

June 3, 2009

PCCDWID Customers:

I want to bring you up to date on some important news.

- DNW Litigation Status – I'm pleased to report that the court has granted our Motion for Partial Summary Judgment that plaintiffs are NOT entitled to monetary relief as it relates to the supposed failure to deliver services. Recall that DNW had claimed \$3M in damages allegedly caused by lost profitability due to schedule delays in their real estate development. This leaves only the reversion claim, which the attorney for our insurance provider is actively pushing forward for a decision.
- Odor Filtration System – The wastewater odor filtration system was upgraded in early December at a cost of \$10,000 that was approved during a special meeting in November. The new system seems to be very effective in eliminating the odor problem at the low flows experienced at this time of year. We are confident it will also handle the higher flows expected during the summer holiday weekends. A wooden housing was constructed to muffle the high pitch noise created by the new equipment. Reports from our neighbors have been very positive.
- ADOT Letter – ADOT sent the District a letter stating its concern for a potential wastewater pond overflow in the event of a storm water surge like we experienced last summer. After seeking input from the Portal 4 HOA the District responded to this letter with a list of recommendations. ADOT responded again suggesting a meeting be held with the key parties. Last week I received a call from ADOT proposing the week of March 17th for this public meeting. We will have more information at the next board meeting.
- 2008-2009 Operating Budget – At the Special Rate Hearing last June, the District approved a budget and rate package that, for the first time in its existence, exercised the Special Taxing authority granted to the District. Year- to-date tax collections are \$49,692 out of \$86,433 budgeted for the year, or 57.5% of the annual budgeted amount collected YTD. Budgeted collections for seven months were \$51,859, so we have collected 95.8% of the YTD (seven month) budgeted amount. So were very close to expected revenues from taxes.

Expenses are also on-budget due to diligent oversight of operations especially our legal expenses, which are way under budget.

A special assessment was also assessed at the June rate hearing for long-term capital improvements. At the December board meeting the Board decided that although we need to continue to identify the long term improvements, an additional special assessment will NOT be imposed during these difficult economic times.

2009-2010 Budget Planning – We are finalizing a date for an open work session to look a next year's budget, which will be in Late April or early May. Our treasurer Jim Crews is always looking for volunteers for input. Contact him at jx2crews@msn.com.

We are hopeful that the User Availability fee that that has been charged every July can be eliminated. Last July this fee was necessary to "prime the pump" until we were able to realize the tax revenues. If we continue to operate within our budget we won't need it going forward.

Please plan to attend the next Board Meeting on Saturday March 21st at 9:30 am at Pine Fire Station on West Hardscrabble Road. If you are unable to join in person you can call in 1-800-391-1709, bridge code # 151596

Regards,

Ernie Borgoyne

Chairman, PCCDWID Board of Directors

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