

DECISION PAPER



April 2, 2020

Action:

The board of directors will consider approving the Snowplay snowmaking project final design, permitting and construction.

Background:

Since the successful installation and implementation of snowmaking at the Downhill Ski Area in 2015, the GPC and management have inquired about snowmaking at Snowplay. Snowmaking at the Downhill Ski Area provided the association with an insurance policy securing the ability to open a portion of the ski area, as well as protecting key association revenue, which significantly offset member dues.

Installation of snowmaking at Snowplay will provide the same benefit to the association as downhill ski. On good snow years, snowplay operates approximately 55-60 days per season. On low snow years/drought years, Snowplay operating days range from 30-45 days (many of these days are at a reduced rate if we are not offering tube runs). Over the past ten years, Snowplay has had low snow/drought years for the 2011-2012, 2013-2014, 2014-2015, 2017-2018 and 2019-2020 seasons. Return on investment analysis using the past 10 years' weather results and applying those conditions to the next 10 years, shows complete recoup of investment after two low snow/drought years that keep Snowplay from opening during the holiday periods.

Design:

The General Planning Committee and management prioritized snowmaking at Snowplay during budget cycle in 2018 to begin cost analysis and design options. In 2019, utilizing Development Funds, staff began design and preliminary permitting work. Working with subconsultant Pure Flow Mechanics (PFM), staff has completed the design plan.

Outreach:

Staff has conducted member outreach for this project consisting of:

- Direct mail notification and request for feedback sent to adjacent homeowners
- Demonstration and Q+A Session: February 29, 2020 @ 9:00AM
- Two member comments were received with two in favor of and zero opposed to Snowplay snowmaking
- Homeowner Nextdoor posts with 25 comments – mostly positive
- Presented project information and update at January, February and March board meetings

Environmental:

Tahoe Donner Association follows the California Environmental Quality Act (CEQA) Guidelines for all capital projects. Given the project type and design, the proposed permitting actions will most likely be covered under a CEQA Categorical Exemption. A Town of Truckee Use Permit modification as well as a grading permit will be needed for this project. The use permit modification will require planning commission approval.

DECISION PAPER



Cost:

Preliminary Engineering soft costs to date for this project have been approximately \$5,000. Soft costs for Final Design and permitting are estimated at \$15,000. Construction costs are estimated at \$167,660.

The total project costs including all soft cost expenses to date and construction is \$187,660. The proposed **2020** capital development fund costs to complete design, permitting, and construction is **\$182,660 plus 10% contingency of \$18,266 for a total of \$200,926.**

Options:

1. Proceed with a design build contract with PFM snowmaking at Snowplay for completion of the project with a project budget not to exceed \$200,926 which includes a 10% contingency utilizing Development Funds. Complete construction by fall of 2020 with the possibility of delayed completion to the fall of 2021 if modification of use permit is not able to be secured.
2. Proceed with final design and permitting with a soft cost budget not to exceed \$30,000. The increase in soft costs assumes this is potentially not a design build project and engineering stamped plans and construction bidding may be needed. Come back to board for approval to award contract and construct in 2021.
3. Do not move forward with Snowplay snowmaking at this time.

Recommendation:

Management recommends the board consider approving Option 1: Proceed with a design build contract with PFM snowmaking at Snowplay for completion of the project with a project budget not to exceed \$200,926 which includes a 10% contingency utilizing Development Funds. Complete construction by fall of 2020 with the possibility of delayed completion to the fall 2021 if modification of use permit is not able to be secured.

| | | |
|--|-------|-------------------|
| Reviewed By: Jon Mitchell | _____ | Date _____ |
| Reviewed By: Miguel Sloane | _____ | Date _____ |
| Reviewed By: Annie Rosenfeld | _____ | Date _____ |
| Reviewed By: Michael Salmon | _____ | Date _____ |
| Board Meeting Dated: April 09, 2020 | _____ | Date _____ |

INFORMATION PAPER



April 2, 2020

Snowplay Snowmaking Project

This information paper provides supporting documentation to the April 2, 2020 decision paper in which staff is seeking board approval to move forward with the Snowplay Snowmaking Project final design, permitting and construction. The following documents regarding Snowplay snowmaking have been prepared by management and consist of:

