

APPENDIX G

SAFCA and Garden Highway Settlement Agreement

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement" is made as of this 18th day of April 2008 by and between GARDEN HIGHWAY COMMUNITY ASSOCIATION, Inc., a California not-for-profit corporation ("GHCA"), and the Sacramento Area Flood Control Agency, a joint exercise of powers agency created by a Joint Exercise of Powers Agreement made pursuant to Government Code section 6500 *et seq.* ("SAFCA"). GHCA and SAFCA are referred to collectively herein as the "Parties" and each individually as a "Party."

RECITALS

A. The project at issue here is the Natomas Levee Improvement Program ("NLIP") Landside Improvements Project (the "Project"). It includes improvements to the Natomas Cross Canal south levee and the Sacramento River east levee, construction of a new Giant Garter Snake/Drainage Canal, relocation of a portion of the Natomas Mutual Water Company's Elkhorn Canal, and affiliated land recontouring and habitat creation, as more particularly described in the environmental impact report ("EIR") discussed below.

B. SAFCA is entrusted with the reduction of flood risk in the Sacramento region. It is the lead agency for the Project under the California Environmental Quality Act ("CEQA"); Public Resources Code section 21000 *et seq.*

C. GHCA is an incorporated association of landowners who reside in the "Project Area," as depicted and defined in Exhibit A hereto.

D. SAFCA analyzed a regional program of flood control improvements for the Sacramento area, which included improvements to Folsom Dam, the American River, and the South Streams Group, as well as the Natomas Levee Improvement Program (collectively the "Program"), in an Environmental Impact Report on Local Funding Mechanisms for

Comprehensive Flood Control Improvements for the Sacramento Area ("Local Funding EIR"). SAFCA certified the Local Funding EIR in February 2007. SAFCA intends for the Program to provide the Natomas Basin with at least a 100-year level of flood protection by the end of 2010 and a 200-year level of flood protection by the end of 2012.

E. SAFCA analyzed the Project, which is a part of the broader regional Program, in a separate Environmental Impact Report that is "tiered," within the meaning of CEQA, from the Local Funding EIR. The actions analyzed in the NLIP Landside EIR include land side improvements to the levee system in the Natomas Basin and related landscape modifications and drainage and infrastructure improvements, all to be undertaken between 2008 and 2010. The NLIP Landside EIR presents a project-level analysis of the 2008 construction components and a program-level analysis of the 2009-2010 elements. The 2009-2010 elements will require additional environmental review based on more detailed design plans.

F. On November 29, 2007, the SAFCA Board approved Resolution 07-105, which certified the environmental impact report prepared for the Natomas Levee Improvement Program Landside Improvements project; adopted findings and a statement of overriding considerations, mitigation measures, and a mitigation monitoring and reporting program; and approved the Natomas Levee Improvement Program Landside Improvements Project 2008 construction projects, consisting of the "Natomas Cross Canal Phase 2 Improvement Project" and the "Sacramento River East Levee Phase 1 Improvement Project (reaches 1 through 4b)."

G. On December 19, 2007, GHCA filed a Petition for Writ of Mandate and Complaint for Injunctive Relief ("Petition") in Sacramento Superior Court (Case No. 34-2007-00883632-CU-WM-GDS) against SAFCA. The Petition challenges SAFCA's approval of

the 2008 construction components and alleges that the NLIP Landside EIR does not comply with CEQA.

H. In January 2008, the United States Army Corps of Engineers (“USACE”) completed a hydraulic analysis of the Natomas Basin, which found that the Natomas Basin has less than a 30-year level of flood protection.

I. On February 7, 2008, SAFCA filed its Answer to the Petition, and on February 19, 2008 SAFCA filed its Notification and Lodging of the Administrative Record. GCHA and SAFCA filed their Statements of Issues on March 7, 2008 and March 17, 2008, respectively.

J. Pursuant to stipulation of the Parties, in March 2008 GHCA and SAFCA engaged in two days of mediation. The mediation resulted in a stipulation for settlement, the majority of which is reproduced below as part of the final Settlement Agreement.

