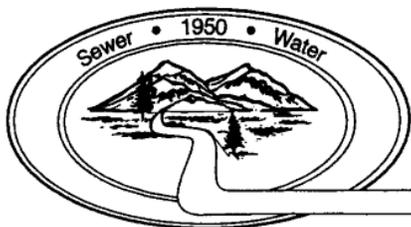


General Manager  
Richard H. Solbrig

Directors  
Chris Cefalu  
James R. Jones  
Randy Vogelgesang  
Kelly Sheehan  
Eric Schafer



# South Tahoe Public Utility District

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## WATER AND SEWER SYSTEM UPGRADE AND RATE REVIEW

December 5, 2013

As you may know, your public utility district has the daily task of delivering water and wastewater services to homes and businesses in South Lake Tahoe. We are also required to pump all of the recycled wastewater 26-miles out of the Tahoe Basin into Alpine County. Currently, we are facing decisions about three specific challenges that are important for customers to understand:

- Need to provide enough water to all the neighborhoods we serve if another major wildfire should strike in our area. This involves replacing undersized pipes and upgrading pumps and other facilities.
- Need to conform to a state law that requires us to meter all water connections.
- Need for the wastewater system to be secure against leaks and breaks that can cause sewage spills, and to ensure that we can continue to pump our recycled water to Alpine County as required by the state.

### Improvement Plan Complete, Rate Study Just Beginning

Our engineers have already developed a 10-year plan of necessary system improvements and repairs, as well as estimated costs. The bottom line is that it will cost tens of millions of dollars to undertake the work. We have just begun a financial study to determine the rates required to pay for it.

We must balance between the speed of improvements and the rates customers pay. The faster we go the more it costs in the short term, but the less risk of a fire catching us unprepared or of a sewer spill or loss of recycled water.

### How to Learn More or Provide Input

The District will be keeping you informed through ongoing outreach. You can learn more in person and provide your input at a Public Workshop on December 19<sup>th</sup> at 10 a.m. in the District Conference Room. If you have questions or comments, feel free to send me a note at 1275 Meadow Crest Drive, South Lake Tahoe, CA 96150.

Best regards,

A handwritten signature in cursive script that reads "Richard Solbrig".

Richard Solbrig, General Manager/Engineer