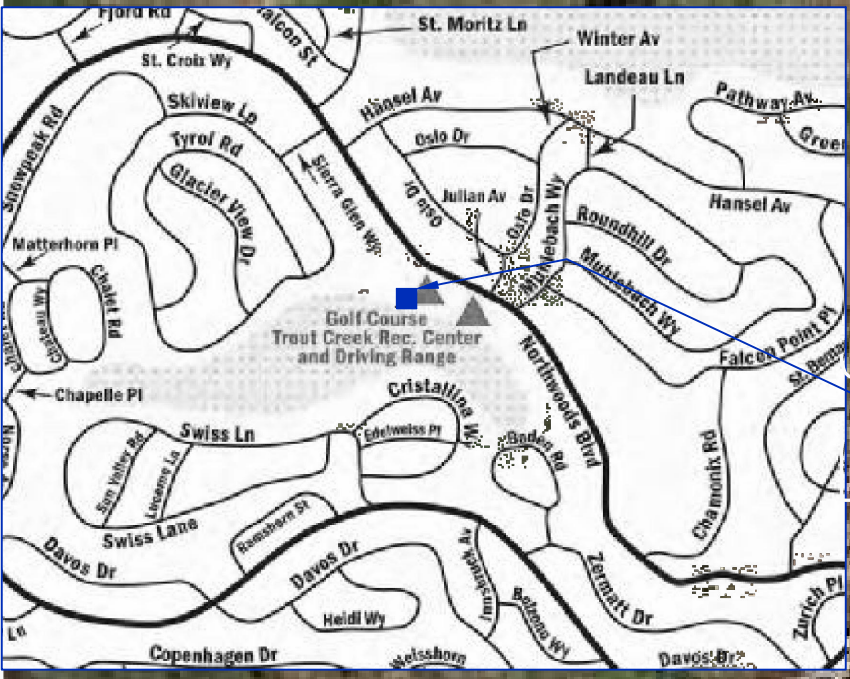
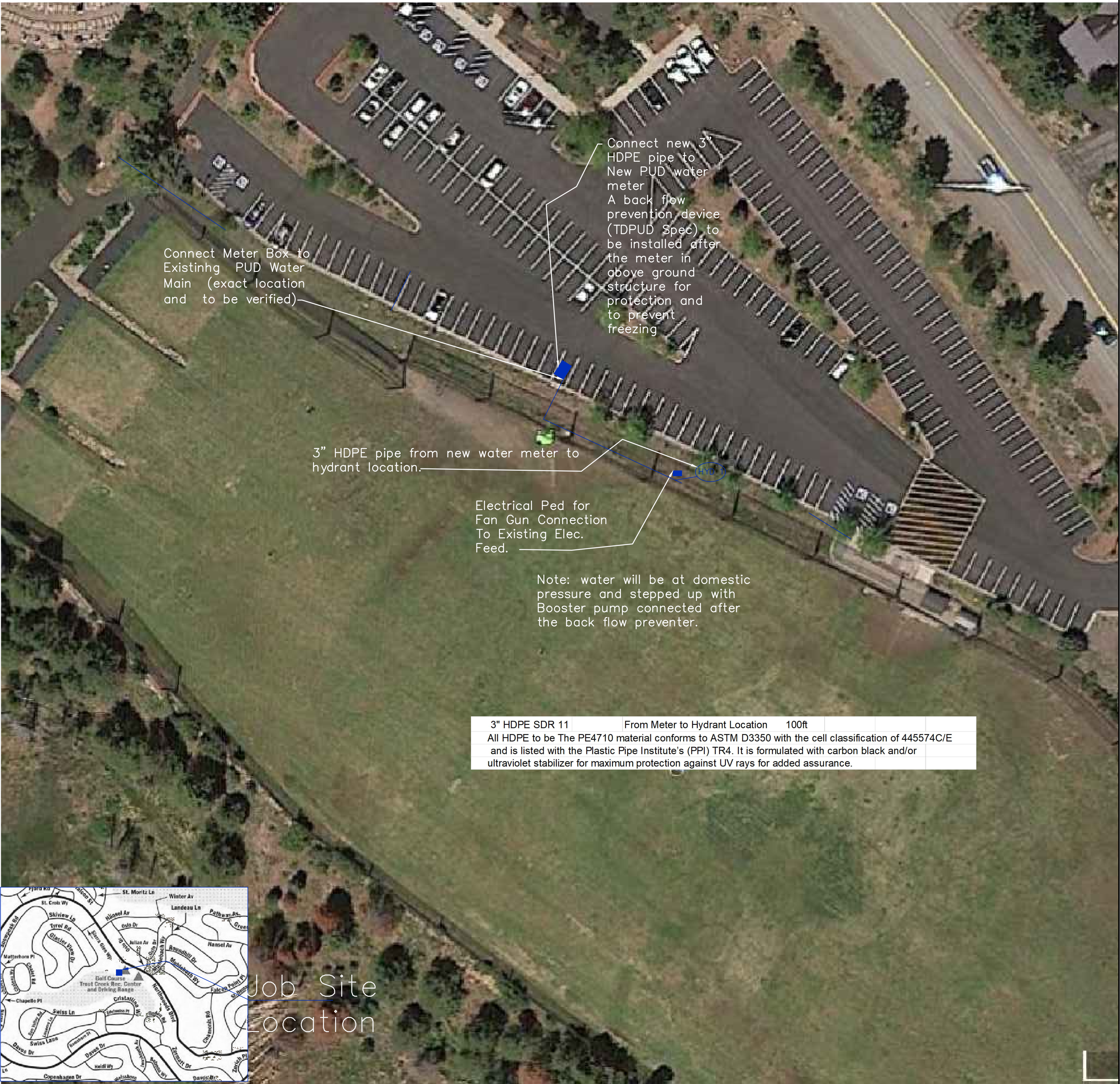
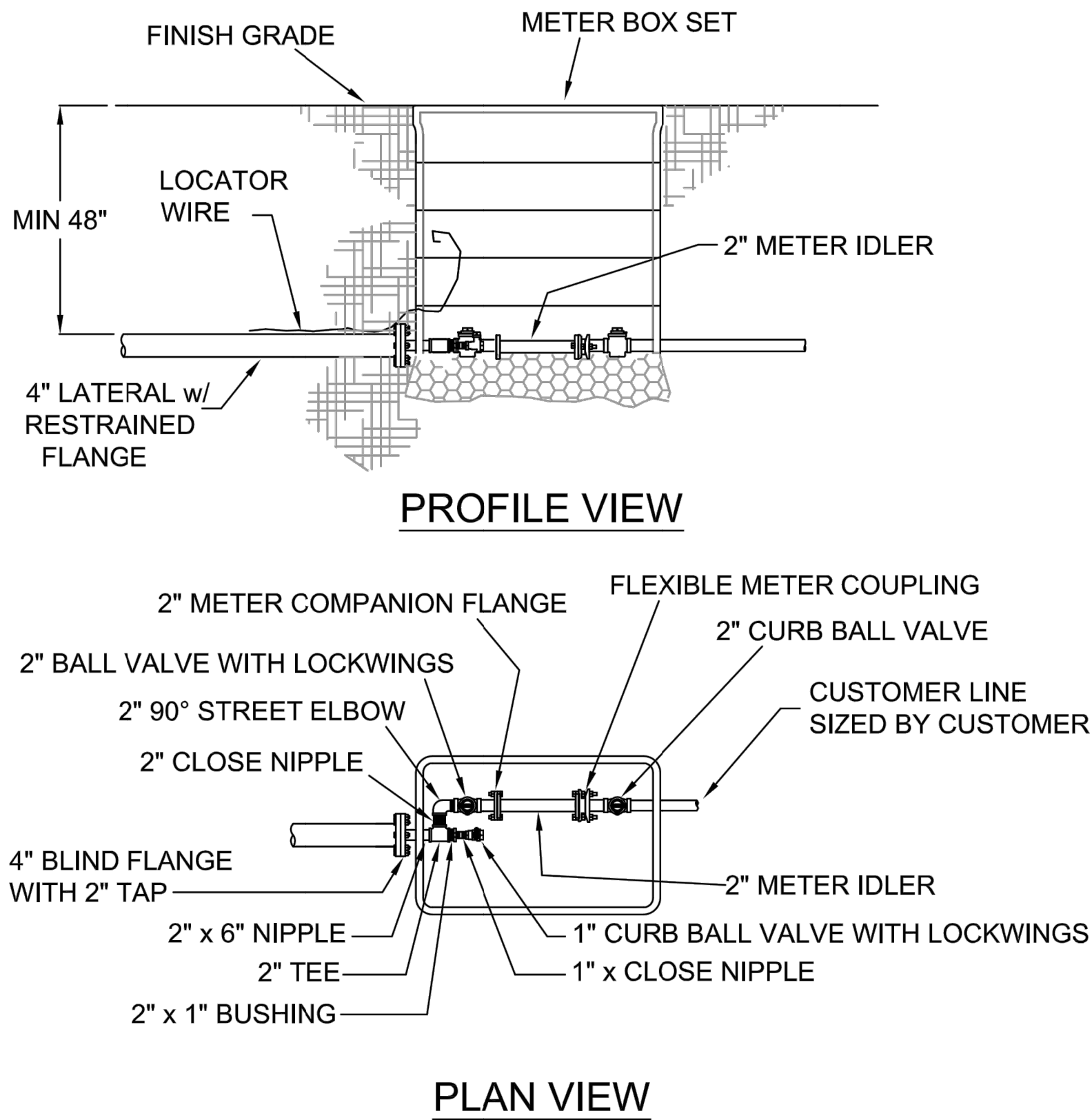
- Design build project plans prepared by PFM
- Project design bid Estimate prepared by PFM
- ROI Study prepared by management
- Member Outreach feedback



