

MICHAEL A CELENTANO
CERTIFIED PUBLIC ACCOUNTANT
327 N STATE ST, SUITE 201
UKIAH, CA 95482
PHONE (707) 468-8911
FAX (707) 468-3881

December 27, 1999

Michael Phelan, General Manager
Rio Linda/Elverta Community Water District
P.O. Box 400
Rio Linda, CA 95673

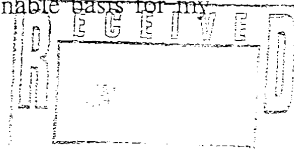
Dear Mr. Phelan:

This letter will confirm my understanding of the arrangements for my audit of the financial statements of Rio Linda/Elverta Community Water District for the years ending June 30, 2000, 2001 and 2002.

I will audit Rio Linda/Elverta Community Water District's statement of financial position at June 30, 2000, 2001 and 2002, and the related statements of activities and cash flows for the years then ended. In all circumstances, my responsibility for this engagement will be limited to these periods. The purpose of my engagement will be to express an opinion on the fairness of presentation of these financial statements in conformity with generally accepted accounting principles.

The accuracy and completeness of the financial statements, including the related footnotes, are the responsibility of Rio Linda/Elverta Community Water District's management. Management is also responsible for selecting sound accounting principles, and for maintaining an adequate internal control structure. My responsibility is to express an opinion on the financial statements based on my audit.

I will conduct my audit in accordance with generally accepted accounting standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. The term *reasonable assurance* implies a risk that material monetary misstatements may remain undetected and precludes my guaranteeing the accuracy and completeness of the financial statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit will provide a reasonable basis for my opinion.



My procedures will include obtaining an understanding of Rio Linda/Elverta Community Water District's internal control structure and testing those controls to the extent I believe necessary.

At the conclusion of my audit, I will request from you a letter attesting to the completeness and truthfulness of representations and disclosures made to me during the course of my work.

If you are aware of any restrictions that might limit the scope of my testing, I ask that you bring them to my attention as soon as possible. Such restrictions, if significant, may preclude me from issuing an unqualified opinion.

Generally accepted auditing standards require me to design my audit to detect errors and irregularities that would have a material effect on the financial statements. However, since I will not examine all the transactions that occurred during the preceding year, my audit cannot provide absolute assurance that such errors and irregularities, including fraud or defalcations, will be detected. I will inform you of irregularities that come to my attention during the course of the audit unless they are clearly inconsequential.

In performing my audit, I will be aware of the possibility that illegal acts have occurred. I will design my audit to detect illegal acts that have a direct and material effect on the financial statements. Again, I will inform you of violations of government laws and regulations that come to my attention unless they are inconsequential.

In connection with my obtaining an understanding of Rio Linda/Elverta Community Water District's internal control structure, should I encounter any reportable conditions, I will so notify you along with my recommendations for correcting them. (Reportable conditions represent significant deficiencies in the design or operation of the internal control structure, which could adversely affect Rio Linda/Elverta Community Water District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.) In addition, I will advise you of any opportunities to improve the effectiveness or economy of operations that I observe during my field work. I will deliver a letter describing these matters to you at the conclusion of my audit.

I understand that your accounting personnel will assist my staff by locating vouchers, contracts, minutes, and other documentation necessary to complete my tests.

I will base my fees on the amount of time required at the different levels of responsibility, plus travel and other out-of-pocket costs. Assuming adequacy of records and internal controls, and the assistance of your personnel, my fee for all services will be \$4,375 for the year ended June 30, 2000, \$4,375 for the year ended June 30, 2001 and \$4,375 for the year

ended June 30, 2002. I will notify you immediately of any circumstances I encounter that materially affect that figure.

I will bill you for my services monthly; invoices are payable upon presentation.

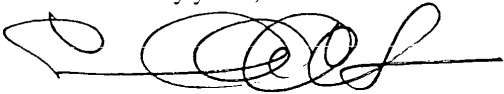
I anticipate the following timetable for the performance of my audit and delivery of requested reports and will promptly notify you of any necessary changes.

October/November	I will begin my field work.
October/November	I will complete my field work.
December	I will deliver my audit reports.
December	I will deliver my report on your internal control structure.

I appreciate your confidence in retaining my firm to perform these services and I am happy to have this opportunity to serve you.

If this letter correctly expresses your understanding, please sign the enclosed copy and return it to me at your earliest convenience. If you have further questions concerning the engagement, including any of the detailed contents of this letter, or questions about additional services I might provide, do not hesitate to call me.

Sincerely yours,



Michael A. Celentano
Certified Public Accountant

The terms of this letter constitute our contract. I have read it and fully understand its terms and provisions.

Accepted by: _____

Title: _____

Date: _____

RESOLUTION NO. 1999-06-02
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIO
LINDA/ELVERTA COMMUNITY WATER DISTRICT REQUESTING
AMENDMENT OF ITS SPHERE OF INFLUENCE

WHEREAS, the Rio Linda/Elverta Community Water District desires to initiate proceedings pursuant to Section 56428 of the Cortese-Knox Local Government Reorganization Act of 1985, commencing with Section 56000 of the Government Code of the State of California, for amendment of its sphere of influence;

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

1. The Rio Linda/Elverta Community Water District (District) hereby requests that the Local Agency Formation Commission (LAFCo) amend the sphere of influence for the District by including the area shown on the map in Exhibit A and described in Exhibit B as attached hereto and incorporated herein (said area hereinafter referred to as "Northern Territories").
2. The reasons for this request are that (1) a large portion of the Northern Territories is located within the District's Planning Concern Area as established by LAFCo on August 26, 1983; (2) the County of Sacramento has initiated a study to include Northern Territories within the Urban Services Boundary of the County General Plan which would increase the net use of water, a scarce resource within Sacramento County; (3) the Northern Territories overlays that part of the groundwater basin immediately west of the District through which groundwater flows from the Sacramento River into the basin under the District; (4) at the current time, said Northern Territories lands are agricultural in use and water used thereon are a combination of surface water provided by Natomas Central Mutual Water Company and groundwater, a combination which must be maintained through future acquisition of said surface water for municipal and industrial use; (5) the area currently is within the boundaries of the Rio Linda and Elverta Recreation and Park District; (5) the area is currently located within the Rio Linda School District.

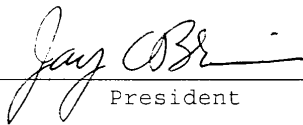
-
3. The General Manager is hereby authorized and directed to take all appropriate action on behalf of the District in the furtherance of this Resolution.

