



September 25, 2006

PACIFIC SHORES WATER DISTRICT

Partners With The Environment

County of Del Norte
Board of Supervisors
981 H Street Room 100
Crescent City, CA 95531

Honorable Members of the Board,

Pursuant to the obligation of the Pacific Shores Subdivision California Water District Board of Directors to protect and serve the financial interest of the Pacific Shores property owners and Water District members, we hereby make demand upon the Del Norte Board of Supervisors to immediately forward to the PSSCWD all monies due the District from the chapter 8 sale of tax defaulted properties within the Water District's boundaries, and all interest on such money from the date the County received payment on the properties, to the date the County forwards the sale money to our bank account.

Further, the PSSCWD Board of Directors demand a full accounting/audit of all sales of tax defaulted parcels within the boundaries of the PSSCWD. This audit shall include, but not be limited to: Assessors parcel numbers in sequence, each parcels assessed value at time of sale, each parcels market value as assessed by assessor at time of sale, date at which each parcel was classified as "defaulted" and date each was sold and to whom.

We have been advised that the PSSCWD Board of Directors must communicate to the Del Norte Board of Supervisors a demand for payment due and for an accounting/audit of the sale conducted by the County before initiating any legal action against Board members. This letter is such demand.

The PSSCWD Board conducts itself with prudence when it comes to spending the District's money. However, it is also the duty of the Board to retain attorneys and engage in legal action to protect the financial interest of District members. Action to retrieve the District's money is a legitimate and necessary commitment of this Board.

Received

SEP 28 2006

Board of Supervisors
County of Del Norte

We are hopeful the Board of Supervisors has had a chance to reflect upon their hasty and drastic action against the PSSCWD and owners of Del Norte County property the PSSCWD represents.

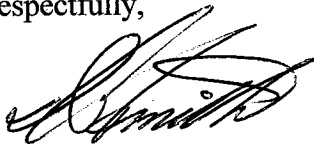
We are cognizant of the insistence by some individuals that the Supervisors take action against any organization dedicated to complete studies so approvals to develop Pacific Shores will be granted. In addition, we acknowledge there are those in County circles who are dedicated in their effort to undermine the subdivision so to assist the Department of Fish and Game acquire the subdivision by any means, whether unethical or even illegal.

There are individuals in County government seemingly more loyal to environmental activist and their agenda to help sabotage the legitimate desires of the property owning and tax paying Pacific Shores property owners, than to the tax paying citizens of Del Norte

We pray the Board of Supervisors realizes this fact that has been so blatantly brought out into the open by action of some individuals. We pray that Supervisors comes to the conclusion that friendship to "Activist" that wish to ruin the financial interest of good, honest, hard working Americans who only want to build a home in Del Norte County, are not worthy of Supervisor's support.

We ask that the Board of Supervisors place this demand for payment and sales audit be placed upon the next Board's agenda, and shall then vote to rescind the Board's action ignoring Article 13 of the State Constitution by confiscating PSSCWD's money, and shall order all monies due the PSSCWD and requested audits be forwarded immediately.

Respectfully,



Dwayne B. Smith, President
Pacific Shores Subdivision California Water District

cc: Del Norte County Clerk of the Board
Darren McElfresh