Design Build Project Plans

CONSTRUCTION NOTES:

1. INSTALLATIONS WITHIN PAVED AREAS OR SUBJECT TO TRAFFIC LOADING REQUIRE TRAFFIC RATED BOXES. SET TRAFFIC RATED BOXES 1/2" BELOW FINISH GRADE.
2. METERS SUPPLIED AND INSTALLED BY TDPUD.



PFM

specializing in construction, start ups and maintenance of snowmaking systems
10929 Industrial Way 102, Truckee Ca. 96161 530 412 2752 sandymcpherson@sbcglobal.net



Design Bid Cost Estimate

Tahoe Donner

Date 5/10/2019

2019 PFM BUDGET SCHEDULE

Budget 507

 Rev.
 6/17/2019
 8/6/2019
 9/1/2019
 3/4/2020

Snow Play Area

| Item # | ITEM DESCRIPTION | BID UNIT | BID QTY | LABOR | MTL | TOTAL PRICE |
|-----------|--|----------|---------|-------------|--------------|---------------|
| 1 | Water Main Connection and Pipeline | | | | | |
| 2 | Tapping Sleeve and Gate Valve w/ Street Riser for Shut Off Per TDPUD Spec - Hot Tap by TDPUD | UNIT | 1 | \$ 900.00 | \$ 2,100.00 | \$ 3,000.00 |
| 3 | Meter Vault w/ (2) 2" gate valves and related Hardware - meter by TDPUD - Includes repair to parking lot and curb | UNIT | 1 | \$ 6,900.00 | \$ 8,500.00 | \$ 15,400.00 |
| 4 | 4" ductile Between water main tie in and meter | LF | 20 | \$ 5.00 | \$ 26.00 | \$ 620.00 |
| 5 | 3" HDPE Pipeline from connection to Back flow prevention devise to new snowmaking HYD | LF | 130 | \$ 8.50 | \$ 4.00 | \$ 1,625.00 |
| 6 | Excavation for Water Meter and Curb Repair, Paving | UNIT | 1 | \$ 4,800.00 | \$ 2,900.00 | \$ 7,700.00 |
| 7 | Required Drawing for TDPUD w/ engineering stamp | UNIT | 1 | \$ 800.00 | | \$ 800.00 |
| 8 | Sanitizing Water Main and testing water samples per TDPUD | UNIT | 1 | \$ 2,900.00 | \$ 680.00 | \$ 3,580.00 |
| 9 | 2" Water Meter Supplied by TDPUD | UNIT | 1 | | \$ 41,000.00 | \$ 41,000.00 |
| 10 | Pipeline Trench/Backfill - No rock removal or blasting is included | LF | 130 | \$ 22.00 | | \$ 2,860.00 |
| 11 | Back Flow Prevention Device with Small Structure for protection | UNIT | 1 | \$ 3,000.00 | \$ 9,000.00 | \$ 12,000.00 |
| 12 | Water HYD for Snowmaking and 3 hoses per Hyd - Supply/Receive/Stage/Weld/Install/Test | UNIT | 2 | \$ 400.00 | \$ 1,200.00 | \$ 3,200.00 |
| 13 | 4" schd 40 Conduit and Bedding | LF | 50 | \$ 4.00 | \$ 9.00 | \$ 650.00 |
| 14 | Conduit Trench/Bedding/Backfill - No rock removal or blasting is included | LF | 50 | \$ 19.00 | | \$ 950.00 |
| 15 | Electrical Ped for Fan Gun Connection | UNIT | 1 | \$ 475.00 | \$ 1,100.00 | \$ 1,575.00 |
| 16 | Pump Station - Includes pump, gages, sensors and motor starter contactor. This will be housed in back flow preventor shack | UNIT | 1 | \$ 2,200.00 | \$ 4,500.00 | \$ 6,700.00 |
| 17 | Fan guns - SMI POLE KID Fan gun - to be supplied to TDA from SMI in separate contract | UNIT | 2 | \$ - | \$ 33,000.00 | \$ 66,000.00 |
| 18 | Due to fluctuating market pricing for materials this pricing is only valid for 15 days from date of Bid. Every effort will be made to hold pricing. Once contracts are made and deposit is received pricing will be locked | | | | | \$ 167,660.00 |