INTRODUCED AND ADOPTED on this 14th day of June, 1999, by the following vote:

AYES, in favor hereof: WICKHAM, CATER, O'BRIEN,
BLANCHARD and GRIFFIN


NOES: NONE

ABSENT: NONE

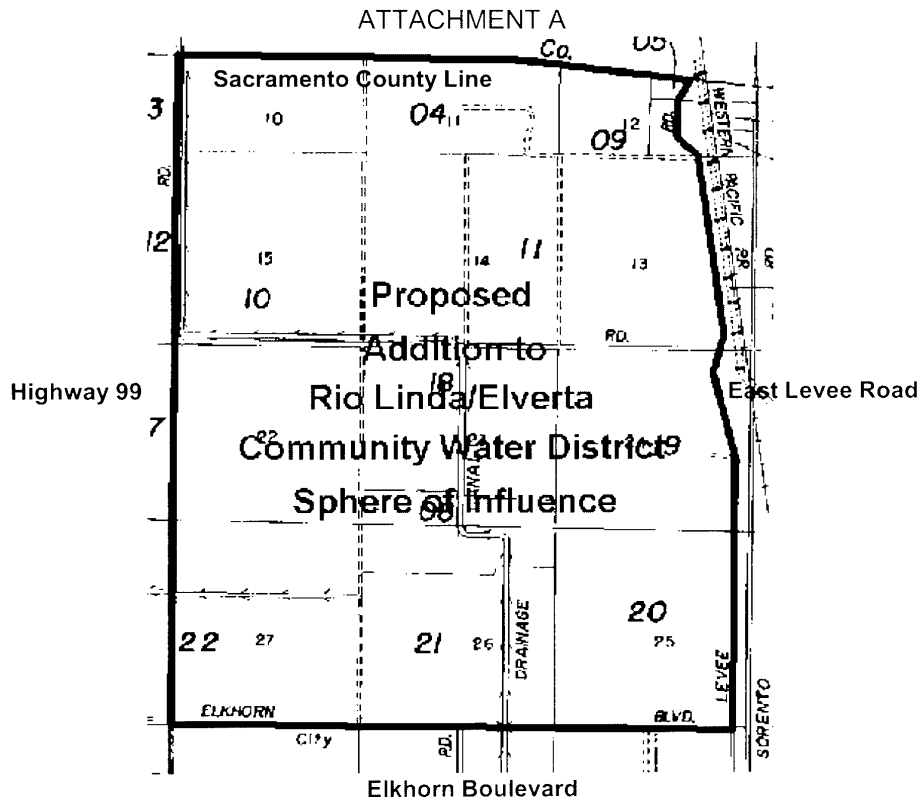


President


ATTEST:



Secretary



I, Michael L. Phelan, District Secretary of the Rio Linda/Elverta Community Water District, do hereby certify that the foregoing is a true and complete copy of Resolution Number 1999-06-01 adopted on June 14, 1999 by the Board of Directors of the District as contained in the official records of the District.



Michael L. Phelan, Secretary

(Seal)

NORTHERN TERRITORIES SPHERE OF INFLUENCE BOUNDARY

All that certain real property situate in the County of Sacramento, State of California, described as follows:

All that portion of Sections 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, and 27, Township 10 North, Range 4 East, MDM more particularly described as follows:

Beginning at the intersection of the center line of East Levee Road and the Sacramento County Line, which is the northwest corner of the boundaries of the Rio Linda/Elverta Community Water District, thence south along said center line of East Levee Road (and westerly boundary of the Rio Linda/Elverta Community Water District) to the centerline of Elkhorn Boulevard; thence westerly along said centerline of Elkhorn Boulevard to the intersection of the centerline of El Centro Road (also known as State Highway 99); thence northerly along said centerline to the Sacramento County Line; thence easterly along said County Line to the point of beginning; containing 6,213 acres more or less.

I, Michael L. Phelan, District Secretary of the Rio Linda/Elverta Community Water District, do hereby certify that the foregoing is a true and complete copy of Resolution Number 1999-06-01 adopted on June 14, 1999 by the Board of Directors of the District as contained in the official records of the District.



Michael L. Phelan, Secretary

(Seal)

RESOLUTION NO. 1999-06-1

A RESOLUTION ADOPTING THE APPROPRIATIONS BUDGET
FOR THE 1999-2000 FISCAL YEAR

BE IT RESOLVED by the Board of Directors of the Rio Linda Water District that the resources indicated in the budget attached hereto are hereby appropriated for expenditures and reserves for the fiscal year beginning July 1, 1999 and ending June 30, 2000 as indicated in said budget.

INTRODUCED AND ADOPTED on this 20th day of June, 1999, by the following vote:

AYES, in favor hereof: Blanchard, Cater, Griffin
O'Brien, and Wickham

NOES: None

ABSENT: None

President

ATTEST:

Secretary

ATTACHMENT A

RESOURCES:

OPERATING REVENUES

Water Service Rates		
Basic Service Charge	\$479,579	
Usage Charge	\$196,086	
Multiple Unit Charge	\$2,428	
Backflow Charge	\$8,925	
Hydrant Meter Charge	\$100	
Fire Protection Service Charge	\$1,750	
Bad Debts	\$0	
Water Service Rates - Other	\$0	
Total Water Service Rates		\$688,869
Account Service Charges		
Late Payment Fee	\$24,000	
NSF Check Fee	\$1,000	
Service Disconnect Fee	\$1,900	
Lien Administration Fee	\$300	
Account Service Charges - Other	\$0	
Total Account Service Charges		\$27,200
Other Water Service Fees		
Service Installation Fee	\$15,600	
Service Modification Fee	\$0	
Plan Check Fee	\$975	
Field Service/Time & Materials	\$0	
System Damage Charges	\$0	
Total Other Water Service Fees		\$17,060
Miscellaneous Revenue		\$1,000

OTHER REVENUES

Property Taxes & Related		\$36,000
Total OTHER REVENUES		\$36,000

NON-OPERATING REVENUES

Investment Income	\$215,600	
Development Fees	\$10,000	
Miscellaneous Non-Operating	\$1,000	
Total NON-OPERATING REVENUES		\$226,600

From Reserves		\$928,915
---------------	--	-----------

TOTAL RESOURCES

\$1,961,644

APPROPRIATIONS

Officers and Employees		
Officers Fees	\$36,300	
Salary and Wages	\$331,951	
Unemployment Insurance	\$316	
Workers Compensation	\$8,918	

FICA/Medicare	\$24,963	
PERS	\$14,257	
Group Insurance	\$38,050	
Uniforms	\$1,384	
Training	\$2,400	
Meetings & Conferences	\$4,800	
Total Officers and Employees		\$463,339
Contractual Services		
Memberships	\$5,330	
Legal Expense	\$0	
Elections	\$0	
Permits/Certifications	\$3,500	
SNAGMA Fee	\$8,750	
Insurance	\$14,500	
Laboratory Services	\$8,912	
Cross-Connection Control	\$0	
Conservation	\$6,950	
Engineering Services	\$9,000	
Communications	\$6,560	
Publishing	\$11,800	
Building	\$8,740	
Total Contractual Services		\$84,042
Field Operations		
Transmission & Distribution	\$19,672	
Treatment	\$5,700	
Pumping	\$132,500	
Construction Equipment Maint.	\$2,000	
Transportation	\$9,400	
Small Tools & Shop Supplies	\$3,000	
Safety Equipment	\$1,500	
Total Field Operations		\$173,772
Office Operations		
Bank Charges	\$3,000	
Printing	\$5,000	
Postage	\$14,000	
Postage Machine Rental	\$1,000	
Computer Supplies	\$3,500	
Office Supplies	\$9,000	
Publications	\$3,240	
Office Equipment Maintenance	\$5,220	
Total Office Operations		\$43,960
DEBT RELATED EXPENDITURES		
Debt Service		
Bond Administration	\$3,000	
Legal Expense	\$60,000	
1994 COP'S Interest	\$328,919	
1994 COP'S Principal	\$75,000	
Dump Truck L/P	\$3,611	
Total Debt Service		\$470,530

