

April 11, 2019

Yuba Water Agency POD Committee 1220 F Street Marysville, CA 95901

Dear YWA Chairman, Mr. Brent Hastey, and POD Committee Chairman, Mr. Randy Fletcher,

Thank you for the opportunity to be considered for support. 18 months ago, North Yuba Water District (NYWD) appeared before your POD committee, requesting support to provide a reliable, safe source of drinking water for the approximately 3,100 customers of NYWD. At that meeting, YWA granted NYWD the funds to complete an income survey of the District, which concluded that NYWD is in fact a Severely Disadvantaged Community. In addition, funding for a peer review of the engineering work for the Forbestown Ditch Piping project (Project) was approved (completed by Sage Engineering) and a letter of support was drafted by YWA committing every effort possible to bring the Project to completion.

To recap the need for the Project, moving to a piped Ditch will significantly lower the possibility of catastrophic breaches to the Ditch (two of which occurred in 2017.) In addition, as water moves through the unpiped Ditch up to 60% is lost due to seepage and evaporation, and contamination occurs from dirt, trash, metals and chemicals from illegal marijuana grows. Piping the Ditch would vastly improve, if not completely resolve, these issues.

A Prop 1 grant for \$500,000 was used to complete the engineering phase of the Project. The estimated construction cost of the Project is \$10 million. Unfortunately, Prop 1 grant funding is not available in 2019 and 2020, so NYWD is here today requesting a 50/50 YWA grant and loan so construction of the Project can begin.

There is strong potential that Prop 1 funds (up to \$5 Mill, see attachment) will become available to complete a portion of the work, and NYWD will commit to continuing to pursue Prop 1 funding to offset the YWA loan if possible. (NYWD has successfully partnered with California Rural Water, State Revolving Funds Division, on two previous grants, and will contract with them again on pursuit of Prop 1 funds for this Project.) If no Prop 1 grant funding is obtained by the end of the Project, NYWD requests that the YWA loan portion of the Project be converted to a grant as well.

Thank you for your consideration of our request. Please feel free to contact myself, or NYWD General Manager, Jeff Maupin, (530) 675-2567, to answer any questions, or to discuss further the merits of our request.

Sincerely,

Eric Hansard

NYWD Chairman, Board of Directors

ATTACHMENT