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**November 14, 2023**

**To:** Erda Acres Water Company Shareholders

**Subject:** Erda Acres Water Company (EAWC) Annual Shareholder Meeting announcement

**Shareholder Meeting Details:** Tuesday, **November 14, 2023 @ 7:00PM**. Zoom meeting. Meeting info on next page.

**Major Agenda Items:**

1. Water system status, connections, usage, 2023 recap and 2024 initiatives.
2. FY 2023 final budget.
3. FY 2024 proposed budget.
4. Shareholder Q&A.
5. Board member election (if needed) – TI,RA, DG, JJ, PK.
6. Shareholder Adjourn.
7. November 2023 board meeting.

**Recommendations**:

1. Complete addition of generator to Nelson well.
2. If needed, use portion of $10 base rate increase to cover any budget shortfall in fiscal year 2024.
3. If needed use portion of $5 Base rate increase to cover any budget shortfall in fiscal year 2024.
4. Early payment for Nelson well generator.

**EAWC Overview:**

In FY 2023 EAWC finances stayed flat (only one new connection), influenced by macro economy. Board elected to finance Nelson well generator (3 annual payments). Result, a significant increase in FY 2023 Net Income. FY 2024 budget proposes to make an early generator payment. Absent the 2 base rate increases ($10 and $5), FY 2023 would have had a net Loss.

FY 2023 experienced a dramatic slowdown in new construction (only one new connection).

In 2020 EAW started using our chlorination system. The system has operated with no major issues for almost 4 years. The system did require a tune-up in 2023 (replaced old parts and operational tests).

The water system, which includes a storage tank, two wells, two water pumps, a booster station, a two generators and a distribution system are all functioning properly. Repairs and upgrades to the system are consistently required to address meter reading issues, leaks, and operation of fire hydrants. Erda Acres has established a regular maintenance schedule to ensure proper functionality and increase asset longevity.

Backflow prevention. Remember water can flow two directions in a hose or irrigation system. An unexpected drop in water pressure may reverse water flow from a hose into your home. Some helpful hints. Ensure water leaving a hose runs through an air space gap of at least 2 inches before it enters into a container. Another tip is to make sure there is a hose-bib vacuum breaker attached to all outdoor spigots. As a reminder state law and the plumbing code require a certified backflow preventer. Since 2006, these have been prohibited. All lawn irrigation systems installed since 2006 have been required to have either a Reduced Pressure Principle (RP) Backflow Prevention Assembly (most common) or a Pressure Vacuum Breaker (PVB) Backflow Prevention Assembly. Both of these are installed above ground and are testable.

Erda Acres continues efforts to identify shareholders with backflow prevention devices connected to their irrigation systems. Federal and State laws require water companies to identified installed backflow devices and track annual certified inspections.

The proposed budget for 2023- 2024, the minutes from last year’s Shareholder Meeting, the voting proxy form and this year’s meeting agenda are posted at [www.erdawater.com](http://www.erdawater.com). Please attend, participate, and vote on the decisions that will shape our water company’s future.

If you have any questions, comments or concerns, feel free to contact me or any of the other board members (a list of board members can also be found on the company website).

Sincerely,

Tom Isom, President

Erda Acres Water Company

ZOOM Meeting Info.

Erda Acres is inviting you to a scheduled Zoom meeting.

Topic: My Meeting

Time: Nov 14, 2023 07:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/83583061540?pwd=RWhwWERQeS9yVUNoNGxETm5pbGRvQT09>

Meeting ID: 835 8306 1540

Passcode: 755635

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