CAPITAL EXPENDITURES

Equipment/Facilities Replacement		
Wells	\$15,000	
Valve Replacement	\$12,000	
Total Equipment/Facilities Replacement		\$27,000

Capital Acquisition/Improvement		
12" Elkhorn Main/Dry Creek Rd to 6th St	\$370,000	
Alternative Power	\$150,000	
724 L Street Improvements	\$60,000	
716 L Street Demolition	\$20,000	
Regional Master Plan	\$30,000	
District Master Plan and EIR	\$60,000	
Diaphragm Pump	\$2,500	
Computer Projector and Laptop Computer	\$6,500	
Total Capital Acquisition/Improvement		\$699,000

TOTAL APPROPRIATIONS \$1,961,644

RESOLUTION NO. 1999-05-01

A RESOLUTION AUTHORIZING THE PRESIDENT OF THE BOARD TO EXECUTE TWO MEMORANDUMS OF UNDERSTANDING WITH THE AMERICAN RIVER BASIN COOPERATING AGENCIES FOR REGIONAL MASTER PLANNING

WHEREAS, the District is a member of the American River Basin Cooperating Agencies (ARBCA) and participated in Phase I of the Regional Master Plan Program of said ARBCA;

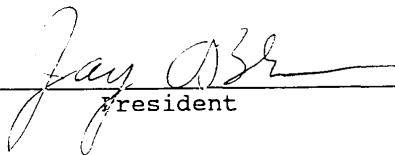
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Rio Linda/Elverta Community Water District that the President of the Board is hereby authorized and directed to execute the American River Basin Cooperating Agencies Memorandum of Understanding Number 3 and Memorandum of Understanding Number 4 as attached hereto on behalf of the Rio Linda/Elverta Community Water District.

INTRODUCED AND ADOPTED on this 17th day of May, 1999, by the following vote:

AYES, in favor hereof: Wickham, Blanchard, O'Brien
Cater and Griffin

NOES: NONE

ABSENT: NONE



President

ATTEST:



Secretary

AMERICAN RIVER BASIN COOPERATING AGENCIES
MEMORANDUM OF UNDERSTANDING NUMBER 3
REGARDING CONTRACTING FOR
CONSULTANT AND PROGRAM MANAGER SERVICES FOR
PHASE II OF THE REGIONAL WATER MASTER PLAN

PREAMBLE

THIS MEMORANDUM OF UNDERSTANDING (hereinafter "MOU") is entered into on this the _____ day of _____, 1999 by and between:

- Arcade Water District
- Carmichael Water District
- Citizens Utilities Company of California
- Citrus Heights Water District
- City of Folsom
- City of Roseville
- City of Sacramento
- County of Sacramento
- Del Paso Manor Water District
- Fair Oaks Water District
- Natomas Central Mutual Water Company
- Northridge Water District
- Orange Vale Water Company
- Placer County Water Agency
- Rio Linda/Elverta Community Water District
- San Juan Water District
- Southern California Water Company

referred to collectively hereinafter as "Participants". An entity shall become a Participant only after it has fully executed a counterpart of this MOU (see Article 14) and this MOU has been fully executed.

RECITALS

WHEREAS, it is the intent of the Participants to develop and implement a Regional Water Master Plan (RWMP); and

WHEREAS, it is intent of the Participants that the RWMP implement relevant elements of the Sacramento Area Water Forum Action Plan while recognizing the objectives and constraints of all other relevant local, regional, and super-regional water resources plans and mandates; and

WHEREAS, the purpose of the RWMP is to provide for the development of a conjunctive use water management plan to meet the long-term water supply needs of those portions of northern Sacramento County and southern Placer County that are of interest to the Participants; and

WHEREAS, development of projects and programs that optimize the region's conjunctive use of surface water and groundwater resources are the highest priority of the RWMP; and

**REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 3**

WHEREAS, the Participants believe it to be in their best interest, as well as the public's best interest, to develop the RWMP by entering into a contract with engineering and other consultants to prepare the RWMP; and

WHEREAS, the Participants will retain collective ownership of all consultant work products and related materials regardless of the consultant or consultants selected to complete the work, and;

WHEREAS, having successfully completed Phase I of the RWMP, the purpose of this MOU is to memorialize the agreement and understanding of the Participants with respect to procuring engineering, program management, legal, and other services (including appropriate expenditures for required materials) for the purpose of completing Phase II of the RWMP; and

WHEREAS, a description of the work to be performed in Phase II of the RWMP has been developed by an Executive Committee of the Participants; and

WHEREAS, the Participants believe it to be in their best interest, as well as the public's best interest, to complete Phase II of the RWMP by entering into a contract with Montgomery Watson (hereinafter "Consultant") for engineering and program management services by virtue of Consultant's successful completion of Phase I of the RWMP; and

WHEREAS, the Participants may enter into additional contracts with others from time to time.

ARTICLES

NOW THEREFORE, in consideration of the mutual obligations set forth herein, the Participants agree as follows:

1. **Executive, Coordinating, and Other Committees:** The Participants hereby form an Executive Committee consisting of one representative from each Participant's Board or Council and one representative from each Participant's Staff; said representatives for each Participant to be selected by that respective Participant. Representatives to the Executive Committee may, from time to time or permanently, designate an individual from their respective agency to act on that representative's behalf.

The purposes of the Executive Committee are:

- to review and provide comments on the development of a scope of work and budget for completion of Phase II of the RWMP;
- to receive draft work products related to completion of Phase II of the RWMP and to comment upon said work products;
- to update the Boards and Councils of the respective Participants and other bodies on the status of Phase II of the RWMP; and
- to recommend contracts, task orders, and expenses necessary for the progress and prosecution of the RWMP.

The Executive Committee shall establish a Coordinating Committee consisting of not more than seven (7) members of the Executive Committee; each selected by the Executive Committee. The members of the Coordinating Committee shall serve at the pleasure of the Executive Committee. Representatives named to the Coordinating Committee may, from time to time or permanently, designate an individual from their respective agency to act on that representative's

REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 3

behalf. The Coordinating Committee shall coordinate and monitor the activities of Consultant, develop meeting agendas and programs, and serve as a sounding board for ideas and issues.

The Executive Committee shall elect the Chair and Vice Chair of the Coordinating Committee, who shall also serve as the Chair and Vice Chair of the Executive Committee and as the primary contact for the Participants. The Chair and Vice Chair shall serve at the pleasure of the Executive Committee.

The Executive Committee and the Coordinating Committee shall meet as necessary at locations and times determined by the Executive Committee and the Coordinating Committee, respectively. Meetings of the Executive and Coordinating Committees will be open to the public.

From time to time specific issues may arise that may require, in the view of the Chair, extraordinary efforts outside the routine activities of the Executive or Coordinating Committees. At such times the Chair, in consultation with the Executive Committee, may establish a new committee to address those issues; appoint representatives to that committee; and provide that committee with a specific mission or charter. Such committees shall meet as necessary at locations and times determined by their membership. Meetings of these committees will be open to the public.