K. Accordingly, the Parties enter into this Agreement to address GHCA’s concerns and allow the portion of the Project approved by Resolution 07-105 to proceed. Nevertheless, SAFCA intends to apply the design and construction practices set forth in Paragraphs 1 through 9, below, to the entirety of the Project, as applicable.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby incorporated by reference, and of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and adequacy is hereby acknowledged, the Parties agree as follows:

1. Power Pole and Overhead Power Line Placement. To the extent that the main electrical power transmission lines and poles serving the Garden Highway must be relocated or replaced to accommodate the Project, the relocation or replacement shall occur east of the new

adjacent levee and in a manner that appropriately accommodates private land side improvements and properties. Existing main electrical power transmission lines and poles on the water side of the existing Garden Highway levee that do not need to be relocated or replaced to accommodate the Project may be left in place. No new main electrical power transmission lines and poles shall be installed on the water side of the Garden Highway levee.

Consistent with sound engineering practices that prioritize the following, individual service lines shall: (i) use existing configurations and facilities, and (ii) any new poles shall be placed on the land side of Garden Highway, subject to the approval of the United States Army Corps of Engineers ("USACE"), Central Valley Flood Protection Board ("CVFPB"), and any other regulatory public agencies and the utility companies.

SAFCA shall advocate power line and pole locations consistent with this provision to the USACE, CVFPB, and other regulatory agencies and utilities by way of one-time master letters, attached hereto as Exhibits B and C, approved as to form by the SAFCA Board as part of this Agreement and signed by the SAFCA Executive Director. These letters, attached as Exhibits B and C, have received the prior approval of GHCA's attorney.

If the property owner and SAFCA cannot agree on a location of an individual service line pole from among locations that are otherwise acceptable to the USACE, CVFPB, other regulatory agencies and the utility provider, SAFCA agrees to pay the cost of a referee, who is a qualified registered civil engineer and agreeable to both Parties, to decide the dispute over the location of the individual service line pole.

SAFCA agrees to provide working drawings sixty (60) days to GCHA's contact person designated pursuant to Paragraph 5, below, in advance of commencing construction of power poles and lines for which locations would be changed as part of the Project.

2. Removal of Encroachments and Existing Landscaping and Fencing. As part of this Agreement, the SAFCA Board directs the SAFCA Executive Director to write a letter, the approved form of which is attached hereto as Exhibit B, to the responsible regulatory agencies advocating SAFCA's project design, which requires minimal removal of encroachments. This letter, attached as Exhibit B, has received the prior approval of GHCA's attorney.

Once SAFCA determines that the Sacramento River east levee is certifiable for the Federal Emergency Management Agency's ("FEMA") flood protection purposes, SAFCA shall make its best efforts to get written agreement from the USACE, CVFPB, and Reclamation District 1000 ("RD1000") that no additional encroachments on the water side of the Garden Highway levee need to be removed.

3. Damage to Existing Wells, Septic Systems, Concrete Structures, etc. As part of the notice provided pursuant to Paragraph 8, below, SAFCA shall give property owners within the Project Area (see Exhibit A) an informational package, which shall have received the prior approval of Petitioner's attorney, advising the property owners that pre-project inspections of their properties are important and that SAFCA will conduct a free pre-construction inspection of the property, but only if requested by the property owner. The scope of the inspection and documentation will be determined by SAFCA in consultation with the property owner.

SAFCA will provide a copy of its February 2008 study entitled, "Evaluation of Potential Groundwater Impacts Due to Proposed Sacramento River East Levee Improvements with Emphasis on Reaches 2 & 3" to the GHCA contact person designated pursuant to Paragraph 5, below. If requested by a property owner within the Project Area, SAFCA will test the owner's domestic well water before and after Project construction for the presence of bentonite, concrete, and cement.

4. Drainage Lines. No roadside swales shall be included in the design of the new adjacent levee downstream of Power Line Road. Consistent with sound engineering practices, and subject to the approval of the USACE, CVFPB, and the Regional Water Quality Control Board ("RWQCB"), any new drainage outfall lines required by the Project shall be buried pipes, located along property lines, and drain to the river. If a property owner does not want a new drain line located along the property line, he or she may request that the drain line be placed elsewhere on his or her property.

SAFCA shall advocate the location, design, and outfall of the drain lines consistent with this provision to the USACE, CVFPB, and the RWQCB by way of one-time master letters, attached hereto as Exhibits B and D, approved as to form by the SAFCA Board as part of this Agreement and signed by the SAFCA Executive Director. These letters, attached as Exhibits B and D, have received the prior approval of GHCA's attorney.

