per billion (ppb) by 2006. The California MCL is being studied currently. The California MCL is expected to be lower than the Federal level, possibly 5 ppb.

Wells 2A, 7, and 12 have arsenic levels of 9, 8, and 6 ppb, respectively. These wells would require arsenic removal if California sets the arsenic MCL at 6 ppb or lower. For protection

against breaking the Federal standard of 10 ppb Wells 2A and 7 should have wellhead arsenic treatment.

- **District Office Construction.** The project involves either constructing a new office and Boardroom at the current District office property or constructing a new facility at a future site to be acquired in the Elverta Specific Plan area.
- **Planning, design, and environmental requirements for Sacramento River regional transmission pipelines for surface water.** This project would perform the planning, design, and environmental work for large diameter mains to convey surface water from the regional transmission lines to the District distribution lines. This project supports the District development of capabilities to deliver PF-8 water.

**Phase 3-A, July 2010 – June 30, 2015 (Excluding Elverta Specific Plan Area Projects)**  
*Central Portion of Existing Service Area*

- **Sacramento River regional transmission pipeline connecting mains.** This project would construct the large diameter mains to convey surface water from the regional transmission lines to the District distribution lines. The regional pipeline would deliver treated surface water from the Sacramento River to the northern Sacramento County and southwestern Placer County. This project would make water available to the District to meet the requirements for PF-8 water.
- **Distribution pipelines for surface water.** This project would construct 12-inch pipelines for distribution of the surface water from the regional transmission pipeline connector mains.
- **One new 1500 gallon per minute well.** This project will construct one new well. The well will have features similar to the well in Phase 1A above. The well will be on a new site as determined by the 2003 Revision.
- **Install new pipelines to improve water quality (reduce the need for flushing) at existing dead end locations where loops could be constructed within public rights-of-way.** These pipelines are not required to provide adequate fire flows and pressures (i.e., to meet the minimum requirements), but would improve hydraulics and water quality at those locations. These improvements are low priority and could be deferred until pipeline extensions are needed to serve new customers.
- **Replace existing 4-inch dead end pipes within the central portion of the existing service area west of Dry Creek with larger pipes to provide required fire flows at adequate pressure.** These locations are shown on Figure 7-1. Prior to implementing these improvements, each location should be reviewed on a case by case basis to determine whether a new pipe is needed or if an existing or new hydrant located on the nearest loop could provide adequate fire flows at that location without new pipe. If pipe replacement is needed, a 6-inch diameter replacement pipe will meet the flow and pressure criteria. Although the Fire Department requires a minimum 8-inch diameter for new development, smaller diameter lines are acceptable for retrofit projects to correct existing deficiencies. Therefore, the CIP costs are based on 6-inch replacement pipes. Existing 4-inch pipes within the looped portion of the system are adequate to meet the fire flow

criteria, and do not require replacement. In addition, there are few 4-inch dead end locations that provide adequate fire flows and pressures and do not require replacements (these are not shown on Figure 7-1 or in Table 7-1A). When the pipe replacement projects are implemented, the District could consider whether there are any opportunities for looping these dead ends rather than replacing them. Looping would require acquiring easements through private property, and would have to be considered on a case-by-case basis.

- Install a new 6-inch loop connection between the existing 6-inch pipe at the end of Marindell Court (south of Delano Street) and the existing 8-inch stub in U street west of Elwyn Avenue. This improvement will provide adequate fire flows to the residential development served off Marindell Court and its side streets.
- Contingency for replacing hydropneumatic tanks at up to two existing well sites, if needed, is scheduled for replacement at a later date.

*Northwest Portion of Existing Service Area*

- Replace the existing 6-inch pipe in Elwyn Avenue between Elverta Road and Artesia Avenue with 12-inch pipe to improve fire flow deliveries to the northwest portion of the existing system. Tie new 12-inch pipe into existing school at Artesia Avenue for fire flows (replace existing 4-inch pipe).
- When Elwyn Avenue pipe replaced, replace existing 6-inch pipe in Rio Linda Boulevard between Elwyn Avenue and Rafael Drive with 12-inch pipe.

*Southeast Portion of Existing Service Area*

- Construct a new well with emergency engine-driven backup in the vicinity of Q & 24<sup>th</sup> Streets. The new well will provide backup to an area that experiences marginal pressures under current peak hour demand and fire flow conditions, if Well No. 8A is out of service. The new higher capacity 1500 gpm well will also provide additional well capacity for future demands.
- Construct the following pipe improvements shown on Figure 7-1 to improve existing fire flow deliveries and provide adequate future peak hour and fire flow pressures:
  - When new well constructed, improve existing 8-inch pipeline in Q Street from new well east to 26<sup>th</sup> Street (replace with 12-inch or parallel with 10-inch).
  - Improve existing 8-inch pipe in Elkhorn Boulevard from the Well 8A site east to 26<sup>th</sup> Street (replace with 12-inch or parallel with 10-inch).
  - Construct an 8-inch loop to connect the existing 8-inch deadened pipes at 30<sup>th</sup> Street north of Elkhorn Boulevard and at Q & 28<sup>th</sup> Streets.
  - Loop pipes at dead end locations of existing 6-inch pipes at the south boundary of the system between 22<sup>nd</sup> & 24<sup>th</sup> Streets, and between 24<sup>th</sup> and 26<sup>th</sup> Streets.
- Replace Well No. 4 at existing or new site (with 1500 gpm well with emergency engine-driven backup).

## **Intermediate and Long Term Capital Improvement Projects Excluding Elverta Specific Plan Area**

Table 7-2A summarizes the recommended intermediate and long-term improvements. The need for, and phasing of the intermediate and long term improvements should be confirmed in future master plan 2003 Revisions.

The intermediate well improvements in the CIP are to replace existing wells with new larger wells, which replaces existing capacity and also provides additional capacity for future customers. The cost for the well replacements could be allocated based on the proportion of existing capacity and additional capacity provided by the replacement well, which is split approximately 50 percent for existing customers and 50 percent for future customers.

All costs for long-term improvements are solely to serve future customers, and costs could therefore be allocated 100 percent to future customers.

### **Intermediate Improvements (2015 to 2025)**

- Replace the seven remaining existing wells with new 1500 gpm wells by expanding existing sites or at new sites in the vicinity of the existing site. This will provide some benefit to existing customers, as well as providing capacity for new customers. The order for replacement would be based on age and condition. The replacement wells should have emergency backup systems (direct drive engine and diesel tank).

### **Long-Term Improvements (2025 to Buildout at 2035)**

- Construct 14 new wells, as needed, when development occurs or customers on private wells join the District system. Additional well capacity should be provided as needed in the vicinity of the new services. At a minimum, a permanent engine driven backup would be provided at a sufficient number of these long-term wells so that the buildout maximum day demands can be provided from all the wells with such backup systems. The specific number needed should be re-evaluated in the future master plan updates.

## **Cost Estimate for Projects (net, excluding Elverta Specific Plan Area improvements)**

Near Term	
Phase 1 – A.....	\$1,355,000
Phase 2 – A .....	\$3,950,000
Phase 3 – A.....	\$9,012,250
Intermediate Term .....	\$7,000,000
Long Term. ....	\$15,000,000
<b>Total excluding Elverta Specific Plan Area:.....</b>	<b>\$36,317,250</b>

## **Future Facilities for Elverta Specific Plan Area**

The CIP does include some facilities (wells and pipelines) that will be constructed to



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**Table 7-2 A  
 Intermediate (2015 to 2025) and Long-Term (2025 to 2035) CIP Projects**

<i>Improvement</i>	<i>Quantity</i>	<i>Unit</i>	<i>Estimated Capital Cost (1)</i>
<b>INTERMEDIATE IMPROVEMENTS (2015 to 2025)</b>			
Replace remaining existing wells (with new 1500 gpm wells with emergency engine-driven backup system) by expanding existing sites or at new sites in the vicinity of the existing sites. Order for replacement would be based on age and condition.	7	EA	\$7,000,000
<i>Subtotal for Intermediate Improvements</i>			
			\$7,000,000
<b>LONG TERM IMPROVEMENTS (2025 to Buildout at 2035)</b>			
New wells (each 1500 gpm) at new sites to serve future customers. The number of additional wells is based on 1500 gpm capacity. If groundwater conditions are such that smaller wells are installed, then a larger number of wells will be needed.	15	EA	\$15,000,000
<i>Subtotal for Long-Term Improvements</i>			
			\$15,000,000
<b>TOTAL FOR INTERMEDIATE AND LONG TERM PROJECTS</b>			<b>\$22,000,000</b>

(1) The estimated capital costs include all construction costs plus a 50 percent allowance for contingencies, engineering, legal, environmental, and administration. Estimated well costs include land costs to expand existing sites or acquire new sites. Pipeline costs do not include land costs; since it is assumed that pipes will be constructed within public rights-of-way or easements to be dedicated by landowners. Costs for wellhead treatment of arsenic, radon, or iron & manganese are not included. See Appendix B for a discussion of potential costs.

serve the Elverta Specific Plan Area. It is anticipated that most of the Elverta Specific Plan Area facilities will be constructed as part of the development, with District review and approval of the water system improvement plans and constructed facilities. The District will consider these facilities in its planning and may construct a portion of these facilities. Although not all the necessary facilities for the Elverta Specific Plan Area are included in the CIP, significant facilities that comprise the core of the improvements have been identified in this section for planning purposes.

Figure 7-1 shows conceptual locations for future wells and the sizes of future pipelines to serve the Elverta Specific Plan Area. In addition, pipeline extensions will be needed to connect the Elverta Specific Plan Area to the District's existing system.

These connections will provide an integrated reliable water system with redundancy of supply. Table 7-3A summarizes the conceptual facilities and estimated costs for the Elverta Specific Plan Area.

Pipes are sized to handle buildout demands within the Elverta Specific Plan Area. The sizes are based on a complete looped system. The phasing of waterline improvements must address redundancy for reliability and fire flows. If loops are not completed during phases, it may be necessary to increase the pipe sizes shown on Figure 7-1 to provide phased service. Regional transmission pipelines are not shown in Figure 7-1. However, the CIP includes projects to plan these pipelines. Locations of the transmission pipeline will be determined when these planning projects are performed.

As required by the County, the developer must consider potential use of a recycled water system in the Elverta Specific Plan Area for non-potables uses, such as irrigation. This system would be completely separate from the District's potable water system.

## **Near Term Capital Improvement Projects in the Elverta Specific Plan Area**

### **Phase 1-B: July 1, 2003 – June 30, 2005 (Elverta Specific Plan Area Projects)**

- Update Master Plan and District Standard Specifications to include Elverta Specific Plan Development. This project would prepare an addendum to the current master plan. The addendum would provide a new Figure 7-1 and Tables 7-1 and 7-2 to replace the current figures and tables in the master plan. These tables and figure would identify the master plan projects for the next five years and the years thereafter. The master plan 2003 Revision would re-evaluate the future use of surface water and the use of storage by the District. The 2003 Revision will include creation of standards details and specifications needed prior to the development of the Elverta Specific Plan Area.

The 2003 Revision will not alter the current master plan population or water demand projections. These projections were estimated from population projections and development projections derived from the zoning and land use designations. The zoning/land uses were determined from the Rio Linda/Elverta Community Area Plan, dated June 1998 and from the Elverta Specific Plan, dated September 1999.

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Table 7-3 A  
 Water System Improvements for Elverta Specific Plan Area

Improvement	Quantity	Unit	Estimated Capital Cost (\$)	Phase	Priority	Order of Construction	Historic Priority
<b>PHASE 1-B: JULY 1, 2003 – JUNE 30, 2005</b>							
Update Master Plan and District Standard Specifications to include Elverta Specific Plan Development	1	L.S.	55,000	1-B	1	1	‡
Replace Well No. 6 with new well near U and 16th Streets and construct one 2-million gallon storage tank	1	EA	1,700,000	1-B	2 or 3	2 or 3	‡
Install new backup well near 16th street near Kasser Road	1	Ea.	850,000	1-B	3 or 2	3 or 2	‡
Install computerized SCADA system at two well site	1	L.S.	25,000	1-B	4	4	‡
Conduct preliminary design and environmental studies for PF-8 water including determining pipeline locations, storage facilities, and transmission mains and connections to existing system	1	L.S.	450,000	1-B	5	Discretionary	‡
New pipelines within Elverta Specific Plan Area boundary							
24-inch	8,000	LF	1,730,000	3-B	T.B.D.	T.B.D.	N/A
8-inch	8,000	LF	560,000	3-B	T.B.D.	T.B.D.	N/A
<i>Subtotal pipelines within development</i>	16,000	LF	2,290,000				
<i>Subtotal for Phase 1-B Improvements within the Elverta Specific Plan Area</i>			5,370,000				
<b>PHASE 2-B: JULY 1, 2005 – JUNE 30, 2010</b>							
Regional surface water pipeline	1	L.S.	11,000,000	2-B	7 or 6	T.B.D.	‡
One new 1500 gpm well	1	Ea.	900,000	2-B	6 or 7	T.B.D.	‡
<i>Subtotal for Phase 2-B Improvements within the Elverta Specific Plan Area</i>			11,900,000				
<b>PHASE 3-B: JULY 1, 2010 – JUNE 30, 2015</b>							
New wells (each 1500 gpm) with standby power	3(2)	EA	3,000,000	3-B	T.B.D.	T.B.D.	N/A
New pipelines within Elverta Specific Plan Area boundary							
12-inch	12,000	LF	1,320,000	3-B	T.B.D.	T.B.D.	N/A
8-inch	20,000	LF	1,400,000	3-B	T.B.D.	T.B.D.	N/A
<i>Subtotal pipelines within development</i>	32,000	LF	2,720,000				
Pipeline extensions to connect Elverta Specific Plan Area to existing system (outside Elverta Specific Plan Area boundary)							
12-inch in 9th Street from Elverta Road to U Street	3,600	LF	396,000	3-B	T.B.D.	T.B.D.	N/A
12-inch in U Street from 16th Street to Dry Creek Road	2,400	LF	348,000	3-B	T.B.D.	T.B.D.	N/A
12-inch in 16th Street from U Street to L Street or Dry Creek Road from U Street to Elkhorn Blvd. (3)	6,000	LF	960,000	3-B	T.B.D.	T.B.D.	N/A
<i>Subtotal pipeline connection extensions</i>	12,000	LF	1,704,000				
<i>Subtotal for Phase 3-B Improvements within the Elverta Specific Plan Area</i>			7,424,000				
<b>TOTAL FOR ELVERTA SPECIFIC PLAN AREA</b>			<b>24,694,000</b>				

(1) The estimated capital costs include all construction costs plus a 50 percent allowance for contingencies, engineering, legal, environmental, and administration. Costs for wellhead treatment of arsenic, radon, (2) Changed from five to three with 2003 Master Plan Update. Wells may not be needed if Sacramento river water is provided.  
 (3) Size may increase to 24-inch, depending upon development.  
 (4) Added in 2003 Master Plan Update  
 (T.B.D.) To Be Determined  
 (N/A) Not Applicable

The information in the Rio Linda/Elverta Community Area Plan, dated and from the Elverta Specific Plan is still considered applicable and the best available. Growth in the area has occurred. But growth has not been great enough to warrant modifying the master plan estimates of population or water demands. Based upon the determination that the estimates of water demands, population change, development of land, and activities associated with the land use designations, have not significantly changed, the master plan 2003 Revision will be prepared using the population projections and the water demands provided in the current master plan.

- Replace Well 6 with new well near U and 16<sup>th</sup> Street. This project would construct a new well on a new site to replace Well 6. The new well will have similar features to the well described under Phase 1A above. Well 6 would be abandoned after completion of the new well. This project will construct one water storage tank at the location of the well. The tank will have a capacity of two million gallons.
- Install new backup well near 16<sup>th</sup> street near Kasser Road. This project would construct a new well on a new site. The new well will have similar features to the well described under Phase 1A above.
- Install computerized SCADA system at two well sites. This project will replace existing controls at two well sites. The new controls will integrate SCADA controls at the well site into the District SCADA system.
- Conduct preliminary design and environmental studies for PF-8 water including determining pipeline locations, storage facilities, and transmission mains and connections to existing system. This project will be to analyze the options for routing, transmission mains, points of connections, and storage for PF-8 water. The analysis will produce recommendations for preliminary designs for the facilities and projects. The selected preliminary designs will be developed adequately to proceed with environmental studies. The completion of this project will position the District to be able to develop the facilities for use of PF-8 water.
- New pipelines within Elverta Specific Plan Area boundary. This project will install 8,000 feet of 24-inch pipeline through the center of the Elverta Specific Plan Area and 8,000 feet of 8-inch pipeline in a portion of the loop following the major loop road within the Elverta Specific Plan Area.

**Phase 2-B; July, 2005 – June 30, 2010 (Elverta Specific Plan Area)**

- Regional surface water pipeline. This project would provide the District capacity in the regional pipeline. The regional pipeline will have the capability to convey water from the Sacramento River or from the American River to the District. This water would meet the requirements for PF-8 water.
- One new 1500 gpm well. This project would construct a new well on a new site. The new well will have similar features to the well described under Phase 1A above.

**Phase 2-C July 2010 – June 30, 2015 (Elverta Specific Plan Area)**

- New wells with standby power. This project will construct three new wells within the Elverta Specific Plan Area. The wells will provide water needed for Elverta. Depending upon the amount of surface water available through regional pipelines the number of wells required could be reduced.
- New pipelines within Elverta Specific Plan Area boundary. This project will install 12,000 feet of 12-inch and 20,000 of 8-inch pipeline completing the loop following the major loop road within the Elverta Specific Plan Area and constructing some of the laterals within the area.
- Pipeline extensions to connect Elverta Specific Plan Area. These three pipeline projects will connect the existing district system to the Elverta Specific Plan Area. These pipelines will convey water between the existing system and the Elverta Specific Plan Area.

**Cost Estimate for Near Term Projects (net, for Elverta Specific Plan Area improvements)**

Phase 1 – B.....	\$5,370,000
Phase 2 – B.....	\$11,900,000
Phase 3 – B.....	\$7,424,000
<b>Total for Elverta Specific Plan Area:...</b>	<b>\$24,694,000</b>

**Future Pipeline Extensions in Other Areas**

The CIP also does not include pipeline extensions that are solely to serve new customers outside the Elverta Specific Plan Area. Such new customers might include new development and/or existing residents with private wells. These pipeline extensions are shown on Figure 7-1, and are identified separately in Table 7-4. The location and timing of these pipeline extensions would depend on development needs and requests by existing residents now served by private wells.

The sizing of pipeline extensions on Figure 7-1 is based on buildout demands. The American River Fire Protection District requires a minimum pipeline diameter of 8-inches for new development. Larger diameters may be needed for service to high-density residential, schools, commercial and industrial areas.

The sizes of future pipelines on Figure 7-1 are based on a complete looped system. As new areas are connected to the District system, the phasing of improvements must address redundancy for reliability and fire flows. If loops are not completed, it may be necessary to increase the pipe sizes shown on Figure 7-1 to provide phased service. For example, in the eastern portion of the District with high ground elevations (east of Dry Creek and north of Q Street), 12-inch dead ends would be needed if the 8-inch loops were not completed.

It is anticipated that a separate financing mechanism, or combination of mechanisms, may be used for such facilities. For example, developers may be required to construct

pipelines to serve new development, and extensions to serve existing residents may be funded through an assessment district or other means.

## **Summary of Costs**

Table 7-5A provides a summary of the estimates costs for the capital improvement projects for all areas of the District including the Elverta Specific Plan Area.

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**Table 7-4 A  
 Future Pipeline Extensions (other than for Elverta Specific Plan Area)**

<i>Improvement</i>	<i>Quantity</i>	<i>Unit</i>	<i>Estimated Capital Cost (1)</i>
12-inch extensions	30,000	LF	\$3,300,000
8-inch extensions	70,000	LF	\$4,900,000
<b>TOTAL FOR PIPELINE EXTENSIONS (other than for Elverta Specific Plan Area)</b>	<b>100,000</b>	<b>LF</b>	<b>\$8,200,000</b>

1) The estimated capital costs include all construction costs plus a 50 percent allowance for contingencies, engineering, legal, environmental, and administration. Pipeline costs do not include land costs; since it is assumed that pipes will be constructed within public rights-of-way or easements to be dedicated by landowners.

**Table 7-5 A  
 Summary of Cost Estimates**

<b>Cost Estimates Excluding the Elverta Specific Plan Area</b>		
Near Term		
Phase 1-A	\$	1,355,000.00
Phase 2-A	\$	3,950,000.00
Phase 3-A	\$	9,012,250.00
<b>Subtotal for Near Term Projects Excluding the Elverta Specific Plan Area</b>	<b>\$</b>	<b>14,317,250.00</b>
<b>Subtotal for Intermediate Term Projects</b>	<b>\$</b>	<b>7,000,000.00</b>
<b>Subtotal for Long Term Projects</b>	<b>\$</b>	<b>15,000,000.00</b>
<b>Subtotal for Future Pipeline Extensions</b>	<b>\$</b>	<b>8,200,000.00</b>
<b>Subtotal of Cost Estimates Excluding Elverta Specific Plan Area</b>	<b>\$</b>	<b>44,517,250.00</b>
<b>Cost Estimates for Elverta Specific Plan Area</b>		
Near Term		
Phase 1-B	\$	5,370,000.00
Phase 2-B	\$	11,900,000.00
Phase 3-B	\$	7,424,000.00
<b>Subtotal for Near Term Projects for the Elverta Specific Plan Area</b>	<b>\$</b>	<b>24,694,000.00</b>
<b>GRAND TOTAL</b>	<b>\$</b>	<b>69,211,250.00</b>





## EXHIBIT B TO RESOLUTION 2003-07

### NEGATIVE DECLARATION

Pursuant to Division 6, Title 14, Chapter 3, Article 6, Sections 15070 and 15071 of the California Administrative Code the **Rio Linda/Elverta Community Water District** does prepare, make, declare, publish, and cause to be filed with the County Clerk of Sacramento County, State of California, this Negative Declaration for the Project, described as follows:

PROJECT TITLE: Rio Linda/Elverta Community Water District *Water Master Plan - 2003 Revision*

PROJECT DESCRIPTION: The project is adoption of a revised Water Master Plan to serve existing and planned growth within the boundaries of the Rio Linda/ Elverta Community Water District. The area within the district boundaries comprises about 11,415 acres or 17.8 square miles. Within that area, 13,255 units are planned or proposed on 7,510 acres, for a projected 2030 population of 37,297. This includes about 1,374 acres of the 1,734-acre Elverta Specific Plan area that fall within the District boundaries, plus approximately 177 acres in a non-franchised area adjacent to the Districts northeastern boundaries. The cost of construction of the Elverta Specific Plan infrastructure is addressed in the Water Master Plan - 2003 Revision Capital Improvement Program, including construction of surface water facilities required under Sacramento County PF-8 requirements. Total annual demand for water at build-out within the District, regardless of source, is estimated at 24,146 AF/yr, plus 545 AF/yr for the Non-franchised area. In order to meet this demand the *Water Master Plan - 2003 Revision* includes several components including an infrastructure plan comprised of identified well improvements and pipeline conveyances, and a capital improvement program (CIP) containing cost estimates for proposed improvements. The *Water Master Plan - 2003 Revision* provides for the construction of up to 18 new wells to replace the 11 existing wells, construction of an office/maintenance facility and conjunctive use surface water transmission pipelines to bring in water from proposed regional facilities on Folsom Lake and the Sacramento River. Also identified are conceptual locations and sizes of pipeline improvements for transmission of domestic water, fire flow, and looping of dead-end pipes where merited. Chlorine treatment at each well and arsenic and other treatment facilities where necessary, are also proposed. A phasing plan for construction of the improvements is provided.

PROJECT LOCATION: The *Water Master Plan - 2003 Revision* covers the area within the boundary of the Rio Linda/Elverta Community Water District (Water Master Plan, Figure 1-2) and the adjacent Non-Franchised area in the northeast corner of the District. The District boundaries extend generally from the Sutter / Placer County line on the north to Ascot Avenue on the south, and from East Levee Road on the west beyond 30<sup>th</sup> Street on the east. The boundaries of the District are predominantly coterminous with the boundaries of the Sacramento County Rio Linda/Elverta Community Plan Area.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Rio Linda/Elverta Community Water District

NAME OF ENTITY OR AGENCY CARRYING OUT PROJECT: Rio Linda/Elverta Community Water District

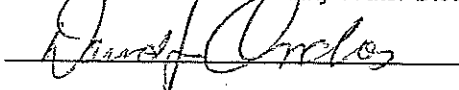
CONTACT PERSON: Dave Andres, General Manager, Rio Linda/Elverta Community Water District (916) 991-1000.

NEGATIVE DECLARATION: The Rio Linda/Elverta Community Water District has determined that the subject project, further defined and discussed in the attached Environmental Checklist/Initial Study will not have any significant effects on the environment. As a result thereof, the preparation of an environmental impact report pursuant to the California Environmental Quality Act (Division 13 of the Public Resources Code of the State of California) is not required.

The attached Environmental Checklist/Initial Study has been prepared by the Rio Linda/Elverta Community Water District in support of this Negative Declaration. Further information including the project file and supporting reports and studies may be reviewed at the District office at 730 L Street in Rio Linda, California or by contacting Dave Andres at (916) 991-1000.

MITIGATION MEASURES: Mitigation measures have not been identified for the project.

David J. Andres, General Manager  
Rio Linda/Elverta Community Water District





# ENVIRONMENTAL CHECKLIST AND INITIAL STUDY

**Project Title:** *Water Master Plan – 2003 Revision* for the Rio Linda/Elverta Community Water District

**Lead Agency Name and Address:**

Rio Linda/Elverta Community Water District  
730 L Street  
Rio Linda, CA 95673

**Contact Person and Phone Number:** Dave Andres, General Manager at (916) 991-1000.

**Project Location:** The *Water Master Plan – 2003 Revision* covers the area within the boundary of the Rio Linda/Elverta Community Water District (*Water Master Plan*, Figure 1-2) and the area identified as the "non-franchised" area in the *Elverta Specific Plan Draft EIR* (see Plate WS-B, Page 8-8a). The District boundaries extend generally from the Sutter / Placer County line on the north to Ascot Avenue on the south, and from East Levee Road on the west beyond 30<sup>th</sup> Street on the east. The boundaries of the District are predominantly coterminous with the boundaries of the Sacramento County Rio Linda/Elverta Community Plan Area, with two exceptions:

- Approximately 320 acres comprised of ±50 small (5- to 10-acre) lots: 1) along the east side of 28<sup>th</sup> Street generally between I Street and Elkhorn Boulevard; 2) along the south side of Elkhorn Boulevard generally between 28<sup>th</sup> Street and 30<sup>th</sup> Street; and 3) between 28<sup>th</sup> Street, 30<sup>th</sup> Street, Elkhorn Boulevard, and U Street. These lots are outside of the Community Plan area, but within the District service boundary.
- Approximately 400 acres in the northeast corner of the Community Plan area that is within the Community Plan boundary but outside of the District service area that includes approximately 177 acres designated as the "non-franchised" area.

The Elverta Specific Plan area, a 1650-acre portion of which falls within the District boundaries and 177 acre portion designated as the Non-franchised area that may be served in whole or part by the District, is undergoing a separate CEQA analysis including analysis of water supply and service for that development area. (See Draft EIR Elverta Specific Plan dated May 2003)

**Project Sponsor's Name and Address:**

Rio Linda/Elverta Community Water District  
730 L Street  
Rio Linda, CA 95673

**Policy, Plan, and Zoning Consistency:** The proposed *Water Master Plan - 2003 Revision* is consistent with the County General Plan, the Rio Linda and Elverta Community Plan, and the County Zoning Code. The provision of water by the District to serve existing and planned future growth in the area is assumed in, and consistent with, the County General Plan and Community Plan. The Community Plan area, which implements the General Plan, encompasses 11,580 acres and is planned for a maximum holding capacity of 13,207 dwelling units (Community Plan, Table 1). Ultimately development is anticipated to include approximately 72 percent residential (primarily very low density "agricultural-residential"), 7 percent commercial and industrial, and 21 percent agricultural, open space, and public uses. About half the Plan acreage is planned for semi-rural ("agricultural-residential") residential uses that allows small farms and small-scale agricultural uses on lots under 2 acres in size. Policies of the Community Plan require public water supply and sanitary sewer in these areas. The Rio Linda/Elverta Community Water District is the water purveyor to almost 90 percent of the Plan area (Community Plan FEIR, p. 235). As noted earlier, there are 400 acres within the northeast area of the Plan that fall outside of the Rio Linda/Elverta Community Water District that are either served by the Citizens Utility Company or are "non-franchised".

