SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-D**

FROM: Steve Mack, General Manager

Meeting Date: October 5, 2017

SUBJECT: GUERNEWOOD PARK RESORT WATER SERVICE REQUEST TO THE DISTRICT

RECOMMENDED ACTION: Receive a presentation from General Manager Steve Mack regarding the Guernewood Park Resort request for water service from the District and provide direction to staff.

FISCAL IMPACT: none at this time.

DISCUSSION:

The Guernewood Park Resort is a proposed hotel/motel with a reported 120 rooms and a restaurant which is located next to the Dubrava Condominiums and Hulburt Creek in Guernewood Park. This project has been an on and off proposal for many years and it apparently is on again. Staff has had one meeting with Jean Kapolchok, planning consultant for the project and some phone calls and email communications with the engineering consultants, BKF Engineers and a recent phone call from Ms. Kapolchok, who wanted more information about proceeding with the modeling.

We have told the Project proponents that modeling of the District's Guerneville System is needed for us to adequately respond to their request for service. Coastland Engineering has told us that the modeling work would cost approximately $41,000. I have told the Project proponents that because we have no guarantee that this work would result in an actual project connecting with the District (we have heard this Project was ready to go before), that the Project would have to bear the cost of the modeling. I also stated that we understand the modeling may tell us we have to do system improvements - a new tank, perhaps larger distribution lines). Ms Kapolchok asked about sharing the costs - my response was that I believed that if this project goes forward there will have to be system improvements required by the Project but benefitting the District in other ways. These costs, including modeling costs, could be part of a negotiation of the Project buying into the District, if it gets that far. Ms. Kapolchok told me they would proceed with getting the modeling done.

She also wondered about a can and will serve letter from the District. I told her we could consider a conditional letter when the modeling has given us a better picture of what needs to be done. She also stated that she believed Project construction would start in the summer of 2018.