If the property owner and SAFCA cannot agree on a location for a new drain line from among locations that are otherwise acceptable to the USACE, CVFPB, and the RWQCB, SAFCA agrees to pay the cost of a referee, who is a qualified registered civil engineer and agreeable to both parties, to decide the dispute over the location of the drain line.

5. Construction Monitoring. SAFCA agrees to cooperate with a construction monitoring committee established by GHCA to resolve reasonable complaints regarding SAFCA or its contractors' construction activities for the Projects improvements in accordance with this provision. Within fifteen (15) days of the Effective Date of this Agreement, GHCA shall notify SAFCA of the name of a contact person, who shall be a member of GHCA's construction monitoring committee, for purposes of having one contact point for communicating with SAFCA's Ombudsperson and keeping GHCA apprised of the construction schedule for the

Project pursuant to Paragraph 8, below. A complaint procedure and hierarchy shall be developed by the GHCA's contact person and SAFCA's Ombudsperson in time to be included in the informational packet referenced in Paragraph 3, above. In addition, the information packet will include SAFCA's instructions to its contractors regarding appropriate use of the Garden Highway. SAFCA agrees to resolve all complaints pertaining to dangerous activities immediately and to resolve all other reasonable complaints in an expeditious manner.

SAFCA shall prohibit the use of earth moving equipment or haul trucks on the Garden Highway in conjunction with the Project.

6. Relocation. Where a property owner occupies a residence on property to be acquired for the Project, SAFCA will allow up to twelve (12) months, rather than the statutory allowance of three (3) months, for the owner to relocate off the property. The 12 month period shall be counted from the first written offer.

7. Study of Improving Flood Conveyance in Yolo Bypass. SAFCA agrees to provide GHCA with documents prepared by SAFCA synthesizing information gathered by USACE, CVFPB, DWR, and SAFCA regarding the feasibility of increasing flood conveyance through the Yolo Bypass. SAFCA believes these documents are characteristic of the state of knowledge regarding this flood control alternative as of 2003 when these documents were prepared.

8. Construction Schedule. SAFCA will provide GHCA with a timeline for the phased completion of the Project that indicates the role of the various agencies involved in implementing or permitting the Project. SAFCA will post its construction schedule for the Project on the SAFCA website. The schedule shall be updated on a monthly basis. A hard copy of the schedule and monthly updates shall be mailed to the GHCA contact person identified in

Paragraph 5, above. In addition, SAFCA will post a "60-day notice" of Planned Construction on the SAFCA website. A hard copy of the "60-day notice" shall be mailed to the GHCA contact person identified in Paragraph 5, above. "Planned Construction" will not include construction in the event of an emergency or construction necessary to remedy a condition discovered after completion of the Project. However, SAFCA will provide whatever notice is possible under the circumstances to affected, adjacent landowners prior to any emergency or remedial work.

For property owners who request prior inspections/documentation, the inspection/documentation must be scheduled prior to the start of construction within the specified reach of the Sacramento River where Project construction will commence.

9. Bicycle Trail. The Parties agree that the new adjacent levee would provide a good opportunity for creation of a new bicycle trail along the top of the levee consistent with applicable levee operation and maintenance requirements. SAFCA is prepared to work with GHCA and other interested parties in securing funding for a feasibility analysis for this bicycle trail and, based on the results of this feasibility analysis, to secure funding for construction, operation, and maintenance of the bicycle trail.

10. Dismissal of Action. Within five (5) business days of the Effective Date, GHCA shall execute and file a Request for Entry of Dismissal with Prejudice of Case Number 34-2007-00883632-CU-WM-GDS at the Sacramento County Superior Court. The Entry of Dismissal with Prejudice shall have the effect of dismissing the Action against all of the Parties named in the Action. The Parties agree to request that the trial court, in response to said request, enter an order reserving jurisdiction to enforce the Agreement pursuant to Code of Civil Procedure section 664.6, unless the trial court, for whatever reason, will not sign the proposed order reserving jurisdiction, as described immediately below. The Parties agree to submit a proposed

order reserving jurisdiction in the trial court pursuant to a Stipulation and Order substantially in the following form:

Petitioner/Plaintiff and Respondent/Defendant have entered into a Settlement Agreement (“the Agreement”), a copy of which is attached hereto as Exhibit 1.

The Agreement includes terms anticipating that the trial court enter an order reserving jurisdiction to enforce the Agreement pursuant to Code of Civil Procedure section 664.6.

