

Dear Timber Lakes Property Owners,

It is with pleasure that we provide this update regarding the completion of our long awaited water project. As those on the mountain well know, two contractors, Sunroc and Build Inc. have been working on our pipeline and storage tank projects over the last three years. Sunroc has had the responsibility for completing 18 miles of pipeline replacement, while Build Inc. has been responsible for the construction of two new water storage tanks. These system upgrades were approved through public hearings held in August and October of 2007, followed by a County administered hearing and subsequent bond election. The approved bond will be paid back through an assessment on each lot within the Timber Lakes Water Special Service District (TLWSSD). As the project comes to a close we are pleased to announce that the total project costs and assessment to each lot owner are significantly less than originally thought.

During public hearings held in 2007 it was estimated that the total cost of the project (including replacement of pipelines and the construction of needed water storage) could be as much as \$12,232,000. Assuming 1415 lots, this translated to a total estimated cost of \$8,644/lot, or \$60/month over a 20 year period. Just prior to the County hearings these costs were re-evaluated and the project refined to reduce costs resulting in a bond approval of up to \$8,500,000. With bond approval, the project design was completed and the contracts awarded. As the project now comes to a close we are happy to announce that total project costs have come in lower than originally expected. Total project costs have been determined to be \$7,224,758.52, 41% lower than the original project estimate, and 15% lower than the approved bond amount. The cost decrease has resulted from (1) lower than projected construction costs and (2) low financing rates.

Each property owner should have received by mail a letter from the TLWSSD and/or Wasatch County summarizing the bond and project costs. Although the exact amount of the final assessment has not yet been determined, it is estimated that the assessment placed on each lot will be less than or equal to \$4,778.28 to be paid back over the life of the bond. If desired, lot owners can make a one-time lump sum payment currently estimated to be \$4,222.72 rather than make monthly bond payments. A final cost and instructions on repayment terms will be provided within the next few weeks as the bond is finalized.

Prior to bond finalization, the County is required to hold Board of Equalization and Review meetings wherein members of the Timber Lakes Water Assessment Area may voice their objections regarding the assessment. This being said, we remind each lot owner that the bond was approved and the hearings are not for the purpose of objecting to the bond or the water project, but for the purpose of identifying individual specific objections or requests for adjustments which are believed to be unequal, inequitable, or unjust. The meetings will be held between 7:00 pm and 8:00 pm on November 3rd, 4th and 5th at the County offices at 25 North Main, Heber City, Utah.

We appreciate your patience as we have worked over the past few years to make critical improvements to our water system. Through the efforts of the water board and our system operators, and with the cooperation of TLPOA we have an upgraded water system that has added water storage capacity which will provide better service, have fewer winter flow interruptions, provide enhanced fire flow protection and allow better system operation through a computer monitored data telemetry system. Outside the bond, and in cooperation with TLPOA, we have also been able to construct a new building for our crews and equipment that provides better service and response to all lot owners.

We are grateful for your patience, and for the efforts put into this project by the TLWSSD Water Board, especially Adam Hagan who has worked the last two years as Board Chair to help coordinate and complete the project. We are also grateful to the Timber Lakes Property Owners Association with whom we have coordinated regarding roads and mountain access. And finally, a special thank you goes to

those lot owners that took the time up front to understand the need for the project and for their support in helping us provide much needed water system upgrades. We will all benefit from this project for many years to come.