



Terrace Lakes Water Company

A Member Owned Non-Profit Corporation

Garden Valley, Idaho
83622

December 10, 2020

To: Terrace Lakes Water Company Subscribers

The undersigned have been duly elected by the Subscribers of the Company. The December 9, 2020, notice to have yet another election of Directors is without basis in either our Bylaws or Idaho law. The problem is simply that Ilene Johnson and her chosen slate lost a legitimate election, but for Lonnie Bramon.

We would like to give you background on how we were elected and why there is no basis to call for yet another election. Much of this information will be known to you.

On September 16, 2020, notice was issued by Ms. Johnson for a meeting to be held on September 27, 2020. Among the purposes of the meeting would be “electing five Directors to serve on the Board of Directors of Terrace Lakes Water Company.” Ms. Johnson herself set out a slate which indicated that all Board members needed to be elected.

On September 27, 2020, the meeting began. A quorum was determined to be present. When it came time to discuss the election of members to the Board of Directors, it became a contentious discussion. Regretfully, the official minutes fail to set forth what actually happened during the meeting, but the Subscribers who were present can attest that it was determined (after Ilene Johnson stated that there indeed was no existing Board of Directors) that an Interim Board would be appointed who would solicit nominations and conduct the election no later than thirty (30) days after the September 27th meeting. As Subscribers, you would have received the October 1, 2020, letter from the Interim Board seeking nominations and the October 16, 2020, Interim Board letter sending out the ballots and discussing how to vote and the deadlines to return your ballot. The date set to count the votes was October 25, 2020.

Ilene Johnson claims that the Interim Board and the actions it took after she told the body that there was no Board were without authority. The undersigned believe that if there was any problem, it was the duty of the presiding officer to alert the body and try to correct the error. Ms. Johnson’s willingness to allow the Interim Board to conduct the meeting and only raise concerns after her slate lost should be of concern. Over 100 Subscribers voted—the will of the body should be respected.

On October 25, 2020, the Interim Board was convened and the ballots counted. Lonnie Bramon, a member of the Interim Board, requested a recount. The recount was performed and the following individuals received the highest totals: Dennis Largent (104), Lonnie Bramon (85), Mary Cordova (78), Chuck Steele (75), and Scott Dike (75).

The Interim Board signed a tally sheet setting forth the final votes on October 25, 2020.

On October 30, 2020, four of the five elected members received a Cease and Desist letter from Ilene Johnson’s attorney threatening legal action, claiming that we were not duly elected at an annual meeting.

If there is no Board and there hasn’t been an annual meeting for years, why didn’t the September 16, 2020, notice use the term “Annual Meeting”? It simply informed the Subscribers that a meeting was called to elect Board members. So, if the election had occurred on September 27, 2020, would Ilene now claim that it wasn’t properly noticed? At the September 27, 2020, meeting, it was voted on by the body to

continue the meeting for the purpose of electing a Board and to appoint an Interim Board to handle the process. Anyone with knowledge of Parliamentary Procedure is welcome to weigh in on this question.

On November 1, 2020, the monthly bills were sent out with a claim that the past election was illegal and without authority. Once the matter came before the quorum body of Subscribers, the members can take action consistent with the issue before them, namely the election of Directors.

Ilene Johnson sent out the notice that the September 27, 2020, meeting was to include the election of a Board of Directors. She failed to seek nominations outside her proffered slate. The Subscribers determined that they wanted other options. Once the agenda came to the election of Directors, Ilene Johnson stated in the open meeting that there was no current Board of Directors. Honestly, whose fault was this from the beginning?

The body took up the matter of having absolutely no current Directors and tried to fix it. The body set up an Interim Board to solicit nominations, send out ballots and set a deadline to return the ballots and a meeting to count the ballots, all within the 30-day period. By all signing the tally sheet, the Interim Board certified the election.

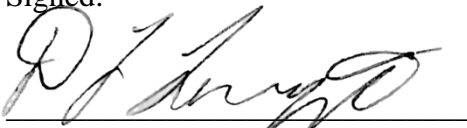
We have also consulted with legal counsel and absent a bylaw allowing for another election, Idaho law requires the corporation to recognize a certified election. See, Idaho Code § 30-30-56(6). Additionally, only the Interim Board could question the authority/validity/legitimacy of the October 25, 2020, election. The Interim Board is not questioning the election.

We do not intend to slow down the process of seeking a grant to help pay for improvements to the water system. We will actively assist in whatever the governing body needs to do to move forward with the request.

We would rather not expend time, money, and effort to fight over this issue. However, we believe that any problems with how the election was handled rest with Ilene Johnson. If we are required to bring legal action to stop this second election which has no basis in law or the Bylaws, we will have no choice.

The board appreciates your support and asks for your patience as we strive to provide transparency and accountability of your water company. If you have any questions or comments, please contact us.

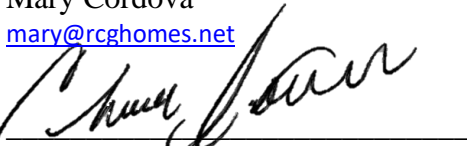
Signed:



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