

Winding up the Coop and Distributing Remaining Funds to Members

Once all of our members are able to connect to the MWU water system, we will wind up the Coop's affairs in preparation for dissolution.

We will need to sell our major asset which is the property with the pump houses. It's almost an acre in size but irregular in shape and mostly landbound. A developer working with a land trust has expressed interest in building a few houses and thinks the City will give permission. We are also obtaining an appraisal and will continue to pursue other sales options.

We expect some small expenses at the end. The largest will be around \$15,000 for decommissioning the wells. Other costs may be incurred from removing tanks and other metal components, though we may also gain income from the scrap.

Once we have disposed of all assets and settled any liabilities, we can tally up the remaining funds. With our cash reserves and money from the land sale we expect that at least \$200,000 will be available to distribute to members. Following standard coop practice a member's share in Coop assets is proportionate to the member's financial contribution to the coop. To determine this, the share for each service unit in the Coop is first calculated from the water payment made for that unit as a percentage of the total payments for all units. The values are shown below, the dollar share being that which would result from \$200,000 in remaining funds. The share for each member will be the total of the shares for the service units owned.

The chart also shows that we may be able to offer an advance against the expected payment to a member in good standing. This amount would be used to defray some of the expense of installing the private lateral connecting a property to the MWU pipes. We expect to learn sometime during the course of the construction project whether there will be enough money to support this advance. Any advance would be deducted from the final payment to a member, as would any water charges still owed by that member.

When a member sells a property that property's share of the assets of the Coop remains with the property, and Coop membership transfers to the new owner (Article II(2), Coop ByLaws) . Consequently, even if a property is sold late in the process of transitioning to MWU water, the new owner will have the right to the distribution of funds.

Type of Service Unit	Number of Units	Charge Per Year Per Unit	% Share Per Unit	\$ Share Per Unit	Possible Advance Against Remaining Dollars
Residences (single, duplex, triplex) + 4 businesses	125	\$120	0.52%	\$1,039	\$1,000
Apartments / Condos	108	\$75	0.32%	\$649	NA
Total	233	\$23,100		\$200,000	