THEREFORE, it is hereby STIPULATED by Petitioner/Plaintiff and Respondent/Defendant that, and Petitioner/Plaintiff and Respondent/Defendant jointly request that, this Court reserve jurisdiction to enforce the Agreement pursuant to Code of Civil Procedure section 664.6 and this written stipulation of the parties.

In the event that, for whatever reason, the trial court does not grant GHCA’s request to enter the proposed order described immediately above, and thus declines to make this Agreement enforceable pursuant to Code of Civil Procedure section 664.6, the Agreement shall instead be enforceable by either party through the filing of new litigation alleging a breach of the Agreement.

11. Attorney’s Fees and Costs. SAFCA shall pay, within five business (5) days after the Effective Date of this Agreement, attorney’s fees and costs incurred by GHCA in connection with the litigation and settlement of this Action (Sacramento County Superior Court Case No. 34-2007-00883632-CU-WM-GDS) in the sum of \$55,000.00 by check made payable to the law firm of Kenyon Yeates, LLP. If GHCA accepts this offer without change, GHCA waives any right to seek recovery of any additional money from SAFCA in connection with the dismissed claims. SAFCA shall bear its own attorney’s fees and costs.

12. Mutual Release and Waiver. Except for the rights and obligations set forth in this Agreement, each Party agrees and covenants as follows:

(a) To forever release, quit and discharge the other party and its respective officers, employees, agents, and officials from any and all claims, causes of action, action, rights,

theories, contentions, demands, obligations, suits, losses, costs, expenses, attorneys' fees, liens, liabilities and indemnities of any nature whatsoever, based on contract, tort, statute, or other legal or equitable theory of recovery, whether on account of past, present or potential future liability, whether known or unknown, or any type or character whatsoever, insofar as any of the same related to or arose out of, or could have related, or could have arisen out of the dispute set forth in the foregoing Recitals to this Agreement. The Parties intend this release to apply only to the 2008 Construction Projects, which were analyzed at a project level in the NLIP Landside EIR and were approved by the SAFCA Board of Directors on November 29, 2007. The Parties do not intend the settlement agreement and this mutual release and waiver to apply to the 2009-2010 construction phase, which was analyzed at a program level in the NLIP Landside EIR and has not yet been approved by the SAFCA Board of Directors.

(b) To expressly waive any right or claim of right to assert hereafter that any claim, demand, and/or obligation has, through ignorance, oversight or error been omitted from the terms of this Agreement and further expressly waive any right or claim of right that each may have under the law under any jurisdiction to the effect that those releases herein given do not apply to unknown or unstated claims. It is the express intent of the Parties to waive any and all claims they may have against the other party hereto insofar as any of the same, directly or indirectly, relate to the Project, including any which are presently known, unsuspected, unanticipated, or undisclosed. The Parties hereto acknowledge that they are apprised of the provisions of Civil Code section 1542 which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Having been so apprised, each party elects to waive and does waive all rights that may be granted to them pursuant to Civil Code section 1542 and to assume all risks, known or unknown, covered by this release.

(c) Never to commence, recommence, appeal, or seek certiorari or other review by any court, state or federal, and/or other proceeding against any other party to this Agreement that is based in whole or in part upon the claims, demands, causes of action, obligations, damages and/or liabilities released by this Agreement.

13. Entire, Sole and Final Agreement. This Agreement constitutes the entire understanding between the Parties with respect to the matters set forth herein. Except as otherwise provided herein, this Agreement is intended to be the final expression of the Agreement between the Parties with respect to the subject matter of this Agreement and supersedes and fully and completely extinguishes any prior understandings or agreements by or between the Parties, whether oral or in writing.

14. Amendments. This Agreement may not be modified, supplemented, or amended, or any of its provisions waived, except in writing by the party against whom such modification, supplementation, amendment, or waiver is sought. Any modification, supplementation, amendment, or waiver that would materially affect the rights of both Parties must be signed by both Parties.

15. Warranty of Authority. Each person signing this Agreement warrants to each other party that he or she is authorized by the party on whose behalf he or she is signing to execute this Agreement and to bind such party to the terms of this Agreement.

16. Time of the Essence. Time is of the essence for this Agreement.

17. Mutual Cooperation. The Parties agree to cooperate in good faith to carry out the provisions and intent of this Agreement, including timely execution and delivery of other documents necessary to carry out its provisions. Each of the Parties shall execute and deliver to the others all such further instruments and documents, and take all other such actions, as may be reasonably necessary to carry out the terms and provisions of this Agreement and secure to the others the full and complete enjoyment of their respective rights and privileges hereunder. The Parties agree to meet and confer in good faith to try to resolve any conflicts arising under this Agreement prior to bringing any actions in court to enforce this Agreement.

