



December 7, 2010

Progress Report - 75% Completion Milestone

Currently all of the writing, analysis and research elements of the scope are completed. The 60 day public comment period and plan distribution are remaining. The plan is in a draft form and is being reviewed and edited internally. Our goals are to have final edits completed by December 20th and submit the draft to the CWCB for review and comments. At that time, we will release a media announcement and post the draft on both websites, beginning the 60 day public comment period. The 21st of February will mark the completion of public comment and by that date we anticipate all comments from the CWCB to be returned and then we will proceed with a formal adoption by our governing boards in early March. During the public comment period we will host two informational presentations on January 18, 2011 at the City of Steamboat Springs City Council meeting and January 20, 2010 at the Mount Werner Water board meeting, where the public is encouraged to attend and comment.

We are anxious and prepared to begin implementation of water conservation programs and therefore are currently working on the grant application for Water Conservation Implementation and Public Education offered by the CWCB. Please expect our submittal in January 2011. We understand there might be limitations for acceptance pending an approved WC Plan, but we decided to be proactive and seek an early review if possible.

Overall the remaining development of the plan was a success. One obstacle we are overcoming is the blending of previous work from our 2009 draft plan with the enhanced scope. There were extensive efforts and analysis incorporated into that original draft that we want to retain in the body of the plan, yet providing cohesive and the most current information is our main priority. Therefore a lot of the narrative had to be completely re-written which is time consuming and disappointing that all the information didn't blend together better.

An area that we have concern around is the choice to use an Equivalent Resident Unit (EQR) value instead of gallons per capita per day (GCPD). After much debate, research and comparison we felt that it better reflects the nature of our resort community and its significant seasonal population fluctuations. Using GCPD would hinder the analysis and not accurately represent the true water use. It's quite hard to determine the number of people using water on a given day or season in Steamboat Springs, especially with the economic downturn dramatically affecting our tourism and second homeowner numbers. Previous data is not necessarily representative of the current or future population. From our understanding most other Water Conservation Plans are employing the GCPD and we hope our decision to use the EQR is responded to openly with acceptance.

Through the screening, ranking and selection process of the programs and measure we have determined an implementation plan for next year. The programs and measures we currently do are listed in **Table 1**. Both districts are committed to the continuation of these programs either as existing or with enhancements. For example the target goal of each district for their Distribution Repair and Replacement Program, is one mile of pipe per year. The drought and Emergency Preparedness is

categorized as a current program because we have an adopted plan in place. The water savings associated with this program is realized in a drought period only, which we have not experience since 2002. Therefore this program is considered on going but not active at this time.

Table 1. Current Programs

Item	Annual Water Savings	Program Cost/Year
➤ Distribution system, infrastructural repair/replacement U2	1,244,625	\$613,000*
➤ Tiered rate structure (City & MWW) U3	14,806,170	\$21,775
➤ Meter enhancements/software (City * MWW) U4	14,747,000	\$326,287
➤ Drought & emergency preparedness U16	0-60,200,000 (only implemented if drought)	\$4,275
TOTAL	90,997,795	\$352,337

The programs that we hope to implement in 2011 are listed in **Table 2**. The implementation of most of these programs is dependant on grant funds.

Table 2. Future Programs

Item	Annual Water Savings	Program Cost/Year
➤ Website enhancements E1	49,354	\$1,552
➤ Bill stuffers U6	12,225,875	\$2,080
➤ Park irrigation monitoring (City) U11	1,097,810	\$3,125
➤ Raw water conversion for irrigation (City) U19	3,000,000	\$52,750
➤ HOA and Lodging Property Program (MWW) E10	10,261,000	\$8,850
➤ Rebate program R1-4 Appliance and/or irrigation component with residential & commercial audits as necessitated	5,468,965	\$61,738
➤ Hydrant flushing quantification U5	0	\$2,220
➤ Meter testing U14	96,000	\$24,906
TOTALS	32,199,004	\$157,221

Rebates are of particular interest to our water districts because of the public support for these programs. In tough economic times, a financial rebate could give water customer the incentive to replace their outdated and inefficient appliances and equipment. In addition, the City of Steamboat Springs water district rates are planned to be increased in 2011 and consecutive years into the future, which affects people's budgets. This rate increase comes at a particularly difficult time for some water users and therefore a rebate program would help soften the impact of those higher water bills. The concept of offering all the rebates at the same time is a decision made because it reaches a larger target audience and realizes a greater water savings. Since there are many condos and townhomes without outdoor space in Steamboat Springs, a lot of user wouldn't have use for the irrigation incentives, however they would benefit from a toilet or washer rebate. On the other hand, we have many Home Owner Associations that would benefit from assistance to upgrade irrigation design and equipment. Therefore we have developed a comprehensive Rebate Program that offers multiple options for our customer; however each customer is eligible for only one rebate. We have estimated in one year, if all 355 rebates are distributed a 5,468,965 gallon water savings will be achieved. If it is financially feasible to implement the rebate program for the desired 5 year duration 27,344,825 million gallons would be saved and 1775 rebates would be granted. At this point, we plan to seek funds for a one year implementation. Any rebates not granted will be available in 2012; however the program would cease when all rebates are exhausted, unless future funds become available.

The program, U19 Raw Water for Irrigation Conversion, is driven by the will to utilize existing water rights held by the City of Steamboat Springs. We have several creeks with associated water rights adjacent to city parks that currently use treated water. Switching some of those irrigation systems to a raw water supply creates an opportunity for significant water and costs savings. Initial costs for assessment, design and installation are high, but over the 10 year period we have estimated 30,000,000 gallons would be saved. This utilization of water also allows the City of Steamboat Springs to apply beneficial use to water rights that are at risk of abandonment. The implementation of this program is a top priority for the next five years. In 2011, we hope to complete preliminary site assessments to determine the best possible location, seek design of a diversion structure and pump station. Construction and instillation would commence in 2012.

An annual event is important to promote our newly adopted plan and kick off the first year of implemented water conservation programs in our community. This public outreach event could provide economic development opportunities for suppliers of irrigation equipment, landscapers, plumbers, and other retail and professional services that enhance and promote water savings. This public education event would generate interest for future water conservation programs, facilitate community contacts and generate public feedback. We have many active and interested people in this community and bringing them together and providing them with new information will aid in the development of a conservation culture here in Steamboat Springs, Colorado.

Bill stuffers are an inexpensive and effective way to reach our water users. We feel confident that if we market water conservation in this form with attractive and useful information a significant amount of water will be saved. We will provide our customers with tips and facts that will inspire them to restrict their personal or business water use. Enhancing both websites will also reinforce our conservation message.

In conclusion, we appreciate the generous assistance that the CWCB has afforded our water conservation efforts and look forward to continuing these important initiatives going forward.