



## **LAKE HOLIDAY COUNTRY CLUB, INC.**

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March 30, 2004

Dear Property Owner:

The Lake Holiday Country Club (LHCC) Board of Directors and the Lake Holiday Estates Utility Company (LHEUC) Board of Directors are jointly sending this letter to update you on the water and sewer infrastructure improvement plan. Both Boards have been exploring alternatives for the future operation of the water and sewer service as part of our Master Planning. The options include:

1. Frederick County Sanitation Authority (FCSA) taking over the system
2. Forming a Sanitary District and/or establishing a Community Development Authority to obtain low-interest bond money to continue to operate as LHEUC.
3. Continue to operate the system under the current LHEUC model.

While we take the FCSA report to the Boards for their consideration, we will also continue pursuing other options.

The water and sewer system in The Summit is over 30 years old and prior to 1998 was not appropriately maintained and operated. While we have made improvements to the system since 1998, there is more work to do. The water and sewer system is NOT in immediate threat of failure and the capacity is functioning at an acceptable level according to G. W. Clifford and Associates, our professional engineering firm.

Some elements of the existing system need to be replaced or refurbished. Of special concern is the replacement of some of the sixteen sewer lift stations that move wastewater to the wastewater treatment plant. This year we are replacing stations #3 and #8 at a total estimated cost of \$155,000. The plan is to replace some of the remaining 14 lift stations over a period of 5-6 years. We will continue to refurbish those lift stations that can be improved. Fortunately some of the 14 stations are relatively new. We are about to refurbish water treatment plant #1 located on Putter Place at a cost of \$55,000. LHEUC will be moving toward a program to reduce the groundwater inflow and infiltration (I & I) into the sewer manholes and sewer lines. This groundwater seepage into the sewer system places an unnecessary volume of wastewater on the treatment plant. Reducing the I & I will increase the home capacity with the existing system.

The FCSA's model for improving the water and sewer system was broader in scope and projected a much more accelerated implementation schedule than is necessary. Our goal is to fully explore all the models available to us. We will then choose the model that provides for reliable water and sewer services for the future. We will also continue to move forward with replacement and refurbishment of the water and sewer system elements. We must expand the water and sewer system to meet the on-going growth and development in our community.

The LHCC Board is currently in negotiations with Lake Holiday, LLC, the developer, in defining a Development Agreement that will address the funding of the expansion of the system for growth driven by Lake Holiday, LLC.

The Semi-Annual Report of the Statement of Condition Water and Sewer Service will be issued in early May 2004 as part of the May newsletter.

Sincerely,

M. Frank Heisey and Charles F. Brewer  
President, LHCC President, LHEUC