

I have prepared a statement regarding district issues since the purchase of Pine and Strawberry Water Companies from Brooke Utilities. And I've got to tell you, I'm frustrated, disgusted and disappointed. I'm frustrated, disgusted and disappointed because it would seem that our interim district manager, our board chairman, Highland Water Resources and Tetra-Tech are deliberately moving the district in a direction that goes against the public mandate to purchase the existing deep wells in Pine and Strawberry and put them into service. As a matter of fact, Tetra-Tech, Highland Water Resources and HDJ Management have been somewhat hostile to some of the board.

I remember watching the movie "Tucker" about his automobile, In the movie, they said he needed to have a CEO, a director, etc. that would all help his companies credibility and help it succeed. While having the appearance of being helpful and concerned, they were in fact, bankrupting his company and putting it out of business. In the same way, our interim district manager, board chairman, HWRC and Tetra-Tech appear to be trying to help the district succeed when in fact they are tearing down the foundation of PSWID by the cornerstone. What these guys are doing is just like what happened in the movie.

It would appear that a lot of time and energy has been spent trying to stop the purchase of these wells by creating obstacles, roadblocks, issues and expenses. From my point of view, it appears this behavior is intended to free up dollars to drill test wells and build "super wells" for reasons I can't even begin to comprehend but suspect. I suspect that these companies are writing recommendations to the board at the request of the board chairman and the interim district manager that are based on presumptions, rather than facts which will in effect drive up costs

beyond reason, but these recommendations will benefit them, monetarily or otherwise. I think that we should be getting other opinions and proposals.

Several months ago I was in the office talking to Harry Jones and Steve Stevens about some personnel issues. Discussions were about numerous incorrect billings, and why billing software was not working correctly. It was my understanding that our manager Steve Stevens was not using some recommended system checks and balances. In a conversation that lasted about two hours, the recap of the meeting netted a few points: we needed to correct the problems with Invoice Cloud, El Dorado and Quick Books, and also put into operation the hand-held system reading devices that we had purchased. Although I had to face very heavy handed sarcasm via Harry and Steve, I was assured that these corrections would take place. Based on the lost meter readings from last week and the other lost information for which we had no back up, I would have to assume these problems have not been corrected. And furthermore, I have received cost saving measures from staff that were brought to Harry's attention which he declined to present to the board. I am deeply troubled by the fact that Bill Haney directed Harry Jones to address the personnel issues that were causing these problems while Harry was covering for them. Instead, our customer service representative, Pat Kolasinski, who had my ear and did report on some conflicts in the office, was terminated very abruptly without the board even having time to weigh in on the issue. We were sent a scud e-mail late evening or early morning from Harry Jones explaining that he was going to terminate Pat Kolasinski however, my written request to get to bottom of these issues was ignored and she was terminated by 8:15 a.m. The reason I bring this to light is to make this point: that Harry Jones and HDJ Management have willfully and purposely disregarded the directives from the board. Just like politicians today, he believes that

he knows more about what the community needs than the community itself. I, for one, am tired of his blatant disregard for the directives of this board and the directives of the community and it is my personal opinion, that the selection of Harry Jones and HDJ Management was the worst mistake that this board ever made.

In conclusion, it is my belief that we can get this board back on track with the objectives that were mandated by the voting public by doing the following things:

1. We need to terminate the contract with HDJ Management. Invoices have consistently been well beyond the base retainer fee. We need a manager who will be responsible to the community, not someone who is peddling his own personal agenda.
2. We need to terminate the contract with Highland Water Resources. It would seem that HWRC and Mike Ploughe are more interested in drilling test wells and proving drilling theories rather than providing the necessary services we requested in order to realize the community's desire to purchase the deep water wells of Pine and Strawberry. We need a water consultant who will focus on getting currently available resources.
3. We need to terminate the contract with Tetra-Tech. We need an engineer who will follow the direction of the board and not the personal agendas of Harry Jones, Bill Haney and Mike Ploughe. We also need competitive bids for the engineering that

needs to take place versus the outrageous, over-engineered and speculative engineering concepts that have been proposed thus far.

4. We need to request the resignation of Bill Haney. I am bothered by the fact that all of the above situations have occurred with the blessing of Bill Haney. Two board members have already requested his resignation. Furthermore, I am very disappointed by the fact that Bill Haney spent district funds to engage Dan Jackson of Economists.com for the purpose of stating that our finances are sound and for the purpose of prepping the community for a rate increase without board consensus or approval.

This is not the City of Mesa. We're a small town, this is a small water company and we should operate as such. Let's get back to the basic concept of providing an adequate water supply at a reasonable cost and enforcing the mandate so eloquently articulated by the majority of the voting public in this district.