

Update from Your LPWWA Board

Dear Landowner,

We feel it is important to update you on the progress of bringing domestic water to your homes through the USDA funding opportunity. The number and locations of the tap commitments enabled the engineers to develop the preliminary design. All deposit monies continue to be safely maintained in a separate bank account. Thank you.

LPWWA originally anticipated having the USDA application submitted by mid-August 2010. We missed the planned submittal date due to the following:

1. The team underestimated some tasks, including the length of time to communicate, collect, and verify location of tap commitments which defined the infrastructure design.
2. Costs of the initial design mandated revision and the development of alternative plans resulting in:
 - a. An alternative treatment source that required additional engineering and environmental coordination.
 - b. A reduced cost of approximately \$3-4 million for the overall project.

Current Status.

- Preliminary Engineering Report is in the final review stages.
- The Archeological report has been submitted to USDA.
- The Environmental Report has been submitted to approximately 17 various agencies for review.
- Submission of final USDA application is anticipated for late October.

The completed application is crucial to obtaining funds for the project. We have been strongly encouraged by USDA to complete this application as soon as possible. Taking into account the agency and public review process, we expect a decision in the first quarter of 2011.

To make comments and to view preliminary pipeline routes and other information please visit the website www.LPWWA.org. In the interest of keeping you updated and minimizing costs, updates will be posted to the website approximately every 60 days. As always, feel free to contact any Board member directly.

We thank you for your continued support and interest in this project.

Respectfully,

Roy Horvath, Gene Bradley, Lena Atencio, Frank Smith, Tom Hartnett, Mae Morley, Jennifer Burbey, Kirk Peine