

RE: question

From: **Sam Schwalm** (waterforpinestrawberry@hotmail.com)

Sent: Wed 1/30/08 3:56 PM

To: Paul Paul (ppaul37@msn.com)

Hello Mr. Paul,

Since Pine and Strawberry are both encompassed by the same water improvement district, it isn't possible to separate out Pine versus Strawberry tax dollars when doing projects. However, if we wanted to look at it that way and assumed that Pine is twice the size of Strawberry, then the \$430,000 that PSWID has in its account right now splits out into Pine = \$287,000 and Strawberry = \$143,000. So Pine is pretty close to contributing it all. With all the high end homes in Pine (Portals) the property tax base in Pine could be even larger than the 2:1 ratio.

What the website section that you pointed out is referring to is that PWCo will be paying back the \$300,000 as part of its \$1,300,000 investment in the K2 project. That whole amount will be recovered from PWCo customers. None of the cost will flow to the SWCo customers.

If the K2 well is unsuccessful, then the \$300,000 is lost and some portion of that will have come from Strawberry property owners. Since it is money that has already been taken for the purpose of improving the water supply in the area, it won't cost Strawberry or Pine property owners any additional money.

Sam Schwalm

From: *****@msn.com

To: WaterForPineStrawberry@hotmail.com

Subject: question

Date: Wed, 30 Jan 2008 14:39:40 -0700

In the link regarding "Arguments Against K2" please explain Section #5, paragraph 4, which states: "The drilling of the K2 well will be totally funded by the PWCo. customers."

Does this mean the taxes paid by Strawberry residents will not be used to fund the loan of \$300K to drill the well?

Thank you, in advance, for your prompt response.
M. Paul