18. Severability. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, shall be finally found to be void, invalid, illegal or unenforceable by a court of competent jurisdiction, then notwithstanding such determination, such term or provision shall remain in force and effect to the extent allowable by such ruling and all other terms and provisions of this Agreement or the application of this Agreement to other situations shall remain in force and effect.

19. Agreement Admissible in Enforcement Action. The Parties agree that this Agreement is admissible in any action to enforce this Agreement. Nothing in this Agreement shall be used as an admission of any fact or matter in any other challenge.

20. Construction. This Agreement, and each of the provisions hereof, is the product of negotiations between the Parties and their respective attorneys. Each of the Parties hereto expressly acknowledges and agrees that this Agreement shall not be deemed to have been prepared by or drafted by any particular party hereto. The rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

21. Third Party Beneficiaries. Nothing in this Agreement shall be construed to confer any rights or impose any obligations upon any person or entity not a Party to this Agreement.

22. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

23. Headings and Captions. The headings and captions used in this Agreement are for convenience and ease of reference only, and are not intended to be part of the body of this Agreement; nor are they intended to be referred to in construing the provisions of this Agreement.

24. Exhibits. All exhibits referenced in this Agreement are made part of and incorporated herein.

25. Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be personally delivered, sent by first class United States mail, sent by telefacsimile ("fax") with original sent by United State Postal Service or reputable overnight courier for delivery the following day, or sent by reputable overnight courier to the addresses and fax numbers set forth below. Any Party may at any time change its address or fax number for the delivery of notice upon five (5) days written notice to the other Party.

GARDEN HIGHWAY COMMUNITY ASSOCIATION:

Doug Cummings, President
Garden Highway Community Association, Inc.
1500 W. El Camino Avenue, #640
Sacramento, CA 95833

With a copy to:

Bill Yeates
Kenyon Yeates^{LLP}
3400 Cottage Way, Suite K
Sacramento, CA 95825
Fax: (961) 609-5001

SACRAMENTO AREA FLOOD CONTROL AGENCY:

Stein Buer, Executive Director
Sacramento Area Flood Control Agency
1007 7th Street, 7th Floor
Sacramento, CA 95814
Fax: (916) 874-8289

With copies to:

Timothy N. Washburn, Agency Counsel
Sacramento Area Flood Control Agency
1007 7th Street, 7th Floor
Sacramento, CA 95814
Fax: (916) 874-8289

Ellen J. Garber
Shute, Mihaly & Weinberger LLP
396 Hayes Street
San Francisco, CA 94102
Fax: (415) 552-5816

26. Understanding of Terms. This Agreement is executed voluntarily by each of the Parties without any duress or undue influence on the part of, or on behalf of, any of them. Each of the Parties to this Agreement has read and fully understands the meaning of each provision of this Agreement and has relied on independent advice and representation of legal counsel in entering into this Agreement.

27. Binding Effect. This Agreement and its terms shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, assignees, buyers, grantees, vendees, transferees, officers, directors, principals, agents, employees, representatives, attorneys, insurers and sureties, and any others claiming through or under of having the right to claim through or under any or all of them, wherever located.

28. Equitable Relief. Each Party hereto expressly agrees that the provisions of this Agreement shall be specifically enforceable by either Party and, except as specifically provided

in Paragraphs 1, 3, and 4 of this Agreement for the payment of costs and expenses incurred in a dispute, each Party hereto waives and relinquishes all claims for damages arising from a claim based on breach of this Agreement by any other Party. In the event of breach of any term or provision of this Agreement or any duty or obligation hereunder, remedies shall be limited to bringing an action for specific performance and recovery of such costs and expenses provided for in Paragraphs 1, 3, and 4 of this Agreement.

29. Execution in Counterparts. This Agreement may be executed in counterparts, and photocopies, facsimile copies, or electronic copies of this Agreement may be used as originals. Each such counterpart, photocopy, facsimile copy, or electronic copy of this Agreement shall be deemed an original, but all of which together shall constitute one and the same instrument and shall have the same force and effect as if a single original had been executed by all Parties.

