

August 15, 2022

VIA ELECTRONIC MAIL

West Village Improvement District
Attn: Lindsay Whelan (WVID Legal Counsel)
19503 S West Villages Parkway, #A3
Venice, FL 34292
Lindsay.Whelan@KutakRock.com

Subject: Multiple Transmittal Letters to GP POA

Dear Ms. Whelan:

Please accept this correspondence on behalf of our client, GRAN PARADISO PROPERTY OWNERS ASSOCIATION, INC. ("GP POA") for matters associated with the contracts, provision of services, and costs associated with irrigation water to the Gran Paradiso Community. My clients hope to come to a mutually acceptable agreement and avoid litigation, if possible, as will be further explained herein.

I am in receipt of transmittal letters sent related to the "Gran Paradiso Irrigation Quality Water Reserved Allocation" and the "Water Conservation Plan", as well as your responses to certain GP POA emails related to overcharges incurred by the GP POA, well availability fees, and reserved allocations.

My clients attempted to schedule a face-to-face meeting with the staff of WVID, which was then turned into a public meeting without any prior notification to my clients. In fact, they only became aware of it several days before the meeting after seeing it on the WVID website with no agenda provided. This meeting then became, as I understand it, primarily an opportunity for WVID staff and contractors to present the WVID'S "point of view" to influence the public as opposed to discussing the issues related to irrigation for which the GP POA requested the meeting to begin with.

Based upon my review and understanding of agreements related to Irrigation Quality Water, executed between WVID and the GP POA (from February 2009 and December 2020) and the Resolution adopted by WVID in 2018 establishing updated Irrigation Quality Water Rates and Fees, there appears to be a clear and definitive discrepancy between what my clients have been billed versus the terms of the agreement in effect at the time. These overcharges are further exacerbated from the time frame between the December 2020 agreement to present, without regard to the fact that it appears to me that this agreement would likely be void in violation of Florida Statutes § 720.309 as an extended duration contract executed before changeover that is neither fair nor reasonable.

I have reviewed the responses you have provided to the GP POA related to their inquiries and have some concerns about the positions expressed therein. An example of this is your highlighting of “Section 7. WVID’s AUTHORITY TO SET RATES, FEES, AND CHARGES”. However, your highlighting of the section providing that “WVID reserves the right to set and adjust rates, fees and charges for the provision of Irrigation Quality Water and the Reserved AADF” mistakenly omitted reference to the most relevant portions of the remainder of Section 7:

... provided that such fees, rates, or charges and any such adjustment in fees, rates or charges for this Customer may included operating costs such as the Reclaimed Water providers costs, maintenance and repair costs, and power costs for the WVID Distribution System including the Unit 3 pump station and Pond but shall exclude any capital surcharges involving the initial design, installation and construction of the Exempted Capital Facilities or any new capital costs incurred for or on behalf of other users of Irrigation Quality Water and shall not include any mark up in the cost of Reclaimed Water charged to WVID by the Reclaimed Water provider(s).

It is important to note as an example that the greater than 100% markup of existing reclaimed water provider costs in itself is patently unreasonable, not to mention the “capital recovery fee” or the “well availability fee” being charged the GP POA currently, all of which is invalid based upon the agreement.

As it relates to Reserved Average Annual Daily Flow, this is a capacity calculated by an AGMOG study, based upon average precipitation, soil type, and use. It is an estimate of irrigation requirements and does not consider a multitude of variables, including but not limited to precipitation that is less than the average calculated in AGMOD study. Furthermore, the capacity defined in a SWFWMD permit is for groundwater withdrawal and does not penalize a permit holder for using Alternative Water Sources (AWS). In fact, AWS are encouraged and promoted over groundwater withdrawal. This is further evidenced by the fact that WVID is not required report total AWS usage to SWFWMD.

As stated in the opening of this correspondence, my clients are committed to coming to a mutually agreeable resolution to all the issues and are currently preparing a conservation plan, only because they are good stewards of the environment, not because WVID made a commitment in its application to SWFWMD for the permit. To my knowledge, there is no agreement between WVID and GP POA that obligates the GP POA to prepare a conservation plan, nor has there been any request of WVID by SWFWMD to provide such a document. If there is such agreement, I would ask that your office forward same so that I might have the opportunity to review it.

Additionally, it has been brought to my attention that WVID is budgeting \$100,000 to Unit 3 for legal expenses associated with irrigation within Gran Paradiso, resulting in an increase of approximately \$50 per homeowner for the 2022/2023 operating expenses component of their CDD obligation. All legal costs associated with irrigation must be budgeted to Unit 6, as all revenues and expenses associated with providing Quality Irrigation Water have been allocated to Unit 6 since its inception in 2018. Budgeting legal fees for irrigation to Unit 3, when all payments that

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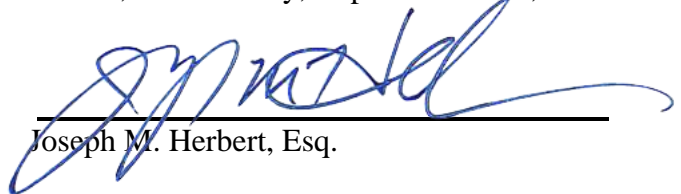
the GP POA has made to WVID have been allocated to Unit 6 is clearly improper WVID should consider this notice of same.

The continued threat of terminating the agreement based upon my client's bringing information to WVID's attention seems retaliatory and beneath the WVID'S office. My clients have been very professional and cordial in trying to resolve these issues to date, as I understand. Making WVID aware of errors in its billing, updating of agreements, passing resolutions in conflict with existing agreements, and overcharging residents, such as my clients (over \$330,000 by our math at this stage in the analysis) does not justify the threat of terminating quality irrigation water and is something we will remedy with injunctive relief if necessary to prevent widespread damage to those areas served by the irrigation water.

Please reach out to advise me of your availability to discuss these outstanding issues in what we hope is part of the process of reaching a mutually-beneficial and amicable outcome or with any questions you may have in this regard.

Sincerely,

Norton, Hammersley, Lopez & Skokos, P.A.



Joseph M. Herbert, Esq.

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