

Dear Fellow Board Members,

Recently I attended the meeting between Mr. & Mrs. Albin' their Attorney, also in attendance were Johnnye Hine's, Frank Soto and the Water Districts Attorney Chet Lockwood.

As you know, this meetings intent was to come together with the Albin's and their Attorney in an attempt to come to a reasonable resolution to the different issue's that this Water District has with the "interpretations" of the Contract between the Albin's and this Water District.

The Main issue is that the Albin's feel that this Water District is obligated by this contract according to their interpretation to exempt all of their properties from 1) sourcing fee's, and 2) impact fee's, that we charge property owner's that purchase property that has not previously been sourced for water service.

Mr.Lockwood will go over in our 4/3/97 Board meeting all of the issue's that were discussed.

I have chosen to write this letter to each of you since only two board members were present at this meeting on March 18th, 1997, and also because I feel that we each need to pay very close attention to this issue and the impact that it will make with our decisions regarding this.

I do not want any of you to feel that in writing this letter to you, that I am in any way attempting to bias your feelings on this issue. I merely want each of us to keep in mind the the very important issue we have before us.

The bottom line offer that I understood from this meeting was that the Albin's are offering to settle this issue by only requiring 160 hook ups (free from our sourcing fee's or impact fee's) and would also defer the 10% for 15 years on the 3 subdivisions for an additional 35 hook ups that would also be free from our sourcing fee's and impact fee's.

It was stated at this meeting that the Albin's were making this offer of a total of 195 hook ups and that it was almost half of what they could be entitled to. (if you were to interpret the contract as they do!)

This means to me, that the Albin's believe that their 400 acres should be exempt from our sourcing fee's and impact fee's totally.

To this District 195 hook ups is \$195,000.00 lost to us. Not to mention the impact fee's lost to this District.

\$195,000.00 for sourcing, the cost of the Water Co., the 50% of our revenue's, the cost of the wells we are purchasing from the Albin's. Have I forgotten something? Probably! Where and when does this stop????

I personally feel that the Albin's are attempting to further their own personal gain with this offer and the position that they are taking at this Districts expense.

Both Attorneys agreed at this meeting that this Contract had alot to be desired as to the clarity of this issue on interpretation. Meaning that the Albins read into it their way and we read into it our way.

Naturally the Albins would read into it that all of their 400 acres should be exempt from these fee's.

We, on the other hand have stated that we do feel that the Contract grants some of the land exempt, and have said that we would honor that. But how much!!!

I have attempted to locate documentation (minutes, etc.) where the Albin's have stated what they were expecting in the past to at least get a clue as to what their interpretation was regarding this issue.

On November 5th, 1993 Mr. Albin's in a Board meeting stated that he agreed to limit his Mayer Estate subdivision to 30 meter's or hook ups.

There is nothing in writing signed by this District or Mr.Albins to that affect.

There is however a signed agreement that states that the Albin's would limit their subdivision Mayer Estates, to 18 total hook ups that would be exempt from sourcing and impact fee's.

It is not my desire nor my intent to cheat Mr. or Mrs. Albin's out of anything. My main objective is to do what is best for this Water District and all of the people in it.

I do not want us to rush to judgment on this issue, but I also do not want to spend months of time and monies of this District and getting no where in negotiations with the Albin's either.

This Water District is paying a fair price for the Water Co. sold by the Albin's, more than a fair price for the Wells. Do we really feel we owe them even more!!!?

As you know, the buck stops with each one of us as Board members to do the right thing. Please make careful considerations when you make your decision on this issue.

Note: On March 31st, 1997 I spoke personally with Joe Samsill (Board Chairman during this Contract signing and negotiations with the Albin's) Joe has generously offered to come to one of our Board meetings and go over the interpretations of the Board at the time of the signing of this Contract. This may prove to be very enlightening to us all, especially to some of our newest Board members.

Rita Neff

Dear Fellow Board Members.

Recently I attended the meeting with Mr. Mrs. Albin's and their Attorney, also in attendance were Johnnye Hine's, Frank Soto and the Water Districts Attorney Chet Lockwood.

As you know this meetings intent was to come together with the Albin's and their Attorney in an attempt to come to a reasonable resolution to the different issue's that this Water Board has with the "interpertation" of the Contract between the Albin's and this Water District.

The main issue as you know is that the Albin's feel that this Water District is obligated by this contract to exempt all of the Albin's property from 1) sourcing fee's, and 2) impact fee's that we charge currently to property owners that purchase property that has not been previously sourced for water service or metered.

This meeting lasted almost 3 1/2 hours, many issue's were discussed between both Attorney's of which Mr. Lockwood will discuss in more detail in our next monthly meeting.

I have choosen to write this letter to each of you since only two board members were allowed to attend, and because I feel that we each need to pay very close attention to this issue before making any further decisions in this regard.

I do not want any of you to feel that in writting this letter to you that I am in any way attempting to bias your feelings on this issue. I merely want each of us to keep in mind the very important situation we have before us.

The bottom line offer that I understood from this meeting was that the Albin's would only require 160 hook up's that would be free from sourcing fee's or impact fee's and also would defer the 10% for 15 year's for an additional 35 free hook up's.

It was stated at this meeting that the Albin's were making this offer of 195 total hook ups and that it was almost half of what they could be intitled to according to the Contract and the way in which they interpert it. This means that the Albin's believe that all 400 acres they own should be exempt from sourcing fee's and impact fee's.

Note: Valuewise to this Water District, that is \$195,000.00 ! just in sourcing fee's this Water District gives to the Albin's, that does not include the impact fee's the purchase price of the Water Company we are paying the Albin's, the well's we are paying the Albin's for or the 50% of revenue we are to pay the Albin's.

Have I forgotten something? Probably! Where does it stop?

I do however believe that the Albin's are attempting to further enhance their own personal gain with this offer, at this Water District's expense.

I also feel that it is "unrealistic" and "unreasonable" for the Albin's to assume that their 400 acres of land is totally exempt from this Water District's "sourcing fee's" and "impact" fee's.

Both Attorney's agreed at this meeting that this Contract does have a lot to be desired as to clarity of this issue. Meaning that the Albin's read into it one way and we the Water District read into it another.

Naturally the Albin's would read into it that all of their 400 acres of land is exempt from these fee's.

We, on the other hand have stated that we do feel that some of the Albin's land is exempt and have said up front we would honor that. But how much?

I have attempted to locate documentation (minutes, etc.) where the Albin's have stated what they expected in the past to at least get a clue as to what their interpretation was regarding this.

There is nothing in writing signed by Mr. Albin's to that affect.

It is not my desire nor my intent to cheat Mr. Mrs. Albin's out of anything. My main objective is to do what is best for this Water District and all of the people in it.

I do not want to rush to judgment on this issue, but I also do not want to spend months of time and monies of this district and getting no where with the Albin's either.