PFM

specializing in construction, start ups and maintenance of snowmaking systems

10929 Industrial Way 102

Truckee Ca. 96161

530 412 2752

sandymcpherson@sbcglobal.net



ROI Study

Tahoe Donner Association
Capital budgeting—return-on-investment (ROI) analysis
4/3/2020

| Data cell key |
|---|
| User data entry or item description |
| Formula cells: Totals are calculated and filled in automatically. |

| Investment overview |
|--|
| Project name: Snowmaking at Snowplay |
| Project sponsor: GPC / FC / Management |
| Date of request: 3/28/2020 |

Snowplay historical data over past 10 seasons model with snowmaking

SCENARIO A1

(\$201,250) Capital over the 10 Years simple ROI, 10 yr metrics
\$636,934 NOR over the 10 Years
\$435,684 Surplus, if capital last 10 years < before time value of money

(\$201,250) Capital over the 5 Years simple ROI, 5yr metrics
\$344,034 NOR over the 5 Years
\$142,784 Deficit, 1st 5 years only < before time value of money

MEMBER BENEFIT IS NOT FACTORED IN THIS FINANCIAL

| Cash flow and ROI statement | YEAR | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 |
|--|----------|------------|--------------|------------|-----------------|-----------------------------|------------|--------------|------------|---------------|------------|
| Staff best guess of Snowplay impact with snowmaking for the past 10 years - today's dollars (average yield for previous 3 years) | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| assume ~ 100 incremental users due to SM - Thanksgiving | | | Mid Jan Open | | Barely any snow | Marginal Xmas Closed in Jan | | January Snow | March Snow | February Snow | |
| #days incremental DAY user visits | 750 | 15,500 | 475 | 17,300 | 11,400 | 100 | 1,450 | 12,000 | 8,175 | 12,250 | |
| Revenue Yield per user, varies (used actual data) | 4.0% | \$ 13.10 | \$ 13.62 | \$ 14.17 | \$ 14.74 | \$ 15.33 | \$ 15.94 | \$ 16.58 | \$ 17.24 | \$ 17.93 | \$ 18.65 |
| Day User Revenue (input is Sales per Day Avg) | | \$ 9,830 | \$ 211,200 | \$ 6,700 | \$ 254,900 | \$ 174,700 | \$ 1,600 | \$ 24,000 | \$ 206,900 | \$ 146,600 | \$ 228,400 |
| less Cogs | 0.0% | - | - | - | - | - | - | - | - | - | - |
| less Payroll Direct | 25.0% | (2,458) | (52,800) | (1,700) | (63,700) | (43,700) | (400) | (6,000) | (51,700) | (36,700) | (57,100) |
| less Payroll Burden | 2.5% | (246) | (5,300) | (200) | (6,400) | (4,400) | - | (600) | (5,200) | (3,700) | (5,700) |
| less Operating Expenses | 4.0% | (393) | (8,400) | (300) | (10,200) | (7,000) | (100) | (1,000) | (8,300) | (5,900) | (9,100) |
| Net User Volume DAY USER related impact | | 6,734 | 144,700 | 4,500 | 174,600 | 119,600 | 1,100 | 16,400 | 141,700 | 100,300 | 156,500 |
| Operating Costs to operate SM ~ 45 days, mostly Dec (ALL YEARS) | (20,000) | (20,000) | (20,600) | (21,200) | (21,800) | (22,500) | (23,200) | (23,900) | (24,600) | (25,300) | (26,100) |
| Passholder Incremental Pass Sales VOLUME and PRICING impact | 4.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Inflation FACTOR - revenue and costs | 3.0% | | | | | | | | | | |
| Annual Operating Proforma, NET | | (\$13,266) | \$124,100 | (\$16,700) | \$152,800 | \$97,100 | (\$22,100) | (\$7,500) | \$117,100 | \$75,000 | \$130,400 |

