

Hello Neighbor,

This email is from the group Water For Pine Strawberry. We will be sending out an email after each of the PSWID meetings with a summary of what the board did, additional facts that are relevant to what went on, and some commentary. Please forward this email to friends and neighbors that are interested in the local water issues. If you would like to be added to or removed from the list for these emails, please reply to waterforpinestrawberry@hotmail.com. Emails on earlier meetings will be available on our website.

These emails paraphrase what people have said and the actions that the board takes. We endeavor to be as accurate as possible, but acknowledge that there may be times when there is disagreement whether something is accurate. In the interest of fairness, anyone who is referenced by name, is implicitly identifiable, or a board member can submit a clarification per the guidelines at the end of this email.

In emails with the board chairman, Mr. Haney, it has become clear that the new board believes that PSWID is already a domestic water improvement district. For the past 12 years the previous boards and the community have had an understanding that it is not. In talking with people that were part of the initial effort to establish the water improvement district in 1996, the effort was to establish an improvement district and not a domestic water district. In 2003 there was a large petition effort to convert to a domestic water district so that the water companies could be purchased. That petition effort failed, but why have it at all if the community and the county didn't believe that it was not a domestic water district? Mr. Haney sent the following in his email:

“We researched the original petitions and County Board of Supervisor's resolution regarding the formation of the District and that paperwork confirms that the District always has been a DWID (also, under Arizona Statute, domestic water and wastewater improvement districts are the ONLY type of county improvement districts that are permitted to have their own board of directors - all others are governed directly by the County Board). We've posted copies of the resolution and a page from the petitions in the Document Library on our Web page. The referenced documents are at the very bottom of the page.”

We will be researching this in more detail. Mr. Haney declined our suggestion that the rationale for this be covered by the board during a meeting. If you think this is important information for the community to understand, please contact Mr. Haney at Chairman@pswid.org.

Over the next week or two we will be updating our website in order to focus its content on the current activities of the board. We will let you know when that is complete.

April 12, 2008 PSWID Meeting

This was a special meeting of the PSWID board. In the April 3rd meeting, this meeting had been billed as a forum for public input on completion of the K2 well and the purchase of the water companies. In email communication with the board, the board decided that the discussion was premature. So this meeting focused mainly on the formation of public committees to support the efforts of the board members.

1. Mr. Greer reported on an April 9th K2 meeting with Pine Water Company (PWCo).
 - PWCo indicated that they had selected ADT as the driller for the K2 well and requested signoff on that selection by the PSWID representatives
 - PWCo indicated that they would be requesting a draw on the escrow account of \$180,000 to cover the drilling costs
 - PSWID representatives declined to signoff on the selection of the driller as they weren't comfortable with the amount of information they had and a desire to discuss it with the rest of the board.
2. Preparation of the 2008/2009 budget
 - Discussed that board members need to bring together their budget items
 - The budget needs to be in place by June. This task is behind and may require there to be additional meetings in order to catch up.
3. Establishment of a water conservation program

- Board voted to establish a water conservation program. This program would focus on public education plus offering financial incentives to homeowners and businesses to install water saving devices.
- It was indicated that this program was being modeled after a program in Payson.
- It was said that \$1430 would be requested for the first year to cover public education and that \$45,000 would be requested for the second year to cover the financial incentives.
- To provide a reference as to the scale of the anticipated cost, PSWID expenditures have averaged \$15,000 over the last three years.
- We believe that the board needs to provide a cost/benefit analysis for the financial incentives. The community is already at very low levels of usage in the summer. Pine and Strawberry already use much less water than Payson, so copying the program may not have as great a return. It should be determined how much more this could possibly save versus the dollars expended. It would seem that the money might be better spent on increasing the supply of water.

4. Formation of public committees

- All of the committees will be required to follow the open meeting laws.
- There will be one board member per committee
- The following committees are being formed: Conservation, Finance/Budget, Supplemental Water, Elections, and Public Information
- The board is looking for volunteers for these committees. Contact the board through their website: www.pswid.org.

5. Board held a two hour fifteen minute executive session with the PSWID lawyer

6. After the executive session, board returned and voted to prepare Requests For Proposals (RFPs) to hire an appraiser to determine the value of the Pine Water and Strawberry Water companies.

7. In the public comment portion we made the points that relying on water from private wells is more expensive and riskier than if the district owned its own source of water. We pointed out the reasons why it makes sense to complete the K2 project and then purchase the water companies. Basically, faster, cheaper, and will be able to provide water to both Pine and Strawberry. The use of private wells doesn't meet any of these criteria. We addressed our understanding of the water quality, capacity, and operability concerns for the Milk Ranch and Strawberry Hollow wells. We urged the board to do due diligence on the status of those wells before committing our water future to them. The full presentation can be found on the website.

Next PSWID Meeting: Thursday April 17, 2008 7:00 PM at the Pine Cultural Center

Water For Pine Strawberry is a group of residents who are concerned about the communities water issues and how they can best be resolved. Visit our web site, www.waterforpinestrawberry.com, for more information. The website for PSWID is www.pswid.org .

Clarifications can be submitted by anyone who is explicitly named, implicitly identifiable, or a board member to items in this email. Clarifications will be posted on our website. We reserve the right to post a response. Clarifications must deal with the topics discussed in the email that relate to the individual or the board. They must be in family friendly language and be non-abusive. When the clarification is accepted, it will be posted to the website and notice of that posting will be added to the next email.