Section 301.13 (Utility and Public Service Uses) of the County Zoning Ordinance allows water well sites as a conditional use in any zoning category if determined by the Planning Commission to be necessary for the public health, convenience, safety, or public welfare. Where a well site has been designated on an approved tentative subdivision map and the final map has been recorded, no use permit is required.

**Background and Existing Conditions:** The Rio Linda/Elverta Community Water District is a County Water District that was formed in 1948 to serve the more densely developed areas within the community of Rio Linda (Community Plan FEIR, p. 235). It was later expanded to serve the Elverta area.

Currently, the area within the District's boundary is served entirely by groundwater wells. About half of the area within the boundary is served from individual private wells, and the remainder is served by District facilities (Water Master Plan, p. 1-1). The District has 11 existing municipal wells, which are operated to distribute groundwater to its customers. These are described in Table 3-1 of the Water Master Plan (p. 3-6). Total existing well capacity is 9.1 mgd without Well No. 5, which currently serves only as a standby well due to poor water quality (high iron, manganese and arsenic levels) (Water Master Plan, p. 5-1). The existing wells are able to meet existing maximum day peak demands, however, there is no excess capacity for additional growth (Water Master Plan, p. 5-1). Under current summer demand conditions, all the existing wells except No. 5 are operated to meet the peak demands (Water Master Plan). Due to new Environmental Protection Agency (EPA) Water Quality Standards for arsenic, two wells (Nos. 3 & 5) will need to be taken out of service or treatment facilities installed by July 1, 2006.

The District's distribution system consists of a network of 12-inch and smaller pipelines that convey water pumped from the wells to customers (Water Master Plan, p. 6-1). The distribution system is interconnected, however, there are hydraulic bottlenecks in the existing pipeline capacity that affect the ability to move water from some parts of the system to others (Water Master Plan, p. 6-1). The distribution system provides the District with enough water supply to meet the current peak-hour water demand of 3.9 mgd.

There is one 100,000 gallon elevated tank located at Well No. 12 that provides consistent pressure for the system. The existing tank functions to maintain system pressures within a relatively constant range. (Water Master Plan, p. 6-1)

As indicated in Table 6-1 of the Water Master Plan, the looped portions of the system can provide fire flows that meet the current fire flow requirements of 1,000 gpm for structures less than 3,600 square feet, and 1,7500 gpm for structures greater than 3,600 square feet. However, small diameter (6-inch or less) dead-end pipes, and some 8-inch dead-end pipes serving higher ground-level elevations, cannot currently provide the required 1,000 gpm fire flow at 20 psi minimum pressure. Such small diameter dead-end pipes must either be upsized or looped to provide adequate fire flow. (Water Master Plan, p. 6-3)

The existing population within the District is about 16,300, however the District does not serve all current residents. Currently, the District has about 4,170 single-family residential meters (including agricultural-residential) and 15 apartment meters. The population currently served by the District is estimated at about 13,100. The remaining population of about 3,300 within the boundary is served by an estimated 1,000 private domestic wells. Figure 1-2 of the Water Master Plan identifies the service area for the District as well as its boundaries.

For customers served by the District, the total annual well production in 2002 was 3,387AF. The District meters water consumption by its customers. Currently, there are approximately 4,300 meters. Residential and agricultural-residential uses (4,170 meters) comprise about 67 percent of the total consumption; apartments (15 meters) comprise about 25 percent; and all non-residential uses (115 meters including commercial, government, industry, and landscape irrigation) account for about 9 percent.

Water consumption by customers is less than well production due to losses within the system between the wells and customer meters. System losses occur due to main breaks, pipe leaks, fire flows, metering discrepancies, system maintenance and other causes. Based on the District's historic production and consumption data over the past five years, system losses have averaged about 9 percent per year (Water Master Plan, p. 2-1). This falls below the threshold of 10 percent set by the California Urban Water Conservation Council Memorandum of Understanding, Exhibit 1, System Water Audits, Leak Detection and Repair, Item F, Water Savings Assumptions).

Historic water demand information within the District boundary is available only for customers served by the District (Water Master Plan, p. 2-1). There is little or no historic data for the  $\pm$ 1,000 private individual wells within the District (Water Master Plan, p. 2-1). The District has estimated that private demand ranges from 2,650 to 2,935 AF/yr, or no

more than 3,000 AF/yr, of which about 815 AF/yr is for domestic uses, and the remainder is for agricultural uses (Water Master Plan, p. 2-2).

The District has an existing *Water Master Plan* dated November 2000 that was approved by the Board of Directors. The current plan needs to be revised for the following reasons: 1.) New regulatory standards for arsenic will take effect on July 1, 2006 that will affect the operation of a number of existing wells; 2.) Surface water requirements established by the County of Sacramento for the Elverta Specific Plan area will require construction of transmission and storage facilities not previously considered; 3.) Assumptions about the construction of an electrical generating power plant being constructed are no longer valid; and 4.) Project priorities, assumptions and the ability to finance construction projects have changed.

**Project Description:** The project is adoption of a *Water Master Plan 2003 Revision* to serve existing and planned growth within the boundaries of the Rio Linda/Elverta Community Water District. The area within the District boundaries comprises about 11,415 acres or 17.8 square miles (Water Master Plan, p. 1-1). Within that area 13,255 units are planned or proposed on 7,510 acres, for a projected 2035 population of 37,297

About 1,374 acres of the ±1,734-acre Elverta Specific Plan area (Elverta Specific Plan NOP, p. 2) falls within the District boundaries and an additional 177 acres is currently non-franchised and may be served by the District in whole or in part. The District has assumed that the water facilities to serve the Elverta Specific Plan area will be constructed as a part of future growth under the Specific Plan. The District will review and approve the water system improvement plans, and accept the constructed facilities after completion. However, one exception to this concept is the provision of PF-8 water. Sacramento County has established a Community Plan requirement that the Elverta Specific Plan project will have no net effect on groundwater levels. As a result, the District will directly contract to construct transmission pipelines to bring surface water to the plan area at the expense of the property owners. Initially this water will come from a contract to supply water from Folsom Lake. The costs of construction of the water system to serve the Elverta Specific Plan are included in the *Water Master Plan - 2003 Revision* CIP.

Water demand projected in the *Water Master Plan - 2003 Revision* is based upon land uses shown in the Community Plan (and related General Plan amendment) approved by the Sacramento County Board of Supervisors in 1998. The proposed water system provides the necessary infrastructure for approved growth in the Community Plan area. There is no water pumping or transmission associated with the *Water Master Plan - 2003 Revision* other than that already planned under the approved Community Plan. Based on groundwater analysis and modeling that concluded there would be no significant adverse impacts associated with any of the growth scenarios, and based on policies of the Community Plan intended to protect and regulate use of groundwater in the area, the Community Plan FEIR concluded that impacts associated with the provision of water to the planned growth in the area would be less-than-significant. This is consistent with the conclusions in the DEIR for the Elverta Specific Plan as well.

Build-out demand factors used within the *Water Master Plan - 2003 Revision* are consistent with the 1995 regional planning that formed the basis of the Water Forum

Agreement, with land uses and acreage totals updated and refined to reflect the 1998 Community Plan and the September 1999 proposed Elverta Specific Plan (Water Master Plan, p. 2-4). While the power plant project is not currently proposed to proceed, the demand factors have been left in the demand analysis for future planning purposes. For purposes of this document, it is assumed that the power plant demand delineated in the adopted *Water Master Plan - 2003 Revision* will be that shown in the Community Plan FEIR. The projected demand for this discussion (without adjustments for conservation as required by the Water Forum Agreement) is as follows:

**Projected 2030 Unadjusted Water Demand (acre feet per year)**

Existing Services	3,387
Elverta Specific Plan <sup>1</sup>	3,150
Power Plant <sup>2</sup>	3,000
Other Urban Development	13,944
Non-franchised Area	545
Private Wells	2,288
<b>TOTAL<sup>3</sup></b>	<b>26,314</b>

1 Includes only that portion of the Specific Plan area that falls within the Water District boundaries.

2 For planning purposes only.

3 Differs from the Water Master Plan – November 2000 number of 26,557 AF/yr by 815 AF/yr, which represents the adjustment for the power plant demand and by 545 AF/yr per for service to the Non-franchised area per Table 2, page 10 of the *Water Supply Assessment for the Elverta Specific Plan – Final Report* dated August 26, 2002.

Peaking factors are used to relate average day demands to maximum day and peak hour demand conditions, which are typically used for sizing water facilities (Water Master Plan, p. 2-6). For the Water Master Plan - 2003 Revision, the following peaking factors are used for urban demand (Water Master Plan, p. 2-7):

- Maximum day demand at 2.0 times average day; and
- Peak Hour Demand at 3.0 times average day (1.5 times maximum day)

Table 2-6 of the Water Master Plan summarizes the projected average day demand, maximum day demand, and peak hour urban demands within the District.

The *Water Master Plan - 2003 Revision* includes a capital improvements program that identifies and assigns a cost to necessary physical improvements. The planned water system improvements contained in the *Water Master Plan - 2003 Revision* are well improvements (supply), treatment options, storage facilities, distribution pipeline improvements (conveyance) and transmission pipelines. These are discussed in more detail below.

**WELL IMPROVEMENTS**

It is assumed that existing wells will be replaced with 1,500 gallon-per-minute (gpm) wells in the future, either by expanding existing well sites or by acquiring new well sites in the vicinity of the existing well. If groundwater conditions are such that it is not possible to achieve 1,500 gpm wells, then a larger number of wells of smaller capacity will be needed. (Water Master Plan, p. 7-1) In addition, surface water facilities will be integrated

into the distribution system to allow for conjunctive use. In the short-term Well Nos. 3 & 5 are proposed to be abandoned. Well 3 will not be replaced at its same location and Well No. 5 will be replaced with a pump station. Both of these wells will not meet new arsenic standards that go into effect on July 1, 2006. In addition, Wells 11, 10 and 7 will be retrofitted with compressors on the pneumatic tanks.

The conceptual locations for the 18 proposed new wells are shown on Figure 7-1 of the *Water Master Plan - 2003 Revision*: The proposed well sites were determined based on proximity to intersections of large diameter pipes, and the ability to minimize required pipeline improvements by dispersing the future supply throughout the system. The conceptual locations also allow a minimum spacing between wells that is similar to the existing minimum spacing and will avoid interference.

New wells would be located in the general vicinity of the conceptual locations and would require that adequate pipeline capacity be provided from the well to the major pipeline connection. The actual location, capacity, and number of new wells would be determined based on specific development needs and well tests. The District will coordinate with the County Transportation Division to ensure that new well sites are located outside of future right-of-way areas.

On-site electrical generation or permanent emergency backup will be provided to meet the average daily demand of each well at a minimum. The on-site generator / emergency backup systems will be a direct drive engine, diesel or natural gas connection, fuel storage and computerized controllers. As the number of wells increases over the long-term, the need for a permanent on-site generation / emergency backup will be evaluated on a case-by-case basis, depending on the well location, proximity to other wells with backup, and the power grid serving the well. In the long-term, if wells are constructed without a permanent power system, the District may purchase one or two portable generators that could be moved from site to site as needed.

## WATER STORAGE FACILITIES

The District will install storage tanks adjacent to new wells where necessary and along surface water transmission pipelines. The District will construct up to six 1-2 million gallon, or larger, water tanks to address surface water storage and/or peak water demand in service areas. The tanks will be constructed of either bolted steel, welded steel or pre-stressed concrete. Tank sites will be fenced and visually screened by landscape buffers where appropriate.

## OFFICE/MAINTENANCE FACILITY

The District will construct a new office/board room at its' existing corporation yard or a new office/board room and/or maintenance facility at a new site near the corner of U Street and 16<sup>th</sup> Street in Elverta. Approximately 2000 square feet of office space is planned along with a boardroom to comfortably seat 75 to 100 people. A maintenance and material storage facility will be constructed with approximately six bays. The site will be fenced and paved. A landscaping plan will be developed for the site, which may include a water conservation garden.



## PIPELINE IMPROVEMENTS

The conceptual locations and sizes of pipeline improvements needed at buildout are shown on Figure 7-1 of the *Water Master Plan*. The current mode of providing supply is from a dispersed network of well locations, rather than relying on a backbone transmission system to convey large flows throughout the system from concentrated supply points. This approach minimizes the extent of required improvements to the existing system. However, with the addition of a surface water source, parts of the District will be established as conjunctive use areas with larger transmission and storage facilities. In addition, regional surface water transmission facilities are planned to traverse the District and will be incorporated into District facilities where appropriate and feasible.

The Sacramento Metropolitan Fire Protection District, which services the area, requires a minimum pipeline diameter of 8-inches for new development. Larger diameters may be needed for service to some urban land uses with higher density and/or intensity of land uses. The requirement for a minimum 8-inch diameter pipeline has also been established as a District standard for all upgrades and improvements.

The existing system contains a number of unlooped (dead-end) pipes at various locations. These locations must be flushed periodically for water quality purposes. The CIP contains some proposed projects that will loop some of these locations in order to provide adequate fire flows and system pressures. Other locations would be looped in the future when pipelines are extended to serve new customers. In addition, the District will install pressure control valves at various locations to help sustain pressure in the distribution system.

For future pipeline alignments, the District will coordinate with the County Transportation Division regarding future right-of-way locations and widths. Alignments for future pipelines, including valves, fire hydrants, and other appurtenances, will consider ultimate right-of-way requirements.

## CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) identifies estimated costs and phasing of necessary infrastructure for a 30-year period through 2035, which is when buildout is assumed to occur. The total for all improvements will exceed \$40 million when infrastructure from the Elverta Specific Plan area is included. This includes all construction costs, plus contingencies, engineering, legal, environmental, and administration. Estimated well costs include land costs to expand existing sites or acquire new sites (assuming the minimum of ½-acre per site). Pipeline costs do not include land costs because it is assumed that pipes will be constructed within public rights-of-way or easements to be dedicated by landowners. The CIP estimates do not include land acquisition costs for future pipeline rights-of-way.

## WELLHEAD TREATMENT

The CIP estimates include the cost of providing chlorine disinfection treatment at each well. However, additional wellhead treatment may be needed in the future, such as reduction of iron, manganese, arsenic, and/or radon. The need for such treatment will depend on the final rules on radon adopted by EPA, and on the actual quality of groundwater at the District's well sites.

New Environmental Protection Agency (EPA) regulations that will go into effect on July 1, 2006 will result in the need to eliminate two wells. Two District wells exceed the 10 parts per billion (ppb) standard. The *Water Master Plan – 2003 Revision* provides the following for these two wells

- Well No. 3, which is the lowest yielding well in the District's system will be abandoned and the well site taken out of production.
- Well No. 5 is the second lowest yielding well and has experienced other water quality problems due to iron and manganese. Well No. 5 is currently offline, but is used as a standby well. This well will be abandoned and replaced with a pump station.

Wellhead treatment, if necessary, would add additional costs to the proposed CIP, and could require additional land (a minimum ½-acre site if needed for each affected well) to accommodate added facilities and treatment processes such as slabs/enclosures, backwash ponds, piping and appurtenances, controls, and work area. For proposed new wells, the District's siting criteria will ensure that new well sites meet this minimum size requirement. However, some of the existing well sites are smaller than ½-acre.

## PHASING OF IMPROVEMENTS

The preliminary implementation schedule is based on the phases shown below. A refined phasing schedule will be determined in conjunction with the rate study, which has not yet been completed.

- Near-Term Improvements – 2003 to 2010
- Intermediate Improvements – 2010 to 2020
- Long-Term Improvements – 2020 to 2035

The near-term improvements focus on correcting existing deficiencies, and providing additional capacity to meet future demands. This would include servicing the Elverta Specific Plan area and developing surface water resources. Intermediate improvements focus on planned replacement of existing older wells that will also provide additional capacity to meet future demands. Long-term improvements are solely to provide service to areas not currently served. The actual schedule, especially for long-term improvements, will depend on the actual timing of development and the actual growth in water demand.

**Previous Relevant Environmental Analysis:** The subject area has been identified for conversion to primarily residential land uses since at least 1965. The 1965 County General Plan identified the majority of the area for Low Density Residential uses with concentrations of commercial and medium density residential uses in downtown Rio Linda, at Elverta Road and 16<sup>th</sup> Street, and at Elverta Road and Sorento Road. In addition medium density residential uses were shown at Elverta Road west of Gibson Ranch and at West 6<sup>th</sup> Street near Q Street. Industrial uses were shown along the East Main Drainage Canal and surrounding McClellan Air Force Base. Similar land use patterns were repeated in the 1971 Community Plan, the 1975 Community Plan Update, the 1978 Community Plan, the 1982 Community Plan, the 1996 General Plan, and the 1998 Community Plan. (Community Plan FEIR, p. 68 and 69)

A maximum holding capacity of 10,670 units was assumed for the Rio Linda/Elverta Community Plan area in the Sacramento County General Plan. Infrastructure to service that capacity was assumed in the General Plan and examined as a part of the environmental analysis (Sacramento County General Plan FEIR, SCH #91062050, certified October 20, 1993).

Potential environmental impacts of growth in the Rio Linda/Elverta area were more specifically analyzed in the Rio Linda and Elverta Community Plan FEIR (SCH #96012016, September 1997). The maximum holding capacity examined in the Community Plan FEIR ranged from 8,360 units under Alternative D (1978 Community Plan) to 16,145 units under Alternative C (Community Plan FEIR, p. 16,145). A maximum of 13,207 units was ultimately approved (Community Plan, Table 1). Infrastructure to service this population was assumed as a part of the Community Plan, and examined in the environmental analysis. Policy PF-5 of the adopted Community Plan specifically requires public water to serve lots of two-acres or less.

The potential environmental impacts of the terms of the Water Forum Agreement were analyzed in the Water Forum Proposal FEIR (SCH #95082041, October 1999). The long-term sustainable yield for the North Sacramento area groundwater zone was identified as 131,000 AF/yr in those documents. The groundwater model used to support the Water Forum Agreement indicates that with full implementation of all provisions of the Agreement by the year 2030, the groundwater pumping would be at approximately 112,000 AF/yr. The Elverta Specific Plan area is subject to Policy PF-8 of the Community Plan, which provides as follows:

*PF-8 The County of Sacramento and the Cities of Citrus Heights, Folsom and Sacramento, through a Joint Powers Agreement, have established the Sacramento North Area Groundwater Management Authority ("SNAGMA") to implement a groundwater management program to protect the long-term sustainable yield of the groundwater basin underlying the North Area Basin. In the new growth area in eastern Elverta, and other comprehensively planned development areas, entitlements for urban development shall not be granted until the Board of Supervisors makes one of the following findings:*

*(i) that an agreement between the developer and either the domestic water purveyor serving the area (the Rio Linda/Elverta Community Water District and/or Citizens Utilities Company) or the SNAGMA has been executed which (a) assures that arrangements are in place to deliver supplemental water supplies (i.e., surface water, reclaimed water, etc.) within the boundaries of the SNAGMA in quantities sufficient to prevent a long-term net increase in groundwater pumping resulting from the proposed development and (b) assures that funding is made available to either the domestic water purveyor or the SNAGMA for all costs for delivery of such supplemental water supplies; or,*

*(ii) that an appropriate groundwater management program has been adopted by the Sacramento North Area Groundwater Management Authority ("SNAGMA") to protect the long-term sustainable yield of the groundwater basin underlying the area for which an entitlement is sought, and that water use resulting from such entitlement is subject to and consistent with such groundwater management program.*

*The land use planning process may proceed, and specific plans and rezoning may be approved, prior to this finding being made by the Board of Supervisors. (Sacramento County, Resolution No. 98-0683, 6-3-98).*

**Surrounding Land Uses and Setting:** For a more complete description, please refer to the Community Plan FEIR:

North: Placer County (Dry Creek/West Placer Community Plan – Placer Vineyards/West Placer Specific Plan) and Sutter County; agricultural and rural residential land uses;

East: McClellan Air Force Base; Cherry Island Golf Course; Gibson Ranch County Park; Antelope residential area

South: City of Sacramento; McClellan Air Force Base

West: Agriculture

Other agencies whose approval is required: None

### ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below potentially would be significantly affected by this project, as indicated by the checklist on the following pages.

- |  |   |
|--|---|
| <input type="checkbox"/> Aesthetics                      | <input type="checkbox"/> Mineral Resources                  |
| <input type="checkbox"/> Agricultural Resources          | <input type="checkbox"/> Noise                              |
| <input type="checkbox"/> Air Quality                     | <input type="checkbox"/> Population and Housing             |
| <input type="checkbox"/> Biological Resources            | <input type="checkbox"/> Public Services                    |
| <input type="checkbox"/> Cultural Resources              | <input type="checkbox"/> Recreation                         |
| <input type="checkbox"/> Geology and Soils               | <input type="checkbox"/> Transportation/Traffic             |
| <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Utilities and Service Systems      |
| <input type="checkbox"/> Hydrology/Water Quality         | <input type="checkbox"/> Mandatory Findings of Significance |
| <input type="checkbox"/> Land Use and Planning           | <input checked="" type="checkbox"/> None Identified         |

### DETERMINATION:

On the basis of this initial evaluation:

- I find that the Proposed Project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

It should be noted, that Section 15183 of the CEQA Guidelines states that no additional environmental review of this project is required, "except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project." The District has determined that there are no such project-specific effects that would trigger additional environmental review beyond that done for the Community Plan and the Water Forum Agreement. Nevertheless, the District feels the format of a Negative Declaration is helpful for full public disclosure and discussion of the proposed Water Master Plan - 2003 Revision.

- I find that although the Proposed Project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the Proposed Project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis described in the attached sheets. An

ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to the earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project. Nothing further is required.

<u>David J. Andres</u>	<u>7/25/03</u>
Signature	Date
<u>David J. Andres, General Manager</u>	<u>Rio Linda/Elverta Comm. Water District</u>
Printed Name	Lead Agency

## ENVIRONMENTAL CHECKLIST

### Introduction

Following is the environmental checklist form presented in Appendix G of the CEQA Guidelines. The checklist form is used to describe the impacts of the Proposed Project. A discussion follows each environmental issue identified in the checklist. Included in each discussion are project-specific mitigation measures recommended as appropriate as part of the Proposed Project.

For this checklist, the following designations are used:

**Potentially Significant Impact:** An impact that could be significant, and for which no mitigation has been identified. If any potentially significant impacts are identified, an EIR must be prepared.

**Potentially Significant Unless Mitigation Incorporated:** An impact that requires mitigation to reduce the impact to a less-than-significant level.

**Less-Than-Significant Impact:** Any impact that would not be considered significant under CEQA relative to existing standards.

**No Impact:** The project would not have any impact.

### Instructions

1. A brief evaluation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g. the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g. the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, potentially significant unless mitigation is incorporated, or less than significant. "Potentially significant impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.

4. "Potentially Significant Unless Mitigation Incorporated" means "Less Than Significant With Mitigation Incorporated". It applies where incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact". The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less-than-significant level (mitigation measures from earlier analyses may be cross-referenced).
5. Earlier analyses may be used where, pursuant to tiering, a program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration (Section 15063(c)(3)(D)). In this case, a brief discussion should identify the following:

- a. Earlier Analysis Used – Identify and state where available for review.
  - b. Impacts Adequately Addressed – Identify which effects from the above checklist were within the scope of and adequately addressed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
  - c. Mitigation Measures – For effects that are "Potentially Significant Unless Mitigation Incorporated" describe the mitigation measures that were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g. general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
  7. Supporting Information Sources in the form of a source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
  8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
  9. The explanation of each issue area should identify: a) the significance criteria or threshold, if any, used to evaluate each question; and b) the mitigation measures identified, if any, to reduce the impact to less than significant.

Issues	Potentially Significant Impact	Potentially Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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**1. AESTHETICS.**  
Would the project:

- a. Have a substantial adverse effect on a scenic vista?
- b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a State scenic highway?
- c. Substantially degrade the existing visual character or quality of the site and its surroundings?
- d. Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?

**Discussion**

The area is rural in character. Urban uses are sparse, clustered mainly near the towns of Rio Linda and Elverta. There are some industrial land uses in the western portion near the Union Pacific railroad tracks, and in the southeastern portion near the former McClellan Air Force Base. The predominant land use is small agricultural-residential parcels. (Community Plan FEIR, p. 65)

There are several significant natural and open space features including the Dry Creek Parkway, Gibson Ranch Park, Cherry Island Golf Course and Soccer Complex, the Ueda Parkway along the Natomas East Main Drainage Canal, and the Sacramento Northern railway right-of-way. Portions of the area along the Natomas East Main Drainage Canal are also designated for future riparian or recreational uses as a Natural Preserve. (Community Plan, p. 6)

The area consists of gently rolling terrain. The main topographic feature is the Dry Creek drainage that bisects the area from northeast to southwest. Other creeks include Robla Creek in the southern area, and a number of unnamed drainages that flow west towards the Natomas East Main Drainage Canal. (Community Plan FEIR, p. 64)

Dry Creek and its floodplain support several natural communities, including riparian forest, deciduous woodland, and scrub vegetation. Over time, the floodplain has been reclaimed for agricultural, golf course, and other land uses that have displaced much of the historic natural vegetation. Other vegetative types in the area include annual grasslands, oak woodlands, freshwater marshes, and vernal pools.

There are no Community Plan policies or requirements that relate directly to the issue of aesthetics. The Community Plan assumes conversion of the area from primarily

agricultural and rural to primarily low-density residential uses (Community Plan FEIR, p. 5).

The project will result in belowground improvements, aboveground well sites and an office/maintenance facility as described in the Water Master Plan.

a,b. Proposed wells and storage facilities are located, among other criteria, based on proximity to intersections of large diameter pipes. This results in locations along roadways that will serve planned development. Typically well sites would be located on residential lots, in parks or other recreational areas, or in other public right-of-way. They may also be located on industrial or agricultural property. Impacts would be less than significant.

c. Well site and office/maintenance facility design will incorporate the following: permanent landscaping and irrigation along the perimeter of each site to hide the facility and assist in blending the facility into the surroundings; minimized lighting that is shielded and directed downward; other aesthetic treatments that may be necessary based on site-specific conditions to be evaluated and installed on a case-by-case basis. These requirements will ensure that the visual character and quality of the site will be attractive and will blend into, and be compatible with, the planned urban/suburban surroundings. During construction, facility sites would be less attractive while site work is underway. For these reasons, aesthetic impacts during both construction and operation are considered less than significant.

d. There will be a minor amount of lighting associated with each site. It is anticipated that this lighting will not be distinguishable from existing or future lighting associated with roadways and developed land uses. Impacts would be less than significant.



considered in the Community Plan FEIR. They were found to be less than significant (Community Plan FEIR, p. 87).

- b. Section 301.13 (Utility and Public Service Uses) of the County Zoning Ordinance allows water well sites as a conditional use in any zoning category if determined by the Planning Commission to be necessary for the public health, convenience, safety, or public welfare. Where a well site has been designated on an approved tentative subdivision map and the final map has been recorded, no use permit is required. There is no impact in this category.
- c. The project will enable the development of an expanded urban/suburban water system to serve planned growth in the area, if and when development occurs. Environmental impacts of this development, including impacts to farmland, have already been considered in the Community Plan FEIR. They were found to be less than significant (Community Plan FEIR, p. 87).

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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**2. AGRICULTURE RESOURCES:**

*In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:*

- a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?
- b. Conflict with existing zoning for agricultural use, or a Williamson Act contract?
- c. Involve other changes in the existing environment which, due to their location or nature, could result in loss of Farmland, to non-agricultural use?