| Costs | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|-------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Total | \$201,250 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| Benefits | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|-------------------------|-------------|------------|-----------|------------|-----------|----------|------------|-----------|-----------|----------|-----------|
| Annual benefit flow | (\$201,250) | (\$13,266) | \$124,100 | (\$16,700) | \$152,800 | \$97,100 | (\$22,100) | (\$7,500) | \$117,100 | \$75,000 | \$130,400 |
| Cumulative benefit flow | (201,250) | (214,516) | (90,416) | (107,116) | 45,684 | 142,784 | 120,684 | 113,184 | 230,284 | 305,284 | 435,684 |

| Discounted benefit flow | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--|-----------|-----------|----------|-----------|---------|---------|----------|---------|---------|---------|---------|
| Discounted costs | \$201,250 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Discounted benefits | 0 | (12,880) | 116,976 | (15,283) | 135,761 | 83,759 | (18,508) | (6,098) | 92,440 | 57,481 | 97,030 |
| Total discounted benefit flow | (201,250) | (12,880) | 116,976 | (15,283) | 135,761 | 83,759 | (18,508) | (6,098) | 92,440 | 57,481 | 97,030 |
| Total cumulative discounted benefit flow | (201,250) | (214,130) | (97,154) | (112,437) | 23,324 | 107,083 | 88,575 | 82,477 | 174,917 | 232,398 | 329,428 |

| Initial CAPITAL investment related | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| THIS IS ESTIMATED COST FOR SNOWPLAY | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Initial investment (all capital costs..soft and hard) | \$201,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ongoing support costs (equip R&M) (in annual oper costs row) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Training costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total costs | \$201,250 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| ROI measures | |
|----------------------|-----------|
| Cost of capital | 3% |
| Net present value | \$329,428 |
| Return on investment | -6% |
| Payback (in years) | Year 10 |

y - yield varies by customer type, with lift lesson rental packages plus food and beverage and retail, the yields are greater (ie not passholder visits)

Yield is also higher during Peak Periods, which Christmas to NYE and MLK holidays in particular will benefit from SMkg.

A1 In this scenario, we took the 10 previous years weather and applied it to the next 10 years if we had snowmaking. The \$201,250 investment generates \$ 530,678 in todays dollars, over the 10 years. This equates to NPV \$ 329,428 , recovering all the investment in 10years,a 264% ROI.

Tahoe Donner Association
Operating Fund 10-Year Actuals and CY Budget
Snowplay (216)
6 WINTER MONTHS (nov-apr)