2. **Decisions of the Executive Committee:** The Participants expect and intend that decisions of the Executive Committee will often be made by consensus. At the request of any Executive Committee member, the Executive Committee shall make decisions by vote. Each Participant will have a single vote; any one representative of the Participant present at the meeting shall cast said vote. The vote of the majority of the Participants will be the decision of the Executive Committee.
3. **Contract Administration:** San Juan Water District will have the responsibility to contract with the Participants and with Consultant and with others for engineering, program management, legal, and other services (including appropriate expenditures for required materials) to complete Phase II of the RWMP. Tasks associated with this coordination include, but are not limited to:
 - Developing, executing, and administering contracts, which have been recommended by the Executive Committee for the services of Consultant and with others for engineering, program management, legal, and other services (including appropriate expenditures for required materials).
 - Serving as the contracting and fiscal agent for receiving recommendations from the Executive Committee and for approving and paying invoices from Consultant or for other engineering, program management, legal, and other services (including appropriate expenditures for required materials).

It is understood and agreed by the Participants that contracts entered into by the San Juan Water District on behalf of the Participants create binding financial obligations to the Participants who shall pay an agreed upon share of the total costs as shown on Table 1.

4. **Receipt and Payment of Invoices Received by Participants:** Upon receipt by San Juan Water District of invoices from Consultant or from others for engineering, program management, legal, and other services (including appropriate expenditures for required materials), San Juan Water District will forward copies of the invoices to the Participants for consideration and payment recommendation at the next Executive Committee meeting. In the event one or more of the Participants believes an invoice should not be paid in whole or in part, the dispute shall be resolved by the Executive Committee as set forth in Article 2.

**REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 3**

5. **Invoicing of Participants for RWMP Costs:** On an agreed schedule that will meet the cash flow requirements of the RWMP, the San Juan Water District will invoice the Participants for their share of the RWMP costs. Within forty-five (45) days of the date of said invoices, each Participant shall remit its payment of said invoice to San Juan Water District. The Participants agree to exercise good faith and diligence in the resolution of any disputed invoice amounts; provided, however, that notwithstanding any provision contained herein, San Juan Water District shall be reimbursed by each of the Participants for its respective share of any and all money ultimately paid to Consultant or others for engineering, program management, legal, and other services (including appropriate expenditures for required materials) by San Juan Water District up to the anticipated not-to-exceed cost specified in Article 6.
6. **Estimated Cost and Anticipated Cost Share:** Table 1 presents the estimated total cost and the anticipated cost share of each Participant for the goods and services procured pursuant to this MOU as described in Article 10. As shown on Table 1, remaining Phase I funds in excess of Phase I costs will be applied to the anticipated cost share of those Participants who shared in the funding of Phase I.
7. **Receipt of Outside Funding:** The U.S. Bureau of Reclamation has indicated their intent to contribute \$50,000 to offset a portion of the estimated total cost for goods and services procured pursuant to this MOU. When these funds are received, the anticipated cost share of each of the Participants will be reduced accordingly as shown on Table 1. If additional outside funds are received at some future date, the disposition of those funds will be addressed in an appropriate fashion at that time.
8. **Additional or Fewer Participants:** Should additional Participants beyond those included in the Preamble and listed on Table 1 execute this MOU, or should one or more of the listed Participants decline to execute this MOU, the estimated total costs for the goods and services procured pursuant to this MOU shall be reapportioned among all Participants according to the cost-sharing method described in Attachment A.
9. **Disposition of Funds Remaining Upon Completion of the Work:** Subsequent to the completion of the work associated with the goods and services described in Article 10, if any of the funds collected pursuant to this MOU 3 remain, then, unless otherwise indicated, those funds will be reimbursed to the Participants. Each Participant shall receive a percentage of the of the remaining funds equal to the percentage of the funds contributed by that Participant.
10. **Scope of Goods and Services:** The Participants have agreed that funds collected from the Participants pursuant to this MOU are to be expended only to contract for the specific goods and services described in Attachment B.
11. **Notices:** Any invoice, payment, demand, notice or other written communication related to this MOU will be provided to each Participant upon request.
12. **Term of MOU:** This MOU shall remain in force until all contracts for services entered into pursuant to this MOU have been completed to the satisfaction of the Executive Committee, and all payments required under this MOU have been made.
13. **Amendments:** Any amendments to this MOU must be in writing and executed by all Participants.
14. **Counterparts:** This MOU may be executed by the Participants in separate counterparts, each of which when so executed and delivered to San Juan Water District shall be an original, but all such attached counterparts shall together constitute one and the same instrument. San Juan Water District will, upon request, provide Participants with copies of said executed counterparts.

**REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 3**

**TABLE 1: Estimated Total Cost of Goods and Services
and Anticipated Cost Share for Each Participant¹**

PARTICIPANT	(a) Engineering Consultant Costs	(b) Potential Other Services	(c) Estimated Phase I “Credit”	(d) Anticipated Outside Funding	(a + b – c - d) Anticipated MOU 3 Cost Share
Arcade Water District	\$41,800	\$5,000	\$10,100	\$2,940	\$33,760
Carmichael Water District	\$41,800	\$5,000	\$10,100	\$2,940	\$33,760
Citizens Utilities Company of CA	\$41,800	\$5,000	\$10,100	\$2,940	\$33,760
Citrus Heights Water District	\$41,800	\$5,000	\$10,100	\$2,940	\$33,760
City of Folsom	\$41,800	\$5,000	\$10,100	\$2,940	\$33,760
City of Roseville	\$41,800	\$5,000	\$10,100	\$2,940	\$33,760
City of Sacramento	\$41,800	\$5,000	\$10,100	\$2,940	\$33,760
County of Sacramento	\$31,800	\$5,000	\$10,100	\$2,940	\$23,760
Del Paso Manor Water District	\$31,800	\$5,000	-	\$2,940	\$33,860
Fair Oaks Water District	\$41,800	\$5,000	\$10,100	\$2,940	\$33,760
Natomas Central Mutual Water Co.	\$31,800	\$5,000	-	\$2,940	\$33,860
Northridge Water District	\$41,800	\$5,000	\$10,100	\$2,940	\$33,760
Orange Vale Water Company	\$31,800	\$5,000	-	\$2,940	\$33,860
Placer County Water Agency	\$41,800	\$5,000	-	\$2,940	\$43,860
Rio Linda/Elverta Community WD	\$31,800	\$5,000	\$10,100	\$2,940	\$23,760
San Juan Water District	\$41,800	\$5,000	\$10,100	\$2,950	\$33,750
Southern California Water Company	\$31,800	\$5,000	-	\$2,950	\$33,850
TOTALS:	\$650,600	\$85,000	\$121,200	\$50,000	\$564,400

14. **General Provisions:** Each Participant understands and agrees that there is no agency relationship between the Participants. It is further understood and agreed by the Participants that, notwithstanding anything contained herein, the employees of each Participant shall continue to be entirely and exclusively under the direction, supervision and control of the employing party.

Each Participant understands and agrees that any internal, in-house or administrative costs or expenses incurred by any Participant related to that Participant's participation and obligations under this MOU shall be the sole responsibility of the party incurring said costs and expenses. This instrument and any attachments hereto constitute the entire MOU between the Participants concerning the subject matter hereof.

