

**STATE OF CALIFORNIA  
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
CENTRAL VALLEY REGION**

RESOLUTION NO. R5-2006-XXXX

AUTHORIZING THE EXECUTIVE OFFICER  
TO ENTER INTO AN AGREEMENT AND COVENANT NOT TO  
SUE WITH SIGNATURE PROPERTIES, INC. FOR THE PROPERTIES AT 900-940 EL  
CAMINO AVE., 2740 BOXWOOD STREET, AND 2308-2320 EVERGREEN STREET,  
SACRAMENTO, CALIFORNIA

WHEREAS, the California Regional Water Quality Control Board, Central Valley Region (the "Water Board") finds that:

1. **Properties:** The El Camino property is located at 900-940 El Camino Avenue and 2740 Boxwood Street in the City and County of Sacramento. It comprises approximately 3.88 acres and is identified as APNs 277-0012-001, 277-0012-002, 277-0012-0008, and 277-0012-0011.

The Evergreen property is located at 2308-2320 Evergreen Street in the City and County of Sacramento. It comprises approximately 1.5 acres and is identified as Assessor's Parcel Numbers (APNs) 277-0081-002 and 277-0081-003. The El Camino and Evergreen properties are collectively referred to in this document as the "Properties."

2. **Historical Use:** The El Camino property is currently vacant. The northern portion of the property is paved with asphalt and was apparently used for vehicle sales activities. The southern portion consists of a gravel lot with overgrown vegetation. From the mid-1950s to 1960s, the property was occupied by a lumber company and market.

The Evergreen property is also currently vacant. It is covered by vegetation. Two residences existed on the property during the 1960s and 1970s. A storm water drainage ditch traverses the property. No structures have been on the property since that time.

3. **Investigations at the Properties:** Several Phase I Environmental Site Assessments have been conducted on the Properties. In addition, under the oversight of Regional Board staff, Phase II investigations of the Properties have been performed, including soil vapor sampling. VOCs were detected in soil vapor samples at levels that do not present a threat to human health or the environment. Previous studies have confirmed the presence of VOCs in groundwater surrounding the Properties. Chemical volatilization from groundwater beneath the Properties is believed to be the source of some of the VOCs detected in soil vapor. One of the three surface samples at the El Camino property contained elevated levels of arsenic, lead, and zinc, but these detections were below levels of concern. No surface samples were taken from beneath the paved area. One of the three samples taken from the drainage channel contained elevated levels of lead, zinc and pesticides.

4. **Redevelopment Plans:** Signature Properties, Inc. (Signature) is in contract to acquire the Properties for the purpose of residential redevelopment. Signature plans to construct approximately 80 units of single family housing on the Properties. The Sacramento Housing and Redevelopment Agency (SHRA) has submitted a letter to Water Board staff in support of the project.
5. **Request by Signature:** Signature seeks an agreement from the Water Board that Signature not be subject to liability related to, or arising from, the pollution at the properties. Specifically, Signature requests that the Water Board enter into an agreement and Covenant Not to Sue, in accordance with the terms set forth below, with Signature for the Properties.
6. **Benefits of Redevelopment:** Signature plans to redevelop the Properties to a productive use that will benefit the public and the community. Estimated benefits to the community from the proposed redevelopment project include Brownfield redevelopment using existing infrastructure, creation of new infrastructure in the form of infill housing, creation of new jobs, and additional real estate, municipal and sales taxes and fees.
7. **Risk Management and Deed Restriction:** The proposed agreement sets forth certain actions to be taken by Signature to protect human health and the environment from contamination at the site. To protect future residents from the intrusion of VOC vapors from groundwater into the indoor air of future residences, Signature shall include the installation of a water/vapor barrier beneath all residential units constructed at grade on the Properties. Signature will record a Deed Restriction on the Properties prohibiting the use of groundwater at and beneath the Properties for all purposes, including, but not limited to, drinking, irrigation, and industrial use. The Deed Restriction will be binding upon successors and require that the uses and development of the Properties be consistent with the Deed Restriction. Signature will remove the asphaltic pavement from the El Camino property and, if found to be present by sampling, further remove soils contaminated with petroleum hydrocarbons or metals that may pose a risk to groundwater or human health. Signature will also assure that the contaminated soils in the storm water drainage ditch on the Evergreen Property will be overlain by a paved street.
8. **Installation of Groundwater Monitoring Well:** Signature will install a groundwater monitoring well into the A-aquifer at the Evergreen property at a location to be reasonably agreed between Signature and Water Board staff and will permit access to the monitoring well as may be reasonably required for future sampling in connection with evaluation and/or remediation of area-wide groundwater issues. Signature's obligation shall be limited to installing the well, developing and performing one round of sampling with analysis for VOC levels. Signature shall have no further obligation to the Water Board for sampling, maintaining, monitoring, destruction or closing of the well.
9. **CEQA:** The purchase of the Properties is not an activity that requires Water Board approval. Furthermore, neither the Properties transaction nor the Water Board's approval of the Mutual Release is a "project" as defined by Public Resources Code Section 21065 and 14 CCR 15378(a) such that the California Environmental Quality Act ("CEQA") applies.

10. **Public Notice:** The Water Board provided notice of its intention to consider this matter ("Notice") and provided an opportunity for interested persons to comment on the draft resolution. The Water Board also provided information and giving notice of a public Board meeting held to consider this resolution by mailing a fact sheet to over 80 nearby property owners and other interested persons.

11. **Public Hearing:** The Water Board, at a public meeting held on December \_\_, 2006 heard and considered all comments pertaining to this matter.

THEREFORE, BE IT RESOLVED THAT the California Regional Water Quality Control Board, Central Valley Region, authorizes the Executive Officer to execute an Agreement and Covenant Not to Sue upon the terms set forth in this resolution with Signature Properties, Inc.

I, Pamela C. Creedon, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by the California Regional Water Quality Control Board, Central Valley Region, on December \_\_, 2005.

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PAMELA C. CREEDON  
Executive Officer