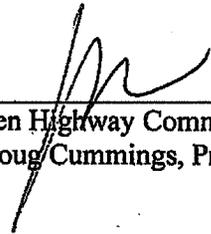
30. Settlement of Disputed Claims. The Parties hereto understand and agree that this settlement is a compromise of disputed claims, and that no Party's actions under this Agreement shall be construed as an admission of liability.

31. Effective Date. This Agreement shall become effective upon execution by all Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first set forth above.

Date: _____

4/15/08



Garden Highway Community Association, Inc.
By Doug Cummings, President

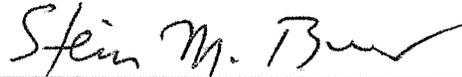
Approved as to form and legality for GHCA:

Date: April 10, 2008



By Bill Yeates
Kenyon Yeates^{LLP}
Attorneys for Garden Highway Community
Association, Inc

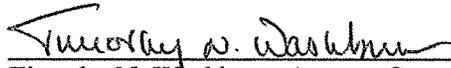
Date: April 18, 2008



Sacramento Area Flood Control Agency
By Stein Buer, Executive Director

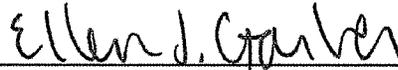
Approved as to form and legality for SAFCA:

Date: April 17, 2008



Timothy N. Washburn, Agency Counsel

Date: APRIL 15, 2008



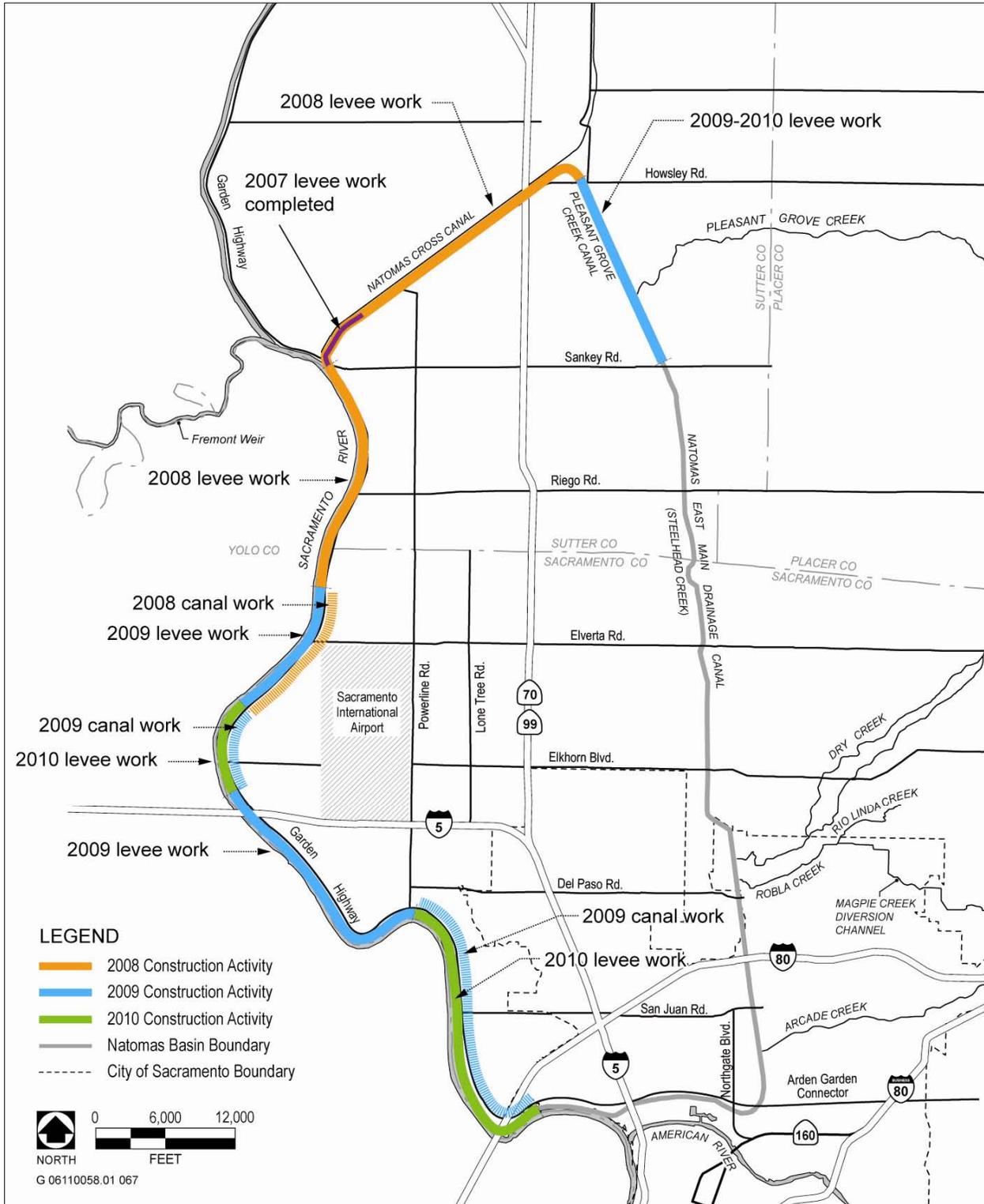
Shute, Mihaly & Weinberger LLP
By Ellen J. Garber