¹ Anticipated MOU 3 Cost Share for each participant includes a decrease in cost associated with the receipt of outside funding. As of April 26, 1999, outside funding includes \$50,000 from the U.S. Bureau of Reclamation. Other sources of funds being pursued include: 1) CALFED Bay-Delta Conjunctive Use Study funding - \$500,000 to \$1,000,000; 2) Water Resources Development Act (WRDA) of 1999 - \$1,950,000 (includes funding for pilot banking and exchange program); and 3) AB 303 - “Local Groundwater Management Assistance Act” (Helen Thomson, D - Davis) potential funding – no dollar amount identified at this time.

**REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 3**

This Memorandum of Understanding (MOU) will be considered approved and in effect when a majority of the agencies named on Page 1 have returned their executed counterpart copies of this MOU to San Juan Water District. When said majority is achieved, San Juan Water District is hereby directed to execute the contracts contemplated in this MOU.

This Memorandum of Understanding is executed in counterpart on the date shown below:

_____	SAN JUAN WATER DISTRICT
By: _____	By: _____
Title: _____	Title: _____
Dated: _____	Dated: _____
Attest: _____	Attest: _____
Title: _____	Title: _____
Dated: _____	Dated: _____

ATTACHMENT A

ADDITIONAL OR FEWER PARTICIPANTS

Additional Participant(s) - If an entity not included in the Preamble and on Table 1 of MOU 3 desires to become a Participant (and assuming that entity is accepted by the Executive Committee as a Participant), then that entity shall be assessed an amount of \$46,800. [Note: This amount is equal to the anticipated cost share of the majority of the current Participants prior to the application of Phase I credits or outside funding.] In addition, given that the current estimated costs are based upon the assumed participation of all 17 entities indicated in the Preamble and on Table 1 in MOU 3, additional Participants shall also be subject to any additional required assessments as described in the paragraph below.

Fewer Participants - If not all the potential Participants listed in the Preamble and on Table 1 of MOU 3 choose to participate, additional assessments may be required. Absent the addition of new Participants as described above, the increase in the anticipated cost share of each individual Participant shall be equal to the sum of the assessments not collected as a result of a Participant electing not to participate divided by the remaining number of Participants. For example, if four agencies with aggregate potential assessments of \$147,200 elect not to participate, the increase in the anticipated cost shares of the remaining 13 agencies would be equal to $\$147,200/13$, or approximately \$11,300.

Addition of new Participants would increase the number of agencies over which the uncollected assessments would be spread, thereby decreasing the additional funds required of each Participant. Using the example above, if a single new Participant were added, the increase in the anticipated cost share to the remaining 14 Participants would be $\$147,200/14$, or approximately \$10,500 (rather than \$11,300).

ATTACHMENT B

The Participants have agreed that funds collected from the Participants pursuant to MOU 3 are to be expended only to contract for the specific goods and services described in general terms below.

ENGINEERING CONSULTANT (ESTIMATED COSTS OF \$650,600)

The Participants have indicated that a clear nexus must be established between the engineering goods and services provided pursuant to MOU 3 and the requirements of all the Participants. Specifically, the Participants intend that the goods and services provided pursuant to MOU 3 must satisfy one of two criteria: either the activity must be applicable to all tasks and Participants equally (e.g., the program management function), or the activity must generally be in support of defining and developing the future role of the Sacramento North Area Groundwater Management Authority (e.g., refinement of the groundwater model and the development of economic tools). To that end, specific work tasks were developed and discussed. These tasks are described briefly below; more detailed descriptions are found in one of the task memoranda prepared during Phase I of the Regional Water Master Plan (“TM 9: Phase II Scope of Work”, February 1999). The estimated cost of each task is also provided.

Task 1: Prepare and Implement Program Management Plan (\$145,000) – Provide program management services for Phase II.

Task 2: Refine Phase II Assumptions (\$25,600) – Expand the list of planning assumptions identified and applied in Phase I to include specific water supply and engineering criteria (e.g., desired level of reliability, system peaking factors, etc.).

Task 3: Develop Implementation Framework (\$50,000) – Develop “competing” prospective institutional frameworks under which the RWMP could be developed and hence operated (e.g., Will SNAGMA coordinate/regulate projects and programs as a “water master”? Will a more aggressive posture be taken, such as establishment of a “baseline pumping allowance”? Is an aggressive “banking/exchange” program a reasonable possibility?). These various frameworks will establish institutional parameters under which specific project alternatives can be evaluated.

Task 5: Refine Groundwater Model (\$100,000) – Refine the existing IGSM groundwater model to support investigation of the potential implementation frameworks identified in Task 3 above. This will be accomplished in coordination with the development of financial models and economic tools (see Task 6 below).

Task 6: Develop Economic Tools (\$100,000) – Develop and refine financial models and economic tools to support investigation of the potential implementation frameworks identified in Task 3 above. The objective is to identify potential policies and incentives/disincentives that could potentially be promulgated by SNAGMA to implement the conjunctive use elements of the RWMP.

Task 9: Develop Agreement Principles (\$80,000) – Assist the Participants in drafting agreement principles for implementation of specific project elements. Of particular importance will be achieving agreement on cost allocation methodologies, operation and maintenance of specific facilities, and potential governance frameworks.

Task 10: Formulate the Regional Water Master Plan (\$50,000) - Based on the agreement principles developed in Task 9, formulate a strategic plan for implementing the RWMP. Include a list of specific projects and programs to be pursued, and the activities and sequence of activities to be completed to implement them. Develop and display the logical path for pursuing each project or program, identifying key decision points and milestones and contingencies. Prepare a master

REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 3

schedule of activities illustrating the time frames and controlling dates for preparation of environmental documentation, action plans for programs, and engineering design, construction, and start-up for capital projects.

Task 11: Implement Communications Strategy (\$100,000) - Develop and implement a detailed communications plan for ensuring that information is efficiently and effectively passed to the rate payers of the individual agencies, regulatory and concerned public agencies, specific target audiences, the media, and the general public.

OTHER POTENTIAL SERVICES (ESTIMATED COSTS OF \$85,000)

These funds have been set aside for services other than engineering that may be required during this phase of the work including legal assistance, lobbying or public relations, or other unforeseen activities.

REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 4

AMERICAN RIVER BASIN COOPERATING AGENCIES
MEMORANDUM OF UNDERSTANDING NUMBER 4
REGARDING CONTRACTING FOR
CONSULTANT AND PROGRAM MANAGER SERVICES FOR
PHASE II OF THE REGIONAL WATER MASTER PLAN

PREAMBLE

THIS MEMORANDUM OF UNDERSTANDING (hereinafter "MOU") is entered into on this the _____ day of _____, 1999 by and between:

- Arcade Water District
- Carmichael Water District
- Citizens Utilities Company of California
- Citrus Heights Water District
- City of Folsom
- City of Roseville
- City of Sacramento
- County of Sacramento
- Del Paso Manor Water District
- Fair Oaks Water District
- Natomas Central Mutual Water Company
- Northridge Water District
- Orange Vale Water Company
- Placer County Water Agency
- Rio Linda/Elverta Community Water District
- San Juan Water District
- Southern California Water Company

referred to collectively hereinafter as "Participants". An entity shall become a Participant only after it has fully executed a counterpart of this MOU (see Article 14) and this MOU has been fully executed.