**Discussion**

Pages 68 and 69 of the Community Plan FEIR provide a summary of planning for and assumptions about growth in the Rio Linda/Eivera area. The subject area has been identified for conversion to primarily residential land uses since at least 1965. The 1965 County General Plan identified the majority of the area for Low Density Residential uses with concentrations of commercial and medium density residential uses in downtown Rio Linda, at Eivera Road and 16<sup>th</sup> Street, and at Eivera Road and Sorento Road. In addition medium density residential uses were shown at Eivera Road west of Gibson Ranch and at West 6<sup>th</sup> Street near Q Street. Industrial uses were shown along the East Main Drainage Canal and surrounding McClellan Air Force Base. Similar land use patterns were repeated in the 1971 Community Plan, the 1975 Community Plan Update, the 1978 Community Plan, the 1982 Community Plan, the 1996 General Plan, and the 1998 Community Plan. As such, the 1997 Community Plan FEIR found agricultural impacts to be less-than-significant (p. 85)

- a. Page 85A of the Community Plan FEIR identifies designated Important Farmlands in the area. The project will enable the development of an expanded urban/suburban water system to serve planned growth in the area, if and when development occurs. Impacts to Statewide mapped farmland from this growth have already been

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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**3. AIR QUALITY.**

*Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:*

- a. Conflict with or obstruct implementation of the applicable air quality plan?
- b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?
- c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?
- d. Expose sensitive receptors to substantial pollutant concentrations?
- e. Create objectionable odors affecting a substantial number of people?

**Discussion**

Policies AI-1 and AI-2 of the Community Plan would apply to the District's proposed water system and future infrastructure construction. Policy AI-1 requires a dust

emissions plan and controls for any construction project. Policy AI-2 requires appropriately maintained construction equipment.

a. The project would involve the construction of specified water system improvements that would have a short-term minor effect during the period of construction, typically less than six months. The water systems improvements are accessory to the planned development in the areas, the impacts of which have already been considered in the Community Plan FEIR. The District will adhere to Community Plan Policies AI-1 and AI-2 by requiring that a dust emission control plan be developed and implemented for each capital improvement project, that contains the following minimum requirements: application of dust palliatives (e.g. water) at least twice daily (at the beginning and end of daily construction activities) and more often as necessary; watering the construction area or applying some other dust palliatives whenever visible dust clouds appear; and ceasing grading activities whenever sustained winds exceed 25 miles per hour. A dust emission control plan be developed and implemented for each capital improvement project that implements the requirements of Policies AI-1 and AI-2.

For these reasons, impacts are considered less-than-significant during both construction and operation.

b, c. The region is in non-attainment for ozone and PM10. The Community Plan FEIR addressed both short-term (construction) and long-term (operational) air quality impacts associated with planned development within the area. Emissions from infrastructure facilities (use of energy and fossil fuels at ±18 well sites; emissions from maintenance tips and operation of natural gas and diesel generators) are presumed to have been included in that analysis. For example, three pieces of typical diesel-powered construction site-grading equipment operating for 6 hours in a day will generate 0.25 lbs/acre/day of ROG, 1.60 lbs/acre/day of NOx, and 0.28 lbs/acre/day of PM10 (Sacramento Metropolitan Air Quality Management District [SMAQMD], Air Quality Thresholds of Significance, Table 2a, p. 7, 1994). This level doesn't come close to the thresholds level of significant in the Sacramento region, of 85 lbs/day each of ROG and NOx, and 275 lbs/day of PM10 (SMAQMD). These would be less-than-significant impacts.

d, e. The project would not create significant odors. Operation of generators for the power at various well sites may result in minor odor emissions. These emissions are monitored and regulated by the SMAQMD. The Water District is required to secure both a Permit to Construct, and a Permit to Operate from the SMAQMD for these facilities. The regulatory authority cannot issue these permits without a determination of consistency with the applicable environmental regulations. These would be less-than-significant impacts.

Issues	Potential Significant Impact	Significance		Impact
		Unavoidable	Significant	
4. <b>BIOLOGICAL RESOURCES.</b>				
<i>Would the project:</i>				

- a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?
- b. Have a substantial adverse impact on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?
- c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?
- d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established resident or migratory wildlife corridors, or impede the use of wildlife nursery sites?
- e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?
- f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Conservation Community Plan, or other approved local, regional, or state habitat conservation plan?

**Discussion**

Vegetation in the area consists primarily of grassland in open space, pastures, and agricultural lands. A dense to open mature oak forest and woodland persists along the margins of Dry Creek. Smaller stands of riparian forest and scrub are associated with other creeks and drainages in the area. Scattered vernal pools also occur within the grassland. (Community Plan FEIR, p. 294)

Pages 308A through 308D of the Community Plan FEIR identify the special-status species that could potentially occur within the area. The Community Plan (p. 22-24) contains a number of natural resource and habitat protection policies that apply to development in the area.

a-d. Based on a combination of aerial photography estimation, review of other documents, record searches of various data bases, and a reconnaissance-level field survey in 1995, the Community Plan FEIR provided a general analysis of anticipated biological impacts from planned development in the area.

The Water Master Plan - 2003 Revision identifies planned locations for wells and pipeline alignments in Figure 7-1. Wells are typically located on lots in

residential area, in parks and other recreational areas, or in other public right-of-way. They may also be located on industrial or agricultural property. Pipelines are typically located within public rights-of-way, along existing and future streets. Impacts would be less than significant.

e-f. The proposed project implements infrastructure necessary to serve planned growth in the area. The provision of such infrastructure is required by the policies of the Community Plan. The Community Plan is an adopted Plan of the County and is presumed by the District to be consistent with local policies and ordinances protecting biological resources, by virtue of State planning law that requires such consistency. Underground pipelines will be routed through identified street and public rights-of-way. Loss of trees associated with construction in public rights-of-way was addressed in the Community Plan FEIR. There is no adopted Habitat Conservation Plan, Natural Conservation Community Plan, or other approved local, regional, or State habitat conservation plan in place in the project area. There is no impact in these two categories.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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**5. CULTURAL RESOURCES.**

*Would the project:*

- a. Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5?
- b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?
- c. Directly or indirectly destroy a unique paleontological resource or site, or unique geologic feature?
- d. Disturb any human remains, including those interred outside of formal cemeteries.

**Discussion**

a-d. The Community Plan FEIR identifies 14 archeological sites (both prehistoric and historic) recorded in the Rio Linda/Eiverta area (Tables 77 and 78, p. 346A-C). As acknowledged in the Community Plan FEIR, the potential exists for impacts to unknown sites and resources (p. 356). Policies CR-1 through CR-6 of the Community Plan establish requirements for construction within or near areas of sensitivity for cultural resources. Significant resources must be avoided or fully mitigated pursuant to the policies of the Community Plan, CEQA, and State law. Impacts would be less than significant.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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**6. GEOLOGY AND SOILS.**

*Would the project:*

- a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:
  - i. Rupture of a known earthquake fault as delineated on the most recent Alquist - Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.
  - ii. Strong seismic ground shaking?
  - iii. Seismic-related ground failure, including liquefaction?
- iv. Landslides?
- b. Result in substantial soil erosion or the loss of topsoil?
- c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on-or-off-site landslides, lateral spreading, subsidence, liquefaction or collapse?
- d. Be located on expansive soils, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?
- e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?

**Discussion**

a-e. The proposed water system improvements involve minor public uses incidental to planned development. There would be no exposure to risk of loss, injury, or death. The facilities will be fully engineered to address specific soils and other relevant geological features at the site. Well and storage facility sites will be flat. All requirements of the building code will be met. There are no impacts in these categories.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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**7. HAZARDS AND HAZARDOUS MATERIALS.**

*Would the project:*

- a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?
- b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?
- c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?
- d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?
- e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?
- f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?
- g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?
- h. Expose people or structures to the risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?

**Discussion**

a,b,c. Chlorine and other treatment chemicals will be used at each well site for wellhead treatment and disinfection. Pursuant to existing State and federal laws governing the use of toxic substances, a business plan will be required for each facility describing substance amounts and management controls. If natural gas and/or diesel fuel is needed as an on-site power source, existing regulations require the business plan to address these substances as well.

McClellan Air Force Base adjoins the District boundaries on the southeast and east. A May 1997 study by the Sacramento County Water Agency entitled

*Baseline Conditions for Groundwater Yield Analysis*, evaluated the potential for movement of the contaminated plume at McClellan Air Force Base assuming full buildout of the County General Plan in 2030. (Water Master Plan, p. 3-5)

The plume extends about 390 feet below the ground surface, and may have extended in the deep aquifer. The plume flows generally in a south-southwesterly direction at a rate of 60 to 300 feet per year. The Air Force is providing treatment to contain the plume. (Water Master plan, p. 3-5)

The 1997 Study examined the effects of pumping in the North Sacramento area of 148,800 AFYr in 2030. For the District alone, the Study assumed 17,932 AFYr (including both urban and agriculture) for the baseline condition and 22,935 AFYr for 2030. The model results indicated that the projected future groundwater declines for projected pumping of 148,800 AFYr in 2030 would result in a movement of about 200 feet in a northeasterly direction for the shallow aquifer (Water Master Plan, p. 3-5). This is a less-than-significant impact. The Water Forum Agreement FEIR reached the same conclusion regarding the movement of groundwater contaminants in the aquifer (p. 4.2-17).

There are no potential impacts to schools.

d. The project involves the expansion of a public water supply, which must satisfy State standards for water quality. In conjunction with the development of the Community Plan, the County identified hazardous materials sites within the Community Plan area (Plate 87 and Table 81, p. 364).

The County makes specific reference to the Monroe Dump site off Palladaya Road (Community Plan FEIR, p. 381). Due to its location, this issue must be addressed in the Elverta Specific Plan environmental analysis presently under preparation. Potential groundwater contamination issues would have to be evaluated and addressed, before the District could construct/accept the water system to be developed for the Elverta Specific Plan area.

Pursuant to Policy HM-1 of the adopted Community Plan, development at those sites requires the preparation of a Phase 1 Environmental Assessment in accordance with the American Society for Testing and Materials (ASTM) Standard E 1527.93. Additionally, Policy HM-2 requires that existing septic tanks and water wells be identified and properly abandoned as public sewer and water systems are available and hook-up is required. Policy HM-3 requires proper closure of former landfill sites prior to their development.

Known contamination sites are required to be identified and safe distances determined on a case-by-case basis. Impacts in this category would be less than significant.

e. Portions of the project area fall within the McClellan overflight zone and the Rio Linda Airport safety zone, which are depicted on page 91A and 91B respectively, of Volume 1 of the Rio Linda and Everetta Community Plan FEIR. In both cases, planned development was found to be consistent with the airport plans and safety requirements, so impacts were found to be less than significant.

- f. There are no identified private airstrips within the vicinity of the project. There would be no impact in this category.
- g,h. The project would have no effect on any emergency plan. Nor does the area qualify as "wildlands" where wildland fires are a risk. There would be no impact in these categories.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>8. HYDROLOGY AND WATER QUALITY</b> <i>Would the project:</i>				
a. Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems to control?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g. Place housing within a 100-year floodplain, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Place within a 100-year floodplain structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i. Expose people or structures to a significant hazard from the project or proposed project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?

- j. Inundation by seiche, tsunami, or mudflow?

**Discussion**

**REGIONAL SUPPLY CONDITIONS:** There are three primary groundwater zones in Sacramento County – the North Sacramento area, the South Sacramento area, and the Galt area (see Figure 3-1 of Water Master Plan). The boundaries of the zones generally correspond with the hydrologic boundaries of the three primary groundwater cones of depression in the County. The boundaries of the District fall within the North Sacramento area. The cone of depression for the North Sacramento area is in the vicinity of the northeast edge of McClellan Air Force Base (southeast of the District boundaries). (Water Master Plan, p. 3-1)

Groundwater in the County occurs in both a shallow aquifer zone and in an underlying deeper aquifer zone. The shallow zone extends approximately 50 to 300 feet below the ground surface, and is composed primarily of Quaternary alluvium deposits (Laguna and Fair Oaks Formations). The deep aquifer is separated from the shallow aquifer by a discontinuous clay layer, and is composed primarily of Mehren Formation. The deep zone ranges in depth from about 200 feet below the ground surface in the eastern County to over 2,000 feet in the western County. (Water Master Plan, p. 3-1)

**GROUNDWATER QUALITY:** The water quality in the deep aquifer is generally not as good as that of the shallow aquifer, and has higher concentrations of total dissolved solids (TDS), iron, and manganese. In general, the water quality of the deeper aquifer decreases with depth. At depths ranging from 800 to 1,200 feet the TDS exceeds 2,000 mg/l and the water is not considered potable without treatment (Water Master Plan, p. 3-1). The depth of existing District wells ranges from 267 feet below the ground surface to 640 feet, with an average depth of 486 feet (Water Master Plan, Table 3-2, p. 3-7).

The groundwater quality throughout Sacramento County presently meets all of the California Department of Health Services (DHS) Title 22 drinking water quality standards (both primary and secondary), with the exception of iron and manganese. Elevated levels of iron and manganese do not pose a health hazard, however, secondary drinking water standards have been set for aesthetic reasons, because these constituents discolor the water, adversely affect taste, and result in staining of plumbing fixtures and cooking utensils. The secondary standards for iron and manganese are 300 and 50 parts per billion (ppb), respectively. (Water Master Plan, p. 3-4)

Wells in the North Sacramento area have not been found to generally experience problems with iron and manganese, although isolated wells occasionally experience high levels such as the District's Well No. 5. As noted above, the concentrations of both iron and manganese have been found to be higher in the deeper aquifer than in the shallow aquifer. Elevated concentrations of both iron and manganese in some shallow aquifer wells suggest that uprising of groundwater from the deep to shallow aquifer system may have occurred (Water Master Plan, p. 3-4).

Radon and arsenic are two other constituents of potential concern. Previously, arsenic was regulated by DHS at a primary drinking water standard of 50 ppb. New EPA standards scheduled to go into effect on July 1, 2006 will reduce the standard to 10 ppb. New DHS standards are scheduled for adoption on July 1, 2004.

The District has indicated that the new rule will affect two of the existing wells in the system, both of which are scheduled for near-term (by 2010) abandonment.

At present there is no drinking water standard for radon. The EPA has a proposed radon rule, which is currently under comment. The rule proposes a "multimedia" approach to controlling radon control stressing that actions to reduce radon in the air offer superior risk reduction to controlling typical levels of radon in drinking water. The proposed water standard is 300 pCi/L. EPA assumes that the multimedia approach will be adopted by most states and systems to avoid the high water treatment costs at the proposed standard of 300 pCi/L. Where multimedia programs are in place to mitigate risks from radon in indoor air, systems would only have to meet the alternative standard of 4,000 pCi/L. (Water Master Plan, p. 3-5)

The proposed radon rule is controversial because of the low indoor radon concentrations in California, the lower risk associated with radon in water versus that in air, and the cost of treatment to reduce radon levels in water. In the County's 1997 study of baseline groundwater conditions, 85 percent of the wells in the County were found to exceed the proposed radon standard for water. (Water Master Plan, p. 3-5)

Wellhead treatment, if necessary, would add additional costs to the proposed CIP, and could require additional land (a minimum 1/4-acre site if needed for each affected well) to accommodate added facilities and treatment processes such as salsolenclosures, backwash ponds, piping and appurtenances, controls, and work area. The District's siting criteria will ensure that new well sites meet this minimum size requirement. However, some of the existing well sites are smaller than 1/4-acre.

Appendix B of the Water Master Plan identifies possible costs associated with various treatment alternatives. It provides comparative costs for alternative treatment of wells assuming arsenic, iron, manganese, and radon are found.

The 1997 study, *Baseline Conditions for Groundwater Yield Analysis*, also evaluated the effects of projected growth and water demand on groundwater levels and quality. As noted earlier, the study assumed that in 2030 pumping for the North Sacramento area would be 148,800 AF/yr. For the District alone, the study assumed 17,932 AF/yr for the baseline condition and 22,935 AF/yr for 2030. The study found the groundwater quality of wells in the North Sacramento area would not decline with the projected pumping scenario of 148,800 AF/yr in 2030, although there could be individual wells that experience decline. (Water Master Plan, p. 3-5)

**GROUNDWATER SUPPLY:** The modeling for the 1997 study showed that for all the projected levels of land use and water demand conditions analyzed, the groundwater levels tend to decline for approximately 20 years due to groundwater pumping in excess of groundwater recharge. However, groundwater recharge slowly increases in response to the lowered groundwater levels, eventually reaching an equilibrium position

whereby groundwater levels become stabilized. Under this equilibrium condition, groundwater levels fluctuate in response to wet and dry hydrologic cycles; however, the long-term average levels remain the same. (Water Master Plan, p. 3-2)

The 1997 study found that as groundwater levels are lowered (due to increased pumping), the recharge from rivers and subsurface inflows from surrounding areas increase. The results indicate that excess groundwater pumping resulting in a continuous groundwater level decline (permanent "mining" condition) would not occur, even with the projected level of pumping under 2030 conditions. (Water Master Plan, p. 3-2)

In the North Sacramento area, the model results indicate that the location of the groundwater cone of depression will remain the same (just northeast of McClellan Air Force Base). Under 2030 conditions, with projected total pumping at 148,800 AF/yr, the minimum groundwater levels at the cone of depression would stabilize at approximately 135 feet below msf, representing a maximum groundwater level decline of about 85 feet from 1990 levels. Within the District area, the minimum groundwater levels would stabilize at approximately 105 feet below msf, representing a maximum groundwater level decline of approximately 60 feet from 1990 levels. (Water Master Plan, p. 3-3)

The study found that no municipal wells within the District would be dewatered by the expected groundwater declines, although about 7 percent of the domestic wells would require replacement. The model results indicated that wells perforated to depths greater than 125 feet would not be dewatered by the groundwater decline. However, pumping costs for the District and for domestic wells would be higher due to deeper groundwater. Pumps would need to be reset or replaced. (Water Master Plan, p. 3-3)

Within the North Sacramento area, the 1997 study estimated that there has been about 0.3 feet (3.6 inches) of historical land subsidence. The expected additional subsidence by 2030, with projected total pumping of 148,800 AF/yr is about 0.4 feet (4.8 inches). Areas within the District are already floodprone, and this additional subsidence could affect drainage conditions. (Water Master Plan, p. 3-3) This effect was considered in the Community Plan FEIR and in the Water Forum Proposal FEIR and found to be less than significant.

For the purposes of this analysis, the 2030 pumping for the District for all land uses is projected to be 26,287 AF/yr. This includes existing services (3,360 AF/yr), the portion of the Elverta Specific Plan within the district (3,150 AF/yr), power plant use for planning purposes only (3,000 AF/yr), the non-franchised area (545 AF/yr), other urban development (13,944 AF/yr), and private wells (2,288 AF/yr). However, the Elverta Specific Plan is subject to Community Plan Policy PF-8, which indicates that a supplemental water supply for conjunctive use will be needed to serve that area.

The maximum pumping number of 26,287 AF/yr, minus the 3,150 AF/yr for the Elverta Specific Plan area, equals 23,137 AF/yr, which is slightly above the 22,935 AF/yr assumed in the 1997 Baseline Study (Water Master Plan, p. 3-2). Therefore, the estimated decline in groundwater levels would about what was estimated.

**GROUNDWATER DEMAND:** Water demand projected in the *Water Master Plan - 2003 Revision* is based upon land uses shown in the Community Plan, and related General Plan amendment, approved by the Sacramento County Board of Supervisors in 1998. The proposed water system provides the necessary infrastructure for approved growth in the Community Plan area. There is no water pumping or transmission associated with the *Water Master Plan - 2003 Revision* other than that already planned under the approved Community Plan. Based on groundwater analysis and modeling that concluded there would be no significant adverse impacts associated with any of the growth scenarios, and based on policies of the Community Plan intended to protect and regulate use of groundwater in the area, the Community Plan FEIR concluded that impacts associated with the provision of water to the planned growth in the area would be less-than-significant.

The potential environmental impacts of the terms of the Water Forum Agreement were analyzed in the Water Forum Proposal FEIR (SCH #95082041, October 1999). The long-term sustainable yield for the North Sacramento area groundwater zone was identified as 131,000 AF/yr in those documents. The groundwater model used to support the Water Forum Agreement indicates that with full implementation of all provisions of the Agreement by the year 2030, the groundwater pumping would be at approximately 112,000 AF/yr.

As noted earlier, the Elverta Specific Plan area is subject to Policy PF-8 of the Community Plan. Implementation of PF-8 establishes the framework for the District and SNAGMA to evaluate impacts of additional pumping on groundwater levels and formulate a conjunctive use plan as necessary.

a. The proposed project would not violate any water quality standards or waste discharge requirements. Water quality impacts were identified as less than significant in the Community Plan FEIR (p. 253). As indicated in the discussion above, water in the area meets all safe drinking water standards. Future wells would have to meet these criteria as well, based on annual testing mandated by the State. As indicated in the project description, the proposed water system and Capital Improvement Plan assume the cost of providing chlorine disinfection treatment and such other treatment as is necessary to meet drinking water standards at each well. No wells currently receive or require treatment for any other constituents. Wells No. 3 and 5, which exceed the just-promulgated arsenic rule, are scheduled for replacement under the proposed *Water Master Plan - 2003 Revision*. Well No. 5 was taken off-line due to elevated levels of iron and manganese, though it remains available as a standby well. The *Water Master Plan - 2003 Revision* does include estimates of the cost for additional treatment for iron, manganese, radon, and arsenic should it become necessary. Impacts in this category are considered less than significant.

b. The Community Plan FEIR (September 1997) analyzed the environmental effects associated with annual water demand ranging from 23,425 AF/yr to 29,963 AF/yr in the Community Plan area (Table 48, p. 248). The results of the groundwater modeling concluded that the various land use alternatives resulted in little change in groundwater elevations relative to the baseline condition defined as Alternative D, build-out of the 1978 Community Plan. The EIR concludes that (Community Plan FEIR, p. 261): 1) growth under any scenario will have no significant effect on

groundwater supplies in the area; 2) adequate groundwater supplies exist in the area to serve Community Plan growth; and 3) growth within the Community Plan would have no significant bearing on nor be contingent upon the outcome of the Water Forum process.

The September 1995 study, *Groundwater Impact Analysis for Rio Linda-Elverta Community Plan*, prepared by Bookman-Edmonston Engineering, also examined effects on domestic wells associated with development of the Community Plan area. A random sampling of 42 domestic wells was evaluated during average, drought, and wet conditions (p. 5-8). In average and drought conditions, the study concluded that 24 percent of the wells ( $\pm 240$  of the estimated 1,000 domestic wells) would experience an increase in power costs due to increases in pumping lifts, and/or dewatering of wells (p. 5-4; Table 5-6, p. 5-9). In wet years, 17 to 21 percent of the wells would experience increased power costs and/or dewatering. The calibration of the modeling was identified as  $\pm 10$  feet, which is indicated as reflecting a margin of error of up to 10 percent. The study indicates that wells under 125 feet in depth were impacted regardless of location, while wells perforated to depths greater than 150 feet were not likely to be impacted.

The Community Plan FEIR concluded that the projected drop in groundwater levels will result in a potential increase of 2 to 5 feet in pumping head. This increase, in conjunction with the increase in pumping due to higher water demands, would result in increased costs for power to draw the water. Each of the existing private domestic wells in the area is assumed to be pumping an average of 3 AF/yr (3,000 AF/yr assumed private demand + 1,000 assumed individual wells) (Water Master Plan, p. 2-2), whereas, the District's system presently pumps 3,360 AF/yr (Water Master Plan, p. 2-1). For the District, increasing pumping costs would be substantively more significant, however, this expenditure is anticipated and has been assumed in the *Water Master Plan - 2003 Revision*.

Pursuant to the conclusion of the Community Plan FEIR from which this Negative Declaration tiers, dewatering of individual private wells is considered a short-term less-than-significant effect. As development occurs in the area, Policy PF-5 of the Community Plan requires that lots under 2-acres in size be on public water supply. At build-out, only 67 lots zoned Agricultural-Residential 5 (5-acre minimum) and Agricultural-Residential 10 (10-acre minimum) (Community Plan, Table 1, p. 8) would be on private wells. Additionally, the Community Plan FEIR states, "this incremental decline and the dewatering of private wells is a regional issue, beyond the scope of the current project" (Community Plan FEIR, p. 262f). This is a less-than-significant impact.

c. The *Water Master Plan - 2003 Revision* does not propose alteration of site drainage or stream courses; nor is increased erosion or siltation anticipated to occur. Construction of the water system infrastructure will involve grading and installation of underground pipelines. This work will be incidental to development of other land uses, and minor in nature and overall scale. All construction must comply with standard County requirements for construction site drainage and erosion control. If required, a Stormwater Pollution Prevention Plan will be prepared and executed during construction of each capital improvement project. This impact would be less than significant.

d. As noted earlier, there has been approximately 0.3 feet (3.6 inches) of historical land subsidence in the North Sacramento area to date. Expected additional subsidence by 2030 due to projected pumping is another 0.4 feet (4.8 inches), for a total subsidence of 0.7 feet (8.4 inches). Since some areas within the District are already floodprone, this additional subsidence could adversely affect drainage conditions on a localized basis. This effect was considered in the Community Plan FEIR and in the Water Forum FEIR and found to be less than significant. While estimates and projections of water demand have been refined, there has been no change in circumstances since those determinations. The subject *Water Master Plan - 2003 Revision* accommodates the planned growth. This is a less-than-significant impact.

e. Runoff from the proposed well sites would be minimal. Eighteen new wells on one-half acre sites would result in up to 9 acres of land dedicated to this purpose. Within the District boundaries of over 11,415 acres, runoff from this aggregate 9-acre impermeable surface (compacted all-weather gravel or paving). The remainder of the site would be landscaped. The sites will have adequate drainage including access to a drainage facility capable of receiving water pumped to waste from the well. The typical pump to waste discharge rate identified for use when considering the drainage of a well is 1,500 gallons per minute. The potential for impact is considered less-than-significant.

f. As noted above, the County's 1997 baseline study concluded that groundwater quality in the wells in the North Sacramento area is not anticipated to decline with projected increased pumping through buildout. Notwithstanding this, the District is required to perform annual water quality testing to ensure continued compliance with water quality standards, both primary (health-based) and secondary (aesthetic). Failure to satisfy the standards will result in wellhead treatment or conversion of the well to off-line status. This would be a less-than-significant impact.

g, h, i. No housing is proposed as a part of the *Water Master Plan - 2003 Revision*. The project would not place people or structures within a flood area. Therefore, there are no impacts in these categories.

j. The area does not experience seiches, tsunamis, or mudflow events. There is no impact in this category.

Issues	Potentially Significant Impact	Significant Mitigation Incorporated	Less-Than-Significant Impact	No Impact
9. <b>LAND USE AND PLANNING.</b> <i>Would the project:</i>				

a. Physically divide an established community?

b. Conflict with any applicable land use plans, policies, or regulations of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?

b. Conflict with any applicable habitat conservation plan or natural communities conservation plan.

**Discussion**

a. The project would not physically divide an established community. It involves the expansion of a public water system consisting primarily of underground pipelines and above-ground well facilities. There is no impact in this category.

b. The proposal does not conflict with any such adopted plan or regulation. The facilities are part of necessary and planned public infrastructure and are considered consistent with applicable land use designations and zoning.

Section 301.13 (Utility and Public Service Uses) of the County Zoning Ordinance allows water well sites as a conditional use in any zoning category if determined by the Planning Commission to be necessary for the public health, convenience, safety, or public welfare. Where a well site has been designated on an approved tentative subdivision map and the final map has been recorded, no use permit is required.

The project would comply with all applicable regulations. There is no impact in this category.

c. The project area does not fall within an adopted HCP or NCCP (see discussion of Biological Resources). There is no impact in this category.

