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December 22, 2008

Ben Wade
CWCB, Office of Water Conservation and Drought Planning
Grants Coordinator
1313 Sherman, Room 721
Denver, CO 80203

RE: Transmittal of 95% Complete Progress Report – Water Conservation Planning Grant

Dear Ben,

Please consider this Pagosa Area Water and Sanitation District's 95% project report prepared in accordance with the Water Conservation Planning Grant requirements. The report provides information on the steps completed thus far, those issues encountered and discussion on moving forward with completion of the plan.

Project Steps Completed

Since the issuance of Purchase Order # OE PDA 08000000104, signifying the award of the grant from CWCB, PAWSD and its consultant Great Western Institute and other subcontractors have been able to complete Tasks 1 through 8. Significant efforts are also underway on Task 9 & 10.

Project Highlights

The highlight of the second phase of this grant project has been the pre-planning for the immediate implementation of the newly revised and invigorated program. Several discussions and meetings between PAWSD and its consultant Great Western Institute resulted in demonstration commercial 'Smart Water' audits being performed at local businesses. The purpose of these demonstration audits was to gather data to better formulate the implementation plan for a large scale effort in 2009. The audits were welcomed by our commercial customers and we look forward to assisting them with implementation of their own water-saving improvements early in 2009.

Also along the line of pre-planning, applications and resumes are being collected in anticipation of adding a full-time staff position which will increase the District's ability to monitor vital water conservation program results as well as analyze data newly available through the automated radio read technology recently installed.

Project Obstacles

Other than the present shortage of staff time to address the various program issues and plan administration, there were no other major obstacles during this second phase toward completing the Water Conservation Planning Grant.

Projected Completion

With the plan approval received from Vera Deheza, Section Chief, Office of Water Conservation and Drought Planning, on December 8, 2008, it is anticipated that the Board of Directors will finalize and adopt the plan at their January 13, 2009, Board Meeting. Overall the project is progressing just slightly behind the schedule anticipated in the Grant Application. I would expect to present a final billing for the remaining grant funds by the second week in January, 2009, thus completing the revision of the Water Conservation Plan.

Thank you for your support and assistance with our Water Conservation Plan Grant and we look forward to another successful grant application in support of the implementation of this Plan. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, reading "Michelle A. Tressler".

Michelle A. Tressler
Assistant Finance Manager