| | WINTER MONTHS (nov-apr) | | | | | | | | | | | | | |
|---|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|-----------------|
| | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 | 18/19 Var | 18/19 Var | 18/19 |
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | to 3YrAvg | to BDG | BUDGET |
| | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | | | 0 |
| Allocated Recreation Fee | 0 | 0 | 0 | 8,005 | 18,961 | 7,467 | 9,150 | 28,022 | 24,458 | 8,455 | 26,779 | 6,467 | 4,779 | 22,000 |
| All Other Revenue | 38,121 | 84,427 | 128,630 | 42,077 | 164,357 | 34,391 | 72,044 | 283,146 | 300,078 | 135,110 | 223,542 | -15,903 | -29,459 | 253,000 |
| GROSS REVENUE | 38,121 | 84,427 | 128,630 | 50,082 | 183,318 | 41,858 | 81,194 | 311,168 | 324,536 | 143,565 | 250,320 | -9,436 | -24,680 | 275,000 |
| COST OF GOODS SOLD | 0 | 0 | 0 | -400 | -1,684 | -501 | -464 | -8,059 | -7,129 | -2,327 | -2,949 | 2,889 | 2,151 | -5,100 |
| GROSS MARGIN | 38,121 | 84,427 | 128,630 | 49,682 | 181,634 | 41,357 | 80,730 | 303,109 | 317,407 | 141,238 | 247,371 | -6,547 | -22,529 | 269,900 |
| Payroll Salaries and Wages (direct payroll) | -7,570 | -17,785 | -30,205 | -9,210 | -34,758 | -12,967 | -10,856 | -46,270 | -54,834 | -58,288 | -75,949 | -22,819 | 705 | -76,654 |
| Payroll Taxes & Benefits (burden) | -1,414 | -3,409 | -5,523 | -2,182 | -10,301 | -3,814 | -5,377 | -18,987 | -18,356 | -15,786 | -17,954 | -244 | 2,920 | -20,874 |
| Payroll Total (Direct+Burden) | -8,984 | -21,194 | -35,728 | -11,391 | -45,059 | -16,781 | -16,234 | -65,257 | -73,190 | -74,074 | -93,903 | -23,062 | 3,625 | -97,528 |
| Burden % of Direct | 37.5% | 38.6% | 37.0% | 60.9% | 60.4% | 63.7% | 98.4% | 81.2% | 65.8% | 52.1% | 46.6% | -19.8% | -7.7% | 54.4% |
| Staff Expense | -4 | -11 | -32 | -162 | -214 | -108 | -8 | -299 | -18 | -75 | 0 | 131 | 400 | -400 |
| Utilities Expense | 0 | 0 | -166 | -121 | -359 | -1,900 | -300 | -8,152 | -7,800 | -5,739 | -7,435 | -204 | 165 | -7,600 |
| Supplies & Maintenance Expense | -5,112 | -10,645 | -20,871 | -12,966 | -25,148 | -5,019 | -13,806 | -27,211 | -18,381 | -13,953 | -16,923 | 2,926 | 7,777 | -24,700 |
| Insurance Expense | -2,401 | -2,548 | -2,800 | -2,600 | -5,000 | -3,400 | -3,142 | -3,359 | -5,720 | -4,000 | -4,200 | 160 | 0 | -4,200 |
| Administration & Other Expense | 0 | -5 | -904 | -81 | -636 | 50 | 21 | -1,615 | -1,738 | -2,165 | -2,830 | -990 | -830 | -2,000 |
| Printing & Postage | 0 | -240 | -425 | 0 | -24 | 0 | 0 | -946 | -11 | -296 | -430 | -12 | -430 | 0 |
| Credit Card Fees | 0 | 0 | -1,307 | -492 | -3,402 | -455 | -1,117 | -4,442 | -4,849 | -2,258 | -3,093 | 757 | 707 | -3,800 |
| Total Operating Expenses | -7,517 | -13,449 | -26,496 | -16,421 | -34,783 | -10,831 | -18,352 | -46,024 | -38,516 | -28,486 | -34,910 | 2,766 | 7,790 | -42,700 |
| TOTAL Payroll&Operating Expense | -16,502 | -34,643 | -62,223 | -27,812 | -79,842 | -27,613 | -34,586 | -111,281 | -111,706 | -102,560 | -128,813 | -20,297 | 11,415 | -140,228 |
| NOR before Alloc Overhead | 21,619 | 49,784 | 66,407 | 21,870 | 101,792 | 13,744 | 46,144 | 191,828 | 205,701 | 38,678 | 118,558 | -26,844 | -11,114 | 129,672 |
| Allocated Overhead | -2,722 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -18,479 | -18,479 | 0 | -18,479 |
| NET OPERATING RESULTS (NOR) | 18,898 | 49,784 | 66,407 | 21,870 | 101,792 | 13,744 | 46,144 | 191,828 | 205,701 | 38,678 | 100,079 | -45,323 | -11,114 | 111,193 |
| as a % of Gross Revenue | 79.7% | 124.7% | 105.5% | 58.1% | 111.1% | 64.4% | 106.5% | 125.5% | 127.5% | -54.5% | 84.9% | 18.7% | 5.4% | 79.5% |
| Annual Assessment Revenue, | | | | | | | | | | | | | | |
| change in Operating Fund | | | | | | | | | | | | | | |
| Balance, exld Transfers | 18,898 | 49,784 | 66,407 | 21,870 | 101,792 | 13,744 | 46,144 | 191,828 | 205,701 | 38,678 | 100,079 | -45,323 | -11,114 | 111,193 |
| Cost Recovery Pctg (pre-alloc overhead) | 438.6% | 544.2% | 424.4% | 238.5% | 449.9% | 296.7% | 465.3% | 540.0% | 551.8% | 220.1% | 382.0% | -55.3% | 16.7% | 365.3% |
| Cost Recovery Pctg (post-alloc overhead) | 381.6% | 544.2% | 424.4% | 238.5% | 449.9% | 296.7% | 465.3% | 540.0% | 551.8% | 220.1% | 351.1% | -86.2% | 19.0% | 332.1% |
| Total Expense (TE) (cogs+payroll+opexp) | -16,502 | -34,643 | -62,223 | -28,213 | -81,526 | -28,114 | -35,050 | -119,340 | -118,834 | -104,887 | -131,762 | -17,408 | 13,566 | -145,328 |
| Payroll Direct % Revenue | 40.5% | 39.7% | 45.1% | 16.9% | 39.8% | 60.6% | 27.5% | 29.0% | 32.2% | 147.0% | 59.1% | -10.3% | 1.2% | 57.9% |



