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May 24, 2019



Mr. Jeff Maupin General Manager North Yuba Water District 8691 La Porte Road Brownsville, CA 95919

Dear Jeff:

Thank you for your Chairman's letter of April 11, 2019 which recapped your progress on the Forebestown Ditch Piping Project (Project). We understand that this project to supply a reliable, safe source of drinking water is very important to North Yuba Water District (NYWD) and its customers and that you are looking to move this along as soon as possible. Yuba Water Agency would like to continue our effort to assist and have identified some items that will strengthen the Project's chance of success.

Over the past several months we have provided grant funding to complete an income survey for the District and also hired SAGE Engineers (SAGE) to perform a peer review of the Project. The income survey concluded that NYWD is a Severely Disadvantaged Community which meets the eligibility requirements for a lower local share requirement for a potential grant. SAGE reviewed the project design, participated in a field review of the project with your design engineer NorthStar Engineering (NorthStar), and has identified design improvements and cost reductions which will prove beneficial.

We would like to continue with similar support and at this time we request that NYWD prepare a complete project description including a statement of project purpose and need, description of project scope, proposed construction schedule and estimate of total project budget.

Attached is an example project description recently submitted to Yuba Water Agency by Reclamation District 817 in support of a request for the Agency to provide a \$1.1 Million grant to fund the local cost share of a \$10 million levee improvement project in southern Yuba County. We encourage NYWD to refer to this document when preparing the project description for your Project as this example illustrates the information and level of detail required to support a grant request of such significant value.

We would also like a better understanding of the funding sources proposed for this project. We understand that NYWD believes there is strong potential that Prop 1 funds will be available after 2020 but we are concerned that providing a loan now to cover these potential funds will turn into a grant if these funds are in-fact not available, causing Yuba Water Agency to be the sole source of funding for the Project.

As we're sure you understand, there are many funding needs for water supply and flood risk reduction efforts throughout Yuba County and leveraging additional grant opportunities will help Yuba Water Agency meet the needs of the community. In addition to our assistance with the design process, at this time we can offer NYWD funding to pay for the preparation of grant applications to seek additional funds through state and federal programs. Leveraging additional grant opportunities will help Yuba Water Agency balance the needs of the community and meet our objectives throughout the County.

We understand that the Project is currently included in the local IRWM Program which is the best way to ensure the Project is positioned to gain as much grant funding possible, and to gain local peer support. Coupling support from the IRWM process with the project description requested above will position the Project for the greatest chance of success in obtaining state and federal grant funding and ultimate implementation.

We also understand that NorthStar has revised the engineering design and cost estimate for the Project based on their field review with SAGE. As a next step, and once a project description has been prepared, we request that NYWD schedule a meeting with NorthStar, SAGE and Yuba Water Agency to review the revised engineering design, cost estimate and draft project description. Please work to schedule this meeting and include Willie Whittlesey and me as attendees and we will make this meeting a priority in scheduling.

In summary, here are the steps recommended to best position your request for funding.

- 1. Schedule a meeting between NYWD, NorthStar Engineering, SAGE and YWA to review the updated design, cost estimate and project description.
- 2. Prepare a complete project description including a statement of project purpose and need, description of project scope, proposed construction schedule, permitting, estimate of total project budget, and sources of funding. This will be used to update YWA's IRWMP, which helps identify outside funding opportunities. The attached RD 817 document is a good sample and we are available to review and comment on any drafts.
- 3. Schedule a meeting with YWA staff to review the project description, discuss how NYWD proposes to fund the project including discussion of potential grant sources, confirmed grant sources and available NYWD funding. The result of this meeting will be a staff recommendation for NYWD to propose the project to the Project Operations and Development Committee.

My understanding is that Katie Burdick, a consultant to YWA, is already helping NYWD to prepare the project description at no cost to NYWD. Also, if there are more areas where additional consultant work is needed we encourage you to discuss grant funding for that work.

Thank you for your understanding that these steps will add value to ensure the success of the Project and include full public disclosure and review. To aid in streamlining the Project on our end, Willie Whittlesey has been designated as the Yuba Water Agency representative and you may contact him at any time for assistance.

Thank you for your attentive pursuit of this water supply reliability effort!

Sincerely,

Curt Aikens

General Manager

Cont Cubes

Attachments

cc: YWA Board

Willie Whittlesey