

CINDY GUSTAFSON GENERAL MANAGER

Tahoe City Public Utility District

December 17, 2010

David Tirman JMA Ventures, LLC PO Box 3938 Truckee, CA 96160

RE: Homewood Mountain Resort Ski Area Master Plan EIR/EIS

Dear Mr. Tirman,

Per your request, the District has prepared this letter to address the potential off-site water utility improvements needed to serve the proposed South Lodge portion of the Homewood Mountain Resort Ski Area (project), as well as potential off-site wastewater utility improvements to serve the entire project (both the North and South Lodges).

Wastewater

It is anticipated that the proposed development will connect directly to the District's West Shore Export (WSE) sewer facility. The WSE has greater than sufficient capacity to accommodate the proposed project, since the sewer collection and export systems were originally designed to serve a much larger population. While no issues associated with this facility are anticipated, verification of its capacity in a detailed study as part of the final project design will be a condition of service. At this time, the District does not have any future projects planned for the WSE for which Homewood would be responsible.

The Tahoe-Truckee Sanitation Agency (T-TSA) should also be contacted directly regarding their ability to provide service to this project, and to confirm whether sufficient capacity exists within the T-TSA regional treatment plant.

Water Supply

The District's water supply source in this area is currently at capacity for its existing customers, and there is no excess capacity available to serve the proposed South Lodge portion of this project. However, the District plans to construct a new Water Treatment Plant (WTP) in 2012 to replace its existing temporary WTP in this area.

The new WTP would be sized for the District's domestic water needs (constructed at the District's expense) and the Homewood South Lodge's domestic water needs (paid for by Homewood). It is likely that this facility would also be sized to include some amount of regional expansion capacity to serve adjacent private water companies, which would be constructed at the District's expense.

There are two alternatives being investigated for the WTP project:

- 1. Alternative 1 would be to use the District's existing Chamber's Landing lake intake and build a new WTP facility at one of two potential locations. This alternative could also involve approximately 1,200 feet of raw water pipe from the existing Chamber's Landing intake to the new WTP facility, as well as connections to the existing distribution system.
- 2. Alternative 2 would be to retrofit and use the District's existing lake intake at McKinney Shores Homeowners Beach and build a new WTP facility at Homewood's South Lodge area. This alternative could also involve approximately 2,400 feet of raw water pipe from the lake intake to the new WTP facility, as well as connections to the existing distribution system.

Fire Protection

The District's existing water distribution system in the northern end of the McKinney Shores/Chamberlands area (adjacent to the South Lodge area) is deficient with regards to fire flow capability and does not meet current requirements. The District has a number of future capital improvement projects planned to improve this deficiency, in order to bring the system up to the current residential fire flow requirements of 1,000 gpm.

It is the District's understanding that the proposed Homewood South Lodge project will require a level of fire protection beyond the District's typical requirements, and beyond the scope of proposed District capital plan projects for this area. Therefore, additional transmission, distribution and/or storage facilities would be required beyond the District's planned improvements. The District, with Homewood's contribution, would consider a number of alternatives to address this issue.

- 1. Alternative 1 would involve the construction of approximately 7,500 feet of 12" water transmission pipe from the District's Quail #1Tank to the existing distribution system in the South Lodge area.
- 2. Alternative 2 would involve the construction of a new water storage tank at the northern end of the District's water system to serve Homewood's South Lodge, along with approximately 1,000 feet of 12" water transmission pipe from the tank to the South Lodge. Due to the amount of transmission pipe required in Alternative 1, it may be more cost-effective for a new storage tank to be constructed.
- 3. Alternative 3 would be to interconnect the District's water system with Homewood's proposed mid-mountain water tanks.

Additionally, depending on the South Lodge's construction type, square footage, etc., the Fire Code flow duration requirements may not be able to be met with the District's existing 340,000-gallon Quail #1 Tank. This makes the construction of a new water storage tank to serve the South Lodge a more obvious solution to meeting both the fire flow and fire duration requirements. As there are no District projects in the current master plan to build additional storage, the cost of such a new tank would be borne by Homewood.

Should you have any questions about the contents of this letter or require further information, please feel free to contact me at 530-583-3796 ext. 49.

Sincerely,

Matt Homolka, P.E. District Engineer

C: Cindy Gustafson, General Manager Tony Laliotis, Director of Utilities

Paul Pettersen, Nichols Consulting Engineers