

WELL 7 - The well driller is on site. They successfully reopened the original test hole and advanced it further down to a depth of approximately 750 feet. There is water and the hydrogeologist and driller are encouraged by the initial indications, but the full capacity won't be known until the hole is enlarged, cased and pump tested. There will be increased truck traffic to and from that site over the next few months as casing and supplies are hauled in. On occasion, one lane of traffic may have to be temporarily blocked off on the road in front of the drilling site proper, but there should be no total blockages and no other roads will be affected. Well drilling does produce sound and so people living in the vicinity of the well site (the east side bottom of the ridge on which Tank 2 sits) will likely hear it going on, but drilling activity will only be conducted during daylight hours for the majority of the project. The pumping test mentioned above will be louder than normal drilling due to the equipment that must be used. This test is the final step in well development and will take 3-4 days during late April or early May and runs around the clock for that period of time. This is the last part of well development and commissioning. We will keep tabs on the progress and notify those people who will be most affected far enough in advance to plan around.

SCADA - Bids were received on 27 Jan and DEQ has approved award to Automation Werx. We should have them under contract no later than mid-Feb and work should be underway shortly thereafter. This is a 2-phase element of the overall project. The first phase will upgrade all our existing facilities/equipment (wells, tanks, booster pump stations) and should be complete by mid-May. The second phase will add in the new facilities we are putting in (Well 7, new tanks 1 and 3, Big Bend and Tank 1 booster pump stations) and cannot be started until those facilities are substantially complete.

HYDRANTS AND VALVES - We notified you in the January update that DEQ had approved our pulling these items out of the normal bid cycle and "self-performing" if we so choose. After evaluating the pros and cons and the potential for savings, we have determined that we are probably wiser to leave the hydrants in the overall bid package. Hydrant work is somewhat repetitive and straight forward and we feel that leaving that work in the overall scope will end up getting us a more favorable bundle-type pricing. The valves, on the other hand, are a little more dirty (muddy) and bothersome and we are going to continue with keeping those separate and working through a local contractor who specializes in that kind of work. The locations for the 24 new fire hydrants are shown on the [attached map](#). Note that these are PDF's and you can expand the magnification on them using your tool bar when you open them up.

OVERALL DESIGN - DEQ has approved the Preliminary Design of the system and the engineer is now fully engaged in final design and bid package preparation. This includes the new storage tanks (including excavation/site preparation work and foundations), Big Bend and Tank 1 Booster Pump Stations, Hydrants, and Well 7 Wellhouse. We are pushing to have the bid packages ready to go out to potential bidders by late May and we hope to have work underway in July.