



Terrace Lakes Water Company

A Member owned non-profit corporation

PO Box 141
Garden Valley, Idaho
83622-0141

January 1, 2022

Dear Terrace Lakes Water Subscribers,

The Terrace Lakes Water Company (TLWC) Board would like to update you about the new Well 7 project, ongoing lawsuit between the previous TLWC board and current TLWC board, and misconceptions concerning the current TLWC board. We encourage you to visit <https://www.terracelakeswater.com> to see your water company's Recent News and Notices, Financial Reports, Water Service Fees, Billing/Payment Options, TLWC Policies/Procedures, Bylaws, Resources and Alerts that may impact your water service. The 2020 TLWC audit is complete, and the final report will be posted on the website when received.

The Well 7 project is proceeding and going well. A site for a test well has been identified by existing Well 3. A survey should be completed this month, the preliminary design has been completed and signed off by DEQ. As soon as the survey is completed, the lease agreement work will begin. A firm has been hired to perform engineering design for the well house and a consent form has been signed so Idaho Power can begin their design. TLWC has to pay the first \$26,000 before the \$1 million DEQ grant kicks in. We are close to meeting that obligation. We have monthly project meetings with Mountain Waterworks and the progress reports are posted on the TLWC website.

The current lawsuit is about 'equitable fraud' and was filed after the previous board signed a legal stipulation in April 2021 in which they agreed that the current water Board was the legitimate Board. They also agreed to cooperate with the new elected Board and provide all TLWC records and documents. Unfortunately, the previous board had already begun executing plans to violate the stipulation before and after it was signed. They sent 'Urgent' mail with letters packed with disinformation and setting meetings to remove all TLWC Board members. They were issued restraining orders by the court to stop attempts of holding special meetings on their own. They were no longer the water board and per the bylaws and Idaho Code, they could not call and preside over their own meetings. As we try to move forward, both parties have asked the court to rule on who exactly is eligible to vote on all water company matters and to rule if North Ridge is part of Terrace Lakes Water Company. Once a ruling is received, it will be posted on the website along with previous court rulings.

Lastly, to clarify any misconceptions and disinformation you may have read or heard, TLWC Board is NOT attempting to take over Terrace Lakes Recreation Ranch, Inc. The water Board has no interest in TLRR, Inc. and we are not going to continue to sue Ms. Johnson until she sells TLRR, Inc. It is true that the major shareholders of TLRR, Inc. have taken negative action against 2 water Board members by revoking their lifetime family golf memberships, and pool and facility access. The affected Board members will be pursuing/defending their personal interests in court due to the shareholders action/retaliation against those Board members. And finally, it is true that not (1) cent of water company funds has been spent on lawyer fees by the current Board.

As always, we encourage you to contact any of the TLWC Board members if you have any questions, concerns or hear rumors that bother you. As stated before, your current TLWC Board's only intention is to operate and improve TLWC to the benefit of the subscribers while providing complete transparency and full disclosure of TLWC operations and finances.

We wish you all health, happiness, and prosperity in the New Year!

Sincerely,

TLWC Board of Directors