Issues	Potentially Significant Impact	Significant Mitigation Incorporated	Less-Than-Significant Impact	No Impact
10. <b>MINERAL RESOURCES.</b> <i>Would the project:</i>				

a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the State?

b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

**Discussion**

a,b. The adoption of the *Water Master Plan - 2003 Revision* and construction of the identified capital improvements would not result in a significant loss of any known mineral resources. The area has been designated for urban/suburban development



since at least 1965. Most construction will take place in existing or previously designated public rights-of-way. About 9 acres of land will be needed for new well sites of about one-half acre each. This total acreage is minor and would not preclude harvesting of significant mineral deposits, should such activity precede planned development. There is no impact in these categories.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>11. Would the project result in:</b>				
a. Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	0	0	■	0
b. Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	0	0	0	■
c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	0	0	■	0
d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	0	0	■	0
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	0	0	0	■
f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	0	0	0	■

**Discussion**

Existing sources of noise in the area include roadways, the railroad, airports, concrete and asphalt producers, fertilizer manufacturing, outdoor sporting activities, auto dismantling, dog kennels, car wash facilities, public address systems, automotive repair facilities, loading docks, child care centers, and air conditioning systems. With the exception of operations at McClellan, the area of impact around the major noise sources identified above is generally limited to within 200 feet of roadways, 600 feet of the railroad tracks, and about 1,000 feet of most industrial and commercial uses.

To mitigate noise impacts associated with development of the Community Plan, Policy NS-1 requires future development projects within the area to comply with the noise

standards of the County General Plan, implementing noise attenuation measures where necessary to ensure compliance.

a.c.d. Construction activities would temporarily increase noise levels in the vicinity of each capital improvement project. Earthmoving activities, materials handling, stationary equipment, and construction vehicles would generate noise during site preparation, excavation, grading, and construction. Construction vehicle traffic would also generate an increase in short-term noise. For underground pipeline improvements, this short-term construction noise will typically occur along street rights-of-way where traffic noise is or will be already occurring on a long-term basis. For above-ground well facilities, this short-term construction noise will typically occur in conjunction with other site construction associated with development of the area. In most cases it is anticipated that well construction will precede occupancy of the area. The construction period would typically be less than six months. This is considered a less-than-significant impact.

Long-term noise impacts from the project will be limited, related primarily to the pump motor and the operation of generators associated with the power system for the wells. The well equipment will be permanently housed in an insulated structure, which will minimize noise. It is anticipated that noise from the water system facilities will not be discernible from other existing noise in the area. This impact is less-than-significant for both construction and operation.

b. There is no groundborne vibration or groundborne noise associated with the construction or operation of the District Water System. There would be no impact in this category.

e.f. Noise from airstrip operations is not relevant to the proposed project, and has already been considered in the Community Plan FEIR. There would be no impact in these categories.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>12. POPULATION AND HOUSING.</b>				
<i>Would the project:</i>				

**12. POPULATION AND HOUSING.**

*Would the project:*

- a. Induce substantial growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? 0      0      0      ■
- b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? 0      0      0      ■
- c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? 0      0      0      ■

**Discussion**

- a. The proposed *Water Master Plan - 2003 Revision* and associated capital improvements are not growth inducing. They are growth accommodating. The proposed infrastructure is necessary for the new development, said development has been planned in this area since at least 1965, and is an approved use. The proposed project implements infrastructure necessary to serve planned growth in the area, and no excess capacity is proposed as a part of the system. The provision of this infrastructure is required by the policies of the Community Plan. The Community Plan is an adopted Plan of Sacramento County. There would be no impact in this category.
- b/c. The project involves no displacement of housing or people. There would be no impact in these categories.

Issues	Potentially Significant Impact	Potentially Significant Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>13. PUBLIC SERVICES.</b>				

*Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:*

- a. Fire protection?
- b. Police protection?
- c. Schools?
- d. Parks?
- e. Other public facilities?

**Discussion**

- a.b. New or expanded public services by other providers are not needed to serve the project. Regular visits by District personnel will occur at the well sites. There would be no impact in these categories.
- c-e. There would be no impact to schools, parks, or other public facilities as a result of this project. There would be no impact in these categories.

Issues	Potentially Significant Impact	Potentially Significant Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>14. RECREATION.</b>				

- a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?
- b. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

**Discussion**

- a,b. The project would not result in increased use of parks or recreation facilities, nor result in an increase in the demand for additional recreational facilities. There would be no impact in these categories.

Issues	Potentially Significant Impact	Potentially Significant Mitigation Incorporated	Less-Than-Significant Impact	No Impact
<b>15. TRANSPORTATION/CIRCULATION.</b>				

*Would the project:*

- a. Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?
- b. Exceed either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?
- c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?
- d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

- e. Result in inadequate emergency access?
- f. Result in inadequate parking capacity?
- g. Conflict with adopted policies supporting alternative transportation (e.g., bus turnouts, bicycle racks)?

**Discussion**

- a. There will be a small number of trips associated with maintenance workers accessing the various well and storage facility sites and other facilities. This impact is considered less than significant.
- b. Project trips would add to projected traffic congestion from planned development, including some facilities expected to exceed County levels of service. This incremental impact would be minute, and is considered less than significant.
- c.e. The project would not have any effect on air traffic patterns or emergency access. There would be no impact.
- d. There is no hazardous design feature or incompatible use associated with the project or site. There would be no impact.
- f. Each well site will have one or two on-site parking spots for maintenance vehicles. There would be no impact.
- g. The project would have no effect on policies, plans, and programs supporting alternative commute modes. There would be no impact.

Issues	Potentially Significant Impact	Potentially Significant Mitigation Incorporated	Less-than-Significant Impact	No Impact
<b>16. UTILITIES AND SERVICE SYSTEMS.</b> <i>Would the project:</i>				
a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?
- e. Result in a determination by the wastewater treatment provider which serves or may serve the project determined that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?
- f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?
- g. Comply with federal, state, and local statutes and regulations related to solid waste?

**Discussion**

- a. The *Water Master Plan - 2003 Revision* does not propose alteration of site drainage or stream courses, nor is increased erosion or siltation anticipated to occur. Construction of the water system infrastructure will involve grading and installation of underground pipelines. This work will be incidental to development of other land uses, and minor in nature and overall scale. All construction must comply with standard County requirements for construction site drainage and erosion control. A Stormwater Pollution Prevention Plan will be prepared and executed during construction of each capital improvement project. Water quality features, if required, will meet County specifications. This impact would be less than significant.  
  
Runoff from the proposed well sites would be minimal. Eighteen new wells on one-half acre sites would result in up to 9 acres of land dedicated to this purpose. Within the District boundaries of over 11,415 acres, runoff from this aggregate 9-acres would be minute. About 90 percent of a typical site will be covered with an impermeable surface (compacted all-weather gravel or paving). The remainder of the site will be landscaped. The typical pump to waste discharge rate identified for use when considering the drainage of a well is 1,500 gallons per minute. With these requirements in place, the potential for impact is considered less-than-significant.
- b. The project involves the expansion of an existing public water system, the general impacts of which have been addressed in the certified Community Plan PEIR. Policy LU-25 of the Community Plan requires adequate infrastructure prior to approving infill projects. The purpose of the subject analysis is to further examine the project for the potential to cause significant adverse environmental impact on a project-specific and site-specific basis. Proposed below-ground facilities, consisting primarily of new or expanded water pipelines, will follow existing or planned street and public rights-of-way. Proposed above-ground facilities, consisting primarily of new wells, will be located on one-half acre sites throughout the District boundaries, located primarily on residential lots, in parks and recreation areas, or in other public rights-of-way. The project will be subject

to existing County regulations and standard requirements, policies and requirements of the Community Plan. With these requirements in place, the potential for impact is considered less than significant.

c.e. The project does not propose or require new or expanded storm water drainage facilities or wastewater treatment facilities. New or expanded utilities and public service systems are not needed to serve the project. Drainage from well sites is considered incidental to urban development and can be accommodated in planned storm drainage infrastructure. There would be no impacts in these categories.

d. Water demand projected in the Water Master Plan - 2003 Revision is based upon land uses shown in the Community Plan, and related General Plan amendment, approved by the Sacramento County Board of Supervisors in 1998. The proposed water system provides the necessary infrastructure for approved growth in the Community Plan area. There is no water pumping or transmission associated with the Water Master Plan - 2003 Revision other than that already planned under the approved Community Plan. Based on groundwater analysis and modeling that concluded there would be no significant adverse impacts associated with any of the growth scenarios, and based on policies of the Community Plan intended to protect and regulate use of groundwater in the area, the Community Plan FEIR concluded that impacts associated with the provision of water to the planned growth in the area would be less-than-significant. The FEIR concludes that: 1) growth under any scenario will have no significant effect on groundwater supplies in the area; 2) adequate groundwater supplies exist in the area to serve Community Plan growth; and 3) growth within the Community Plan would have no significant bearing on nor be contingent upon the outcome of the Water Forum process. (Community Plan FEIR, p. 261) This would be a less-than-significant impact.

f.g. This project will have no impact on local landfills or regulations related to solid waste. There would be no impact in these categories.

Issues	Potentially Significant Issues	Potentially Unless Mitigation Incorporated	Less-Than-Significant Impact	No Impact
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17. MANDATORY FINDINGS OF SIGNIFICANCE.

- a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?
 

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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- c. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?
 

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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- c. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?
 

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Discussion

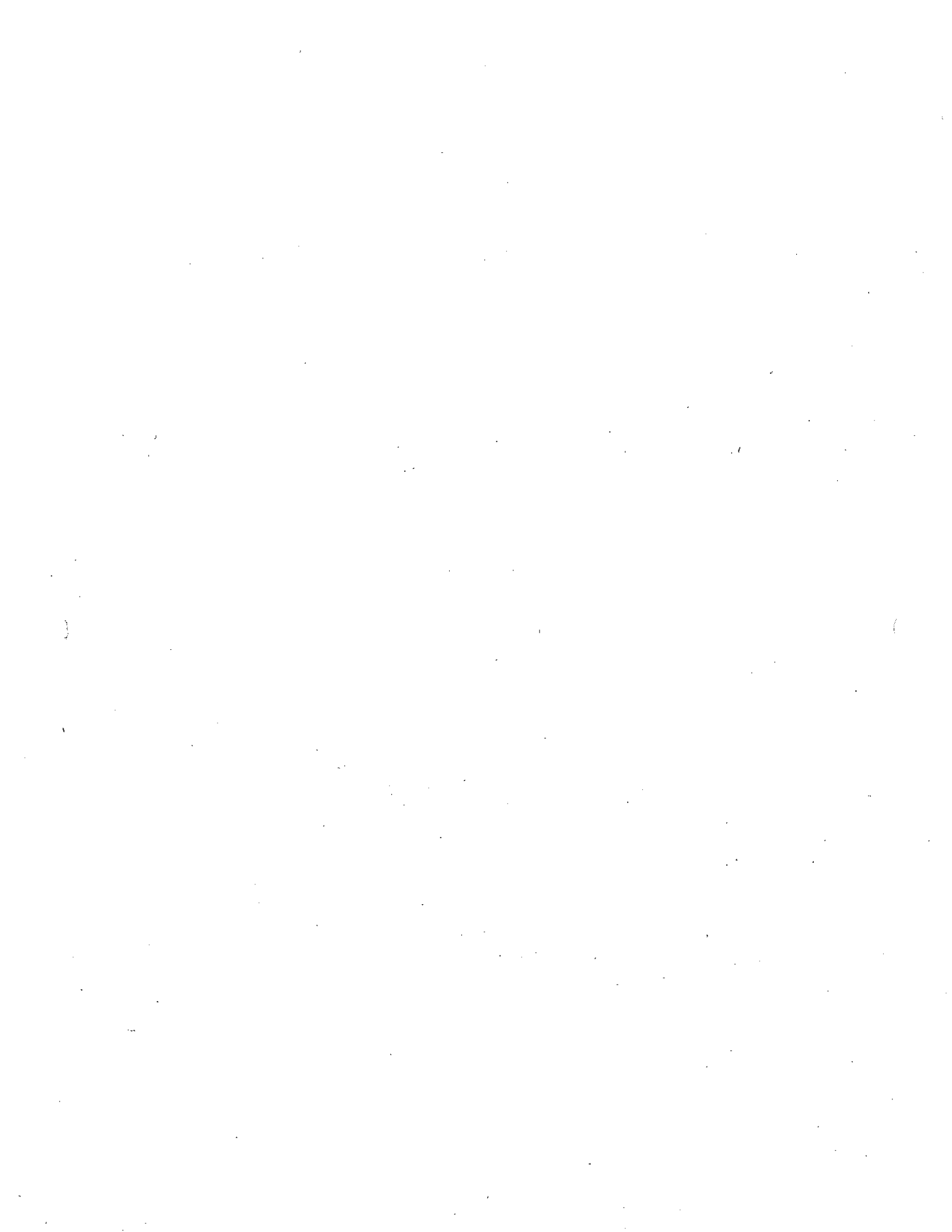
- a. The project does not have the potential to degrade the quality of the environment or adversely effect habitat or wildlife as described herein. There would be no impact in this category.
- b. As a result of the project, ±70 to 240 of the existing domestic wells may be dewatered because of declining groundwater levels. The Community Plan FEIR found this to be a less-than-significant impact.
- d. There would be no adverse effects on human beings from this project. The project would provide planned and needed public water facilities. No impact.

## REFERENCES

- Air Quality Thresholds of Significance, Sacramento Metropolitan Air Quality Management District, 1994.
- Elverta Specific Plan Notice of Preparation, Department of Environmental Review and Assessment, September 6, 2000.
- Elverta Specific Plan and Associated Subdivision Map Known as Countryside Equestrian Estates Draft Environmental Impact Report, Sacramento County Department of Environmental Review and Assessment, May 2003.
- Rio Linda and Elverta Community Plan, County of Sacramento, Department of Planning and Community Development, June 1998.
- Rio Linda and Elverta Community Plan, Final Environmental Impact Report, SCH #96072016, September 1997.
- Rio Linda and Elverta Community Plan Policy Plan, County of Sacramento Resolution No. 98-0683, June 3, 1998.
- Rio Linda/Elverta Community Water District Water Master Plan, Final Report, Camp Dresser & McKee, November 2000.
- Water Forum Agreement, Sacramento City-County Office of Metropolitan Water Planning, January 2000.
- Water Forum Proposal Final Environmental Impact Report, SCH #95082041, October 1999.
- Water Supply Assessment for the Elverta Specific Plan – Final Report, Rio Linda Community Water District, August 26, 2002.

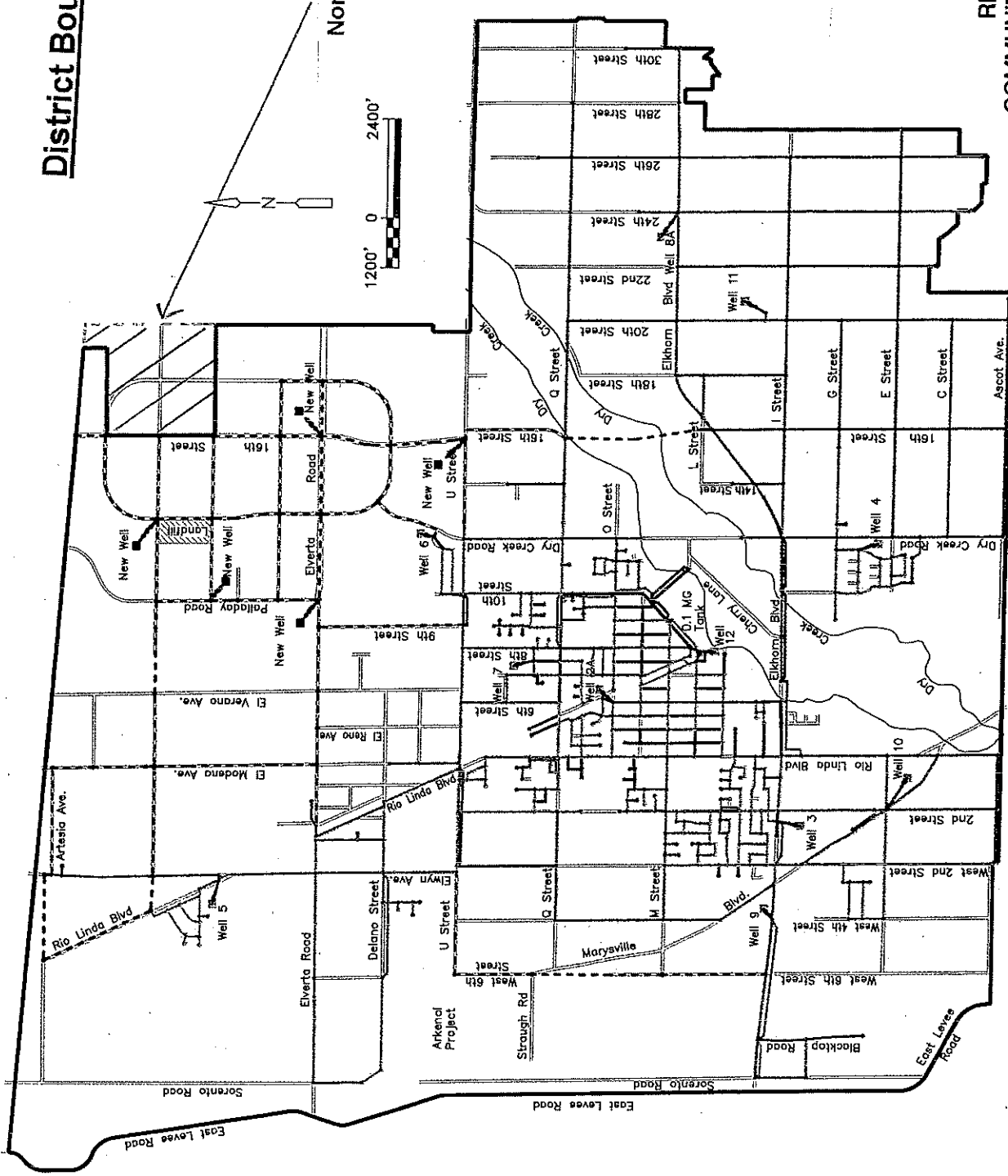
## ATTACHMENTS

- Exhibit 1, Boundary Map



# District Boundary Map

Non-franchised Area (177 +/- acres)



## LEGEND

- 4-INCH (EXISTING)
- 6-INCH (EXISTING)
- 8-INCH (EXISTING)
- 12-INCH (EXISTING)
- - - - - FUTURE PIPELINE
- RLECMD BOUNDARY

WATER SYSTEM  
RIO LINDA / ELVERTA  
COMMUNITY WATER DISTRICT

**CDM**

Camp Dresser & McKee Inc.





**Rio Linda/Elverta Community Water District  
Resolution 2003-06**

**In Appreciation of Robert D. Ames  
for 15+ Years of Service to the District**

*Whereas*, Robert D. "Bob" Ames was originally hired by the District on August 28, 1987; and

*Whereas*, Bob was promoted to a Water Maintenance Worker II on March 24, 1995; and

*Whereas*, Bob was again promoted to Water Utility Supervisor on February 8, 1996; and

*Whereas*, Bob's work has reflected a dedication to the District and the communities of Rio Linda and Elverta; and

*Whereas*, his dedication to service and efforts to improve District operations has made the Rio Linda / Elverta Community Water District a better organization and a better place to work.

*Now, Therefore be it Resolved* by the Rio Linda/Elverta Community Water District Board of Directors that the dedication, work ethic and water utility expertise of Robert D. Ames for over 15 years with the District has been greatly appreciated and will be sorely missed; and

*Be it Further Resolved* that the Board of Directors wishes Bob continued success in his future endeavors in the water utility field.

Introduced and Adopted this 21st Day of July 2003 by the following vote:

Ayes, in favor hereof: GRIFFIN, WICKHAM, HARRIS AND  
BLANCHARD

Noes: NONE

Absent: CATER



Robert Blanchard  
Vice President, Board of Directors

Attest:



Clerk of the Board





## **Rio Linda/Elverta Community Water District**

### **Resolution 2003-05**

#### **Director Compensation and Travel Policy**

*Whereas*, individual Directors in exercising their official duties and acting in behalf of the Board of Directors may be required to attend meetings, conferences and seminars; and

*Whereas*, the Board of Directors wish to clarify the terms and conditions under which a Director may be reimbursed for attendance at meetings and for incidental travel expenses.

*Now, Therefore be it Resolved* by the Rio Linda/Elverta Community Water District Board of Directors that the following sections of Chapter 2.20 of the Administration and Personnel Policy are amended in their entirety to read as follows:

#### **2.20.100 Director Compensation and Travel Policy**

**2.20.110 Compensation for Board Meetings.** Each Director shall receive compensation in accordance with Section 2.01.050 of the Administration and Personnel Policy for each day's attendance at regular and special meetings of the Board of Directors.

**2.20.120 Compensation for attendance at District-related Functions.** Each Director shall receive compensation in accordance with Section 2.01.050 of the Administration and Personnel Policy for each day's attendance at approved conferences, meetings and seminars subject to the policies and limitations contained in this Chapter 2.20. Such compensation shall not include travel days, unless the Director was in attendance at the approved function on the day of travel.

**2.20.130 Policy on Director Travel.** Individual Board members may attend any meeting, conference or seminar of their choosing, but shall only officially represent the District and receive compensation and/or travel reimbursement for approved travel. Approved travel shall consist of attendance at meetings, conferences and seminars as identified in Section 2.20.140, or which the Board of Directors has approved by majority vote at a regular or special meeting. Directors attending a meeting, conference or seminar shall provide information regarding their attendance at the next regular Board meeting.

**2.20.140 Pre-Approved Travel for assigned District Representatives.** The Board President shall appoint one Director to be the primary representative and one Director as the alternate to the following organizations: Sacramento Groundwater Authority (SGA), Regional Water Authority (RWA), California Special Districts Association (CSDA), Association of California Water Agencies (ACWA) and/or ACWA/Joint Powers Insurance Authority (ACWA/JPIA) and such other ad hoc or special committees approved by a majority of the Board of Directors. The Primary representative, or the alternate when the primary representative is not able to be present and requests that the alternate attend, may attend the “regular meetings” of the assigned organization and receive compensation and travel reimbursement without prior approval of the Board of Directors. A “regular meeting” shall only include those recurring scheduled business meetings of the organization on which the District representative sits on the governing board, or the twice-annual general membership conferences held by statewide organizations. All other meetings, conferences and seminars shall require prior Board approval if the Director wishes to be compensated for attendance and/or receive travel reimbursement.

**2.20.150 Limitations on Director Reimbursement.** The District will pay for reasonable expenses incurred by a Director that is directly related to attendance at a function authorized under Section 2.20.130. Reimbursement for mileage for use of a private vehicle shall be limited to travel destinations in excess of 50-miles from the District. Overnight lodging reimbursement shall be limited to destinations in excess of 75-miles from the District. Exceptions to this Section shall require prior approval by a majority of the Board of Directors. Payment of travel-related expenses shall only be made in accordance with the provisions of Section 2.20.410 of this Chapter.

**2.20.160 Limitation on Board Compensation.** Compensation to any individual Director under the provisions of Sections 2.20.110 and 2.20.120 shall not exceed six (6) days in any calendar month.

**2.20.410 Eligible Travel Related Expenses.** Employees and Directors traveling on District related business shall be eligible for reimbursement of travel expenses. Eligible travel related expenses shall include, but not be limited to, the following:

- Transportation on public carriers such as airplanes, trains, buses and taxi cabs;
- Private vehicle use and commercially available rental vehicles;
- Overnight lodging at commercial establishments;
- Meals at restaurants and other food service establishments;
- Conference and seminar fees and charges;
- Business related telephone calls, faxes, postage, copy charges and related incidentals;

- Tolls and parking fees
- Such other expenses approved by a majority of the Board of Directors.

**2.20.420 Limitation on Reimbursable Expenses.** Reimbursement for travel related expenses shall be for actual costs subject to the following limitations:

- Reimbursement for meals not covered as part of the event or hotel registration fee shall be limited to the following amounts: Breakfast - \$12.00; Lunch - \$15.00; Dinner - \$25.00;
- Use of a personal vehicle: The current Internal Revenue Service (IRS) mileage rate for business travel shall be the only personal vehicle use expense eligible for reimbursement;
- Air and train travel shall be in an amount not to exceed the standard or coach fare;
- Entertainment or non-business related events or expenses not provided as part of the conference fee shall not be eligible for reimbursement;
- Alcoholic beverages are not eligible for reimbursement;
- Meals and/or lodging provided in a private home are not eligible for reimbursement;
- Travel related expenses for a spouse or companion shall not be eligible for reimbursement;
- Rental vehicle reimbursement shall not exceed the midsize vehicle rate.

**2.20.430 Reimbursement Claim Required.** Employees and Directors authorized to travel for District related business shall complete a claim form and provide supporting receipts in order to receive reimbursement. No reimbursement shall be made, unless a completed and signed claim form with corresponding receipts is submitted to the District office within ninety-days of travel.

**2.20.440 Use of District Credit Card and Travel Advances.** On approval of the General Manager a travel advance, or District credit card may be issued to an Employee or Director for travel. Travel advances shall not exceed an amount up to the estimated balance of expenses associated with the travel. Within ten (10) days of return from the function, the Employee or Director shall submit a claim with corresponding receipts for the travel. The General Manager shall reconcile the expenditures against District reimbursement policy and determine if any balance is due the District. The Employee or Director will reimburse the District within ten (10) days, or the balance will be taken from any compensation owed to the Employee or Director.

Introduced and Adopted this 21st Day of July 2003 by the following vote:

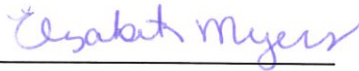
Ayes, in favor hereof: GRIFFIN, WICKHAM, HARRIS AND  
BLANCHARD

Noes: NONE

Absent: CATER

  
Robert Blanchard  
Vice President, Board of Directors

Attest:

  
\_\_\_\_\_  
Elisabeth Myers

Clerk of the Board

**Rio Linda/Elverta Community Water District**

**Resolution 2003-04  
Adopting the 2003-04 Fiscal Year Budget and  
Capital Improvement Program**

Whereas, the Board of Directors held a public workshop on the Draft 2003-04 Fiscal Year Budget, hereinafter referred to as "Budget", and Capital Improvement Program, hereinafter referred to as "CIP", on May 10, 2003; and

Whereas, a noticed Public Hearing on the Budget and CIP was held on June 16, 2003; and

Whereas, the Board of Directors reviewed the Budget and CIP and provided an opportunity for the Public to comment on the expenditures and revenues identified in the Budget and CIP.

Now, Therefore be it Resolved by Rio Linda/Elverta Community Water District Board of Directors that the resources indicated in the attached 2003-04 Fiscal Year Budget and Capital Improvement Program are hereby approved and appropriated for the Fiscal Year beginning July 1, 2003 and ending June 30, 2004.