Attorneys for SACRAMENTO AREA FLOOD
CONTROL AGENCY

List of Exhibits

- Exhibit A: Project Area Map
- Exhibit B: Form-Of Letter to CVFPB and DWR
- Exhibit C: Form-Of Letter to Utility Company
- Exhibit D: Form-Of Letter to CVRWQCB

EXHIBIT A PROJECT AREA



Source: CaSil; adapted by EDAW in 2007

NLIP Landside Improvements Project Construction Phases

EXHIBIT B
FORM-OF LETTER TO CVFPB and DWR

[SAFCA LETTERHEAD]

[Date]

Jay Punia, Executive Officer
Central Valley Flood Protection Board
P. O. Box 942836
Sacramento, CA 94236

Lester Snow, Director
California Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236

RE: Encroachment Permit for SAFCA Natomas Levee Improvement Program
Landside Improvements Project

Dear Sirs:

On March 21, 2008, the Central Valley Flood Protection Board (Board) issued Permit 18159-3 BD to SAFCA to improve portions of the Sacramento River east levee as part of the Agency's Natomas Levee Improvement Program (NLIP) Landside Improvements Project (Project). Permit condition Fourteen states that no work authorized by this permit shall be performed until the Board and the Department of Water Resources (Department) have received, reviewed and approved a complete set of final plans and specifications for the Project. In order to satisfy this condition, under separate cover SAFCA has submitted the required final plans and specifications for review and approval by the Board and the Department.

The purpose of this letter is to highlight several key features of the Project and underscore the SAFCA's commitment to ensuring that these features are incorporated into the final design. First, the final design calls for construction of a new levee adjacent to the existing Sacramento River east levee along Garden Highway. A key objective of this design is to preserve the existing Garden Highway and minimize the removal of levee encroachments located on private lands along the water side of this roadway. SAFCA intends to work closely with the Board and the Department to achieve this objective in a manner that is consistent with the Board's Supplemental Standards for Control of Residential Encroachments in Reclamation District 1000, which are found in Section 133 of Title 23 of the California Code of Regulations.

Second, in order to accommodate the Project footprint and minimize the effects of the Project on residences along the Garden Highway, the final design calls for relocation of portions of the existing main electrical transmission system, including poles and powerlines that provide electricity to these residences, into a new utility operation and maintenance corridor for which

right-of-way has been acquired east of the new adjacent levee. In addition, SAFCA has sought to avoid relocating existing secondary poles and individual service lines that link the main transmission line to the residences. To the extent that such relocations are necessary, wherever possible the new secondary poles have been located along the landside of the Garden Highway between the roadway pavement and the new adjacent levee.

Third, SAFCA has incorporated new storm water drainage facilities into the final design to offset the potential increase in storm water that would otherwise be discharged from the Garden Highway onto the private parcels occupying the water side of the levee. These drainage facilities consist of a collection swale located between the new adjacent levee and the Garden Highway, and new pipes and drainage outfall lines to drain collected storm water to the river. Where these outfalls cross private property, they are located along existing parcel boundaries in buried pipes that drain to the river [or in an alternative location selected in consultation with the property owner].

SAFCA requests that the Board and the Department approve these Project features as shown in the final design package. However, if for any reason the Board or the Department determines that the proposed location of electrical or drainage facilities is unacceptable, SAFCA requests that the Board and/or the Department identify alternative locations that would be acceptable so that affected property owners may have an opportunity to work with SAFCA in selecting from among these alternatives. Please contact us if you have any questions in this regard. We look forward to working with you to continue to improve flood protection for the Natomas Basin.

