



ENGINEERING • SURVEYING • RESOURCES & ENVIRONMENTAL SERVICES

RESOURCE CONCEPTS, INC.

May 3, 2007

Mr. G. Blake Smith
VIRGINIA HIGHLANDS, LLC
7690 Town Square Way
Reno, Nevada 89523

Re: Master Plan Amendment and Zone Change Water Supply Considerations

Dear Blake:

In response to your questions and the issues raised by Larry Prater of the Storey County Planning Commission, I wanted to address some of the water considerations that will be important for both Storey County as well as for your subdivision development process. I apologize for not being able to attend the meeting personally, but did want to provide this information for you to share with Storey County staff, the Planning Commissioners, and the public.

Water supply for your proposed development as well as other developments, both approved and potential in Storey County, has raised a number of concerns. Historic problems with water supply were the reason that the Virginia City pipeline was built well over 100 years ago. The overall water resources approach for the Cordevista project will be to focus on careful allocation, monitoring, use and conservation of water resources. Planning elements in the water supply and water distribution master plan would include a major emphasis on water conservation. Such elements as an inverted water rate structure where basic water needs are provided at reasonable rates, but substantial increases in cost are applied to discretionary and outside uses will be an important element in keeping per-capita use rates low. We will not be in position to provide for the kinds of uses that one might see in the Truckee Meadows where average summer usages of 800 gallons per day and peak summer usages of 1,600 gallons per day per connection have been reported. In Cordevista, I would estimate that projected water uses would be closer to 250 – 300 gallons per day per connection with peak usages only a moderate amount larger because outside uses will be limited and major common areas and other irrigation facilities will be served primarily by treated effluent as part of the resource conservation plan.

Lower per-capita uses result in major savings in supply, transmission, storage, and operational costs for the water utility. A fully metered system utilizing a progressive water rate structure, CC&Rs, design guidelines, and other water conservation measures will ensure that the resources

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Mr. G. Blake Smith
May 3, 2007
Page 2

required for this development will be carefully allocated and managed. This will result in less expense for development, but more importantly in the long run, much more reasonable costs for system operation. Although the infrastructure cost in development will be significant, the operational expenses because the gallons used per connection will be low, should result in affordable water rates for basic home needs, even with the cost of pumping and possibly treatment of the source water.

A number of water supply alternatives are being explored for service to meet the demands of Cordevista. You have offered not to utilize the ground water aquifer in the immediate area of Cordevista because of its limited extent, low production capability, and the potential aggravation of already identified issues in Virginia City Highlands. In addition to Cordevista, there are significant other private lands within Storey County which do not or may not have sufficient water for their development. Our recommendation for the Cordevista project is that, in conjunction with Storey County, you take the lead in working to develop a county-wide plan to meet both current and future water needs for Storey County. An overall water plan which delineates how developments can fit together will avoid unnecessary duplication of facilities will be in the best long-term interests of Storey County. Having a group of water systems which are literally islands unto themselves is not good long-term planning and wastes a significant amount of financial resources that could be utilized to reinforce and extend the water supplies for the overall benefit of Storey County. It also facilitates the County planning process with regard to water improvements and future water needs.

While water is a major concern for the future development of the project, we need to remember that we are at the initial master plan stage.

We look forward to assisting you and Storey County in not only solving the water supply requirements of Cordevista, but of providing something which can represent a backbone to benefit existing water users and property owners in the County.

I again apologize for not being able to attend the meeting personally. Joe Cacioppo from our office will be in attendance and I'm sure would be happy to try to answer questions at the meeting.

Sincerely,



Bruce R. Scott, P.E.

BRS:sta

cc: *Joe Cacioppo, Jr., Resource Concepts, Inc.*
Mark Amodei, Esquire

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