Introduced and Adopted this 16<sup>th</sup> Day of June 2003 by the following vote:

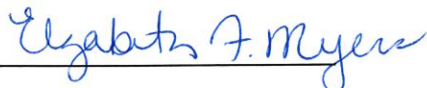
Ayes, in favor hereof: Griffin, Wickham, Blanchard and  
Cater

Noes: Harris

Absent: NONE

  
\_\_\_\_\_  
Doug Cater  
President, Board of Directors

Attest:

  
\_\_\_\_\_  
Elizabeth F. Myers

Clerk of the Board





**RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT  
2003 - 04 FISCAL YEAR BUDGET SUMMARY**

(All Figures in \$'s)

<b>REVENUE</b>	2001-02	2002-03		2003-04	2003-04
	ACTUAL	APPROVED	ESTIMATED	RECOMMEND	APPROVED
WATER SERVICE RATES	935,263	1,112,600	1,037,636	1,082,900	1,082,900
ACCOUNT CHARGES	73,821	61,200	67,367	77,800	77,800
OTHER SERVICE FEES	20,177	19,000	87,663	45,200	45,200
GRANT FUNDING	0	0	0	15,000	15,000
INVESTMENT INCOME	153,441	194,700	141,524	71,800	71,800
PROPERTY TAXES	42,798	41,000	47,462	45,000	45,000
DEVELOPMENT FEES	27,675	116,000	61,320	60,000	60,000
DEVELOPMENT FEES - ELVERTA PLAN	0	0	0	150,000	150,000
MISCELLANEOUS NON-OPERATING INCOME	502,215	10,000	51,557	10,000	10,000
BOND PROCEEDS	0	0	0	175,000	175,000
<b>TOTAL REVENUE</b>	<b>1,755,390</b>	<b>1,554,500</b>	<b>1,494,529</b>	<b>1,732,700</b>	<b>1,732,700</b>

<b>EXPENSES</b>					
<b>OFFICERS &amp; EMPLOYEES</b>					
OFFICERS FEES	112,085	30,400	59,925	33,400	33,400
EMPLOYEE WAGES	354,545	379,038	378,096	404,655	404,655
<b>BENEFITS</b>					
WORKERS COMPENSATION	17,764	23,801	31,380	36,933	36,933
PAYROLL TAXES	26,045	38,819	28,924	31,543	31,543
RETIREMENT	14,429	34,164	25,970	33,141	33,141
HEALTH INSURANCE	77,200	87,033	91,001	118,574	118,574
MISCELLANEOUS EMPLOYEE EXPENSE	12,032	11,100	12,717	14,500	14,500
<b>OFFICER &amp; EMPLOYEE SUBTOTAL</b>	<b>614,100</b>	<b>604,355</b>	<b>628,013</b>	<b>672,746</b>	<b>672,746</b>

<b>SERVICES &amp; SUPPLIES</b>					
<b>PROFESSIONAL / CONTRACTUAL SERVICES</b>					
MEMBERSHIPS	32,262	18,350	26,490	25,950	25,950
INSURANCE	19,416	15,800	18,000	18,200	18,200
LABORATORY	4,534	15,400	14,281	19,700	19,700
CONSERVATION	1,329	3,800	1,100	8,600	8,600
GRANTS	0	0	0	17,500	17,500
ENGINEERING	36,923	38,700	54,626	26,500	26,500
ALL OTHER	13,179	8,400	7,915	3,800	3,800
<b>FIELD OPERATIONS</b>	<b>319,016</b>	<b>342,500</b>	<b>300,067</b>	<b>291,100</b>	<b>291,100</b>
RADIO METERS	56,577	40,000	37,717	33,000	33,000
CONTRACT REPAIRS	0	30,000	28,000	28,000	28,000
PUMPING	171,642	201,500	183,070	189,500	189,500
TRANSPORTATION	6,227	11,700	8,120	7,000	7,000
FIXED ASSETS	18,705	20,100	16,613	2,600	2,600
ALL OTHER	65,865	39,200	26,547	31,000	31,000
<b>OFFICE OPERATIONS</b>	<b>71,211</b>	<b>87,480</b>	<b>72,146</b>	<b>78,600</b>	<b>79,200</b>
POSTAGE	13,933	13,500	10,000	13,000	13,000
OFFICE SUPPLIES	9,970	9,100	8,000	9,100	9,100
EQUIP. MAINTENANCE	6,385	8,180	8,017	10,800	10,800
COMMUNICATIONS	10,781	10,100	8,866	3,400	3,400
OFFICE BUILDING	12,288	11,100	12,586	12,100	12,100
FIXED ASSETS	0	14,500	11,096	8,800	8,800
ALL OTHER	17,854	21,000	13,581	15,400	16,000
<b>SERVICES &amp; SUPPLIES SUBTOTAL</b>	<b>497,870</b>	<b>530,430</b>	<b>494,625</b>	<b>489,950</b>	<b>490,550</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>1,111,970</b>	<b>1,134,785</b>	<b>1,122,638</b>	<b>1,162,696</b>	<b>1,163,296</b>

<b>Capital Expenditures</b>					
<b>DEBT SERVICE</b>	547,331	542,250	327,524	242,000	242,000
<b>ELVERTA SPECIFIC PLAN</b>	0	0	0	150,000	150,000
<b>MASTER PLAN IMPROVEMENTS</b>		175,000	482	175,000	175,000
<b>CAPITAL PROJECTS</b>	59,733			0	0
<b>MISCELLANEOUS NON-OPERATING EXPENSE</b>			14,000		
<b>SYSTEM UPGRADES:</b>					
<b>TOTAL NON-OPER. &amp; CAPITAL EXPEND.</b>	<b>607,064</b>	<b>717,250</b>	<b>342,006</b>	<b>567,000</b>	<b>567,000</b>

<b>FIXED ASSET (SUMMARY)</b>					
VEHICLES	16,627	17,500	18,613	0	0
DIFFUSING DECHLORINATOR (2)		2,600	0	2,600	2,600
COPIER		8,000	8,674	0	0
LEASE - POSTAGE MACHINE & INSERTER		4,000	1,420	3,800	3,800
COMPUTER HARD/SOFTWARE		1,500	1,002	5,000	5,000
EQUIPMENT / MISCELLANEOUS - PRIOR YRS.	60,822				
<b>SUBTOTAL</b>	<b>77,449</b>	<b>34,600</b>	<b>27,709</b>	<b>11,400</b>	<b>11,400</b>
<b>TOTAL EXPENSES</b>	<b>1,719,034</b>	<b>1,852,035</b>	<b>1,464,644</b>	<b>1,729,696</b>	<b>1,730,296</b>
<b>NET BUDGET</b>	<b>36,356</b>	<b>(297,535)</b>	<b>29,885</b>	<b>3,004</b>	<b>2,404</b>

**RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT**  
**2003 - 04 FISCAL YEAR NON-OPERATING BUDGET SUMMARY**

(All Figures in \$'s)

	2001-02	2002-03		2003-04	2003-04
	ACTUAL	APPROVED	ESTIMATED	RECOMMEND	APPROVED
<b>REVENUE</b>					
INVESTMENT INCOME	153,441	194,700	141,524	71,800	71,800
PROPERTY TAXES	42,798	41,000	47,462	45,000	45,000
DEVELOPMENT FEES	27,675	116,000	61,320	60,000	60,000
DEVELOPMENT FEES - ELVERTA PLAN	0	0	0	150,000	150,000
MISC. NON-OPERATING INCOME	502,215	10,000	51,557	10,000	10,000
BOND PROCEEDS	0	0	0	175,000	175,000
<b>TOTAL NON-OPERATING REVENUE</b>	<b>726,129</b>	<b>361,700</b>	<b>301,863</b>	<b>511,800</b>	<b>511,800</b>

<b>Capital Expenditures</b>					
DEBT SERVICE	547,331	542,250	327,524	242,000	242,000
ELVERTA SPECIFIC PLAN	0	0	0	150,000	150,000
MASTER PLAN IMPROVEMENTS		175,000	482	175,000	175,000
CAPITAL PROJECTS	59,733			0	0
MISCELLANEOUS NON-OPERATING SYSTEM UPGRADES:			14,000		
<b>TOTAL NON-OPER. &amp; CAPITAL EXPEND.</b>	<b>607,064</b>	<b>717,250</b>	<b>342,006</b>	<b>567,000</b>	<b>567,000</b>

## **Rio Linda/Elverta Community Water District**

### **Resolution 2003-03**

#### **Notice of Substantial Completion of Project 2003-02 Asphalt Paving**

*Whereas*, C.R. Boston, P.O. Box 427, Rio Linda, CA 95673, a private company, hereinafter referred to as "Contractor," and the RioLinda/Elverta Community Water District located at 930 L St. Rio Linda, California 95673, a California Special District, hereinafter referred to as "District" entered into an construction contract dated April 14, 2003; and

*Whereas*, the construction contract provided for work associated with "Project 2003 – 02 "Asphalt Paving", hereinafter referred to as the "Project," for a total cost of \$5600.00; and

*Whereas*, subsequent to the issuing of the contract additional paving locations were identified due to leaks; and

*Whereas*, the additional work was covered by Change Order # 1 at a cost of \$5292.00 and Change Order # 2 at a cost of \$1890.00; and

*Whereas*, the Project was completed on, or about July 14, 2003; and

*Whereas*, the Board of Directors now wishes to accept the project the project as complete.

*Now, Therefore be it Resolved* by Rio Linda/Elverta Community Water District Board of Directors as follows:

1. That Change Order # 1 in the amount of \$5292.00 is hereby approved; and
2. That Change Order # 2 in the amount of \$1890.00 is hereby approved; and
3. That the work is accepted and deemed complete on, or about July 14, 2003; and
4. That final payment for the entire project including Change Order # 1 and Change Order # 2 shall be \$12,782.00.

*Be it Further Resolved*, that the General Manager is authorized to file a "Notice of Completion" with the Sacramento County Recorder.



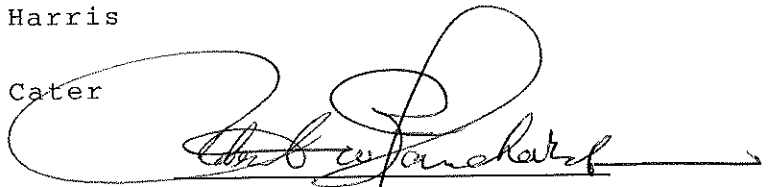
(Resolution 2003-03 Notice of Completion Asphalt Paving, Page 2)

Introduced and Adopted this 21st Day of July 2003 by the following vote:

Ayes, in favor hereof: Wickham, Griffin, Blanchard

Noes: Harris

Absent: Cater

A handwritten signature in black ink, appearing to read "Robert Blanchard", written over a horizontal line.

Robert Blanchard  
Vice President, Board of Directors

Attest:

A handwritten signature in black ink, appearing to read "David J. Orndorff", written over a horizontal line.

Clerk of the Board

When Recorded Return to:

Rio Linda/Elverta Community Water District  
P.O. Box 400  
Rio Linda, CA 95673

**NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN, that the Rio Linda/Elverta Community WATER DISTRICT, a political subdivision of the State of California, with offices at 730 L Street Rio Linda, California 95673 caused certain construction work to be performed within the boundaries of the District, which work is generally described as PROJECT# 2003-02 Asphalt Paving & Repair.

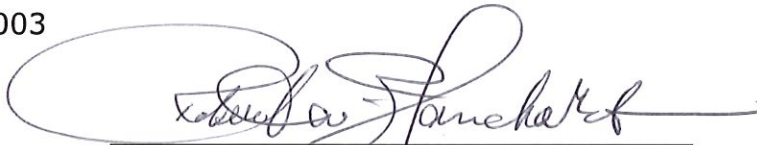
That the contract for the performance of such work was awarded to:

C.R. Boston  
P.O. Box 427  
Rio Linda, CA 95673

That said work was completed on or about July 21, 2003, and was accepted by the Board of Directors on behalf of the Rio Linda/Elverta Community Water District on July 21, 2003.

THIS NOTICE IS GIVEN pursuant to Section 3093 of the Civil Code of the State of California. I declare under penalty of perjury that the foregoing is true and correct.

Dated: July 21, 2003



Robert Blanchard, Vice President  
RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

.....

I HEREBY CERTIFY THAT THE FOREGOING NOTICE OF COMPLETION was authorized and adopted by Resolution No. 2003-03 of the Board of Directors of the RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT at a regular meeting thereof held on July 21, 2003.



DAVID J. ANDRES, General Manager  
RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

# CHANGE ORDER #1

**Rio Linda/Elverta Community Water District**  
**Project: Asphalt Repair Project**  
**Project No. 2003-02**  
**Date: June 2, 2003**

1. The Following four locations are to be added to the Original Contract.

<u>LOCATION</u>	<u>ESTIMATED AREA</u>	<u>LUMP SUM AMOUNT</u>
1) 7 <sup>th</sup> Street	180 Square feet	\$1220.00
2) Elkhorn Blvd.	232 Square feet	\$2000.00
3) Oak Lane	135 Square feet	\$1175.00
4) 1020 Q Street	90 Square feet	<u>\$897.00</u>
	Total Amount	\$5292.00

2. Term of Agreement

The term of this Agreement shall commence in accordance with Section 7.2 and CONTRACTOR shall complete all work by ~~May 30, 2003~~. **June 20, 2003.**

3. Payment


For work performed under Attachment 1 – Asphalt Repair, Exhibit A **and this change order #1 - ~~\$5600.00 lump sum~~ \$10,892.00 Lump Sum, an increase of \$5292.00.**

IN WITNESS WHEREOF, the parties hereto have caused this Change order #1 to be executed as of the date first set forth above.

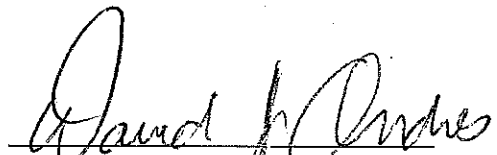
CONTRACTOR:

DISTRICT:

By:

  
CR. Boston Construction

By:

  
David J. Andres, General Manager  
Rio Linda/Elverta Community  
Water District





# CHANGE ORDER #2

**Rio Linda/Elverta Community Water District**  
**Project: Asphalt Repair Project**  
**Project No. 2003-02**  
**Date: June 23, 2003**

1. The following two locations shall be added to the Original Contract and such additional work shall be performed in accordance with the requirements of the original agreement.

<u>LOCATION</u>	<u>ESTIMATED AREA</u>	<u>LUMP SUM AMOUNT</u>
1) Withington Avenue	160 Square feet	\$ 980.00
2) SilverCrest Circle	91 Square feet	<u>\$ 910.00</u>
	Total Amount	\$1890.00

2. Term of Agreement

The term of this Agreement shall commence in accordance with Section 7.2 and CONTRACTOR shall complete all work on, or before ~~May 30, 2003~~. **June 27, 2003.**

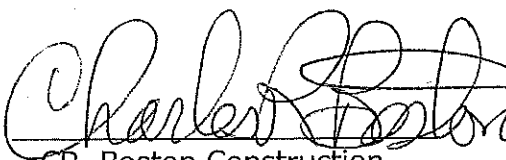
3. Payment

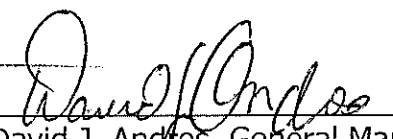
For work performed under Attachment 1 – Asphalt Repair, Exhibit A, Change Order #1, **and this change order #2** shall be - ~~\$5600.00 lump sum~~ **\$10,892.00 Lump Sum, \$12,782.00 Lump Sum, an increase of \$1890.00.**

IN WITNESS WHEREOF, the parties hereto have caused this Change order #1 to be executed as of the date first set forth above.

CONTRACTOR:

DISTRICT:

By:   
CR. Boston Construction

By:   
David J. Andres, General Manager  
Rio Linda/Elverta Community  
Water District



## **Rio Linda/Elverta Community Water District**

### **Resolution 2003-02**

#### **Notice of Completion of Project # 2003-01 - Well 12 Pump & Motor Replacement**

Whereas, Wm. P. Wilson & Sons, Inc., P.O. Box 2203, Woodland, CA 95776-2203 a private company, hereinafter referred to as "Contractor," and the RioLinda/Elverta Community Water District located at 930 L St., Rio Linda, California 95673, a California Special District, hereinafter referred to as "District" entered into an construction contract dated January 29, 2003; and

Whereas, the construction contract provided for work associated with "Project # 2003 - 01- Well -12 Pump & Motor Replacement", hereinafter referred to as the "Project," for a total cost of \$20,601.49; and

Whereas, subsequent to the issuing of the contract the submersible motor specified was discontinued and a substitute motor was accepted by District; and

Whereas, the modifications to the project terms and conditions, including a \$1500.00 reduction in project costs, were covered by Change Order #1; and

Whereas, the Project was completed in a satisfactory manner on, or about June 16, 2003; and

Whereas, the Board of Directors wishes to accept the project as complete.

Now, Therefore be it Resolved by Rio Linda/Elverta Community Water District Board of Directors as follows:

1. That Change Order #1 in the amount of -\$1500.00 is hereby approved; and
2. That Project # 2003 - 01- Well 12 Pump & Motor Replacement is hereby accepted and deemed complete, and
3. That final payment for the entire project including Change Order #1 shall be \$19,101.49.

Be it Further Resolved, that the General Manager is authorized to file a "Notice of Completion" with the Sacramento County Recorder.

Introduced and Adopted this 16<sup>th</sup> Day of June 2003 by the following vote:

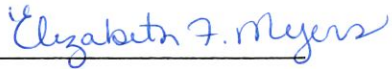
Ayes, in favor hereof: Wickham, Blanchard, Griffin,  
Harris and Cater

Noes: NONE

Absent: NONE

  
\_\_\_\_\_  
Doug Cater  
President, Board of Directors

Attest:

  
\_\_\_\_\_  
Elizabeth F. Myers

Clerk of the Board

# CHANGE ORDER #1

**Rio Linda/Elverta Community Water District**  
**Project: Well #12**  
**Project No. 2003-01**  
**Date: March 4, 2003**

1. Equipment - Submersible Motor

The submersible motor shall be a ~~"Franklin Electric Severe Duty 60 HP, 90 degree Celsius temperature rating"~~. **"75 hp Grundfos Motor MMS8000"**. The motor shall be 3-phase (60) Hz., 460 volts, 3500 RPM with a diameter of 8 inches. It shall be a submersible type in design for continuous under water operation and with a combination of a maximum water temperature and a minimum velocity past the motor, such that the service factor shall be 1.15 minimum. The motor shall be of mineral-oil-filled **water** filled type and fitted with a segmented plate-type thrust bearing capable of 10,000+ pounds of continuous downthrust. Motor leads shall be of sufficient length so that they may be spliced above the bowl assembly and the leads shall be protected by a galvanized steel cable guard for the entire bowl length. The motor rating shall be selected so that the load at design is not greater than the name plate rating at 1.0 service factor and at no point on the curve shall the load exceed the name plate rating plus 10%.

**Additional items included:** **Cu3 Grundfos control panel with PT100. R100 Remote Control. G100 Gateway.**

**The above equipment shall be installed at a location approved by the District.**

**Warranty period extension: 3 year extended warranty on labor. 3 year extended warranty on motor.**

2. Term of Agreement

The term of this Agreement shall commence in accordance with Section 7.2 below and CONTRACTOR shall complete all work by ~~March 31, 2003~~. **May 2, 2003.**


3. Payment

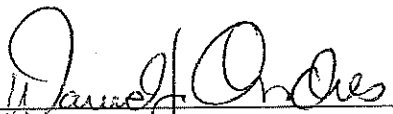
For work performed under Attachment 1 – Installation of a submersible pump and motor, Exhibit A **and this change order #1 - ~~\$20,601.49 Lump Sum~~ \$19101.49 Lump Sum, a reduction of \$1500.00.**

IN WITNESS WHEREOF, the parties hereto have caused this Change order #1 to be executed as of the date first set forth above.

CONTRACTOR:

DISTRICT:

By:   
Wm. P. Wilson & Sons, Inc.  
Manager

By:   
David J. Andres, General

Rio Linda – Elverta Community

Water District

When Recorded Return to:

Rio Linda/Elverta Community Water District  
P.O. Box 400  
Rio Linda, CA 95673

**NOTICE OF COMPLETION**

NOTICE IS HEREBY GIVEN, that the Rio Linda/Elverta Community WATER DISTRICT, a political subdivision of the State of California, with offices at 730 L Street Rio Linda, California 95673 caused certain construction work to be performed within the boundaries of the District, which work is generally described as PROJECT 2003-01 Well 12 Pump and Motor Replacement.

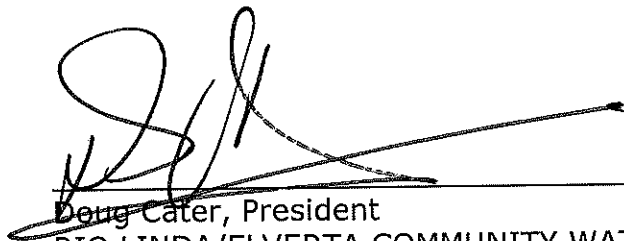
That the contract for the performance of such work was awarded to:

Wm. P. Wilson & Sons, Inc.  
P.O. Box 2203  
Woodland, CA 95776-2203

That said work was completed on or about June 16, 2003, and was accepted by the Board of Directors on behalf of the Rio Linda/Elverta Community Water District on June 16, 2003.

THIS NOTICE IS GIVEN pursuant to Section 3093 of the Civil Code of the State of California. I declare under penalty of perjury that the foregoing is true and correct.


Dated: June 16, 2003



Doug Cater, President  
RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

.....

I HEREBY CERTIFY THAT THE FOREGOING NOTICE OF COMPLETION was authorized and adopted by Resolution No.2003-02 of the Board of Directors of the RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT at a regular meeting thereof held on June 16, 2003.



DAVID J. ANDRES, General Manager  
RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT





**Rio Linda/Elverta Community Water District  
Resolution 2003-01**

**Approving a 457 Deferred Compensation Plan and Amendments,  
Authorizing Individuals to Act on Behalf of Plan, Approving an  
Investment and Recordkeeping Services Agreement and Approving a  
Custodial Services Agreement**

Whereas, the Rio Linda/Elverta Community Water District (hereinafter referred to as "Employer") acting under the authority of its Board of Directors, wishes to update and amend its Current 457 Deferred Compensation Plan (hereinafter referred to as "Plan"), in order to conform with current Internal Revenue Service regulations and to provide an additional financial services provider to District employees; and

Whereas, the Employer wishes to approve VALIC Financial Advisors, Inc. (hereinafter referred to as "VFA") for discretionary investment management services and the Variable Annuity Life Insurance Company (hereinafter referred to as "VALIC"), VALIC Retirement Services Company (hereinafter referred to as "VRSCO") and VALIC Trust Company (hereinafter referred to as "VTCO") for nondiscretionary administrative services, including recordkeeping, contribution allocation services and Plan maintenance services; and

Whereas, the Employer wishes to participate in the Self-Directed Tax Advantaged Retirement System Program (hereinafter referred to as "STARS") sponsored by the Association of Bay Area Governments (hereinafter referred to as "ABAG") for the benefit of its employees and their beneficiaries.

Now, Therefore be it Resolved, by Rio Linda/Elverta Community Water District Board of Directors as follows:

1. That the Retirement Plan is approved and adopted and the terms of said Plan shall be those as set forth in the "Deferred Compensation Plan" document provided as "Exhibit 1", which is hereby approved and adopted; and
2. That the "Amendment to Deferred Compensation Plan" provided as "Exhibit 2" is hereby approved and adopted; and
3. That the "Investment and Recordkeeping Services Agreement" provided as "Exhibit 3" is hereby approved and adopted; and
4. That the "Custodial Agreement for Section 457 Plan" provided as "Exhibit 4" is hereby approved and adopted; and
5. That the "Certification - Custodial Account" provided as "Exhibit 5" is hereby approved and adopted; and
6. That the "Authorization of Individuals to Act on Behalf of the Plan" provided as "Exhibit 6" is hereby approved and adopted.

**Be it Further Resolved**, that the General Manager is authorized to perform such administrative actions and develop such administrative procedures as are necessary to implement the Plan and become a member of ABAG in order to participate in the STARS Program; and

**Be it Further Resolved**, that this policy shall take effect on March 1, 2003 and supercede and repeal any previously approved 457 Plan documents; provided, however, that this Resolution shall not apply to the provision of financial management services currently being offered by any other company authorized to perform these services to District employees as of the date of the adoption of this Resolution; and

**Be it Further Resolved**, that the Employer hereby retains the right, from time to time, to amend, modify or discontinue all or any portion of said Retirement Plan without the consent of the employees participating in said Plan, or the beneficiaries of any employees participating in said Plan;

Introduced and Adopted this 18<sup>th</sup> Day of February 2003 by the following vote:

Ayes, in favor hereof: *Griffin, Wickham, Blanchard, Cater*

Noes:

Absent: <sup>Em.</sup> *Harris*  
Abstain:

  
Doug Cater  
President, Board of Directors

Attest:

*Elizabeth Myers*  
Clerk of the Board

(Seal)

# Exhibit 1

## DEFERRED COMPENSATION PLAN (Governmental)

### ARTICLE I. INTRODUCTION

The Employer hereby establishes the Rio Linda – Elverta Water District STARS Deferred Compensation Plan, hereinafter referred to as the "Plan," as of the effective date set forth in Section II of the Terms of Agreement above. The Plan is intended to be an eligible deferred compensation plan under section 457 of the Internal Revenue Code of 1986, as amended. The primary purpose of this Plan is to attract and retain qualified personnel by permitting them to provide for benefits in the event of their retirement or death. Nothing contained in this Plan shall be deemed to constitute an employment agreement between any Participant and the Employer and nothing contained herein shall be deemed to give any Participant any right to be retained in the employ of the Employer.

### ARTICLE II. PLAN ELECTIONS

2.01 Plan Effective Date. (Hereinafter the "Effective Date.") (Check one.)

This Plan is being established by the Employer effective March 3, 2003.

This Plan replaces the Plan previously established by the Employer and is effective on \_\_\_\_\_, \_\_\_\_\_.

2.02 Participant's Election to Receive In-Service Distribution. A Participant may elect to receive an in-service distribution of his account balance as described in Section 7.09. (Check one.)

Yes, if the total amount payable to a Participant under the Plan does not exceed 5000<sup>00</sup> (insert an amount up to \$5,000).

No. Section 7.09 shall not apply to this Plan.

2.03 Distribution without Participant's Consent. Small accounts of certain inactive participants may be distributed without the participant's consent as described in Section 7.10. (Check one.)

Yes, if the total amount payable to a participant under the Plan does not exceed 5000<sup>00</sup> (insert an amount up to \$5,000).

No. Section 7.10 shall not apply to this Plan.

2.04 Governing Law. This Plan shall be construed under the laws of the State of California.

### ARTICLE III. DEFINITIONS

- 3.01 Account: The account maintained for each Participant reflecting the cumulative amount of each Participant's Deferred Compensation, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the Participant's Deferred Compensation, and further reflecting any distributions to the Participant or the Beneficiary and any fees or expenses charged against the Participant's Deferred Compensation.
- 3.02 Annuity Contract: If selected by the Employer as an investment option, one or more group fixed, variable or combination fixed and variable annuity contracts issued by The Variable Annuity Life Insurance Company (VALIC) and approved for sale in the Employer's state, or by another insurance company qualified to do business in the Employer's state, which provides for periodic payments at regular intervals, whether for a period certain or during one or more lives, and which are non-transferable.
- 3.03 Beneficiary or Beneficiaries: The person or persons designated by the Participant in his Deferred Compensation Agreement who shall receive any benefits payable hereunder in the event of the Participant's death. If more than one designated Beneficiary survives the Participant, payments shall be made equally to the surviving Beneficiaries, unless otherwise provided in the Deferred Compensation Agreement. If no Beneficiary is designated in the Deferred Compensation Agreement or if no designated Beneficiary survives the Participant, then the estate of the Participant shall be the Beneficiary. However, a Participant may designate a contingent Beneficiary (or Beneficiaries) who shall become the primary Beneficiary (or Beneficiaries) under this Plan in the event that no primary Beneficiary survives the Participant.
- 3.04 Code: The Internal Revenue Code of 1986, as amended, and regulations thereunder.
- 3.05 Deferred Compensation: The amount of Normal Compensation otherwise payable to the Participant that the Participant and the Employer mutually agree to defer hereunder, any amount credited to a Participant's Account by reason of a transfer under Section 9.01, or any other amount that the Employer agrees to credit to a Participant's Account and that does not exceed the Maximum Limitation.
- 3.06 Deferred Compensation Agreement: An agreement entered into between a Participant and the Employer and any amendments or modifications thereof, which agreement shall fix the amount of Deferred Compensation; establish the time when the payment of benefits shall commence, if

required by the Code, for Deferred Compensation Agreements effective prior to January 1, 2002; specify the Participant's investment selection with respect to his Deferred Compensation; designate the Participant's Beneficiary or Beneficiaries and incorporate the terms, conditions, and provisions of this Plan by reference.

