

October 2nd, 2017

From: Chris Hancock, President of Alcomdale Local Development Cooperative Ltd.

To: Jeff Yanew, Utility Operations Supervisor at Sturgeon County

RE: Alcomdale Local Development Cooperative Ltd. Asset Transfer Intent

Dear Jeff,

At our recent Alcomdale Local Development Cooperative (ALDC) Ltd. Member Meeting, it was unanimously decided by the members present that the Co-op intends to negotiate the transfer of assets for both water and wastewater to Sturgeon County. The Co-op believes that there is a value to the County in this asset transfer and that a fair market value can be reached. At the point when Sturgeon County Utilities takes over the system, the residents as well as businesses in Alcomdale will become rate paying customers with Sturgeon County Utilities.

Discussions need to include:

- Determining a value for the system
- Deciding the connections to transfer
- Setting the water and wastewater rates
- Determining the surcharge rate.
- Identifying repairs, upgrades or work that needs to be done to implement the new pipeline.
- Selecting dates for the change over

ALDC intends to continue the co-op business after the transfer until the member/owners decide the next steps for the co-op. The Co-op has no intention of being a bulk water customer or maintaining the wastewater system.

Our next ALDC Executive Meeting, on Wednesday night, I will advise our board that the letter has been delivered. Please acknowledge receipt of this letter and inform us of the process to negotiate the asset transfer. Please cc Sonia Fedorus, our Secretary Treasurer, on all correspondence.

Sincerely,



Chris Hancock

President of Alcomdale Local Development Cooperative Ltd.

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