

Hello Ms. Wilcox,

RCW has made statements about their plan in several public meetings. Those statements are the conclusions that RCW is drawing from their plan. The public needs to know the way that those conclusions were arrived at. That needs to be provided in a written plan that people can spend some time looking at and ask questions about.

It is not enough to just say that Mr. Hardcastle is bad in order to prove that RCW would be competent stewards of our water future.

I have addressed your individual statements below.

Sam Schwalm

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Date: Mon, 4 Feb 2008 10:54:27 -0800  
From: jane@janewilcox.com  
Subject: RE:  
To: waterforpinestrawberry@hotmail.com

Hello, Mr. Schwalm,

Thank you for responding on behalf of Mrs. Winandy.

You have not addressed the key points in my response to Mrs. Winandy. You criticize RCW for not thoroughly outlining a plan, yet we have done just this in many of our meetings. What I find to be most critical is that you, yourself, said that no bank would take me seriously if I went in for a conventional loan- as a business owner – with only napkins and sticky notes; yet your group is more than willing to place the trust and future of our water into a company that has *admitted* under oath, in sworn testimony: BUI has no business plan! Why are we loaning him our tax dollars? Could it be because BUI could not qualify for a loan using a conventional way?

SS-> PWCo will be borrowing \$1,000,000 in order to complete the K2 project.

The facts are, as stated under sworn oath:

- Mr. Hardcastle does not have a business plan

SS-> PWCo not having a business plan doesn't give RCW a pass on not having one. They make their living running water systems, RCW doesn't. There is a higher level of proof here for RCW as a result.

- He would NOT use BUI funds to drill K2 because it is too risky

SS-> It is too risky from a business sense, given that he would not be able to recover the costs if it is not successful and given the cash flow from PWCo. From the view of drilling the well, there is always a risk of not having a successful well. The risk is not any higher than that for drilling the Milk Ranch and Strawberry Hollow wells.

- He did supply water to Strawberry customers from Pine Water Co. wells while INCREASING amount of water HAULED into Pine BECAUSE Pine customers pay a "Hauling surcharge" and Strawberry customers DO NOT.

SS-> This is an unsubstantiated claim by a former employee.

- He first said IF ANY portion of BUI's CC&N was deleted it would be "bad" for the Customers of Pine Water Co. He then contradicted this, and said he would allow Mr. Weekes and AMT to withdraw from BUI's CC&N for a fee of \$50,00.00 each. These well owners are two of the four requesting deletion from the CC&N's because PWC can not supply the water and they have water available from other sources for their respective projects.

SS-> It is bad for the customer's of PWCo because the fewer customers there are, the more costly the water becomes because the fixed costs are spread across fewer users. It is likely that this was a business decision, balancing the cost of further litigation versus the loss in value to the CC&N with their removal.

- RCW has stated in two public meetings that the private well owners in Pine have 89 million gallons of excess water that they have agreed to sell to a DWID. This was also printed in the newspaper.

SS-> Having it stated in the meeting by RCW is not the same as the well owners making that statement. The 89 million gallons works out to 169 gpm, which isn't much more than the anticipated 150 gpm of the K2 well.

I would suggest that you contact Mr. Pugel and arrange a meeting with him and discuss what he intends to do with the water from his well. He's a friendly man and I'm sure he would more than welcome the opportunity to talk to you about his well and how much water he will commit to providing a **NEW** DWID.

RCW knows with the cooperation from the present wells in Pine, the K2 Well is absolutely not necessary. It confuses me why, given all of the information that has been exchanged, you continue to champion this absurd proposal. **We have water NOW.**

SS-> Your plan does not provide water NOW. It provides it 3 to 4 years from now, after the condemnation fight makes its way through court and the time is taken to hook up the private wells. K2 water is likely to be available this summer.

Sincerely,  
Jane Wilcox