



Terrace Lakes Water Company

A Member Owned Non-Profit Corporation

Dear Subscriber:

The Court has finally cleared us to have an in-person Annual Meeting. The date for the Annual Meeting is Saturday November 4, 2023, at 10:00AM at the Garden Valley High School, 1053 Banks Lowman Rd, Garden Valley.

Dennis Largent has resigned from the TLWC Board. Over the past two years, Dennis put in a lot of time and energy into making TLWC transparent and accountable. We want to thank Dennis for all of his hard work. The Board voted to fill the vacated term with current Board member Rolly Woolsey, and appointed Rolly as the new Board President. At the upcoming election, three Board seats will be voted on. The nominations received for these seats are Todd Amyx, Merle Baptiste, Eric Britson, Scott Dike, Cindy Iverson, Cameron McFadden, Tom Myers, Julie Stillman (incumbent) and Mark Turner. Ballots/proxies will be mailed out soon with instructions on how to vote if you are not able to be present at the Annual Meeting.

Over the past two years, your Board has been faced with many challenges. TLRR, employees and others were provided with free water. Hook-up fees were waived in order to sell lots in North Ridge Subdivision. Bills were months in arrears, and the water company was paying for pool chemicals and sewer work. TLWC paid \$42,500 for a 50' easement for a new well that we were all told at the last annual meeting in 2020 that the water company would not pay a dime for. Most recently your Board dealt with securing a commercial water right for TLRR which had never been obtained in the past. The existing water right was for domestic/irrigation use only, and providing a commercial use put the entire water rights of TLWC in jeopardy. TLRR then sued TLWC over the water right issue. We are glad to say that is finally behind us and an agreement is in place and approved by the Idaho Department of Water Resources. Unfortunately, it cost the water company thousands of dollars in legal fees for an issue that should have been addressed years ago.

Another struggle your Board has been dealing with, and one that you voted on, is providing water to North Ridge Subdivision. Despite being told by TLRR that North Ridge Subdivision would never be connected to TLWC (see letter enclosed), it was connected. We have been trying to get a resolution but have been unable thus far to get cooperation. The Developer was to convey the water system infrastructure to the water company or to a North Ridge Subdivision HOA, but this has not been done. IDEQ has informed us that we cannot touch the water infrastructure at North Ridge until it is conveyed to TLWC or we have an agreement in place with whoever will ultimately own the infrastructure.

On a good note, TLWC has had many successes over the past two years. The current Board has worked hard in the best interest of the water company subscribers and is now fully transparent. Financials and minutes are posted on the TLWC website, and alerts are emailed or texted to subscribers when there may be a water outage. We obtained a \$30,000 grant from IDEQ to create a new water facility plan. Without this plan in place, we were unable to apply for any type of funding from State or Federal sources. We also developed a Source Water Protection Plan and Emergency Response Plan. As a result, we recently secured a \$24,000 Source Water Protection Grant (no cost to subscribers) to abandon Well #2 and to provide security fencing around two of our wells.

Our efforts in improving our system has resulted in a once in a lifetime opportunity for TLWC. We threw our name in the 'funding hat' for grant funds through IDEQ to address most all of the system deficiencies identified in the new water facilities plan hoping to get at least one project funded. We are happy to announce that we received a funding package offer of \$6.443M for the much-needed improvements to our system! \$3.7M is in grant funding and \$2.6 is proposed as a loan. We are currently working with our engineers and IDEQ to negotiate the terms of the loan amount and possibly roll our existing loan into the program. Unfortunately, TLWC is still paying on a \$1.2M loan (\$581K of which we have no receipts, invoices or accounting for – See the report of the Special Master on the TLWC website at www.terracelakeswater.com/board-members), so we are working very hard to reduce the cost of the existing loan payment. The engineer will be present at the Annual Meeting to provide detailed information on all of our ongoing projects.

The Special Master appointed by the Court will be present at the Annual Meeting on November 4. He will oversee the meeting, election and ballot counting. Official Notice of the Annual Meeting along with proxies will be sent soon in a separate mailing. Ballots cast will not be open for public inspection, so please do not worry about who will see how you voted.

We sincerely thank you for your support over the last two years! If you ever have any questions, suggestions or concerns, please do not hesitate to contact one of your Board members at any time!

Sincerely,

Terrace Lakes Water Company

Rolly Woolsey, Board President 208-830-9750

Chuck Steele, Vice-President 208-308-7006

Mary Cordova, Sec/Treasurer 208-440-4756

Julie Stillman, At-large 208-850-3465

ATTENTION MEMBERS AND PROPERTY OWNERS OF TERRACE LAKES RESORT

This is to give you an update and the project summary status from our engineer regarding the Terrace Lakes water system.

1. Management at Terrace Lakes is working on the formation of a non-profit corporation to operate the water system.
2. SPF Water Engineering is finalizing plans for upgrades to the system and should submit them to IDEQ, Idaho Department of Environmental Quality, in April.
3. IDEQ will review and provide comments within 42 days from time of submittal.
4. SPF will revise plans and request approval for construction within 60 days of submittal.
5. Details of the new operating company will be discussed in future public meetings.
6. The funding for the proposed water facilities will be obtained by acquiring a long term loan.
7. Terrace Lakes water system will not be interconnected with the water system in the new subdivision called North Ridge at Terrace Lakes.
8. Once plans and specifications have been approved by IDEQ a public meeting will be held to discuss funding and construction issues.
9. More test wells may be drilled to locate and identify new groundwater supplies. Additional issues will be addressed as they occur and property owners will be kept up to date.

Water district independent of T.L. Inc.

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FROM MANAGEMENT

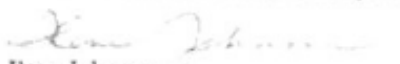
It has been brought to our attention that IDEQ has been getting a few calls from Terrace Lakes property owners and John Cottingham. He has expressed a concern about the new subdivision known as North Ridge at Terrace Lakes and that it will impact Terrace Lakes water system. He has been told that it will not, but he persists.

The North Ridge Subdivision, although it will adjoin the North side of the back nine, is not or ever will be part of Terrace Lakes Subdivisions. It will have its own water system and its own Homeowners Association for maintenance.

The few people complaining to IDEQ is an unorganized group and they need to know that IDEQ has a job to do, they are very busy and their job is not to spend their time answering questions and/or complaints, based on rumors and hearsay, about Terrace Lakes Resort, its management, or its Board of Directors. If any property owner or member has a question or complaint about Terrace Lakes Recreation Ranch, Inc., DBA Terrace Lakes Resort, please feel free to call me anytime. It is important to us that our people here understand that this place is here for their enjoyment, not to disturb their happiness and peace of mind.



Yours Truly,
Terrace Lakes Recreation Ranch, Inc.


Hlene Johnson,
Board Member, Secretary/Treasurer