

**Timber Lakes Water
Special Service District**
190 North Main, #3, Heber, Utah 84032
435-654-0125

Dear Timber Lakes Property Owners:

October 24, 2008

In response to requests made by property owners over the past several months the Timber Lakes Water Special Service District (TLWSSD) Board has reviewed various options for minimizing system upgrade costs associated with the Bond Assessment which was approved by the County Council. A water rate hearing was advertised and held on October 21, 2008 to discuss these options and to receive comments and recommendations from attendees. During the meeting data was presented by Legal Council that an interim rate increase of \$15/month per lot could save as much as \$1,000,000 of project bond and finance charges. In essence, this interim assessment will help pay interest charges on the construction loan so that we are not paying interest on interest for the life of the loan. Also discussed during the hearing was a desire to have our staff take over select portions of the water project.

Following the hearing, and consistent with comments received, the TLWSSD Board voted to temporarily increase the water rate for each lot by \$15/month. This increase will take effect November of 2008 and will continue until completion of the water system project and the establishment of the final bond. As indicated, the funds generated from this interim increase will only be used to pay for the interest incurred by interim construction financing. It is our goal to have the system upgrade project complete by the end of 2009, at which time a final bond amount will be fixed. Just like any other loan, it is our understanding that each lot owner will then have the option to make a lump sum payoff or continue with monthly payments over the life of the bond.

As a Board we would like to thank you for your patience and support during this process. As requested, we are doing what we can to reduce costs and get the project completed in a timely manner. We continue to invite you to attend our monthly Board meetings if you have questions or concerns. Board meetings are held the third Tuesday of each month at 6:00 pm in the upper conference room of the Wasatch County offices at 25 North Main Street in Heber City.

Thank you again for your support and suggestions.

The TLWSSD Board