- 3.07 Eligible Retirement Plan: A plan described in section 402(c)(8)(B) to which an Eligible Rollover Distribution may be transferred pursuant to section 457(e)(16) of the Code.
- 3.08 Eligible Rollover Distribution: A qualifying distribution to a Participant, or to a spousal beneficiary of a deceased Participant, that is described in section 402(c)(4) of the Code.
- 3.09 Employee: Any individual, whether appointed, elected or under contract, providing services for the Employer for which compensation is paid.
- 3.10 Includible Compensation: The amount of compensation payable to a Participant from the Employer that is includible in the Participant's gross income for federal income tax purposes. Such term does not include any amount excludible from gross income under this Plan or any other plan described in section 457(b) of the Code or any other amount excludible from gross income for federal income tax purposes. Includible gross income shall be determined without regard to any community property laws.
- 3.11 Maximum Limitation: The maximum amount that may be deferred under this Plan (other than rollover amounts described in Section 9.03) for the taxable year of a Participant. Such amount shall be either the Normal Limitation or Catch-Up Limitation, whichever is applicable.
  - (a) Normal Limitation: The maximum amount deferred shall not exceed the lesser of the applicable dollar amount (as described in Section 3.11(c) below) or 100% of the Participant's Includible Compensation, as adjusted by Section 3.11(d) below. [Ordinarily this limit shall be the equivalent of the lesser of the applicable dollar amount (as described in Section 3.11(c) below) or 50% of Normal Compensation, assuming no other pre-tax reductions apply under Section 3.10.] Notwithstanding the preceding provisions of this paragraph, for calendar years prior to 2002, the maximum amount deferred shall not exceed such limit or limits in effect for the applicable year pursuant to section 457 of the Code.
  - (b) Catch-Up Limitation: For each one of the last three (3) taxable years of a Participant ending before the Participant's attainment of Normal

Retirement Age, the maximum amount deferred for each such year shall be the lesser of:

- (1) twice the applicable dollar amount (as described in Section 3.11(c) below); or
- (2) the sum of the Normal Limitation, plus that portion of the Normal Limitation not used in each of the prior taxable years of the Participant commencing after 1978 in which (i) the Participant was eligible to participate in this Plan or the plan of another employer, and (ii) compensation deferred under this Plan (or such other plan) was subject to the deferral limitations set forth in this section.

A Participant may utilize the Catch-Up Limitation only if the Participant has not previously utilized it with respect to a different Normal Retirement Age under this Plan or any other plan.

For years prior to 2002, the limit under this paragraph (b) for any year shall not exceed \$15,000.

- (c) Applicable Dollar Amount. For contributions in 2002 and in subsequent years, the applicable dollar amount shall be the amount determined in accordance with the following table:

<u>For taxable years beginning in calendar year:</u>	<u>The applicable dollar amount:</u>
2002	\$11,000
2003	\$12,000
2004	\$13,000
2005	\$14,000
2006 or thereafter	\$15,000

In the case of taxable years beginning after December 31, 2006, the applicable dollar amount will be adjusted for cost-of living increases in accordance with section 457(e)(15) of the Code.

- (d) Coordination with Other Plans. For contribution years prior to 2002, the amount excludible from a Participant's gross income for any taxable year under this Plan or any other plan under section 457(b) of the Code shall not exceed \$7,500 (as adjusted for cost-of-living increases in accordance with section 457(e)(15) of the Code) or such greater amount allowed under paragraph (b) of this section, less any amount excluded from gross income under sections 403(b), 402(e)(3), or 402(h)(1)(B) or (k) of the Code, or any amount with

respect to which a deduction is allowable by reason of a contribution to an organization under section 501(c)(18) of the Code.

- (e) Age-Based Catch-Up Contributions. In addition to any other limit set forth in this section, and subject to any limitations that may be imposed under present or future federal tax laws and rules, a Participant who has attained age 50 may contribute an additional amount in such year or a subsequent year, according to the following schedule:

<u>Year of Contribution:</u>	<u>Additional Catch-Up Amount:</u>
Prior to 2002	\$ 0
2002	\$1,000
2003	\$2,000
2004	\$3,000
2005	\$4,000
2006 and later	\$5,000

In the case of taxable years beginning after December 31, 2006, the additional catch-up amount will be adjusted for cost-of living increases in accordance with section 414(v)(2)(C) of the Code.

A Participant may not make an age-based catch-up contribution in any year in which the Participant may utilize the Catch-Up Limitation in paragraph (b) above.

- 3.12 Normal Compensation: The amount of compensation that would be payable to a Participant by the Employer if no Deferred Compensation Agreement were in effect to defer compensation under this Plan.
- 3.13 Normal Retirement Age: Age 70½, unless the Participant has elected an alternative Normal Retirement Age by written instrument delivered to the Employer prior to Severance from Employment. A Participant's Normal Retirement Age determines the period during which a Participant may utilize the Catch-Up Limitation of Section 3.11(b) hereunder.

Once a Participant has to any extent utilized the Catch-Up Limitation of Section 3.11(b), his Normal Retirement Age may not be changed.

A Participant's alternative Normal Retirement Age may not be earlier than the earliest date that the Participant will become eligible to retire and receive unreduced retirement benefits under the Employer's basic retirement plan covering that Participant and may not be later than the calendar year in which the Participant attains age 70½.

If a Participant continues employment after attaining age 70½ not having previously elected an alternative Normal Retirement Age, the Participant's alternative Normal Retirement Age shall not be later than the mandatory retirement age, if any, established by the Employer or the age at which the Participant actually severs employment if the Employer has no mandatory retirement age.

If the Participant will not be eligible to receive benefits under a basic retirement plan maintained by the Employer, the Participant's Normal Retirement Age may not be earlier than attainment of age 55 and may not be later than the calendar year in which the Participant attains age 70½.

- 3.14 Participant: Any Employee who has enrolled in this Plan pursuant to the requirements of Article V.
- 3.15 Plan Year: The 12-month period commencing each January 1 and ending on the following December 31.
- 3.16 Retirement: The first date upon which each of the following shall have occurred: Severance from Employment and attainment of age 65.
- 3.17 Severance from Employment: Termination of the Participant's employment relationship with the Employer. For years prior to 2002, references in this Plan to Severance from Employment shall mean the Participant's severance of the Participant's employment with the Employer, within the meaning of section 402(e)(4)(D)(i)(III), rather than termination of the Participant's employment relationship with the Employer.
- 3.18 Service Provider. VALIC Retirement Services Company or such other entity as the Employer designates to perform administrative services under this Plan.

#### ARTICLE IV. ADMINISTRATION

- 4.01 Plan Administrator. This Plan shall be administered by the Employer or one or more persons designated by the Employer. The Plan Administrator, if other than the Employer, shall act as the agent of the Employer in all matters concerning the administration of this Plan. The Plan Administrator shall have full power to adopt, amend, and revoke such rules and regulations consistent with and as may be necessary to implement this Plan, to enter into contracts on behalf of the Employer under this Plan, and to make discretionary decisions affecting the rights or benefits of Participants under Section 7.07 of this Plan.
- 4.02 Employee with Administrative Responsibilities. Any Employee who is charged with administrative responsibilities hereunder may participate in



the Plan under the same terms and conditions as apply to other Employees. However, he shall not have the power to participate in any discretionary action taken with respect to his participation under Section 7.07 of this Plan.

- 4.03 Administrative Services. The Employer may enter into an agreement with a Service Provider to provide nondiscretionary administrative services under this Plan for the convenience of the Employer, including, but not limited to, the enrollment of Employees as Participants, the maintenance of Accounts and other records, the making of periodic reports to Participants, and the disbursement of benefits to Participants.

#### ARTICLE V. PARTICIPATION IN THE PLAN

- 5.01 Participant. An Employee becomes a Participant when he has executed and entered into a Deferred Compensation Agreement with the Employer.
- 5.02 Enrollment in the Plan. An Employee may become a Participant as of the first day of any calendar month by entering into a Deferred Compensation Agreement with respect to compensation not yet earned. A new Employee may become a Participant on the first day of employment by entering into a Deferred Compensation Agreement on or before the first day of employment with respect to compensation not yet earned. The Deferred Compensation Agreement shall defer compensation not yet earned, and each Deferred Compensation Agreement must be made before the beginning of the month in which it is to become effective or, with respect to a new employee, on or before the first day of employment.
- 5.03 Minimum Deferral Amount. At the time of entering into or amending a Deferred Compensation Agreement hereunder, a Participant must agree to defer a minimum periodic amount as specified by the Plan Administrator.
- 5.04 Change in Amount of Deferred Compensation or Beneficiary. A Participant may not amend or modify an executed Deferred Compensation Agreement to change the amount of Deferred Compensation except with respect to compensation to be earned in the subsequent calendar month and provided that notice is given prior to the beginning of the month for which such change is to be effective. A Participant may change the Beneficiary designated in his Deferred Compensation Agreement at any time by giving written notice to the Plan Administrator.
- 5.05 Revocation of Deferred Compensation Agreement. A Participant may revoke his Deferred Compensation Agreement and thereafter be restored to his Normal Compensation in the subsequent calendar month, by giving notice to the Employer prior to the beginning of the month for which such revocation is to be effective.

- 5.06 New Deferred Compensation Agreement Upon Return to Service or After Revocation. A Participant who returns to active service with the Employer after a Severance from Employment, or who has revoked his Deferred Compensation Agreement under Section 5.05, may again become an active Participant by executing a new Deferred Compensation Agreement with the Employer prior to the beginning of the calendar month as to which it is to be effective.
- 5.07 Leave of Absence; Other Absences. Compensation may continue to be deferred under this Plan with respect to a Participant who is on an approved leave of absence from the Employer with compensation, and all of the rules of this Article shall apply with respect to making, amending or revoking any Deferred Compensation Agreement for such a Participant. If a Participant is absent from work without compensation for a period of not more than six months, whether by reason of illness, strike, lockout, shutdown or otherwise, his Deferred Compensation Agreement will remain in effect and compensation will again be deferred thereunder when he returns to work.

#### ARTICLE VI. INVESTMENT OF DEFERRED COMPENSATION

- 6.01 Annuity Contracts and Other Plan Investments. For the purposes of satisfying its obligation to provide benefits under this Plan, the Employer shall invest the amount of compensation deferred by each Participant in Annuity Contracts and other Plan investments as specified in the Participants' Deferred Compensation Agreements. Responsibility for the selection of investment alternatives for Plan assets shall be retained by the Employer, and the Employer shall have the right to modify the selection of investment alternatives from time to time. However, Participants and Beneficiaries may allocate amounts held in their Accounts or otherwise credited for their benefit under the Plan among the investment alternatives selected by the Employer, and the Employer shall cause such amounts to be so allocated within a reasonable time after the receipt of Participant instructions, or may instruct the issuer, trustee, or custodian to accept such allocation instructions directly from Participants and Beneficiaries as representatives of the Employer.
- 6.02 Exclusive Benefit. Notwithstanding any provision of the Plan to the contrary, all amounts held under the Plan, including amounts deferred and earnings or other accumulations attributable thereto, shall be held for the exclusive benefit of Plan Participants and Beneficiaries (i) in annuity contracts, or (ii) in trust or in one or more custodial accounts pursuant to one or more separate written instruments. Any such annuity contract, trust, or custodial account must satisfy the requirements of section 457(g)(1) of the Code. For purposes of this section, the terms Participant and

Beneficiary shall also include contingent beneficiaries and/or spouses, former spouses, or children of Participants for whose benefit amounts are being held under the Plan pursuant to the terms of a domestic relations order which has been recognized under the terms of the Plan. Any discretionary authority reserved to the Employer (or to any administrator or administrative committee) under the Plan or under any investment held under the Plan, to the extent the exercise thereof would otherwise be inconsistent with this section, shall be exercised for the exclusive benefit of Plan Participants and Beneficiaries. Any issuer of an annuity contract or trustee or custodian of other investments held under the Plan shall have no authority to pay any amounts from such Plan investments to any creditor of the Employer, and shall have no duty to inquire into the validity of any request by the Employer or by an administrator or administrative committee for distribution of amounts for the benefit of a Participant or a Beneficiary under the Plan.

- 6.03 Benefits Based on Participant's Account Value. The benefits paid to a Participant or Beneficiary pursuant to Article VII of this Plan shall be based upon the value of the Participant's Account. In no event shall the Employer's liability to pay benefits exceed the value of the Participant's Account, and the Employer shall not be liable for losses arising from depreciation or other decline in the value of any investments acquired under this Plan.
- 6.04 Periodic Reports. Each Participant shall receive periodic reports, not less frequently than annually, showing the then-current value of his Account.
- 6.05 Employer-Directed Accounts. Notwithstanding any provision of the Plan to the contrary, the Employer shall direct the issuer, trustee or custodian with respect to the investment of any contributions that are forwarded to the issuer, trustee or custodian prior to the date on which the Participant or Beneficiary completes the necessary paperwork with the issuer, trustee or custodian (or takes such other action or actions as may be necessary) to direct the investment of such amounts. Such direction shall be communicated to the issuer, trustee or custodian by means of a separate written agreement between the Employer and issuer, trustee or custodian, which agreement will include a default investment option and a default beneficiary designation. This direction shall be effective only until such time as the Participant or Beneficiary exercises his right to direct the investment of such amounts and to designate a Beneficiary in accordance with the terms of the Plan.

## ARTICLE VII. BENEFITS

- 7.01 Retirement Benefits on Severance from Employment. Except as otherwise provided in this Article, a Participant's Account shall become distributable upon a Participant's Severance from Employment. The distribution of a Participant's Account shall commence no later than April 1 of the calendar year following the year of the Participant's Retirement or attainment of age 70½, whichever is later. Distributions shall be made in accordance with one of the payment options described in Section 7.03. Notwithstanding the other provisions of this section, Accounts established prior to January 1, 2002 will be subject to the additional distribution requirements, and rules regarding permitted distribution elections, to which such Account may have been or may be subject under Code section 457.
- 7.02 Distribution Procedures. The Employer may from time to time establish procedures for Participant distribution elections, provided that such procedures are not inconsistent with the requirements of Section 7.01.
- 7.03 Payment Options. A Participant (or a Beneficiary as provided in Section 7.06) may elect to have the value of the Participant's Account distributed in accordance with one of the following payment options provided that such option is consistent with the limitations set forth in Section 7.04:
- (a) life annuity;
  - (b) life annuity with 60, 120, or 180 monthly payments guaranteed;
  - (c) unit refund life annuity;
  - (d) joint and last survivor annuity (spouse only);
  - (e) lump sum;
  - (f) term certain annuity with 36, 48, 60, 72, 84, 96, 108, 120, 132, 144, 156, 168 or 180 monthly payments guaranteed;
  - (g) withdrawals for a specified number of years;
  - (h) withdrawals of a specified amount; or
  - (i) any other method of payment agreed upon between Participant and Employer and accepted by the investment provider or Service Provider.

If a Participant fails to elect a payment option, any required payments shall be made under a payment option designated by the Employer.

Notwithstanding the options above, any option that involves a life contingency (or a joint life contingency) shall only be available under an Annuity Contract offered or obtained under the terms of the Plan.

- 7.04 Limitation on Options. No payment option may be selected by the Participant (or a Beneficiary) unless it satisfies the requirements of Code section 401(a)(9) and any additional Code limitations applicable to the Plan. Notwithstanding the other provisions of this section, Accounts established prior to January 1, 2002 will be subject to the additional distribution requirements, and rules regarding permitted distribution elections, to which such Account may have been or may be subject under Code section 457.
- 7.05 Post-Retirement Death Benefits. Should the Participant die after he has begun to receive benefits under a payment option, the guaranteed or remaining payments, if any, under the payment option shall be payable to the Participant's Beneficiary commencing with the first payment due after the death of the Participant. Payment to the Participant's Beneficiary must comply with section 401(a)(9) of the Code, and with any additional Code limitations applicable to the Plan. If the Beneficiary does not continue to live for the remaining period of payments under the payment option, then the remaining benefits under the payment option shall be paid to the Beneficiary's beneficiary or, if none, the Beneficiary's estate. In no event shall the Employer be liable for any payments made in the name of the Participant or a Beneficiary before the Employer or its agent receives proof of the death of the Participant or Beneficiary.
- 7.06 Pre-Retirement Death Benefits. Should the Participant die before he has begun to receive benefits under Section 7.01, a death benefit equal to the value of the Participant's Account shall be payable to the Beneficiary. Such death benefit shall be paid in a lump sum unless the Beneficiary elects a different payment option. Payment to the Participant's Beneficiary must comply with section 401(a)(9) of the Code, and with any additional Code limitations applicable to the Plan. Should the Beneficiary die before the completion of payments under the payment option, the value of the remaining payments under the payment option shall be paid to the Beneficiary's beneficiary or, if none, the Beneficiary's estate. Notwithstanding the other provisions of this section, Accounts established prior to January 1, 2002 will be subject to the additional distribution requirements, and rules regarding permitted distribution elections, to which such Account may have been or may be subject under Code section 457.

- 7.07 Unforeseeable Emergency Withdrawals. Except as provided in this section, no amount shall be distributable to a Participant or Beneficiary prior to the Participant's Severance from Employment. In the event of an unforeseeable emergency before or after Severance from Employment or the commencement of Retirement Benefits, a Participant may apply to the Employer to receive that part of the value of his Account that is reasonably needed to satisfy the emergency needs. If such application for withdrawal is approved by the Employer, the Employer shall direct the issuer, trustee or custodian to pay the Participant such value as the Employer deems necessary to meet the emergency needs. The regulations under section 457(d)(1)(A)(iii) of the Code define an unforeseeable emergency as a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or a dependent (as defined in Code section 152(a)) of the Participant, loss of property due to casualty, or other similar extraordinary or unforeseeable circumstances arising as a result of events beyond the control of the Participant which would cause severe financial hardship to the Participant if early withdrawal were not permitted. Payment may not be made to the extent that such hardship is or may be relieved by other financial resources available to the Participant, including insurance reimbursement, cessation of deferrals under this Plan or liquidation of other assets, to the extent the liquidation of such assets would not itself cause severe financial hardship. Unforeseeable emergencies do not include the need to send a child to college or the desire to purchase a home.
- 7.08 Transitional Rule for Annuity Payment Option Elections. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Employer and if a Participant or Beneficiary has commenced receiving benefits under an annuity payment option, that annuity payment option shall remain in effect notwithstanding any other provision of this Plan.
- 7.09 Participant's Election to Receive In-Service Distribution. If the Employer so elects under Section 2.02, a Participant may elect to receive an in-service distribution of the total amount payable to him under the Plan if:
- (a) such amount does not exceed the dollar amount under section 411(a)(11)(A) of the Code,
  - (b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution, and
  - (c) there has been no prior distribution under the Plan to the Participant under this Section 7.09 or under Section 7.10.

7.10 Distribution without Participant's Consent. If the Employer so elects under Section 2.03, the total amount payable to a Participant under the Plan may be distributed to the Participant without his consent if:

- (a) such amount does not exceed the dollar amount under section 411(a)(11)(A) of the Code,
- (b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution, and
- (c) there has been no prior distribution under the Plan to the Participant under this Section 7.10 or under Section 7.09.

#### ARTICLE VIII. NON-ASSIGNABILITY

8.01 In General. Except as provided in Section 8.02, no Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder, which payments and rights are expressly declared to be non-assignable and non-transferable.

8.02 Domestic Relations Orders.

(a) Allowance of Transfers: To the extent required under a final judgment, decree, or order (including approval of a property settlement agreement) made pursuant to a state domestic relations law, any portion of a Participant's Account may be paid or set aside for payment to a spouse, former spouse, or child of the Participant. Where necessary to carry out the terms of such an order, a separate Account may be established with respect to the spouse, former spouse, or child who shall be entitled to make investment selections with respect thereto in the same manner as the Participant; any amount so set aside for a spouse, former spouse, or child shall be paid out in a lump sum at the earliest date that benefits may be paid to the Participant, unless the order directs an earlier time, to the extent allowed under the Code, or a different form of payment. Where the final judgment, decree or order does not define a form or time of payment that is available under this Plan, the Employer shall have the right to interpret the final judgment, decree or order in a manner that is consistent with the terms of this Plan. Any payment made to a person other than the Participant pursuant to this section shall be reduced by required income tax withholding.

(b) Release from Liability to Participant: The Employer's liability to pay benefits to a Participant shall be reduced to the extent that amounts have been paid or set aside for payment to a spouse, former spouse, or child

pursuant to paragraph (a) of this section. No such transfer shall be effectuated unless the Employer or Service Provider has been provided with satisfactory evidence that the Employer and the Service Provider are released from any further claim by the Participant with respect to such amounts. The Participant shall be deemed to have released the Employer and the Service Provider from any claim with respect to such amounts, in any case in which (i) the Employer or Service Provider has been served with legal process or otherwise joined in a proceeding relating to such transfer, (ii) the Participant has been notified of the pendency of such proceeding in the manner prescribed by the law of the jurisdiction in which the proceeding is pending by service of process in such action or by mail from the Employer or Service Provider to the Participant's last known mailing address, and (iii) the Participant fails to obtain an order of the court in the proceeding relieving the Employer or Service Provider from the obligation to comply with the judgment, decree, or order. The Participant shall also be deemed to have released the Employer or Service Provider if the Participant has consented to the transfer pursuant to the terms of a property settlement agreement and/or a final judgment, decree, or order as described in paragraph (a).

(c) Participation in Legal Proceedings: The Employer and the Service Provider shall not be obligated to defend against or seek to have set aside any judgment, decree, or order described in paragraph (a) or any legal order relating to the garnishment of a Participant's benefits, unless the full expense of such legal action is borne by the Participant. In the event that the Participant's action (or inaction) nonetheless causes the Employer or Service Provider to incur such expense, the amount of the expense may be charged against the Participant's Account and thereby reduce the Employer's obligation to pay benefits to the Participant. In the course of any proceeding relating to divorce, separation, or child support, the Employer and Service Provider shall be authorized to disclose information relating to the Participant's Account to the Participant's spouse, former spouse, or child (including the legal representatives of the spouse, former spouse, or child), or to a court.

## ARTICLE IX. TRANSFERS AND ROLLOVERS

9.01 Transfers from Other Plans. This Plan shall accept transfers, pursuant to section 457 of the Code, of amounts deferred by an individual under another eligible deferred compensation plan meeting the requirements of section 457(g) of the Code. In no event may the Employer cause such a transfer to be made, except at the request of a Participant. Any such transferred amount shall not be treated as a deferral subject to the limitations of Section 3.11, except that, for purposes of applying the limit of Section 3.11, an amount deferred during any taxable year under the plan from which the transfer is accepted shall be treated as if it had been



deferred under this Plan during such taxable year and compensation paid by the transferor employer shall be treated as if it had been paid by the Employer.

9.02 Transfers to Other Plans. A Participant may elect to have any portion of the amount payable to him transferred to another eligible deferred compensation plan. In the event of a request by a Participant for a transfer to another eligible deferred compensation plan under which amounts are not held in the manner described in Section 6.02, such transfer shall be permitted only if otherwise permitted by the Plan and applicable law. Subject to any limitations imposed by an investment provider, the Plan may also permit transfers of a portion of an amount payable to a Participant to a defined benefit governmental plan in conformity with section 457(e)(17) of the Code.

9.03 Rollovers. A Participant may elect to roll an Eligible Rollover Distribution to an Eligible Retirement Plan. The Participant shall be provided with a description of available rollover rights and rules in advance of such a distribution. A distribution that is an Eligible Rollover Distribution and that is paid in a form other than a rollover will be subject to mandatory withholding of 20%, or such other mandatory withholding rate as may be imposed under the Code from time to time. This Plan shall be permitted to accept a rollover distribution from an Eligible Retirement Plan (including a distribution from an IRA) to this Plan, subject to any administrative restrictions imposed by the Plan or by the investment provider. To the extent necessary to satisfy the requirements of the Code, any such rollover distribution to the Plan shall be subject to the same restrictions on distributions applicable to other amounts held under the Plan.

#### ARTICLE X. AMENDMENT OR TERMINATION OF PLAN

10.01 Amendment or Termination. The Employer may at any time amend this Plan or terminate this Plan and distribute the Participants' Accounts in conformity with the Code and applicable regulations; provided, however, that such amendment or termination shall not impair the rights of Participants or their Beneficiaries with respect to any compensation deferred before the date of the amendment or termination of this Plan except as may be required to maintain the tax status of the Plan under the Code. Participants shall thereafter receive their Normal Compensation and benefits shall be paid as provided in Article VII.

10.02 Amendment and Restatement of Previously Adopted Plan. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Employer, the amendments contained herein shall be effective as of the Effective Date, and the terms of the preceding plan document shall remain in effect through such date.

ARTICLE XI. USERRA

Notwithstanding any other provision of this Plan to the contrary, contributions and service credit with respect to qualified military service will be provided in accordance with Code section 414(u).

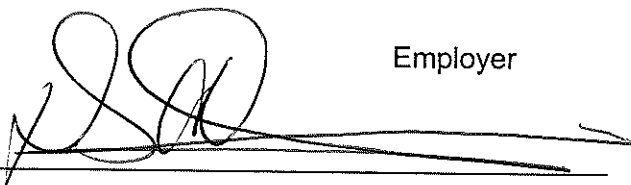
ARTICLE XII. GOVERNING LAW

Except to the extent any federal law applies, this Plan shall be construed under the laws of the State of Employer's principal place of business.

ARTICLE XIII. RELATIONSHIP TO OTHER PLANS

This Plan serves in addition to any other retirement, pension or benefit plan or system presently in existence or hereinafter established.

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed by its duly authorized officer on this 18th day of February, 2003.

By:  Employer

Name: Doug Cater

Title: President, Board of Directors

## Exhibit 2

### AMENDMENT TO DEFERRED COMPENSATION PLAN (Governmental)

Notwithstanding any provision of the Plan to the contrary and subject to any limitations under the Code, the Plan is hereby amended as follows, effective January 1, 2002, unless otherwise indicated:

1. Includible Compensation: Includible Compensation of a Participant shall mean, with respect to a taxable year, the Participant's compensation, as defined in Code section 415(c)(3), for services performed for the Employer. The amount of Includible Compensation shall be determined without regard to any community property laws.
2. Excess Deferrals. Any amount deferred in excess of the Maximum Limitation or Age-Based Catch-Up Contribution shall be distributed to the Participant, with allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess deferral. An excess deferral as a result of a failure to comply with the individual limitation under Prop. Treas. Reg. section 1.457-5 for a taxable year may be distributed to the Participant, with allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess deferral.
3. Coordination of Catch-Up Contributions. Utilization of the catch-up limitations under the Plan, including Age-Based Catch-Up Contributions, shall be subject to any limitations imposed under the Code. Except as otherwise permitted under the Code, a Participant may not utilize both the Catch-Up Limitation and the Age-Based Catch-Up Contribution in the same year. The Age-Based Catch-Up Contribution shall not apply for any taxable year for which a higher Catch-Up Limitation applies.
4. Accumulated Sick Pay, Accumulated Vacation Pay and Back Pay. A Participant may elect to defer accumulated sick pay, accumulated vacation pay and back pay for any calendar month if an agreement providing for the deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an Employee in that month. Any deferrals made under this section are subject to the Maximum Limitation, including Age-Based Catch-Up Contributions.
5. Distribution upon Plan Termination. In the event that the Plan is terminated, amounts deferred under the Plan (and all Plan assets) shall be distributed to all Plan Participants and Beneficiaries as soon as administratively practicable after the termination of the Plan.

6. Plan-to-Plan Transfers. A transfer from an eligible governmental deferred compensation plan is permitted only if the transferor plan provides for transfers, the Participant or Beneficiary whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer, and the Participant or Beneficiary whose amounts deferred are being transferred has had a severance from employment with the transferring employer and is performing services for the Employer maintaining this Plan. However, these conditions are not required to be satisfied if (a) all of the assets held by the eligible governmental plan are transferred; (b) the transfer is to another eligible governmental plan maintained by an eligible employer that is a state entity within the same state; and (c) the Participants whose deferred amounts are being transferred are not eligible for additional annual deferrals in the receiving plan unless they are performing services for the entity maintaining the receiving plan.
7. Normal Retirement Age. For purposes of the Catch-Up Limitation, if the Participant will not be eligible to receive benefits under a basic retirement plan maintained by the Employer, the Participant's Normal Retirement Age may not be earlier than attainment of age 65 and may not be later than the calendar year in which the Participant attains age 70½.



Signature

David J. Andres

Print Name

General Manager

Title

February 18, 2003

Date

## Exhibit 3

### RIO LINDA – ELVERTA WATER DISTRICT INVESTMENT AND RECORDKEEPING SERVICES AGREEMENT

This is an agreement (Agreement) by and among Rio Linda – Elverta Water District (Employer), VALIC Financial Advisors, Inc. (VFA) for discretionary investment management services, The Variable Annuity Life Insurance Company (VALIC) and VALIC Retirement Services Company (VRSCO) for nondiscretionary administrative services, including recordkeeping and contribution allocation services.

