

On February 9, 2020 we sent each of you an urgent email outlining our concerns regarding the substantial increases in sewer fees we have already experienced, the proposed \$9.5 million project, and the lack of representation on the LMSA Board. A copy of the statement is on our website at lakemitchellpo.com for your reference. Thank you to all who contacted your township supervisor.

Your Lake Mitchell Property Owner Inc. had Board representation at each of the Township meetings and expressed our concern with the proposed changes to the Articles of Incorporations of the Lake Mitchell Sewer Authority. Unfortunately all of the Townships approved the proposed Amendment which limits the number of property owners who can effectively serve on the LMSA Board. This to some extent was most likely due to receiving poor legal advice from an attorney who has an inherent conflict of interest as he represents both the LMSA and the Townships involved in the sewer authority.

Once the amendment was passed rather than increasing the number of property owners on the LMSA Board which was the stated reason for revising the Articles of Incorporation, the Township reelected all of the existing Board members. This leaves us as property owners in the same position we were in before with no additional property owners on the Board and the same Board members.

Two individuals who have property served by the sewer system in Cherry Grove Township have expressed an interest in serving on the LMSA Board. Hopefully the Cherry Grove Township will seriously consider one of these individuals as a replacement for one of the individuals they re-elected. We would like to suggest that if someone from Selma Township is willing to serve, that they contact the Selma Township Board and express their interest.

While we as the LMPOI were not able to increase at least currently the property owner representation on the Board, we have been able to bring focus to the \$703,000 of Sewer Authority funds currently in Cherry Grove's possession. As was stated by the Cherry Grove Township Supervisor these funds should be transferred as soon as possible. These funds came from Cherry Grove Township users. Based on what was stated these funds came from connection fees to the sewer system and are for operation and maintenance of the system. This raises a major issue. Where are the connection fees for Selma and Clam Lake. With Cherry Grove having only approximately 50% of the total system there appears to be a substantial amount of collection fees unaccounted for.

We realize the sewer system needs repair. The true scope of this project in dollar terms seems to be unknown at this time. Based on what we have been told a \$9.5 million loan application has been submitted to the USDA. Brian Sousa, a project engineer from Wade Trim, has also said the true project cost could be \$6,000,000. He doesn't know at this time. He also said that the amount of the loan needed will be reduced by the amount of funds ultimately transferred to the Sewer Authority.

We believe we have the responsibility to the property owners to continue focusing our efforts on finding out more about both the proposed project and the ongoing operations and cost of the sewer authority. The sewer fee increases are already causing a financial burden for a number property owners. It is important that we hold the LMSA Board to their Fiduciary Duties as Board members and insure that the expenditures for the repair and operation of the sewer system is appropriate for the properties and property owners being served.

We would all like to believe that we can trust government officials to do the right thing. The shape of the current sewer system is an indication however of what happens when you place too much trust in someone. Our goal is not to stop the repairs that are necessary to keep the system operational and environmentally safe. We recognize the substantial impact that this has on your property value and annual cost of ownership of the property we want to make sure what is done is appropriate.

Thank you for your support. We will keep you informed as we proceed.

Your Lake Mitchell Property Owners Inc. Board of Directors