Very truly yours,

Stein M. Buer
Executive Director

cc: United States Army Corps of Engineers
Reclamation District 1000

EXHIBIT C
FORM-OF LETTER TO UTILITY COMPANY

[SAFCA LETTERHEAD]

[Date]

[Name]

[Name of Utility Company]

[Address]

[City, State ZIP]

RE: Relocation of Electrical and Telephone Utility Poles and Lines
SAFCA Natomas Levee Improvement Program Landside Improvements Project,
[Year] Construction Projects

Dear [Name]:

SAFCA has undertaken the Natomas Levee Improvement Program ("NLIP") Landside Improvements Project ("Project") in order to provide increased flood protection to the Natomas Basin. The Project will require relocation of utility poles and lines along the levee system in order to accommodate the widened levee and related infrastructure.

Enclosed with this letter please find plans which identify SAFCA's proposed locations for installation of new poles and lines and relocation of existing facilities to accommodate the footprint of the Project. In order to minimize the effects of the Project on Garden Highway residences, these locations have been selected so as to ensure that no new main transmission lines and poles are installed on the water side of the Garden Highway. In addition, SAFCA has sought to avoid relocating poles that support individual service lines. To the extent such relocations are necessary, wherever possible the new poles have been located on the land side of the Garden Highway.

SAFCA believes the proposed utility relocation plan is consistent with sound engineering practices and we look forward to your approval. However, if for any reason [utility provider] determines that any proposed utility pole location is unacceptable, we request that [utility provider] identify alternative locations that would be acceptable so that the affected property owners may have an opportunity to work with SAFCA in selecting from among these alternatives.

Please contact us if you have any questions or concerns. We appreciate your cooperation on this important Project to improve flood protection for the Natomas Basin.

Very truly yours,

Stein M. Buer
Executive Director

cc: United States Army Corps of Engineers
[Reclamation District 1000]
[Central Valley Flood Protection Board]

EXHIBIT D
FORM-OF LETTER TO CVRWQCB

[SAFCA LETTERHEAD]

[Date]

[Name]

Central Valley Regional Water Quality Control Board
Sacramento Main Office
11020 Sun Center Drive #200
Rancho Cordova, CA 95670-6114

RE: Request for Waste Discharge Requirements for Drainage Pipes and Outfalls
Natomas Levee Improvement Program
Landside Improvements Project, [Year] Construction Projects

Dear [Name]:

SAFCA has undertaken the Natomas Levee Improvement Program ("NLIP") Landside Improvements Project ("Project") in order to provide increased flood protection to the Natomas Basin. The Project will involve the construction of a new adjacent levee on the land side of the existing Sacramento River east levee along the Garden Highway. The section of the adjacent levee between the Natomas cross Canal and Powerline Road will be raised above the elevation of the existing levee. This grade difference results in a change in the drainage pattern associated with the eastern side of the roadway.

Enclosed with this letter please find SAFCA's application for waste discharge requirements associated with the new storm water drainage facilities which are proposed to offset the potential increase in storm water that would otherwise be redirected from eastern side of the Garden Highway onto the private parcels occupying the water side of the levee. These drainage facilities consist of a collection swale located between the new adjacent levee and the Garden Highway, and new pipes and drainage outfall lines to drain collected storm water to the river. In order to minimize the effects of the Project on Garden Highway residences, where these outfalls cross private property, SAFCA has sought to locate the new drainage pipes and outfalls along existing parcel boundaries in buried pipes that drain to the river [or in an alternative location approved by the property owner].

SAFCA believes that the Project and the enclosed application for waste discharge requirements are consistent with sound engineering practices, the Settlement Agreement between the Garden Highway Community Association and SAFCA, and the Porter-Cologne Water Quality Control Act. Accordingly, we request that the Regional Board approve this application. However, if for any reason the Regional Board determines that the location of any proposed new pipe or outfall line is unacceptable, we request that the Regional Board identify alternative

locations that would be acceptable so that the affected property owners may have an opportunity to work with SAFCA in selecting from among these alternatives.

Please contact us if you have any questions or concerns. We look forward to your cooperation on this important Project to improve flood protection for the Natomas Basin.

Very truly yours,

Stein M. Buer
Executive Director

cc: United States Army Corps of Engineers
Central Valley Flood Protection Board