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Board of Directors

Dan Knorr George Holmes Gary Parker Roy Webb Anne (Nicki) Foreman

December 17, 2019

Dear Customer,

Back in September of 2019 the District mailed an Advisory Referendum to all customers asking for customer opinion on the System Upgrade Fee collected which is used to finance capital system improvements.

The referendum had two choices that could be made:

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- o Continue current approach. Extend current system upgrade fee of \$9 per month with annual CPI increase, through 2028.
- Make minimal improvements. Discontinue system upgrade fee except for the \$3.50 per month currently allocated to debt service.

2,007 referendum packets were mailed out to customers, with 836 or 42% of the ballots being returned. Of the 836 returned, 630 were in favor of the continued approach, and 206 favored the minimal approach.

This information was discussed in an open board meeting held on December 17, 2019. After discussion the board of directors decided that, with a majority of the respondents supporting the continued approach to system upgrades, there was no need to change collection of the system upgrade fee at this time.

The Board of Directors would like to thank all of the customers who took the time to respond to the referendum. Your opinion matters.

Sincerely,

Daniel B. Knorr

President