Member Outreach

From: [JULIE](#)
To: [Capital Projects](#)
Subject: Snowmaking Demo
Date: Saturday, February 29, 2020 12:09:28 PM

WARNING: This email originated outside of Tahoe Donner Association.
DO NOT CLICK links or attachment unless you recognize the sender and know the content is safe.

Just want to thank Jon and the crew at the Snowplay snowmaking demo. We were impressed with the "lack of noise" the cannon made compared to the "usual traffic noise" we are subjected to by living across the street from Trout Creek Rec Center and the driving range. We honestly did not hear the demo cannon though we could see it operating from our condo. When we walked across the street we were informed there may be two cannons placed lower into the driving range at the beginning of the snow season to create a base. We believe this demo on Saturday assured us the decibels generated will not impact our quality of life and enjoyment of our property and will assure a fun time for children of all ages!

Sincerely,
Dave & Julie McKown

Sent from Xfinity Connect Application

From: [Tracy Rogers](#)
To: [Jon Mitchell](#)
Subject: Snowmaking feedback
Date: Tuesday, February 11, 2020 4:22:07 PM

**WARNING: This email originated outside of Tahoe Donner Association.
DO NOT CLICK links or attachment unless you recognize the sender and know the content is safe.**

Hi,

I will not be able to make the snowmaking demo day on February 15th but thought I would forward my comments. As you know, the downhill, cross country, and snowplay areas are the few amenities that generate positive earnings (before capital charges) for the association. As we've shown with the first phase of snowmaking at the downhill area, being able to open for operations and having good snow coverage is key to favorable financial results. If we are going to consider additional snowmaking investments it make sense to me that expanding the coverage at the downhill area should be a first priority. With respect to the snowplay area, my concern is its south facing slope and whether snowmaking would be effective in that location. If studies show that it can be effective in that location and the infrastructure is in place to support it, then given the great margins generated by this amenity, if better coverage will lead to more usage, it's worth the investment. The cross country area is less clear to me. Is the proposal to provide snowmaking coverage around the oval track? I can't see how snowmaking could be used for the many trails in TD and Euer Valley. If it's just the oval track, is there enough usage/demand there to justify the investment in snowmaking?

Thanks for the opportunity to provide feedback.

Regards,

Tracy Rogers
14009 Hansel Ave.