**WHEREAS**, the Employer has established and maintains the following deferred compensation or retirement plans (Plans):

- An eligible section 457 Plan for its eligible employees in accordance with Section 457 of the Internal Revenue Code (Code), entitled the Rio Linda – Elverta Water District STARS Deferred Compensation Plan (457 Plan)

**WHEREAS**, each of the Plans is a governmental plan as defined in section 3(32) of the Employee Retirement Income Security Act of 1974, as amended (ERISA);

**WHEREAS**, the Association of Bay Area Governments (ABAG) has established a special program called the Self-directed Tax Advantaged Retirement System (STARS) program to obtain certain discounted investment, recordkeeping, nondiscretionary plan administrative services, and custodial services for public agencies participating in STARS;

**WHEREAS**, ABAG has appointed the STARS Program Committee (Program Committee) and has authorized it to design, implement and operate the STARS program, subject to the oversight of the ABAG Finance & Personnel Committee;

**WHEREAS**, the Program Committee has negotiated with the VALIC Trust Company (Custodian), VALIC Financial Advisors, Inc. (VFA) to act as discretionary investment advisor, VALIC Retirement Services Company (VRSCO), and The Variable Annuity Life Insurance Company (VALIC) to act as the fixed income option provider in connection with the STARS program.

**WHEREAS**, the Employer is a public agency interested in obtaining the benefits of STARS for its employees;

**WHEREAS**, VFA is a registered investment adviser under the Investment Advisers Act of 1940 and is willing to provide certain discretionary investment advisory services to the Plan;

**WHEREAS**, VRSCO is willing to provide certain nondiscretionary plan administrative services, including recordkeeping and contribution allocation services for those assets of the Plans that are held by Custodian as part of STARS.

**WHEREAS**, Employer acknowledges and agrees that except as otherwise provided for in this Agreement, the Employer, the plan administrator named under each of the Plans (Plan Administrator), or another authorized Plan representative shall be responsible for all discretionary decisions with respect to each such plan;

**THEREFORE**, in consideration of the mutual promises herein contained, Employer, VFA and VRSCO agree as follows:

**I. Designation of Providers.** The Employer designates VRSCO as a third party plan administrative service provider, to provide certain plan administrative services, including recordkeeping and contribution allocation services described in this Agreement for the Plan(s) described above. The Employer designates VFA as a discretionary investment manager to provide certain discretionary investment management services as further described in this Agreement (Service Providers). The Service Providers acknowledge that they have each received a copy of the above-referenced Plans. The parties acknowledge and agree that STARS shall not be available for Code section 3121 Social Security make-up plans that are established primarily for part-time and/or seasonal employees of the Employer.

The designation of VFA and VRSCO as the Service Providers for the above-referenced 457 Plan shall be  shall **not** be  an exclusive appointment. If the appointment is nonexclusive, this means that the Employer is retaining other service providers and offering other investment choices to participants that are not covered by this Agreement. Notwithstanding any provision to the contrary in this Agreement, in the case of a nonexclusive appointment, the Service Providers' duties and obligations under this Agreement shall be limited to that portion of the assets of the Plan as are invested with VALIC, Custodian or their designated affiliates.

The provisions of this Agreement shall be subject to the terms of each of the Plans, any related custodial agreement entered into with the Custodian, and any annuity contract entered into with VALIC, except that the terms of each such Plan, custodial agreement or annuity contract shall not adversely affect the rights or duties of Service Providers under this Agreement without the affected Service Provider's prior written consent. Service Provider shall be provided with all future amendments to the Plans during the term of this Agreement.

**II. Plan Documentation.** VRSCO shall offer to provide to Employer a prototype plan document for the Retirement Plan and a sample plan document for the 457 Plan for review by Employer's legal counsel. VRSCO shall also provide technical assistance to Employer, subject to review by Employer's legal counsel, in drafting plan amendments to

comply with changes in the law. If the Employer has adopted the prototype plan document provided by VRSCO for its Retirement Plan, VRSCO agrees to provide the Employer with such plan amendments as may be necessary to comply with changes in the law. Except for any duties or obligations specifically assumed by the Service Providers under this Agreement, the Employer understands and agrees that it shall retain primary responsibility for establishing and maintaining the tax-qualified status of the Plan in compliance with the requirements of the Code, including the execution of any necessary documents and/or amendments. Employer shall promptly deliver to VRSCO its fully executed Plan document(s) and any amendments thereto.

If the Employer is utilizing Plan documents other than those provided by VRSCO, the Employer or its designee shall retain sole responsibility for (i) determining whether such plan document and any amendments satisfy the qualification requirements of the Code (ii) taking all necessary steps to ensure that administrative services provided for under this Agreement are consistent with the terms of the Plan.

Employer understands and agrees that, if it adopts a Plan pursuant to Code Section 457, Employer may not rely upon any private rulings issued by the IRS to another party with respect to such Plan and may wish to apply to the IRS for such a ruling. VRSCO will provide administrative assistance with respect to any such application for such additional compensation as is agreed upon at such time.

### **III. Appointment of VFA in Connection With a Participant-Directed Governmental Plan; Plan Investment Options.**

- A. The parties acknowledge and agree that each of the Plans is a "governmental plan" as defined in ERISA section 3(32) and, therefore, is not directly subject to ERISA. However, to the extent the Plans, their sponsor and fiduciaries are subject to California state law governing fiduciary duties, including California Government Code section 53213.5, the Employer has elected to administer the Plans to permit participant-directed investments. The Plan Administrator of each of the Plans has adopted Policies and Procedures Regarding Participant-Directed Investments (Policies) for the Plan.

VFA acknowledges and agrees that its appointment is in connection with the assets of the Plans which are invested in the Plan Investment Options (described below) in accordance with the Policies. The Plan Administrator of each of the Plans intends to operate the Plan, except as specifically noted in the Policies, as a participant-directed individual account pursuant to either ERISA section 404(c) and the regulations to the extent necessary to bring the operation of the Plan within the protection of California Government Code Section 53213.5(b), or the provisions of

California law that are comparable to ERISA section 404(c) to the extent applicable to the Plan or the Employer in connection with the operation of the Plan, including California Government Code section 53213.5, whereby each of the participants under each of the Plans will be given the opportunity to exercise control over the investment of his or her account and to choose from the investment options (Plan Investment Options) listed in Appendix A.

- B. Each of the Plan Investment Options was selected by VFA, as an independent fiduciary, and approved by the Employer. The Service Providers acknowledge and agree that they have received and read a copy of each of the Policies, and agree to comply with such Policies.
- C. Such Plan Investment Options may be limited where required under the terms of the Plans, the Policies or the Code. Appendix A, which may also describe requirements or limitations applicable to one or more of the Investment Options, may be revised and expanded by VFA, upon not less than sixty (60) days' prior written notice to the Employer and ABAG. Where any Plan Investment Option contains restrictions on amounts that may be transferred out of or into such Plan Investment Option, the Service Providers are hereby directed to enforce such restrictions in their performance of administrative services for the Plan. In the event that Service Providers cannot confirm that such restrictions will be complied with under a transferee investment option, Service Providers are hereby directed to deny the transfer request on behalf of the Employer.
- D. VFA's services will include, but not be limited to:
  - 1. Having principal authority and responsibility for:
    - (a) The evaluation and selection of the Plan Investment Options offered under the Policies to participants in accordance with either ERISA section 404(c) and the regulations thereunder to the extent necessary to bring the operation of the Plan within the protection of California Government Code Section 53213.5(b), or the provisions of California law that are comparable to ERISA section 404(c) to the extent applicable to the Plan or the Employer in connection with the operation of the Plan, including California Government Code section 53213.5, and the requirements of California trust law to the extent applicable to the Plan or the Employer (collectively, the Participant-directed Account Rules);



- (b) The development and/or selection of performance standards to measure short-, intermediate-, and long-term returns and investment risk with respect to each of the selected Plan Investment Options;
  - (c) Monitoring the appropriateness and suitability of each of the Plan Investment Options as an investment choice available to the Plans' participants in accordance with the Participant-directed Account Rules;
  - (d) Notifying the Employer, the Plan Administrator and the Program Committee if a Plan Investment Option is no longer suitable as an investment option and taking appropriate action to substitute another investment option in its place; and
  - (e) Providing participants with required information and disclosures under the Participant-directed Account Rules concerning the Plan Investment Options.
2. Reporting investment results of each of the Plan Investment Options at least quarterly to the Employer and the Plan Administrator.
  3. Conducting meetings with the Employer and the Plan Administrator of each of the Plans no less frequently than annually, at the Employer's offices to discuss the performance of the Plan Investment Options.
  4. Conducting participant education and enrollment meetings at the Employer's principal places of business, on such basis and at such times as are reasonably requested by the Employer for the purpose of providing Plan participants with sufficient information and education to enable them to exercise control over the assets in their participant accounts. At a minimum, VFA agrees to conduct on site participant education and enrollment meetings on at least the following basis, if so requested by the Employer:

Number of Employees	Number of Visits
Less than 50	1 per year
Between 50 and 150	2 per year

Over 150	4 per year
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Notwithstanding the foregoing, VFA agrees to conduct a sufficient number of on site participant education and enrollment meetings to reasonably accommodate the number of entry dates under the Plan(s).

- E. VFA initially designates the VALIC Fixed-Interest Option (Designated Investment Option) as the default investment option for amounts received from or on behalf of participants by VRSCO without complete investment allocation instructions. This designation shall remain in effect until VFA has designated a new default investment option.
- F. Subject to Article XI below and the terms of the group annuity contract, the parties agree that the VALIC Fixed-Interest Option shall be the exclusive non-variable option; provided, however, that if VALIC's credit rating with any two of the following credit rating agencies drops to single "A" or lower: Standard & Poor's; Moody's; Duff & Phelps; or A.M. Best, VALIC agrees to notify both the Employer and the Program Committee in writing within seven (7) days of any change in its credit rating and VFA agrees to take immediate action to offer another non-variable option, acceptable to both the Employer and the Program Committee, to participants within ninety (90) days of such change, unless within sixty (60) days following such change VALIC's credit rating has been raised once again above such levels. In the event that VFA does not take appropriate action as required by this paragraph F, the Employer or the Plan Administrator may unilaterally offer an alternative non-variable option.

Any new non-variable option offered pursuant to this Agreement shall:

- be valued on a daily basis each; and
- accommodate "late day trading"; and
- otherwise be compatible with the administrative system of VRSCO and the Custodian.

**IV. Maintenance of Plan Records.** VRSCO shall maintain participant-level and aggregate Plan records for each of the Plans as follows:

- A. A separate account shall be established for each participant (Participant Account) in which Participant Account shall be recorded pertinent participant information, including, but not limited to, the participant's

name, Social Security number, address, and date of birth, and selection of Plan Investment Options, to the extent provided by participant or VFA. Separate records shall be maintained under each of the Plans for the same participant, where appropriate, for the recording of different contribution types (i.e., employer contributions, employee pre-tax deferrals, employee after-tax contributions). A Participant Account shall reflect contributions, distributions, allocated forfeitures (if any), gains, revenue sharing (as described below), losses, and other debits or credits attributable to the investments within the Participant Account on a "daily valuation basis", and shall reflect reductions for any forfeitures upon separation from service prior to full vesting and/or administrative service fees described in Section X of this Agreement that are not paid directly by the Employer.

- B. Employer shall periodically transmit funds payable to VTC as agent of Employer, which funds shall be forwarded to Custodian for investment in mutual funds approved as Plan Investment Options, the shares of which shall be held in a custodial account or trust by VTC, or to VALIC for deposit in annuity contracts. In receiving such funds, VTC shall act as agent of the Employer and not of the fund issuer or the insurance carrier, VALIC. The Employer and/or the participants shall provide VRSCO and/or VFA with instructions sufficient to enable VTC to forward to the mutual fund issuers and/or VALIC the correct amounts for the participants' investments. Prior to implementation of service, Employer shall provide VRSCO or its designee with electronic data consisting of Employee name, Social Security number, name(s) of Plan investment options selected, and percentage of contribution to each Plan investment option (e.g. mutual fund and/or fixed interest option). Contribution instructions will be submitted via electronic/magnetic media.
- C. Contributions, loan repayments and similar transactions (Transactions) received in good order (as described below) will be effective on the Business Day (as described below) such good order is achieved into the directed investments, subject to market limitations and valuations outside VRSCO's immediate control. Transactions are in "good order" when the contribution or similar roster remitted by the Employer in advance of funding agrees with the subsequent related funding, and when the social security number and money type correspond to social security numbers and money types of participants previously enrolled on VRSCO's recordkeeping system. A "Business Day" is a day the New York Stock Exchange is open for business. In the event Transaction data is **not in good order**, VRSCO shall attempt to obtain clarification from the Employer as to the proper Transaction amount and/or funding allocations. VRSCO, VTC, VFA and VALIC shall not credit interest nor be responsible for interest or other earnings or loss on any funds held during

this forwarding period, provided that the forwarding period is reasonable, or for any additional period they may hold funds for reasons beyond their control.

- D. VRSCO will process all distribution requests received in good order at VRSCO at the address on the distribution form within three (3) Business Days of receipt of said distribution request by VRSCO. Distribution checks will be issued within seven (7) days of receipt in good order. Distributions are in good order when the distribution request contains all pertinent information (including type and form of distribution, any critical dates needed to process the distribution, properly completed and executed tax forms and, if applicable, all necessary rollover instructions) and appropriate signatures (including spousal consent to the extent deemed necessary by the Employer or the Plan Administrator).
- E. The Employer acknowledges that trades required by Transactions, distributions, and investment exchanges will be executed by offsetting transactions ordered in and out of each investment and purchasing or selling only the net shares required to balance transactions in and out. The Employer also acknowledges the share prices allocated to individual participants will be based upon the closing price on effective trade date price paid or received for shares actually traded by VRSCO for the Business Day the transactions are processed. Notwithstanding the netting of transactions as described above, it is understood and agreed that VRSCO shall maintain transactional level detail of each Transaction, distribution and investment exchange at the participant level such that each transaction will be recorded independently of all other transactions.
- F. Should the Employer or, if appropriate, the participant, instruct VRSCO to reverse a completed Transaction, distribution or contribution as erroneously ordered for a particular participant, VRSCO will remove the dollar amount of the original transaction (not the number of shares or other value) from the participant account and investment vehicle and re-allocate the funds as of the date the correction request is in good order for the type of transaction involved.
- G. VRSCO shall provide reconciliation between Plan and participant account records on a regular basis, not less frequently than quarterly.
- H. VRSCO shall perform and make available the results of daily valuations of Participant Accounts, effective as of 4:00PM Eastern Time of any day on which the appropriate trading market or exchanges are open, subject to intra-day closings, trading suspensions, or other similar or unforeseeable circumstances outside of the control of VRSCO. Plan Investment Options

that are guaranteed as to principal or interest shall be valued according to the terms of such investment options. Plan Investment Options that are not guaranteed as to principal, or principal and interest, shall be valued according to the laws and rules applicable to such investment options. Notwithstanding any provision of this Agreement to the contrary, access to Participant Accounts for transactions or other account maintenance may be subject to interruption, or a "blackout," for a reasonable, pre-defined period commencing with the transfer of records to VRSCO and the Custodian at the beginning of the Initial Term of this Agreement if VRSCO and VFA are replacing the Plan's existing service provider(s) and becoming its sole Service Providers.

**V. Supported Technologies.** Participant enrollment shall be effected through any of the following means, as agreed from time to time by Employer and VRSCO: paper enrollment form, telephone enrollment. Participant transactions other than enrollment shall be effected through a combination of the following means, as agreed from time to time by Employer and VRSCO: paper transaction request forms, telephone response, interactive Internet. Voice response shall be available approximately 24 hours per day (subject to periodic maintenance). Customer service representatives will be available from 5:00AM to 6:00PM Pacific Time. Availability of voice response and interactive Internet shall be subject to periodic maintenance.

**VI. Application of Contribution And Allocation Limitations.** Provided that all of the assets of the Employer's 457 Plan are invested in products offered through VALIC, VTC or affiliates in accordance with article III above and VRSCO is the exclusive recordkeeper with respect to the Employer's 457 Plan, VRSCO shall perform contribution and allocation limit testing applying the limits of Code Section 457 for each participant enrolling in the Plan or increasing his or her rate of contribution under the Plan upon receipt by VRSCO of the information necessary to perform such calculations. Provided that all of the assets of the Employer's Retirement Plan are invested in products offered through VALIC, VTC or affiliates in accordance with article III above and VRSCO is the exclusive recordkeeper with respect to the Employer's Retirement Plan, VRSCO shall perform contribution and allocation limit testing applying the limits of Code Sections 402(g) and 415(c) for each participant enrolling in the Plan upon receipt by VRSCO of the information necessary to perform such calculations. Provided that VRSCO has timely received from the Employer the information necessary to perform Annual contribution limit testing, such testing will be provided for all participants within three (3) months after the close of the year for which the calculations are to be performed, or within twelve (12) weeks after receipt of necessary data from Employer, whichever is later. Identified excess contributions shall be distributed to the extent permitted by the Code; Treasury regulations or other regulatory guidance, including any Internal Revenue Service (IRS) self-correction programs; the Plan; the annuity contract; custodial account; or as otherwise provided in this Agreement or agreed by the Employer, VRSCO and Custodian.

**VII. Distributions to Plan Participants.** Distributions to participants shall be authorized by the Employer or the Plan Administrator or subject to nondiscretionary determinations by VRSCO pursuant to written guidelines established by Employer. Employer or Plan Administrator will review and have final decision-making authority with respect to all appeals from VRSCO determinations. Distributions may be in any form permitted by the relevant Plan and the Code.

**VIII. Additional Plan Services.** VRSCO will render all of the following additional plan administrative services:

- Provide quarterly statements to participants in each of the Plans;
- Prepare annual reports for Employer on the financial status of each of the Plans;
- Provide investment education seminars and materials, subject to the limitations of Section XIII of this Agreement;
- Provide technical assistance to Employer with respect to Domestic Relations Orders;
- Monitor, calculate, and process minimum required distributions in accordance with the terms of each of the Plans and the Code; and
- The Service Providers shall make reasonable efforts to inform Employer of legislative and/or regulatory changes that may affect the Plans.

**IX. Employer or Plan Administrator Duties.** The Employer or the Plan Administrator will provide names and other information for persons authorized to take actions for or provide information on behalf of the Plan. Until notified of a change, VRSCO, VFA, VALIC, Custodian and their affiliates may reasonably rely upon this information and may act upon instructions received from and/or on information provided by these named persons. VRSCO, VFA, VALIC, Custodian and their affiliates have the right to assume that those persons continue to be authorized unless notified otherwise. Additionally, the Employer and the Plan Administrator under the Plans shall work with the Service Providers under the Plans and shall be responsible for certain administrative matters, including, but not limited to, the following:

- completion and provision of all necessary forms to establish an annuity contract or to open an account with a life insurance company or a registered broker-dealer, if required by the Plan Investment Options selected by VFA;
- remittance to VALIC Trust Company of such contributions as are required or permitted under the Plan, by wire transfer or other format acceptable to

VALIC Trust Company; and timely compliance with any laws applicable to such contributions;

- maintenance of participant beneficiary records;
- timely provision to the Service Providers of all necessary data that is required by Service Providers to perform their obligations under this Agreement, in electronic format except as otherwise agreed between Employer or Plan Administrator and Service Providers;
- All contributions (other than participant deferrals – which shall be remitted as soon as administratively feasible) for a Plan year must be received by the 15th day of the sixth calendar month following the close of the fiscal year with or within which the particular Plan year ends. It is understood and agreed that any Employer contributions made after the end of the Plan year will be posted to the participants accounts at the time received.

**X. Administrative Service Fees and Revenue Sharing.** In exchange for the services provided for under this Agreement, VRSCO shall receive the following compensation, and the Program Committee and the plan participants shall receive the following revenue sharing, which the parties have determined to be reasonable in light of the benefits obtained by the Plans through their participation in STARS and the services to be provided:

- A. Fees. An amount equal to an effective annual rate (based upon the schedule below) of the dollar amount of the mutual fund assets in the Plans for which administrative services are provided under this Agreement, determined with respect to each full or partial calendar quarter by multiplying the corresponding quarterly rate by the dollar amount of assets in the Plans as determined on a date on or before the last day of each calendar quarter, and payable on a date that is not more than ten (10) business days following the end of each calendar quarter. Such amount shall be paid out of Participant Accounts on a pro rata basis, according to the value and allocations of their respective accounts at that time.

Total Assets Invested with VTC, VALIC and affiliates by all Employers under the STARS program	Effective Annual Rate of VRSCO Fees
Under \$25 million	25 basis points
\$25 million to \$50 million	20 basis points
\$50 million to \$100 million	10 basis points

\$100 million to \$175 million	0 basis points
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Notwithstanding the foregoing, all fees will be waived from the effective date of this Agreement through September 30, 2001.

The Employer acknowledges that VRSCO may be deemed to benefit from advisory and other fees paid to its affiliates for managing, selling, or settling of VRSCO mutual funds and other investment products or securities offered by VRSCO or its affiliates selected Plan Investment Options; and additional compensation in the form of gains resulting from the correction of transaction processing errors and delays beyond the agreed transaction date. (In exchange, VRSCO also absorbs losses resulting from its errors and unavoidable investment delays).

- B. Revenue Sharing. Once the total assets invested with VFA and VRSCO by all employers participating in STARS reaches the levels set forth below, the Plans shall no longer be subject to fees for administrative or investment services, and either the Program Committee or the Plan participants shall be entitled to participate in revenue sharing as described below.

Total Assets Invested with VTC, VALIC or affiliates by all Employers under the STARS program (includes fixed interest option and variable fund assets)	Annual Rate of Revenue Sharing on variable fund assets only (excluding fixed interest option)
\$175 million to \$250 million	4 basis points
\$250 million to \$500 million	9 basis points
\$500 million to \$1 billion	14 basis points
\$1 billion or more	19 basis points

The amount of revenue sharing shall be determined with respect to each full or partial calendar quarter by multiplying the corresponding quarterly rate by the dollar amount of assets in the Plans as determined on a date on or before the last day of each calendar quarter. The first five (5) basis points of revenue sharing shall be paid by VRSCO directly to the Program Committee as reimbursement for the actual organizational, start-up, marketing and implementation fees, costs and expenses that ABAG and/or



the Program Committee incurred with respect to STARS. Such reimbursement shall in no event exceed the reasonable and documented amount of such fees, costs and expenses. To the extent the amount and/or rate of revenue sharing exceeds such fees, costs and expenses, the excess amount shall be credited to Participant Accounts on a pro rata basis, according to the value and allocations of their respective accounts at that time.

The Service Providers and the Program Committee agree to disclose in writing to the Employer the amount of, and the basis for, all such fees and/or revenue sharing on at least an annual basis.

**XI. Amendment and Termination.** In recognition that this Agreement is being entered into as part of STARS, it only may be amended by the parties in writing with the written consent of ABAG or the Program Committee. However, the Service Providers may unilaterally amend this Agreement if it is deemed advisable to do so in order to conform the Agreement to applicable laws and regulations. This Agreement may be terminated by either party upon a material default that has not been cured by the defaulting party within ninety (90) days after written notice of such default; or upon termination of the Plan. Participant Accounts and Plan records shall be released by Custodian or Service Provider upon termination of this Agreement in accordance with the provisions of this section at a time and in a manner as mutually agreed by Employer, Service Provider and Custodian. Termination of the Plan shall not alter the application of Administrative Service Fees under Section X. The Designated Investment Option shall be paid according to the provisions of the applicable group annuity contract.

**XII. Trust, Custodial or Recordkeeping Services.** If a trustee or custodian other than VALIC Trust Company, an issuer of annuity contracts other than VALIC, or a third party recordkeeper other than VRSCO is providing trust services, custodial services, annuity contracts, and/or recordkeeping services to either of the Plans, the Employer shall by written agreement with such other trustee, custodian, issuer, or recordkeeper require that such trustee, custodian, issuer, or recordkeeper shall cooperate with the Service Providers and provide any and all data, instructions, and other support required of such trustee, custodian, issuer, or recordkeeper for the performance of Service Providers' obligations under this Agreement. Nonperformance by either of the Service Providers resulting from a failure by such other trustee, custodian, issuer or recordkeeper to provide such data, instructions, or other support shall not constitute a default by Service Providers under this Agreement. The Service Providers agree to inform the Employer if there is a failure by such other trustee, custodian, issuer or recordkeeper to provide such data, instructions, or other support. Similarly, each of the Service Providers agrees to cooperate with any such other service providers and provide any and all data, instructions, and other support required of the Service Providers for the performance of the other service providers' obligations under their respective agreement with respect to the Plans.

**XIII. Broker-Dealer Services.** Enrollment services, investment education, purchases and sales of investments in the Plan Investment Options listed on Appendix A, and related registered broker-dealer services will be provided by VFA.

**XIV. Investment Direction.** To the extent permitted under the Plan, the Policies and the Participant-directed Account Rules, the Service Providers are directed to accept and follow investment directions received from individual participants or beneficiaries, subject to any other limitations described in this Agreement. VRSCO and VFA shall be entitled to reasonably rely upon instructions received from the Employer, the Plan Administrator, another authorized Plan representative, or a participant, subject to the limitations of the preceding sentence, and shall have no obligation to investigate either the prudence of such instructions or the absence of any instructions, provided that such reliance is reasonable.

**XV. Assignment and Delegation.** Except as provided below, neither of the Service Providers may assign or delegate any of the investment, administrative or recordkeeping services described in this Agreement to third parties without the express written consent of all parties to this Agreement, which consent shall not be unreasonably withheld. This section shall not be deemed to prevent Service Providers from subcontracting with third parties to assist in the performances of Service Providers' obligations under this Agreement.

**XVI. Successor Custodian.** It is contemplated, agreed and understood, that VTC may appoint a successor Custodian without further approval of the Employer, provided that VTC has given Employer at least 90 days prior notice of the appointment and Employer has not objected in writing during the notice period. In the event Employer objects to the appointment of the proposed successor Custodian, the parties shall exercise their best efforts to reach Agreement with regard to the appointment of a successor Custodian. In the event the parties fail to agree upon the appointment of a successor Custodian, VRSCO, VFA, VTC and affiliates shall have the option of terminating each of their respective relationships with Employer upon 30 days notice.

Upon appointment of a successor custodian or resignation in the manner described above, VTC shall be relieved of its duties and responsibilities under this Agreement attributable to period following the date of the substitution of the successor Custodian.

**XVII. Successor Recordkeeper.** Upon termination, the Service Providers will use reasonable efforts to transfer all relevant non-Service Provider proprietary information concerning the Plan in Service Providers' standard format to the Employer or to a successor recordkeeper. Any unforeseeable costs or expenses incurred by Service Providers in effecting this transfer shall be paid by the Employer unless waived in writing by Service Provider(s). The Employer agrees that Service Provider may charge reasonable fees for the provision of requested records or reports that the Service Providers previously provided. The parties agree that the Service providers and their affiliates will have no

responsibility to provide services to the Plan attributable to the period following the date of the termination.

**XVIII. Governing Law; Counterparts.** This Agreement shall be interpreted under the laws of the State of California. This Agreement shall be subject to any applicable State, county or local deferred compensation rules and regulations. This Agreement may be executed in any number of counterparts, each of which shall be considered an original of this Agreement.

**XIX. Acts or Omissions of Other Parties.** Neither of the Service Providers nor their affiliates, successors and assigns shall have any liability, duty or other obligation with respect to actions or omissions (including incomplete or incorrect data provided to the Service Providers) of the Employer, the Plan Administrator, or other authorized Plan representative, or of any concurrent or predecessor trustee, custodian, or other investment or service provider. This provision shall not relieve the Service Providers from establishing and following reasonable processes for reviewing and evaluating the accuracy and completeness of the data it receives from third parties. The Service Providers agree to immediately inform the Employer in writing if they believe the data or information they receive from the Employer or third parties is either inaccurate or incomplete.

**XX. Notice.** Notice to either party shall be provided in writing as follows:

<b>To Employer</b> Attn: General Manager Rio Linda - Elverta Water District 730 L Street Rio Linda, California 95673 Attn: <b>With copy to the Program Committee</b>	<b>To Service Providers</b> Attn: Vice President, Institutional Marketing VALIC Retirement Services Company 2919 Allen Parkway, L13-10 Houston, Texas 77019-2155
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**XXI. Release of Information.** Where necessary to the proper administration of the Employer's Plans, the Service Providers may release certain information to the Employer or a governmental agency examining the Employer's Plans. The books, records, documents, accounting procedures, and practices of the Service Providers relevant to this Agreement are subject to the reasonable examination by the Employer, including but not limited to an annual audit by the Employer's auditor.

