

**From:** Mark Vincent  
**Sent:** Wednesday, July 20, 2005 4:56 PM  
**To:** Betsy Fretwell; Steve Houchens  
**Cc:** David L. Mendenhall; Dick Goecke; Charlie Kajkowski; John Pfeiffer Jr.  
**Subject:** RE: Walters' Council Flier on Water Savings

For the record, David confirms that there is no meaningful savings to us by stopping delivery to Nevada Links. Further, he confirms that currently there is very little potential to sell the treated water anywhere else. He reminds us that WPCF is in the County, and there is an unwritten agreement that the CC plant will get first rights to deliver treated wastewater to County users. So, if we were limited to delivering treated water to users in the City the delivery system would be very costly.

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**From:** Mark Vincent  
**Sent:** Wednesday, July 20, 2005 2:31 PM  
**To:** David L. Mendenhall  
**Cc:** Betsy Fretwell; Steve Houchens; Dick Goecke; Charlie Kajkowski; John Pfeiffer Jr.  
**Subject:** RE: Walters' Council Flier on Water Savings

David --

I appear to be confused on the water we sell to Nevada Links. To clarify, can you confirm that the water we sell to Walters is treated **all the way through** the WPCF such that it's ready to return to the lake? In other words, by ceasing the delivery of this water to Nevada Links we get no cost savings or efficiencies, correct? Further, the sale of that water or other reclaimed water from WPCF would need an expensive delivery system to whoever the new customer might be, correct?

-- Mark

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**From:** Mark Vincent  
**Sent:** Tuesday, July 19, 2005 6:05 PM  
**To:** Betsy Fretwell; Steve Houchens  
**Cc:** Dick Goecke; David L. Mendenhall; John Pfeiffer Jr.  
**Subject:** Walters' Council Flier on Water Savings  
**Importance:** High

Betsy --

I reviewed the Water Resource Information, and I recast their numbers based on actual reclaimed water usage (1,501,231,000 gallons from April 1999 through March 2005). Turns out their average use is 0.7, not 1.0, MGD (they do reach 1.0 MGD in the summer months). Anyway, here's their flier info restated:

<< OLE Object: Picture (Metafile) >>

As to the other conversation we had with Senator Bryan and Mike Luce (that was Mike Luce, wasn't it?), the balance of their delivery system credits was about \$613K as of April 2005, so those would transfer to Stallion Mtn to be applied against future reclaimed water. I'm OK there.

What I'm having trouble with is the Senator's statement that the agreement "**frees up**" these 360 million gallons (actual usage is 250 million gallons) of reclaimed water that could be sold to others at market rate of about \$2.10 per 1000/gal. The implication is at \$2.10 we're gaining a \$1.90 per 1000 gal, or about \$475K in annual revenue (250,205 x \$1.90 = \$475,390). The problem with that logic is that there is **no** delivery system to **anywhere** else. Thus, we'd have to construct the delivery system to the customer and recover those cost through our rates. And finally, I'd have to defer to others about what feasible customers exist on the east end of town because I'm not sure we'd want to pump that reclaimed water up hill (costly). Just don't want anyone to assume that we'll get rich selling that reclaimed water at market rate.

-- Mark