RECITALS

WHEREAS, it is the intent of the Participants to develop and implement a Regional Water Master Plan (RWMP); and

WHEREAS, it is intent of the Participants that the RWMP implement relevant elements of the Sacramento Area Water Forum Action Plan while recognizing the objectives and constraints of all other relevant local, regional, and super-regional water resources plans and mandates; and

WHEREAS, the purpose of the RWMP is to provide for the development of a conjunctive use water management plan to meet the long-term water supply needs of those portions of northern Sacramento County and southern Placer County that are of interest to the Participants; and

WHEREAS, development of projects and programs that optimize the region's conjunctive use of surface water and groundwater resources are the highest priority of the RWMP; and

**REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 4**

WHEREAS, the Participants believe it to be in their best interest, as well as the public's best interest, to develop the RWMP by entering into a contract with engineering and other consultants to prepare the RWMP; and

WHEREAS, the Participants will retain collective ownership of all consultant work products and related materials regardless of the consultant or consultants selected to complete the work, and;

WHEREAS, having successfully completed Phase I of the RWMP, the purpose of this MOU is to memorialize the agreement and understanding of the Participants with respect to procuring engineering, program management, legal, and other services (including appropriate expenditures for required materials) for the purpose of completing Phase II of the RWMP; and

WHEREAS, a description of the work to be performed in Phase II of the RWMP has been developed by an Executive Committee of the Participants; and

WHEREAS, the Participants believe it to be in their best interest, as well as the public's best interest, to complete Phase II of the RWMP by entering into a contract with Montgomery Watson (hereinafter "Consultant") for engineering and program management services by virtue of Consultant's successful completion of Phase I of the RWMP; and

WHEREAS, the Participants may enter into additional contracts with others from time to time.

ARTICLES

NOW THEREFORE, in consideration of the mutual obligations set forth herein, the Participants agree as follows:

- 1. Executive, Coordinating, and Other Committees:** The Participants hereby form an Executive Committee consisting of one representative from each Participant's Board or Council and one representative from each Participant's Staff; said representatives for each Participant to be selected by that respective Participant. Representatives to the Executive Committee may, from time to time or permanently, designate an individual from their respective agency to act on that representative's behalf.

The purposes of the Executive Committee are:

- to review and provide comments on the development of a scope of work and budget for completion of Phase II of the RWMP;
- to receive draft work products related to completion of Phase II of the RWMP and to comment upon said work products;
- to update the Boards and Councils of the respective Participants and other bodies on the status of Phase II of the RWMP; and
- to recommend contracts, task orders, and expenses necessary for the progress and prosecution of the RWMP.

The Executive Committee shall establish a Coordinating Committee consisting of not more than seven (7) members of the Executive Committee; each selected by the Executive Committee. The members of the Coordinating Committee shall serve at the pleasure of the Executive Committee. Representatives named to the Coordinating Committee may, from time to time or permanently, designate an individual from their respective agency to act on that representative's

REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 4

behalf. The Coordinating Committee shall coordinate and monitor the activities of Consultant, develop meeting agendas and programs, and serve as a sounding board for ideas and issues.

The Executive Committee shall elect the Chair and Vice Chair of the Coordinating Committee, who shall also serve as the Chair and Vice Chair of the Executive Committee and as the primary contact for the Participants. The Chair and Vice Chair shall serve at the pleasure of the Executive Committee.

The Executive Committee and the Coordinating Committee shall meet as necessary at locations and times determined by the Executive Committee and the Coordinating Committee, respectively. Meetings of the Executive and Coordinating Committees will be open to the public.

From time to time specific issues may arise that may require, in the view of the Chair, extraordinary efforts outside the routine activities of the Executive or Coordinating Committees. At such times the Chair, in consultation with the Executive Committee, may establish a new committee to address those issues; appoint representatives to that committee; and provide that committee with a specific mission or charter. Such committees shall meet as necessary at locations and times determined by their membership. Meetings of these committees will be open to the public.

2. **Decisions of the Executive Committee:** The Participants expect and intend that decisions of the Executive Committee will often be made by consensus. At the request of any Executive Committee member, the Executive Committee shall make decisions by vote. Each Participant will have a single vote; any one representative of the Participant present at the meeting shall cast said vote. The vote of the majority of the Participants will be the decision of the Executive Committee.

3. **Contract Administration:** San Juan Water District will have the responsibility to contract with the Participants and with Consultant and with others for engineering, program management, legal, and other services (including appropriate expenditures for required materials) to complete Phase II of the RWMP. Tasks associated with this coordination include, but are not limited to:

- Developing, executing, and administering contracts, which have been recommended by the Executive Committee for the services of Consultant and with others for engineering, program management, legal, and other services (including appropriate expenditures for required materials).
- Serving as the contracting and fiscal agent for receiving recommendations from the Executive Committee and for approving and paying invoices from Consultant or for other engineering, program management, legal, and other services (including appropriate expenditures for required materials).

It is understood and agreed by the Participants that contracts entered into by the San Juan Water District on behalf of the Participants create binding financial obligations to the Participants who shall pay an agreed upon share of the total costs as shown on Table 1.

4. **Receipt and Payment of Invoices Received by Participants:** Upon receipt by San Juan Water District of invoices from Consultant or from others for engineering, program management, legal, and other services (including appropriate expenditures for required materials), San Juan Water District will forward copies of the invoices to the Participants for consideration and payment recommendation at the next Executive Committee meeting. In the event one or more of the Participants believes an invoice should not be paid in whole or in part, the dispute shall be resolved by the Executive Committee as set forth in Article 2.

REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 4

5. **Invoicing of Participants for RWMP Costs:** On an agreed schedule that will meet the cash flow requirements of the RWMP, the San Juan Water District will invoice the Participants for their share of the RWMP costs. Within forty-five (45) days of the date of said invoices, each Participant shall remit its payment of said invoice to San Juan Water District. The Participants agree to exercise good faith and diligence in the resolution of any disputed invoice amounts; provided, however, that notwithstanding any provision contained herein, San Juan Water District shall be reimbursed by each of the Participants for its respective share of any and all money ultimately paid to Consultant or others for engineering, program management, legal, and other services (including appropriate expenditures for required materials) by San Juan Water District up to the anticipated not-to-exceed cost specified in Article 6.
6. **Anticipated Not-to Exceed Cost:** Table 1 presents the estimated total cost and the anticipated cost share of each Participant for the goods and services procured pursuant to this MOU as described in Article 10.
7. **Receipt of Outside Funding:** As shown on Table 1, in the event that a portion of the estimated total cost for goods and services procured pursuant to this MOU are offset by the receipt of grants or monies from non-Participants, the anticipated cost share of each of the Participants will be reduced accordingly pursuant to the cost-sharing method described in Attachment A.
8. **Additional or Fewer Participants:** Should additional Participants beyond those included in the introductory preamble and listed on Table 1 execute this MOU or should one or more of the listed Participants decline to execute this MOU, the estimated total cost for the goods and services procured pursuant to this MOU shall be reapportioned among all Participants according to the cost-sharing method described in Attachment A.
9. **Disposition of Funds Remaining Upon Completion of the Work:** Subsequent to the completion of the work associated with the goods and services described in Article 10, if any of the funds collected pursuant to this MOU 4 remain, then, unless otherwise indicated, those funds will be reimbursed to the Participants. Each Participant shall receive a percentage of the of the remaining funds equal to the percentage of the funds contributed by that Participant.
10. **Scope of Goods and Services:** The Participants have agreed that funds collected from the Participants pursuant to this MOU are to be expended only to contract for the specific goods and services described in Attachment B.
11. **Notices:** Any invoice, payment, demand, notice or other written communication related to this MOU will be provided to each Participant upon request.
12. **Term of MOU:** This MOU shall remain in force until all contracts for services entered into pursuant to this MOU have been completed to the satisfaction of the Executive Committee, and all payments required under this MOU have been made.
13. **Amendments:** Any amendments to this MOU must be in writing and executed by all Participants.
14. **Counterparts:** This MOU may be executed by the Participants in separate counterparts, each of which when so executed and delivered to San Juan Water District shall be an original, but all such attached counterparts shall together constitute one and the same instrument. San Juan Water District will, upon request, provide Participants with copies of said executed counterparts.

