

PSWID Getting Wrong Numbers



Pine-Strawberry Water Improvement District (PSWID) hired Coe and Van Loo (CVL) and Economists.com to provide a valuation of what the water companies are worth, what capital improvements will be required, and the operations budget.

There are significant ERRORS and OMISSIONS in valuing the water companies and other expenses.

► **Cost of the water companies is being significantly understated.** Economists.com has recommended a value of **\$2,172,466**. In 2003, the same firm said it was **\$3,300,000**. Updating their 2003 valuation with 2006 numbers leads to a valuation of **\$4,657,000**. Valuation based on the number of connections is significantly higher at **\$9-10,000,000**, which is likely to be Brooke's starting point. Juries often split the difference between the buyer and the seller giving a possible final cost to the District in the range of **\$5,000,000 to \$7,000,000**.

► **Proposed Capital Improvement Budget is being understated by \$2,000,000.** Value of CAP water rights is omitted. Infrastructure costs are understated. Immediate needs are listed as future needs.

► **Operations costs have been understated by \$250,000 per year.** Personnel costs are significantly understated. Depreciation and tax expenses have been left out.

► **Correcting the CVL numbers leads to a likely rate hike of 55%.** That is an additional **\$20** per month for a 3000 gallon per month user.

► **The PSWID board is pursuing condemnation with immediate possession.**

This leaves the price to be worked out later at a jury trial, removing the ability of PSWID to walk away if the price is too high. *This is the same as writing a blank check and puts the community at great financial risk.*

► **PSWID is a taxing authority.**

PSWID can, WITHOUT a public vote, raise the property tax rate and order special assessments on all of the properties in the district, whether those properties receive water from the district or not. The PSWID board has the option of funding a portion of the water district's operation expenses and capital improvements through property tax revenue. *If the final price is higher than PSWID can finance, the PSWID board will be forced to fund that with a special assessment on ALL property owners.*



The detailed information behind these numbers is available at the web site: WaterForPineStrawberry.com. You can also sign up to receive a summary of what goes on at each PSWID meeting by sending an e-mail to: WaterForPineStrawberry@hotmail.com. Paid for by Water For Pine Strawberry. Pam Mason 928-476-2227.