This is the first in a series of regular project status updates we would like to provide to the general CLWC membership. There is obviously a LOT more detail below the surface treatment we are limited to in this setting, but this will at least give you an idea of the progress being made. By way of background, there are 11 major elements of the project. These (and which party is responsible for the cost, Comore Development [the "developer"] or CLWC) are listed below:

- 1. Add fire hydrants and replace worn valves (CLWC)
- 2. Install flowmeters on existing facilities (CLWC)
- 3. Drill new Well 7 (Developer)
- 4. Build Wellhouse for Well 7, including plumbing and electrical (Developer)
- 5. Replace and enlarge old storage Tank 1 (CLWC)
- 6. Build new Booster Pump Station at Tank 1 location (CLWC)
- 7. Install new storage Tank 3 (shared cost, roughly 2/3 Developer and 1/3 CLWC)
- 8. Build out Big Bend Booster Pump Station (Developer)
- 9. Install piping to connect Zone 4 to Tank 3 (Developer)
- 10. Purchase portable backup power generator (CLWC)
- 11. Upgrade and install new Supervisory Control and Data Acquisition System (SCADA) (shared; CLWC pays for upgrade of old system, Developer pays for new facility installation)

As of 1 Jan 2015:

WELL 7 - Design has been approved, bidding is complete, and Denning Well Drilling was the successful bidder. We are awaiting the go ahead from DEQ to award the contract and expect that to be done NLT than 19 Jan. The contract requires the well be complete and tested by 30 Apr. (NOTE: completion of well does not mean the same thing as being able to pump into system — must complete the wellhouse and obtain DEQ approval before that can happen. That process could take up to an additional 5 months to complete but we are trying to accelerate if possible. Just to clarify, "wellhouse" is more than a box over the well — it includes all the concrete, pump, vibration dampeners, piping and piping supports, valves, electrical panel, controls, etc, plus the building that surrounds and secures the contents).

SCADA – Design complete and DEQ approval is imminent. Expect award of contract by early Feb with work commencing before end of Feb.

HYDRANTS, VALVES AND FLOWMETERS – We have obtained approval from DEQ to break these items out from the overall project bidding process and treat as routine maintenance activities using local contractors. CLWC will obtain competitive quotes from qualified contractors and "self-perform" these tasks.

REST OF SYSTEM DESIGN – Engineer has provided the preliminary design package to the CLWC Project Committee for review and comment. Once approved and accepted, this will be the basis for the final design package which will go out for bid. We anticipate bidding will occur in May time frame and construction (tanks, booster stations, wellhouse) will be underway by Jul.

You have probably already picked up on the fact that other than knowing the actual production capacity of new Well 7 and having better automatic SCADA controls installed on our existing facilities, none of the other project elements will be in place for the 2015 irrigation system. That is a disappointment for all concerned, but it is a function of the constraints imposed by the type of funding we are using.

However, DEQ has authorized us to continue the use of our temporary Tank 1 booster bypass that was installed last August. This will allow us to pump water directly from Well 5 (our second highest producing well) to Tank 2 to keep the level of Tank 2 high enough to keep the Zone 3 booster system fed during periods of peak demand. We will still have to observe restricted watering schedules to insure balance in the system, but no homes should experience complete loss of pressure as has occurred in the past.

We will provide another update in Feb.