



May, 26th, 2010

PSWID
Governing Board
Attn: Honorable Chairman, Mr. William Haney

**RE: Notice of Termination of "On-Call" and/or "A la Carte" Professional Services
Contract Between Highland Water Resources Consulting Inc. and the Pine-Strawberry
Water Improvement District**

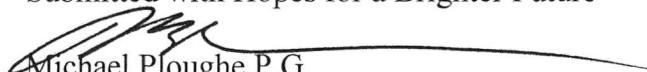
Dear Mr. Chairman and members of the PSWID Board,

Recently, it has been made clear that an apparent majority of the Board and the contract operations manager are not willing to accept the professional recommendations offered by Highland Water Resources Consulting Inc. The recent positions taken by the apparent Board majority and operations manager are based on half truths. Highland's attempts to clarify issues with the operations manager have been met with resistance. In such circumstances it is not necessary for Highland to provide professional consultation services.

Highland is very disappointed in this circumstance as there are no other more qualified registered professionals in the State whom embody the local knowledge and experience with which to address the realities of groundwater in Pine and Strawberry. Were it not for Highland's countless (often donated) hours helping local "risk takers" in the community, the myth that "there is no water in Pine" would still be a curse on the community. Still, Highland is proud of its pioneering efforts in Pine's water history and its resounding success for other water District's in Pine.

Highland places the highest regard and value in serving the best interests of the public which it passionately serves. This is no longer possible with those who dictate or control current Governing Board actions and the current operations manager. Again, the professional opinions of Highland have been met with sound resistance. As such, Highland Water Resources Consulting Inc. hereby provides notice of termination of the above specified sole remaining contract with the PSWID. Services under the subject contract were "on-call" type services and do not require transition. Highland represents herein to PSWID that, other than laboratory costs for analytical works done in support of the Milk Ranch Well project, there are no outstanding debts due relating to Highland's efforts on behalf of the District. The invoice for this "lab work" is to be coming directly to the District from the laboratory and not through Highland. There are no outstanding obligations due to the District from Highland. Therefore, the 30 day notice provision may be waived with District concurrence. Termination may be immediate.

Submitted with Hopes for a Brighter Future


Michael Ploughe P.G.
Highland Water Resources Consulting Inc.
(928) 970-9055