**XXII. The Role of ABAG and the Program Committee.** The parties acknowledge and agree that neither ABAG nor the Program Committee is a party to this Agreement. Neither ABAG, the Program Committee nor any of their officers, employees, agents or

representatives shall have any liability, duty or other obligation with respect to the selection or monitoring of the Investment Options. The Employer shall indemnify ABAG, the ABAG finance & Personnel Committee, the Program Committee, and its representatives (collectively, the "Indemnitees") if Indemnitees are or were parties or were threatened to be made parties to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, as follows:

- A. The indemnification shall arise by reason of the fact that Indemnitees are or were involved in or associated with the design, implementation or ongoing operation of STARS.
- B. The indemnification shall cover expenses, including attorneys' fees, judgments, fines actually and reasonably incurred by Indemnitees in connection with an action or proceeding, and amounts paid in settlement, if such settlement is approved in advance by the Employer, which approval shall not be unreasonably withheld.
- C. Indemnitees must have acted in good faith and in a manner Indemnitees reasonably believed to be in the best interests of STARS, and, with respect to any criminal action or proceeding, with no reasonable cause to believe Indemnitees' conduct was unlawful.
- D. The termination of any action or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that (i) Indemnitees did not act in good faith and in a manner which Indemnitee reasonably believed to be in the best interests of STARS, or (ii) with respect to any criminal action or proceeding, Indemnitees had reasonable cause to believe that Indemnitees' conduct was unlawful.

**XXIII. VRSCO, VFA, VALIC, Custodian not Legal Counsel.** The Employer understands and agrees that it shall review with its legal and/or tax counsel all documents provided to it by VRSCO, VFA, VALIC, Custodian or their affiliates, and that the Employer should consult such counsel on any questions concerning the Employers' responsibilities under this Agreement, the Plan's documents, and the legal sufficiency of any documents so provided. The Employer understands that neither VRSCO, VFA, VALIC, Custodian nor any of their affiliates are licensed to provide the Employer with legal or tax advice or otherwise engage in the practice of law.

**XXIV. Third Party Beneficiaries.** The provisions of this Agreement are solely for the benefit of the parties hereto and their affiliates and are not intended to confer upon any person except the parties hereto any rights or remedies herein.

**XXV. Entire Agreement.** Executed by the authorized representatives of the parties, this Agreement together with the referenced exhibits and attachments constitutes the entire

intent of the parties hereto, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter of this Agreement.

**XXVI. Term.** This Agreement is effective March 3, 2003, for a period of five (5) years from such date (Initial Term) and renewing for successive two (2) year periods thereafter (Renewal Terms) unless and until terminated according to the terms of this Agreement.

**EMPLOYER:**

RIO LINDA /ELVERTA  
COMMUNITY WATER DISTRICT

David J. Andres  
David J. Andres

Title: General Manager

Date: February 18, 2003

**SERVICE PROVIDER:**

\_\_\_\_\_  
\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## Appendix A

### INVESTMENT AND RECORDKEEPING SERVICES AGREEMENT

#### Available Investment Options

##### International Equity

Putnam Intl Growth A  
Oppenheimer Global A  
Citizens Global Equity Standard

##### Specialty

INVESCO Technology Inv.  
INVESCO Financial Svcs Inv.  
INVESCO Energy Inv.  
INVESCO Health Sciences

##### Small Growth

Franklin Small-Mid Cap Growth A  
AIM Small Cap Growth A

##### Large Growth

Oppenheimer Growth A  
Citizens Emerg Growth Stndrd

##### Growth

Strong Growth Inv.  
INVESCO Dynamics Inv.  
Putnam Vista

##### Growth & Income/Value

Dreyfus Disc Stock  
Oppenheimer Main St. Gr & Inc A  
Pioneer A  
AIM Basic Value  
American Cent Inc & Growth Inv.  
Credit Suisse Small Cap Value A  
Berger Mid Cap Value

**Index**

Citizens Core Growth Fund Std.  
Dreyfus Small Cap Stock Index  
Dreyfus MidCap Index  
Dreyfus S&P 500 Index

**Lifestyle**

SunAmerica Aggressive Growth Lifestage I  
SunAmerica Moderate Growth Lifestage I  
SunAmerica Conservative Growth Lifestage I

**Balanced**

American Funds American Balanced A  
Janus Advisor Balanced

**Fixed Income**

Calvert Income A  
Franklin U.S. Govt Secs A  
Oppenheimer Strat Income A

**Stable Value**

VALIC Fixed-Interest Option\*

\*A VALIC fixed unallocated annuity (GFUA-398). Transfers from this annuity contract shall be subject to a contractually imposed 90-day "equity wash" limitation, meaning transfers out of this Fixed-Interest Option may not occur to a "competing option" as defined in the annuity contract, for 90 days after such transfer from the Fixed-Interest Option."



**Index**

Citizens Core Growth Fund Std.  
Dreyfus Small Cap Stock Index  
Dreyfus MidCap Index  
Dreyfus S&P 500 Index

**Lifestyle**

SunAmerica Aggressive Growth Lifestage I  
SunAmerica Moderate Growth Lifestage I  
SunAmerica Conservative Growth Lifestage I

**Balanced**

American Funds American Balanced A  
Janus Advisor Balanced

**Fixed Income**

Calvert Income A  
Franklin U.S. Govt Secs A  
Oppenheimer Strat Income A

**Stable Value**

VALIC Fixed-Interest Option\*

\*A VALIC fixed unallocated annuity (GFUA-398). Transfers from this annuity contract shall be subject to a contractually imposed 90-day "equity wash" limitation, meaning transfers out of this Fixed-Interest Option may not occur to a "competing option" as defined in the annuity contract, for 90 days after such transfer from the Fixed-Interest Option."

## Exhibit 4

### RIO LINDA - ELVERTA WATER DISTRICT CUSTODIAL AGREEMENT FOR SECTION 457 PLAN

**THIS CUSTODIAL AGREEMENT FOR SECTION 457 PLAN** is made by and between, Rio Linda-Elverta Water District (Employer) and VALIC Trust Company (Custodian), a Texas trust company;

**WHEREAS**, Employer maintains a nonqualified deferred compensation plan (Plan) under section 457(b) of the Internal Revenue Code of 1986, as presently or subsequently amended (Code);

**WHEREAS**, Employer desires to set aside Plan assets to be held in a funded arrangement under section 457(g) of the Code;

**WHEREAS**, section 457(g)(3) of the Code provides that custodial accounts described in section 401(f) of the Code shall be treated as trusts pursuant to that section;

**WHEREAS**, Employer desires to engage the services of the Custodian to hold all assets and income of the Plan in a custodial account for the exclusive benefit of participants and their beneficiaries, as defined in section 401(f) of the Internal Revenue Code;

**WHEREAS**, the Association of Bay Area Governments (ABAG) has established a special program called the Self-directed Tax Advantaged Retirement System (STARS) program to obtain certain discounted investment, recordkeeping, nondiscretionary plan administrative services, and custodial services for public agencies participating in STARS;

**WHEREAS**, ABAG has appointed the STARS Program Committee (Program Committee) and has authorized it to design, implement and operate the STARS program, subject to the oversight of the ABAG Finance & Personnel Committee;

**WHEREAS**, the Program Committee has negotiated with the Custodian, VALIC Financial Advisors, Inc. (VFA) to act as discretionary investment advisor, American General Retirement Services Company (VRSCO), and The Variable Annuity Life Insurance Company (VALIC) to act as the fixed income option provider in connection with the STARS program;

**WHEREAS**, the Employer is a public agency interested in obtaining the benefits of STARS for its employees;

**WHEREAS**, the Custodian is willing to act as custodian of the Plan as set forth in section 457(g) of the Code to provide these services for the Plan on the condition that

Employer has entered or is entering into an Investment and Recordkeeping Services Agreement ("Services Agreement") with VFA and VRSCO whereby VFA and VRSCO will provide certain investment and recordkeeping services for all Plan assets held pursuant to this Agreement;

**WHEREAS**, the Employer acknowledges that it (and not either ABAG or the Program Committee) is responsible for evaluating the appropriateness of this Custodial Agreement for use with the Plan;

**NOW, THEREFORE**, Be it resolved, that the Employer desires to appoint and hereby so appoints VALIC Trust Company, as successor Custodian to the Current Trustee/Custodian, and VALIC Trust Company desires to accept such appointment and to accept custody hereby as of the date (Effective Date) set forth below. The parties hereto agree as follows:

**I. Establishment Of Custodial Account In Connection With STARS Program.** A custodial account (Custodial Account) is hereby established under the STARS program by the Employer and the Custodian to hold, administer, and distribute amounts pursuant to the terms of:

- The Rio Linda – Elverta Water District STARS 457 Deferred Compensation Plan; or

The Custodian acknowledges that it has received a copy of the above-referenced Plan and is willing to serve as custodian pursuant to the terms of such Plan. The Employer acknowledges and agrees that it is responsible for effectuating the transfer of any Plan assets to be held in the Custodial Account to Custodian. Except as otherwise provided in this Custodial Agreement, the Custodian shall be directed by the Employer, the plan administrator other than the Employer, if any, as designated in the Plan (Plan Administrator), or another authorized Plan representative. The Custodian shall hold the Custodial Account property in the name of the Plan. The duties of the Custodian shall apply solely with respect to the Custodial Account property designated herein, and Custodian shall bear neither responsibility nor liability for other amounts held under the Plan with another trustee, custodian, or other investment or service provider.

The designation of the Custodian for the above-referenced 457 Plan shall be  shall not be  an exclusive appointment. If the appointment is nonexclusive, this means that the Employer is retaining another custodian and offering other investment choices to participants that are not covered by this Agreement. Notwithstanding any provision to the contrary contained in this Agreement, in the case of a nonexclusive appointment, the Custodian's duties and obligations under this Agreement shall be limited to that portion of the assets of the Plan as are invested with VALIC, Custodian or their designated affiliates.

Except as noted in paragraph VII below regarding income on deposits, all fees for Custodian's services under this Agreement are included as part of fees charged to the Plan under the Services Agreement and will be paid by VRSCO or VFA to the Custodian.

## **II. Protection of Participants.**

A. Custodial Account property shall be held for the sole and exclusive benefit of participants and their beneficiaries.

B. No amounts allocable under the Plan shall be returned to the Employer, except as otherwise provided in this Custodial Agreement, until all obligations to participants have been satisfied, and unless consistent with the requirements of the Plan and the Code.

C. A Participant Account may not be assigned or pledged by a participant unless permitted under the Plan, the Code, and this Custodial Agreement.

**III. Protection of Custodian.** The Custodian shall not be obligated to give any bond or other security for the performance of the Custodian's duties hereunder. The Custodian shall not be liable for any mistake of judgment, omission or other action taken in good faith and for any action taken or omitted in reliance in good faith upon the books of account or other records of the Employer, its officers, employees, or agents, or by any other current or prior custodian or trustee.

The provisions of this agreement shall be subject to the terms of the Plan, any related Service Agreement entered into with VFA and VRSCO, and any annuity contract entered into with VALIC, except that the terms of such Plan, service provider agreement or annuity contract shall not adversely affect the rights or duties of the Custodian under this agreement without the Custodian's prior written consent.

Custodian shall be permitted to review the terms of the Plan, and any current or future amendments thereto. Such review shall not constitute an opinion as to the qualification of the Plan or as to any terms thereof. No amendment or other revision of the Plan or the Plan's administrative rules and procedures shall be binding upon the Custodian unless advance written notice of such amendment or other revision is provided to the Custodian. If the Employer is utilizing a Plan document other than The STARS 457 Deferred Compensation Plan, the Employer shall retain sole responsibility for taking all necessary steps to ensure that administrative services provided for under this Custodial Agreement are not inconsistent with the terms of the Plan.

**IV. Forms and Procedures.** All requests for transactions within Participant Accounts, including any account maintenance requests, and transfers or distributions into or out of such Participant Accounts, must be performed in a manner approved by the Custodian.

**V. Maintenance of Individual Subaccounts for Participants.** Records of individual participant accounts (Participant Accounts) that are established and maintained on a subaccount basis in connection with the Plan and this Custodial Agreement shall be maintained by VRSCO pursuant to the Services Agreement between the Employer, VFA and VRSCO. To the extent permitted by law, the Custodian shall be relieved of any performance obligations under this Custodial Agreement that are also the obligations of VFA and VRSCO under the Services Agreement or any other service provider under the Plan.

**VI. Correction of Errors.** The Custodian is hereby authorized and directed to make such corrections of contributions to the Plan made under a mistake of fact or such other contributions made in error or other errors as may be corrected under the terms of the Plan and the Code, including corrections under any available Internal Revenue Service (IRS) self-correction program. Contributions made to a Participant Account that are identified by the Custodian, the Employer or another authorized Plan representative to have resulted from a mistake of fact shall be returned to the participant or the Employer or shall be reallocated to the proper Participant Account, along with earnings thereon, in accordance with the terms of the Plan and the Code. A mistake of fact may include, but is not limited to (1) a reasonable error in determining the participant's includible compensation; and (2) a reasonable error in determining the amount to be withheld from a participant's wages or the participant to whom a contribution was to be allocated. A mistake of law shall not be considered a mistake of fact.

If an amount credited to a Participant Account by the Custodian under a mistake of fact or other reasonable mistake is transferred to a successor contract issuer, custodian, or trustee, the Custodian is hereby authorized to request the return of such excess amount from the successor contract issuer, custodian, or trustee.

**VII. Identification of Available Custodial Account Investments and Fees.** The investments available under Participant Accounts are those described in the Services Agreement. This list of available investments, which may also describe requirements or limitations applicable to one or more of the investments, was selected by VFA, and is hereby accepted by the Custodian. The investments available under Participant Accounts are subject to change in accordance with the terms of the Services Agreement. Investment directions shall be communicated to the Custodian pursuant to the Services Agreement and VRSCO and VFA are hereby designated by the parties as agents of the Custodian to receive investment directions as appropriate. In the absence of contrary instructions from the Employer, the Plan Administrator, or another authorized Plan representative, the Custodian shall direct one or more third parties in the execution of investment instructions received from participants. The Custodian shall be entitled to reasonably rely upon instructions received from the Employer, the Plan Administrator, another authorized Plan representative, or a participant, subject to the limitation described

in the preceding sentence, and shall have no obligation to investigate either the prudence of such instructions or the absence of any instructions.

The Employer hereby directs the Custodian to hold in cash or cash equivalents such amounts as may be reasonable and necessary for the proper administration of Custodial Account assets (e.g., funds received and reconciled after the wire transfer deadline or following liquidation of participant investments for participant distributions) and to retain for Custodian's sole benefit any income that it may receive while such amounts are so held as a portion of the compensation to be paid to the Custodian for its services to the Plan. Custodian may invest funds received from Employer through a custodial account in investment vehicles that emphasize safety and liquidity. These investment vehicles will comprise obligations of the United States or its agencies and instrumentalities, or other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by, the full faith and credit of the United States. All investment vehicles utilized must be liquid on a daily basis. Custodian may retain any income earned from such investments and, if applicable, any fees charged by Custodian as compensation for services rendered. Any income received by Custodian pursuant to this paragraph was taken into consideration in determining the Administrative Service Fee charged by Service Provider.

**VIII. Limitations on Contributions.** Contributions to a Participant Account shall not exceed the applicable limits provided in the Code and the Plan. Contributions in excess of applicable limits under the Code or the Plan may be distributed to the Employer or to the participant to the extent permitted under the Code, Treasury regulations or other regulatory guidance, including any IRS self-correction programs; the Plan; the Custodial Account; or as otherwise provided in this Agreement or agreed by the Employer, Service Provider and Custodian.

**IX. Custodial Account Distributions to Participants and Beneficiaries.** Distributions to participants and beneficiaries may be made only as permitted under the Plan and the Code and subject to any limitations in Employer's agreement with Service Provider. Distributions from Participant Accounts must also comply with applicable distribution requirements under Code Sections 457(d)(2) and 401(a)(9), which generally require that distributions commence not later than the April 1 of the year following the year the participant either attains age 70-1/2 or retires, whichever is later. It shall be the responsibility of the Employer, the Plan Administrator, or an authorized designee (or VRSCO if so specified in the Services Agreement) to make determinations of eligibility for such distributions, comply with applicable distribution requirements, and direct the Custodian accordingly. The Custodian shall have no duty to inquire or investigate as to the validity of any such directions.

**X. Term of Agreement.** This Custodial Agreement shall be coterminous with the Services Agreement and shall be subject to the same renewal and termination rights, requirements and limitations described in the Services Agreement. Employer shall notify

Custodian in writing of its intent to terminate the services of Service Provider not less than ninety (90) days in advance of such termination. In such written notice, Employer shall identify the successor to VFA, VRSCO and to the Custodian, and Custodian shall resign effective as of the date of termination of VFA and VRSCO, without regard to any other provision of this Custodial Agreement. If no successor custodian is designated, the Employer contact listed below, or his/her successor, shall be the successor to the Custodian and the Employer shall amend its Plan to so provide, and shall take all necessary steps to so qualify.

**XI. Taxes and Tax Reporting.** Distributions shall be reported to participants and/or beneficiaries and the IRS by the Custodian, either as agent of the Employer or as payor, according to the Plan and/or the terms of a separate agreement between Employer and Custodian. The Custodian may pay out of the Custodial Account any taxes properly levied upon the Custodial Account by any governmental taxing authority.

**XII. Reports.** Custodian shall provide periodic reports of aggregate Custodial Account activity to Employer, the Plan Administrator, and/or an authorized designee not less frequently than quarterly; Custodian shall also provide aggregate reports to STARS Program Manager not less frequently than quarterly. The Custodian will furnish such other reports as the Employer may reasonably request, including reports to the Employer's accountants or other examiners as may be necessary, at Custodian's fees routinely charged to its customers for comparable services.

**XIII. Employer's Duties.** As a condition of Custodian's performance hereunder, Employer shall remit to Custodian, or to a party designated by Custodian, in a timely manner and in a medium and format that have been agreed to between the Employer and the Custodian, all information and contributions that are reasonably necessary for the Custodian to perform its duties hereunder. Custodian shall have no duty to allocate amounts to a Participant Account prior to the collection of such amounts by the Custodian from the bank or other depository institution maintaining the account of the Employer upon which any negotiable instrument for such contribution is or was drawn. If Custodian makes investments for and/or allocates one or more contributions to Participant Accounts in reliance upon one or more negotiable instruments issued by the Employer, and if any such negotiable instrument is dishonored or otherwise fails to be paid, the Custodian shall be authorized to liquidate such investments and reverse such allocations to reflect the proper value of the Participant Accounts. Employer agrees to indemnify the Custodian for any losses incurred by Custodian from such dishonor or other failure of payment.

**XIV. Broker-Dealer Services.** Enrollment services, any investment education services identified in Employer's Services Agreement, purchases and sales of variable Plan investments, and other registered broker-dealer services will be provided by VFA and not by Custodian.

**XV. Participant Direction of Investment.** To the extent permitted under the Plan, as determined by the Employer or the Plan Administrator, Custodian is directed to accept and follow investment directions received from individual participants or beneficiaries, subject to any other limitations described in this Custodial Agreement. If the Employer, VFA and VRSCO have implemented the voice response system or internet access for participants, all participants are deemed to be authorized persons solely for purposes of directing investment of their individual account balances. The Custodian shall be entitled to rely on instructions from participants received through the voice response system or internet access system as well as on the oral advice as confirmed in writing or written advice of other authorized persons. The Custodian shall treat as genuine and may rely on any notice or communication without further verification that it reasonably believes is from an authorized person, as defined above, and shall be protected in doing so by the Employer.

**XVI. Assignment and Delegation.** Custodian may assign or delegate certain of the administrative or recordkeeping services described in this Custodial Agreement to VFA or VRSCO. Except as provided below, this Agreement shall not be assigned without the express written consent of all parties to this Agreement, which consent shall not be unreasonably withheld.

**XVII. Successor Custodian.** It is contemplated, agreed and understood, that VALIC Trust Company (VTC) may appoint a successor Custodian without further approval of the Plan Sponsor, provided that VTC has given Employer at least 90 days prior notice of the appointment (via certified mail) and Employer has not objected in writing during the notice period. In the event Employer objects to the appointment of the proposed successor Custodian, the parties shall exercise their best efforts to reach Agreement with regard to the appointment of a successor Custodian. In the event the parties fail to agree upon the appointment of a successor Custodian, VRSCO, VFA, VTC and affiliates shall have the option of terminating each of their respective relationships with Employer upon 30 days notice.

Upon appointment of a successor custodian or resignation in the manner described above, VTC shall be relieved of its duties and responsibilities under this Agreement attributable to period following the date of the substitution of the successor Custodian.

**XVIII. Governing Law; Counterparts.** This Custodial Agreement is entered into in the State of Texas and shall be subject to Texas banking laws (including laws regarding banks, trust companies, and similar financial institutions). For all purposes other than those set forth in the preceding sentence (including the determination of fiduciary duties and liability with respect to investments made under the Plan), and except where Federal laws would otherwise control, this Custodial Agreement shall be governed by the laws of the State of California. This Custodial Agreement shall be subject to any applicable State,



county or local deferred compensation rules and regulations. This Custodial Agreement may be executed in any number of counterparts, each of which shall be considered an original of this Custodial Agreement.

**XIX. Acts or Omissions of Other Parties.** Neither Custodian nor its affiliates, successors or assigns shall have any liability, duty or other obligation with respect to actions or omissions (including incomplete or incorrect data provided to Custodian) of the Employer, the Plan Administrator, or other authorized Plan representative, or of any concurrent or predecessor trustee, custodian, or other investment or service provider. This provision shall not relieve Custodian from establishing and following reasonable processes for reviewing and evaluating the accuracy and completeness of the data it receives from third parties. The Custodian agrees to inform the Employer if it believes the data or information it receives from the Employer or third parties is either inaccurate or incomplete.

**XX. Notice.** Notice to either party shall be provided in writing as follows:

<b>To Employer</b>	<b>To Custodian</b>
Attn: General Manager	Attn: Vice President
Rio Linda - Elverta Water	VALIC Trust Company
District	P. O. Box 2425
730 L Street	Houston, Texas 77252-2425
Rio Linda, California 95673	

**XXI. Release of Information and Inspection Privileges.** Where necessary to the proper administration of Employer's Plan, the Custodian may release information to the Employer or a governmental agency examining the Employer's Plan. The Custodian may also release aggregate reports of plans sponsored by members of the endorsing association to all members and the endorsing association. The books, records, documents, accounting procedures, and practices of the Custodian relevant to this Agreement are subject to the reasonable examination by the Employer, including but not limited to an annual audit by the Employer's auditor.

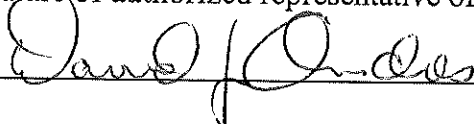
**XXII. Entire Agreement.** Executed by the authorized representatives of the parties, this Custodial Agreement together with the referenced exhibits and attachments constitutes the entire intent of the parties to this Custodial Agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter of this Custodial Agreement.

**XXIII. Amendment.** In recognition that this Custodial Agreement is being entered into as part of the STARS Program, it only may be amended by the parties with the written consent of the STARS Program Committee. Custodian may unilaterally amend the

Agreement if it is deemed advisable to do so in order to conform the Agreement to applicable laws and regulations.

**XXIV. Effective Date.** This Agreement shall be effective March 3, 2002.

Signature of authorized representative of Employer:

  
\_\_\_\_\_

David J. Andres, General Manager

Print name of authorized representative of Employer

Date: February 18, 2003  
\_\_\_\_\_

Appointment of VALIC Trust Company as non-discretionary directed custodian accepted by authorized representative:

\_\_\_\_\_

Print name of authorized representative of VALIC Trust Company

Date: \_\_\_\_\_

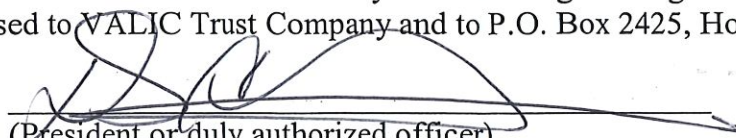
# Exhibit 5

## CERTIFICATION – CUSTODIAL ACCOUNT

Plan Name: Rio Linda – Elverta Water District STARS Deferred Compensation Plan  
Employer: Rio Linda – Elverta Water District  
Custodian: VALIC Trust Company

The undersigned Organization, by DOUG CATER, its President or other duly authorized officer, pursuant to the resolutions, a copy of which, certified by the Secretary, is annexed hereto, hereby authorizes VALIC Trust Company to open and maintain an account in the name of the above-referenced Plan. This authorization shall continue in force until revoked by the undersigned Organization by a written notice addressed to VALIC Trust Company and to P.O. Box 2425, Houston, Texas 77252-2425.

By:

  
(President or duly authorized officer)

Dated: February 18, 2003

Address: 730 "L" Street

City: Rio Linda State: CA ZIP: 95673

### CERTIFICATION

I certify that the Organization is duly organized and existing and has the power to take the action called for by the resolutions annexed hereto.

I certify that the fullest authority at all times has been invested in the individuals named below who are empowered by the resolutions and applicable law to execute any documents that VALIC Trust Company requires relevant to the opening or maintaining of an account for the above-referenced Plan and to take any and all action deemed by any of them to be proper in connection with said account, including, but not limited to, authority to give written or oral instructions to VALIC Trust Company with respect to account transactions.

Name: DAVID J. ANDRES

Title: General Manager

Signature: 

Name: ELIZABETH F. MYERS

Title: Administrative Supervisor

Signature: 

Name: Robert D. Ames

Title: Water Utility Supervisor

Signature: 

VALIC Trust Company may upon request to the Organization obtain evidence satisfactory to it of the existence of the Organization and of its power to enter into agreements relating to this account; and it is certified herewith that said Organization does possess such power and authority and that the same is not limited by the charter or bylaws or by other conflicting resolutions.

The Organization is required to certify to VALIC Trust Company promptly, when and as made, any change in the officers or powers of persons hereby authorized and such modifications when received by VALIC Trust Company shall be adequate both to terminate the powers of the persons theretofore authorized and to empower the persons thereby substituted.

Pursuant to the aforesaid and hereunder, the powers and authority granted shall continue fully effective until receipt by VALIC Trust Company of written notice of change or revision thereof.

IN WITNESS WHEREOF, I have hereunto affixed my hand this 18th day of February, year 2003.

  
\_\_\_\_\_  
Signature of Certifying Officer

David J. Andres, General Manager  
Printed Name of Certifying Officer

**Exhibit 6**  
**To**  
**Resolution 2003 – 01**  
**Authorization of Individuals to Act in Behalf of Plan**

The Rio Linda/Elverta Community Water District Board of Directors in establishing the STARS Deferred Compensation Plan for District employees designates the VALIC Trust Company to serve as Custodian.

The Employees named below are empowered to execute any documents that the VALIC Trust Company requires relevant to the administration or management of the Plan and Plan assets. The Employees named below may also take any and all action deemed by any of them to be proper in connection with said Plan, including, but not limited to, authority to give written or oral instructions to the VALIC Trust Company with respect to the Plan and Plan assets.

Primary Representative:

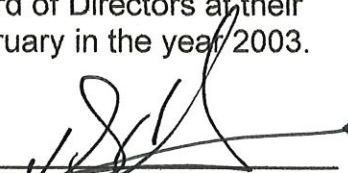
David J. Andres  
General Manager

Alternate Representatives:

Elizabeth F. Myers  
Administrative Supervisor

Robert D. Ames  
Water Utility Supervisor

I, Doug Cater, President of the Board of Directors, do hereby certify that above and forgoing was adopted by the Rio Linda/Elverta Board of Directors at their meeting held at Rio Linda, California on 18<sup>th</sup> day of February in the year 2003.

  
\_\_\_\_\_  
Doug Cater, President

ATTEST:

Elizabeth F. Myers  
Clerk of the Board