**REGIONAL WATER MASTER PLAN - PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 4**

**TABLE 1: Estimated Total Cost of Goods and Services
and Anticipated Cost Share for Each Participant¹**

PARTICIPANT	(a) Engineering Consultant Costs	(b) Anticipated Outside Funding	(a - b) Anticipated MOU 4 Cost Share
Arcade Water District	\$36,000	-	\$36,000
Carmichael Water District	\$17,700	-	\$17,700
Citizens Utilities Company of CA	\$30,300	-	\$30,300
Citrus Heights Water District	\$24,900	-	\$24,900
City of Folsom	\$42,000	-	\$42,000
City of Roseville	\$70,100	-	\$70,100
City of Sacramento	\$81,900	-	\$81,900
County of Sacramento	\$5,500	-	\$5,500
Del Paso Manor Water District	\$2,400	-	\$2,400
Fair Oaks Water District	\$23,600	-	\$23,600
Natomas Central Mutual Water Co.	\$65,900	-	\$65,900
Northridge Water District	\$30,600	-	\$30,600
Orange Vale Water Company	\$10,400	-	\$10,400
Placer County Water Agency	\$44,700	-	\$44,700
Rio Linda/Elverta Community WD	\$29,900	-	\$29,900
San Juan Water District	\$32,200	-	\$32,200
Southern California Water Company	\$1,900	-	\$1,900
TOTALS:	\$550,000	-	\$550,000

14. **General Provisions:** Each Participant understands and agrees that there is no agency relationship between the Participants. It is further understood and agreed by the Participants that, notwithstanding anything contained herein, the employees of each Participant shall continue to be entirely and exclusively under the direction, supervision and control of the employing party.

Each Participant understands and agrees that any internal, in-house or administrative costs or expenses incurred by any Participant related to that Participant's participation and obligations under this MOU shall be the sole responsibility of the party incurring said costs and expenses. This instrument and any attachments hereto constitute the entire MOU between the Participants concerning the subject matter hereof.

¹ Anticipated MOU 4 Cost Share for each participant may include a decrease in cost associated with the receipt of outside funding. As of April 26, 1999, outside funding being pursued include: 1) CALFED Bay-Delta Conjunctive Use Study funding - \$500,000 to \$1,000,000; 2) Water Resources Development Act (WRDA) of 1999 - \$1,950,000 (includes funding for pilot banking and exchange program); and 3) AB 303 - "Local Groundwater Management Assistance Act" (Helen Thomson, D - Davis) potential funding - no dollar amount identified at this time.

**REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 4**

This Memorandum of Understanding (MOU) will be considered approved and in effect when a majority of the agencies named on Page 1 have returned their executed counterpart copies of this MOU to San Juan Water District. When said majority is achieved, San Juan Water District is hereby directed to execute the contracts contemplated in this MOU.

This Memorandum of Understanding is executed in counterpart on the date shown below:

_____	SAN JUAN WATER DISTRICT
By: _____	By: _____
Title: _____	Title: _____
Dated: _____	Dated: _____
Attest: _____	Attest: _____
Title: _____	Title: _____
Dated: _____	Dated: _____

ATTACHMENT A

RECEIPT OF OUTSIDE FUNDING

Any funds received by the Participants from outside sources (i.e., monies received from entities other than the Participants) shall be used to reduce the anticipated cost shares of the Participants. The reduction in the anticipated cost share of a specific Participant shall be based on the percentage of the MOU 4 costs borne by that Participant. For example, assume an agency bears \$55,000, or 10%, of the estimated \$550,000 estimated cost of goods and services associated with MOU 4. If \$100,000 in outside funding were received, then that agency will be reimbursed \$10,000 (or 10% of the \$100,000 of outside funding received). If outside funding received exceeds the estimated cost of goods and services associated with MOU 4 then any excess funds shall be used to reimburse, in an equitable fashion, those Participants who funded previous phases of the work.

ADDITIONAL OR FEWER PARTICIPANTS

Additional Participant(s) – The anticipated cost shares of the Participants for the goods and services associated with MOU 4 are based on the projected year 2030 water production of each Participant for the areas that will be impacted by the RWMP as indicated on Table A-1.

TABLE A-1: Estimated Year 2030 Water Production

PARTICIPANT	Year 2030 Water Production (AF)
Arcade Water District	28,200
Carmichael Water District	13,895
Citizen's Utilities Company of California	23,755
Citrus Heights Water District	19,500
City of Folsom	32,900
City of Roseville	54,900
City of Sacramento	64,111
County of Sacramento	4,294
Del Paso Manor Water District	1,902
Fair Oaks Water District	18,500
Natomas Central Mutual Water Company	51,572
Northridge Water District	23,980
Orange Vale Water Company	8,131
Placer County Water Agency	35,000
Rio Linda/Elverta Community Water District	23,425
San Juan Water District	25,191
Southern California Water Company	1,373
TOTAL:	430,629

REGIONAL WATER MASTER PLAN – PHASE II
MEMORANDUM OF UNDERSTANDING NUMBER 4

The anticipated cost share of each Participant is determined by multiplying the fraction of each respective Participant's estimated 2030 water production of the total area water production times the estimated total cost of the goods and services associated with MOU 4. For example, the estimated year 2030 water production of the Arcade Water District is 28,200 acre-feet (AF), as compared to the estimated total area 2030 water production of 430,629 AF. Thus, Arcade's anticipated cost share is equal to $28,200/430,629$ times \$550,000, or about \$36,000.

If an entity not included in the Preamble and on Table 1 of MOU 4 desires to become a Participant (and is accepted by the Executive Committee as a Participant), then that entity's cost share of the goods and services associated with MOU 4 shall also be based on estimated year 2030 water production. The prospective Participant's estimated year 2030 water production will be added to the estimated total area 2030 water production indicated on Table A-1 to establish a new baseline, then the prospective Participant's anticipated cost share will be determined in a manner similar to that described above. The cost shares of existing Participant's will also be adjusted accordingly.

Fewer Participants - If not all the potential Participants listed in the Preamble and on Table 1 of MOU 3 chose to participate, additional assessments may be required. Absent the addition of new Participants, the anticipated cost share of each individual will be determined in a manner similar to that described above after establishing a new total water production baseline.

ATTACHMENT B

The Participants have agreed that funds collected from the Participants pursuant to MOU 4 are to be expended only to contract for the specific goods and services described in general terms below.

