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January 12, 2023

TO: Southside Water Customers
FROM: James V. Lettiere Jr.
Re: Southside Water Inc. and the Lettiere Development

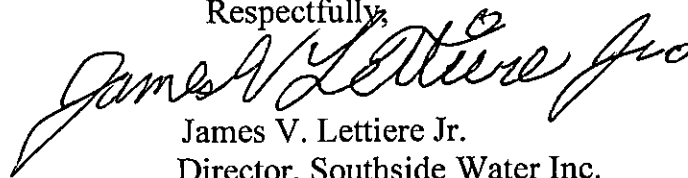
I am writing this letter to inform you that I am interested in selling the Southside Water system. I am 68 years old, and believe it would be in the customers' best interest for the Town to own and operate the system, and act as its steward. This would ensure reasonably priced, quality water for all in the years to come. In addition, this could come with a meaningful rate reduction.

Currently, Southside Water's rates allow for normal operating expenses. Surcharges are added to your bill based on the cost of repairs, lost water and capital improvements. This means the estimated minimum annual water bill (with surcharges) is approximately \$650.00 per household. In comparison, the minimum Town of Watertown water bill in other districts is approximately \$45.00 per quarter with no surcharges or \$180.00 per year. This is a difference of \$470.00 annually per household.

At this time, the system has 118 users, with potential for more. I have tentatively placed a \$500,000.00 purchase price on the system. If this cost were spread over the existing 118 users, it works out to \$4,237.29 for each user. If for example you spread this cost over a 15-year period at a rate of 6%, this amounts to \$35.75 per customer per month or \$429.00 per year each. Keep in mind the more users the lower the debt load per customer.

By having a water system that is owned and operated by the Town, may make the system eligible for grants and low interest loans for future improvements. To make this possible, it would be recommended that an exploratory committee of 4 or 5 people meet professionally to discuss this more in depth, and make their wishes known to the Town Board. I would be willing to sit with such a committee to discuss the water system more in depth, and provide a rundown of its operating costs and responsibilities involved in owning this system. Please contact me if you would be interested in serving on an exploratory committee. Please feel free contact me with any questions or concerns at the above.

Respectfully,



James V. Lettiere Jr.
Director, Southside Water Inc.