

Osage Water Company

P.O. Box 777
Camdenton, Mo. 65020
573-346-3936

December 18, 2000

Dear Cavern View Customer,

The PSC Staff has required that we file for a certificate of convenience and necessity to continue to operate the water system in your area by May 2001. Our cost estimate including a new public water supply well and pressure tank is \$100,000. If we wait for the next cycle of DNR low interest revolving fund loans, construction would be in the year 2002 and your water bills would be above \$60 per month. If we obtain bank financing and start construction in 2001 your water bills will be over \$110 per month. I spoke with Gary Prewitt last week and he has no plans in the near future for further development and our only option to spread the costs over more customers. Jim Atkinson told me that the existing well will not produce more water.

I believe that the PSC Staff requirement is not in your best interest. You can drill a residential type well for every home for less money than we can drill one central public type well. The DNR regulations allow for 3 homes to be on one residential type well or up to 14 homes or 24 people to be on one non-community type well. The existing well is a grand fathered non-community well.

The only other option we have is to turn the water system over to you, the homeowners. We propose to quit claim the system to you at no cost. You will have to pay for title insurance to the well lot if you want title insurance. You will have to pay the recording fee to record the deed at the court house if you want the deed recorded.

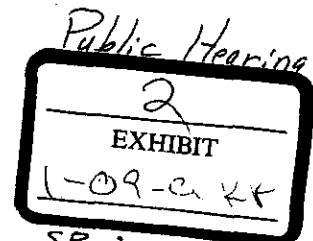
The ball is in your court. What do you want to do?

Sincerely,



William P. Mitchell
V.P.

Dept. NATURAL Resources



DNR - TAP Program

RURAL WATER ASSN. for Rural Communities

SR-2000-556
WR-2000-557