

DENTON COUNTY RECLAMATION & ROAD DISTRICT

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TO: Board of Directors
FROM: Paul W. Phy
RE: Pump #2

This will confirm that after several conversations and a lengthy discussion yesterday. It involved my explaining to him that the District was prepared to file suit in Denton County against Weisinger for damages and costs incurred, including all misrepresentations given to DCRRD, court costs and attorney's fees and all repair costs. Scott Weisinger finally agreed to pull Pump #2, disassemble it and make all necessary repairs. He did ask if DCRRD would contract with the Crane Co. to pull and re-install the Pump because they want to charge Weisinger \$5,000 to do this work whereas the Crane Co. previously charged us only \$3,000 for the same work. I will contact the Crane Co. and see what can be worked out. The cost will be borne by Weisinger.

We will want to go to Conroe and inspect the Pump when it is repaired and will probably want to retain a qualified Engineer (if there is one) to also go and issue a Report of his findings. Then, when there is sufficient water to test the Pump, if it passes the Test DCRRD will pay Weisinger.

I believe this is a sound and conservative procedure to assure the District that its interests are being protected. When we get to the point of signing an Agreement to this effect, we will need to hold a Board Meeting to approve the Agreement.

Paul