ENGINEERING CONSULTANT (ESTIMATED COSTS OF \$550,000)

The Participants have indicated that a clear nexus must be established between the engineering goods and services provided pursuant to MOU 4 and the requirements of all the Participants. The Participants intend that the goods and services provided pursuant to MOU 4 will be directly related to the formulation and detailed evaluation of the specific projects and programs that the Participants have agreed to pursue.

These tasks are described briefly below; more detailed descriptions are found in one of the task memoranda prepared during Phase I of the Regional Water Master Plan (“TM 9: Phase II Scope of Work”, February 1999). The estimated cost of each task is also provided.

Task 4: Formulate Alternatives (\$100,000) – Formulate and describe in detail specific alternatives comprised of individual projects and programs and/or logical groupings of projects and programs that make sense under alternative institutional/implementation frameworks.

Task 7: Evaluate Alternatives (\$350,000) – Analyze each of the project and program alternatives identified above and display the water supply quantities, supply reliability, water quality, capital and annual costs, environmental considerations, and implementation complexities associated with each project and/or program alternative.

Task 8: Identify Agency Preferences (\$100,000) - Based on the analyses and results from Task 7, assist the agencies in identifying their individual project element preferences with respect to cost allocation, water quality benefits, water supply reliability benefits, and element operations/governance. Note that this will be an iterative process as projects may be reformulated to improve their financial, political, institutional, and physical feasibility and to gain acceptance with individual agencies.

RESOLUTION NO. 1999-04-02

A RESOLUTION AWARDING A CONTRACT FOR RELOCA-
TION OF DISTRICT MAINS ON ELKHORN BOULEVARD
BETWEEN DRY CREEK ROAD AND SIXTH STREET

WHEREAS, April 13, 1999, 13 bids were opened on the Elkhorn Boulevard 1998 Pipeline Relocation Project;

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

1. The General Manager is hereby directed to file a Notice of Exemption on the Elkhorn Boulevard Pipeline Relocation 1998 project.

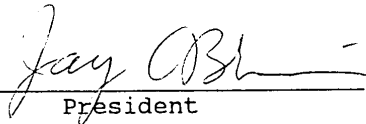
2. The President of the Board is hereby authorized and directed to execute a construction contract with Lister Construction Company, the low bidder, as attached hereto.

INTRODUCED AND ADOPTED on this 19th day of April, 1999, by the following vote:

AYES, in favor hereof: O'Brien, Wickham, Blanchard,
Cater and Griffin

NOES: NONE

ABSENT: NONE



President

ATTEST:



Secretary

RESOLUTION NO. 1999-04-01

A RESOLUTION AMENDING THE SALARY PLAN

BE IT RESOLVED by the Board of Directors of the Rio Linda/Elverta Community Water District that effective April 1, 1999 Section 2.20.330 of the Policy Manual is hereby amended to read as follows: (~~strikeout~~ indicates deletions, *italics* indicate additions)

2.20.330 Salary and Wage Ranges; Range

Assignments. The ~~fifty (50)~~ *sixty (60)* range, seven (7) step salary and wage ranges attached hereto are the salary and wage plan for the District. The classes in the classification plan are assigned to the ranges as follows:

<u>Class</u>	<u>Range #</u>
Water Utility Worker	15
Water Utility Operator	23
Water Utility Supervisor	31 37
Secretary/Receptionist	2
Accounting Technician	17
Administrative Supervisor	27 34
General Manager/District Secretary	47 53

2.20.360 Overtime. All employees (other than officers and supervisory employees) are eligible for overtime pay. No overtime pay, however, shall be made unless the additional work time shall have been authorized in writing, by both the employee's supervisor and by the General Manager. Overtime pay shall be as follows:

- (a) For all time worked in excess of a work day (8 hours) and in excess of a work week (40 hours), an employee shall be paid one-and-one-half times the employee's ordinary hourly rate of pay.
- (b) For all time worked on a regularly scheduled paid holiday, an employee shall be paid one-and-one-half times the employee's ordinary hourly rate of pay in addition to the employee's ordinary salary paid for the holiday.

- (c) Employees not on standby pursuant to 2.20.370 hereinbelow who are called to work on their day off or called back to work after they have left the job, will receive no less than a minimum of two (2) hours overtime pay; employees on standby shall receive no less than fifteen (15) minutes overtime pay per call-out.

- (d) *Notwithstanding any other provision herein, under unusual circumstances Supervisory employees may be paid overtime at straight time when approved by the General Manager. When such overtime is paid, it shall be reported to the Board.*

AND BE IT FURTHER RESOLVED that the President of the Board is hereby authorized and directed to execute the Employment Agreement Amendment attached hereto as Exhibit A.

INTRODUCED AND ADOPTED on this 11th day of April, 1999, by the following vote:

AYES, in favor hereof: GRIFFIN, O'BRIEN, CATER, WICKHAM

NOES: BLANCHARD

ABSENT: NONE



ATTEST: Secretary, Michael Phelan



President, Jay O'Brien

AMENDMENT TO EMPLOYMENT AGREEMENT

WHEREAS, the Rio Linda/Elverta Community Water District and Michael L. Phelan entered into an employment agreement on the 26th day of April, 1998; and

WHEREAS, said parties wish to amend said agreement following an evaluation pursuant to Section 5 therein;

NOW, THEREFORE, THE PARTIES HERETO HEREBY AGREE TO AMEND SECTION 3 AND PARAGRAPH A OF SECTION 8 EFFECTIVE APRIL 1, 1999, AS FOLLOWS: (~~strikeout~~ indicates deletions, *italics* indicate additions)

3. Term of Agreement. This Agreement shall commence on the date set forth above and shall continue continuously thereafter until April 15, ~~2001~~ 2002. This Agreement shall automatically renew for an additional period of two (2) years unless it is terminated by either party providing written notice to the other party of such party's desire to terminate the Agreement at least ninety (90) days prior to the expiration of the then current term. Notwithstanding these terms and provisions the Agreement may be terminated as provided in Section 4 below.

8. Compensation.

A. Salary. District agrees to pay Manager for his services the salary designated on the employee salary and wage plan as Range ~~47~~ 53 Step 7, payable in installments at the same time as employees of the District are paid. District may increase said salary and/or other benefits of Manager in such amounts and to such extent as the Board may determine that it is desirable to do so on the basis of the performance review of said Manager as provided for in Section 5 hereinabove.

IN WITNESS HEREOF this Agreement was executed on April 15, 1999.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

BY: Jay O'Brien, President, Jay O'Brien

Michael Phelan, Employee, Michael Phelan

RESOLUTION NO. 1999-02-01

A RESOLUTION NOMINATING PAULA PARKER FOR THE
POSITION OF SACRAMENTO LAFCO SPECIAL DISTRICT
COMMISSIONER

WHEREAS, the Board has been advised that the position of
Special District Commissioner on the Sacramento Local Agency Com-
missioner (Office No. 6) is to be elected;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of
the Rio Linda/Elverta Community Water District that Paula Parker,
Director of the Rio Linda & Elverta Recreation and Park District,
be nominated for election to Special District Commissioner (Office
no. 6).

INTRODUCED AND ADOPTED on this 8th day of February, 1999, by
the following vote:

AYES, in favor hereof: **GRIFFIN, O'BRIEN, WICKHAM,
CATER, and BLANCHARD**


NOES: **NONE**

ABSENT: **NONE**



President

ATTEST:



Secretary