

Hello Neighbor,

The PSWID board held a short notice special meeting so that they could meet in executive session to discuss the resumes that they had received for the general manager position. They also indicated that they were going to have a teleconference with Mr. Gliege during the executive session to discuss progress on the purchase and the K2 agreement.

Brooke sent a letter to PSWID and the ACC. The letter is posted here:

<http://www.waterforpinestrawberry.com/data%20pages/BrookePSWIDDocs.htm> . In summary, the letter covers the following:

1. Brooke is exercising its right under the Joint Well Development Agreement (JDWA) to extend the project schedule and timeline.
 - Brooke cites section 3.2 of the JDWA which states "...The timeline shall also be extended for any period of time the Project is reasonably delayed due to ... unforeseen delays or actions of governmental authorities... or any other matters outside of the reasonable control of PWCo that renders performance within the timeline commercially impracticable."
2. Brooke intends to proceed with signing a drilling contract and will be requesting a disbursement of funds from the escrow account
 - PWCo has received four competitive bids and bonds for the contract.
 - PWCo plans to execute a contract with a well driller in January 2009.
 - PWCo will request a draw on the escrow account in the range of \$250,000 to \$300,000 for the drilling contract.
 - Brooke points out that the encumbrance before the ACC is not an impediment to proceeding with K2 since the district waived those conditions when funding the escrow account in February 2008 [Comment: This was an action of the prior board].
3. Brooke objects to the obstruction by the board which is in violation of the JDWA
 - Brooke claims that the board has violated portions of the JDWA which call for the board to support efforts to obtain the necessary government approvals. Brooke offers as evidence Mr. Dickinson's, Mr. Greer's, and Mr. Gliege's involvement in efforts to keep the ACC from approving the encumbrance.
 - Brooke points out that if the argument that the agreement is unconstitutional or outside of the district to enter into is valid, then the district will be liable for misrepresenting and warranting to Brooke that the board was authorized to enter into the JDWA.
 - Brooke asks that the district to refrain from any further actions or delay tactics designed to prevent completion of the K2 project. Brooke states that if they continue that they will be forced to pursue arbitration proceedings to recover damages.
4. Brooke points out that the claims made to the ACC about the district having money for the condemnation are not supported by facts
 - Brooke points out that the statement that Mr. Gliege made to the ACC that the district had received an offer to provide the money for the acquisition is not supported by fact. They indicate that they did a public information request for

the district's financial plan and funding sources for the purchase and that the only document produced was the solicitation letter from Municipal Leasing Credit Corporation. The letter does not constitute a commitment to finance, but suggests that financing might be negotiated.

- Brooke states that without a written commitment from a reputable lending source that it is apparent that the district does not have any firm financing and is using the specter of condemnation as a means to delay and frustrate the K2 project.

October 11, 2008 PSWID Meeting

Next regular PSWID Meeting: Thursday October 16, 2008 7:00 PM at the Pine Cultural Center

1. Board will provide a progress report on the acquisition effort at the PSWID regular meeting next Thursday, October 16th. The board indicated that they would take questions from the public at that meeting.
2. Board selected four of the six resumes that they received for interviews. The board indicated that they may have a special meeting on Saturday October 18th in order to conduct the interviews in executive session.

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.