

September 13, 2022

Agua Dulce Town Council
33201 Agua Dulce Canyon Road, Box #8
Agua Dulce, California 91390
Email: info@adtowncouncil.com

VIA EMAIL & FIRST CLASS MAIL

RE: RTG PROJECT UPDATE & RESPONSE TO QUESTIONS

Dear Councilmembers:

We wanted to provide you with an update on our project, as well as provide answers to questions the Agua Dulce Town Council has raised regarding project ownership, environmental impact reports, water availability and the wastewater treatment plant.

We hope this update and information will help to provide an opportunity for us to establish communications as our project moves forward. It is RTG's sincere hope to work with the Town Council and local residents in an aim to foster cooperation and discussion of mutual concerns.

PROJECT CONSTRUCTION UPDATE

As you have probably noticed, initial grading activities have begun on the property to prepare the site for infrastructure and construction of Phase One, which includes 68 single family homes. We anticipate grading activities will continue for the next twelve (12) months. In addition, the construction of the new waterline to the project site is now 70% complete. We anticipate the waterline to be completed by the end of this year.

In addition, we have recently retained a local community relations representative, John Musella, to work directly with the Town Council and local residents. As you know, he is unable to attend your meeting on September 14, but has been working to reach out to members of the Town Council and local residents regarding the project. We hope this effort will improve the project's local community relations.

OWNERSHIP

First, we would like to reassure the community that RTG is an American company created under the laws of the State of Wyoming that is owned and controlled by a single individual member and is **not** a Russian based company. RTG, affiliates and employees are not on the Specially Designated Nationals and Blocked Persons list ("SDN") provided by the U.S. Department of the Treasury. The U.S. Department of Treasury has a website that offers a substantive list of individuals, groups, and entities that are

blocked. As of the date of this letter, RTG is not included on the Office of Foreign Asset Control's ("OFAC") List of Specially Designated Nationals and Blocked Persons List ("SDN List") or any other special persons list kept and promulgated by the United States.

In addition to the above, Los Angeles County has also independently reviewed the State and Federal sanctions list prohibiting doing business with select Russian oligarchs and banks, and has confirmed via a May 2, 2022, letter to the Agua Dulce Town Council that the current project owners are not on any such list and that RTG's project bond is held with a non-Russian and reputable bank.

<https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists>

ENVIRONMENTAL APPROVALS

Relative to the approved entitlements for the project, an Environmental Impact Report ("EIR") was certified in June 1994 and a Supplemental Environmental Impact Report ("SEIR") revising Phase II of the project was certified on March 30, 2007. No further CEQA analysis is required under Public Resources Code Section 21166. The 1994 EIR and 2007 SEIR are "conclusively presumed to comply with the provisions of CEQA for purposes of their use by responsible agencies" and were adopted by Los Angeles County. An EIR prepared and certified by a lead agency is conclusively presumed to comply with CEQA for purposes of use by responsible agencies.

WATER AVAILABILITY

We understand that the availability of water is of significant concern to the residents of Agua Dulce, as it is for RTG. All water sources to be used during construction and for permanent consumption by the development will be from Los Angeles County Waterworks District No. 37 ("District No. 37"), Antelope Valley-East Kern Water Agency ("AVEK") and recycled water from a future wastewater treatment plant. The recycled water will be used from the water treatment plant in order to conserve, recycle and reuse scarce water resources.

AVEK will provide wholesale water supplies to District No. 37 who is the retail water purveyor. Water will be brought in from a pipeline currently under construction that connects to District No. 37 and AVEK water resources at Red Rover Mine Road. That pipeline is a 20" waterline that will carry in water to the project site. The local water table will not be affected. No existing wells will not be affected during construction and minimal usage of the wells are planned for construction to mitigate dust.

WASTEWATER TREATMENT PLANT

The location of the wastewater treatment plant was approved as to the site and location of the sewer treatment plant. The wastewater treatment plant is currently under design. The facility will seek approvals and permits from the Regional Water Quality Control Board, Department of Public Health, Consolidated Sewer Maintenance Districts and Los Angeles County Department of Public Works. All designs and plans will adhere to applicable standards and meet code requirements for a fully permitted facility.

In addition, California Title 22 requires the facilities will be designed and constructed to meet all code requirements including automated control monitoring systems to ensure compliance. The facility will be operated by a California operator who will ensure the water treatment facility (and sewer treatment plant) report to Regional Water Quality Control Board and Department of Public Health Drinking Water who oversee the permitting.

The sewer treatment plant will be part of Phase 2 of the Agua Dulce Residential Project and will necessitate a WDR that will prohibit the discharge of hazardous waste and require monitoring, proper operation, regular inspections, spill cleanup contingency plans, detailed reporting and record keeping.

The effluent will be mechanically treated at the wastewater treatment plant and be treated to A+ effluent. The effluent will be properly disposed of in accordance with plans for our sewer treatment plant. Furthermore, the water will be treated at a tertiary level meeting levels pursuant to California Title 22 requirements.

As we continue to construct our residential project, we welcome the opportunity to continue to work closely with the Agua Dulce Town Council and local residents as the phased implementation of our approved project continues. We will continue to provide timely project information and updates. If you have questions, please do not hesitate to contact us.

Sincerely,



Rosalynne Yamada, Esq.

In-House Counsel for RTG Investment, LLC

Cc: Stephanie English, *via email: SEnglish@bos.lacounty.gov*