

Hello Neighbor,

Attached is the spending chart through May.

July 7, 2009 PSWID Meeting

Next regular PSWID Meeting: Thursday July 16, 2009 7:00 PM at the Pine Cultural Center

1. Meeting with Mr. Hardcastle

- The closed door meeting between the board and Brooke Representatives Mr. Hardcastle and two Jayco Oil executives lasted about an hour.
- After the closed door session, Mr. Haney said the following: “Can’t say a lot. It was a very positive meeting. Very cordial. We made progress. What we have done is establish a process to identify and resolve issues that would lead to the acquisition of the company. We are going to continue to talk and meet on an accelerated basis. Beyond that we have agreed not to say anything else.”
- Comment: They’ve been down this road before. Clearly there have been two main sticking points, the price of the system and the money to pay for it. Given the amount of the Compass Bank loan (\$5,428,000), the conditions associated with it, and the other spending that the district will need to get on their feet, it looks to me like a price of \$3.5 million is about as high as they could go. I don’t know what Brooke would be willing to sell it for, but that seems to be below a reasonable value. The Compass Bank loan commitment requires that the closing take place by July 31st. Since that won’t be happening, the board will either have to convince Compass Bank to extend the loan, find another lender, or talk Brooke into financing the purchase. I would guess that this new effort to negotiate will either succeed or fail in the next few weeks.

2. Recent Court Filings

- The filings can be read here:
<http://www.waterforpinestrawberry.com/data%20pages/PurchasePSWIDDocs.htm>.

A. Brooke Response to Request for Alternate Dispute Resolution

- General grumbling that PSWID did not consult with Brooke before filing motion as required by court rules.
- Points out that PSWID did not specify an approach and that Brooke has exercised their right to a jury trial.
- Says that without proof of firm financing that dispute resolution is a waste of time.
- Says that if the Court wants to go that way that they would be okay with a private mediator with significant condemnation experience, after more discovery and proof of financing.

B. Brooke Response to Consolidation of Sanctions and Vacate Motions

- General grumbling that PSWID did not consult with Brooke before filing motion.
- Says that they don’t object to the consolidation of the two motions.

C. Brooke Demand for Jury Trial

- Brooke states that they are exercising their right to a jury trial.

D. Brooke Response to Rule 16 Conference

- General grumbling that PSWID did not consult with Brooke before filing motion
- Says that they object if PSWID's intent is to limit disclosure of expert witnesses and their opinions to 90 days. Brooke is in the process of retaining expert witnesses and preparing valuation information.
- Says that they do not object if PSWID's intent is to have the Court set reasonable deadlines.

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 are available on our website: www.WaterForPineStrawberry.com .

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.