

From: Ron Codd, President Lake Combie Association

Sent: Sunday, 20 February 2011

Subject: LCA Updates

Hello all,

Your board of directors for the LCA has been working on several initiatives, and I want to update you on our progress.

First, I have some exciting news regarding a new propane discount program. As many of you may recall, in the past, the LCA had an arrangement with the Colfax branch of Suburban Propane which allowed members of the LCA to purchase Propane at a discounted price. A few years ago, the Grass Valley and Colfax branches of Suburban propane were combined, and somewhere along the way, the specific details of this arrangement seem to have been lost. On Friday of this past week, the LCA entered into a new contract with the Grass Valley branch of Suburban Propane whereby current members will be eligible to receive a significant discount on propane gas and on their propane tank rental. Suburban Propane of Grass Valley is now the exclusive preferred provider of propane for the Lake Combie Association. They will provide propane to any interested LCA members at \$0.719 above the wholesale BPN rate which is a published index. The price you receive should be \$0.29 above the Lake of the Pines price which is typically advertised and available as a point of verification. Although our price is obviously above that of LOPs, it is a very good price based on our recent market checks, and given the fact that the LOP is effectively a buying coop of nearly 2000 members, and we are a buying coop (for purposes of this agreement) of less than 100. Note that based on this spread, today's LCA pricing is around \$2.40 compared with the normal undiscounted street price of over \$3.00 per gallon. Furthermore, all LCA members are entitled to annual tank rental rates of \$35, just over half of the normal annual rental rate of \$65. We now have a formal signed contract, and these discounts should be applied automatically if you are current on your LCA dues. We have provided Suburban Propane with our membership list exclusively for the purpose of administering this new agreement and pricing schedule. Although they should know you are a member by virtue of being able to verify it on the list we provided, you still should mention you are an LCA member to ensure you get these discounts. with your propane delivery.

Second, following up on the communication from NID to members on encroachments, two of our board members have been working with Peggy Davidson the manager at NID assigned to the encroachment project. They have had a couple of in person meetings with Peggy, and although there is nothing conclusive to announce at this point, we appear to have successfully established a collaborative working relationship with NID with the following objectives: 1) create a process for establishing the standards; 2) define a set of encroachment standards that our members can live with and that minimizes any disruption of the status quo; and 3) push for minimal annual administrative effort for members and minimal permit fees from NID. We will keep you updated on developments as anything conclusive emerges from this engagement, but in the mean time, if you have not completed the NID encroachment form, I would like to continue to encourage you to do so. We do not see any downside from cooperating with NID on their information request, and indeed, we further believe that cooperation at this point will likely lead to a better outcome for each of you.

Till our next communication, I wish you all the best. We hope to see you at our member picnic scheduled for 11 June.

Ron Codd
President, LCA