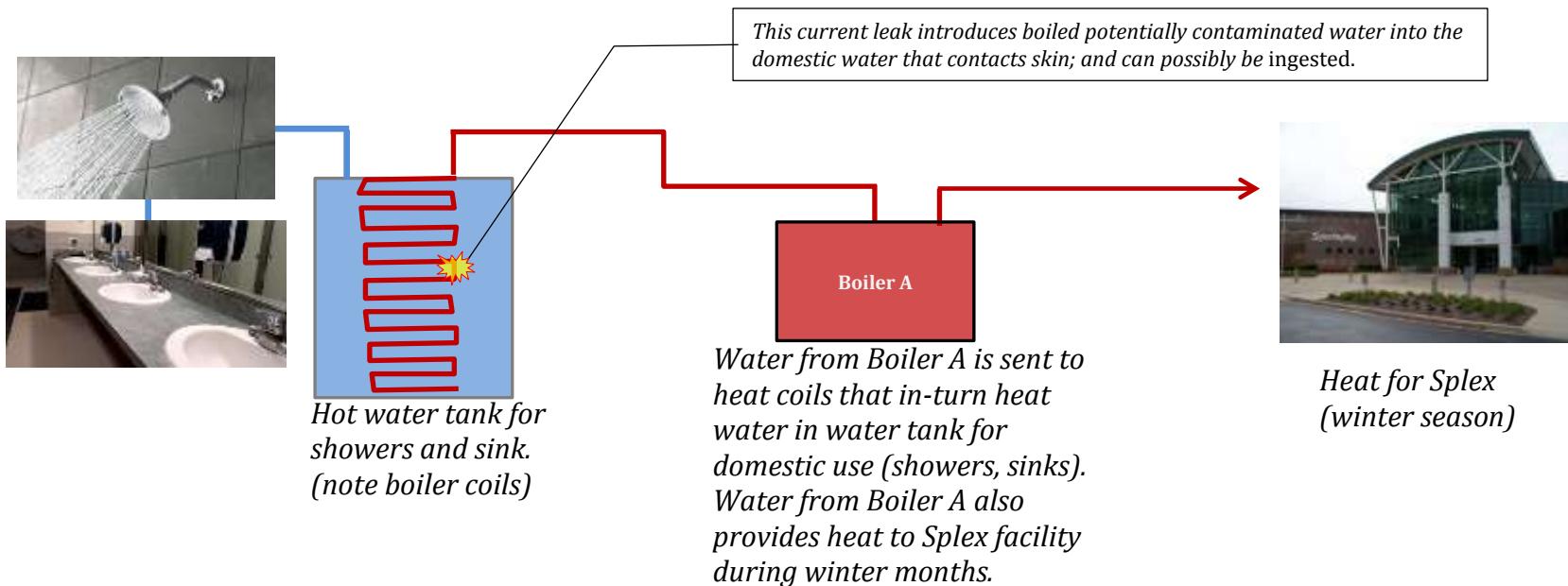


This is a rough diagram that explains the recently discovered issue with the Spelx's hot water tank that provides domestic hot water to showers and sinks.



The replacement of this “heater coil bundle” would cost upwards of \$10,000. The Spelx Domestic Water Project, which would remove the hot water tank and replace it with a boiler, is scheduled to be initiated in FY17. It may be prudent to forego putting good money into this bad tank and request for CTS to provide a quote for what it would cost to accelerate the removal/replacement of the hot water tank only.