



# Terrace Lakes Water Company

*A Member Owned Non-Profit Corporation*

## **Activities and Financial Condition of the Company:**

Under direction of the Court dated March 29, 2022, an Annual Meeting may be held by mail. The Board felt it was important that **all** members receive information about the Water Company's activities during the past year in a timely manner, so this letter is the official Annual Meeting of the Terrace Lakes Water Company for 2022 - 2023. Please be assured that we plan to hold an 'in person' Special Meeting in the near future.

**There is one (1) Director position up for election.** The terms for the current Board members began in March 2021. Due to the lengthy court case, Judge Hoagland extended everyone's term by one (1) year, effectively moving the Boards term start date to March 2022. Rolly Woolsey is the incumbent and will be running again. If you wish to nominate anybody else, please send your nominations to the Water Board. Nominations can be submitted by email or mail (PO Box 141, Garden Valley, ID 83622-0141) but must be received by **10 Apr 2023**. After that date, a ballot will be mailed out with the names of the nominees. The term of the position will be three (3) years.

Over the past year, your Water Company has been working to get in compliance with our bylaws and water rights. Some sections of the bylaws require clarification, especially the part identifying a valid voter and we hope to address this soon at a special meeting.

We continue to be in violation of our water rights by having TLRR and their associated commercial buildings connected to the system. Our existing water rights specify residential use only. We could be fined by Idaho Department of Water Resources if we do not correct the violation by either disconnecting TLRR or getting a commercial water right and an agreement to provide water. We are attempting to work with TLRR on a commercial water right and an agreement to provide them with water. Not much progress has been made and has cost the WC \$22,568.50 in attorney fees so far. TLRR has sued the water company to keep supplying water to TLRR until July 15, 2023. The WC and TLRR have agreed to a stipulation of the lawsuit until June 2023 to work out an agreement.

A court ordered vote to add North Ridge of Terrace Lakes Subdivision to the water company was held and the vote did not pass, so the WC is exploring options. We met with IDEQ for advice and recommendations but before anything can be done, we need to know who owns the water infrastructure in NRTL. We have no documentation that shows the water infrastructure was ever turned over to the WC. The WC cannot perform work on or dictate operations for a system it does not own.

We are progressing with the new grant funded well construction. Well 7 has been drilled, the screen and casing installed, and the well capacity is estimated at 35 gpm. The Engineer feels we may get more capacity with further development which means more money. The Engineer also feels we will have approximately a \$200,000.00 shortfall to complete the project. Approximately \$60,000.00 of the grant was spent negotiating and securing an easement from TLRR.

We hired Mountain Waterworks for \$60,000.00 to put together a facility plan for ongoing water system needs. Half of the cost was covered by a grant from IDEQ and the other half was paid by the WC. MWW submitted a Letter of Intent (LOI) to IDEQ for approximately \$6M in grant funding to address needed upgrades, replacements and repairs of the water system. There is no guarantee we will get any money, but at least we have our name in the hat.

Lastly, a Special Master was appointed by the court to help TLWC retrieve documents and receipts to account for \$581,751.00 not found in TLWC books provided by the previous water board and during the time frame of TL mandated upgrades, and when Well 6 and NRTL were being developed. We will be asking the Special Master to seek the Easement paperwork for Well 6, liens for non-payment, and 150 meters that were purchased for \$150,000.00 and installed for \$115,000.00. See loan breakdown below and attached documents.

06/16/2008 Loan No. 9300168/BML00 \$550,000.00

- Stated purpose 'Renew/add on to loan BDRW00'

05/07/2010 Loan No. 9300168/BREC00 \$ 787,428.00

- Settlement Statement shows the following:
  - o \$1,611 – Misc Fees
  - o \$77,998.00 – TL water company A/F
  - o \$64,927.00 – Terrace Lakes Recreation Ranch, inc.
  - o \$23,491.00 – Ilene Johnson Inc.
  - o \$25,000.00 – Les Bois Federal Credit Union
  - o \$581,751.00 – Disbursement to Borrower

04/22/2011 Loan No. 930168/BML-01 \$1,285,000.00

- \$ 2,163.12 – Amount paid to Borrower Directly
- \$ 787,208.87 – Payment on Loan # 9300168/BREC00
- \$ 466,678.41 – Payment on Loan # 9300168/BML00

07/20/2020 NRWA loan \$100,000.00

- \$18,000.00 – new pump in well 5
- \$40,000.00 – replace piping in well 3, replace some 2” mainline, install 2 blow-offs

#### **Financials:**

We have attached an income statement for 2022. Please be aware that all bank statements and a monthly breakdown of revenue and expenses are available for viewing on the TLWC website at [www.terracelakeswater.com](http://www.terracelakeswater.com) . If you should have any questions or do not have access to the internet, please contact us via phone or email.

Board of Directors

Dennis Largent, President [dennis.largent@gmail.com](mailto:dennis.largent@gmail.com) Julie Stillman, At-large [djstill13@gmail.com](mailto:djstill13@gmail.com)

Chuck Steele, Vice-President [gooselover@rocketmail.com](mailto:gooselover@rocketmail.com) Rolly Woolsey, At-Large [rolly@skytrace.com](mailto:rolly@skytrace.com)

Mary Cordova, Secretary/Treasurer [mcordova@terracelakeswater.com](mailto:mcordova@terracelakeswater.com)