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November 1, 2024

To: Erda Acres Water Company Shareholders

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

Shareholder Meeting Details: Wednesday, **November 13, 2024 @ 7:00PM**. Erda Fire Station (2163 W. Erda Way).

Agenda Items:

1. Water system status, connections, usage, 2024 recap and 2025 initiatives.
2. FY 2024 final budget.
3. FY 2025 proposed budget.
4. Shareholder Q&A.
5. Propose rate adjustment.
6. Board member election (if needed) – MW, LB, BT, TI, JJ.
7. Shareholder Adjourn.
8. November 2024 board meeting.

Recommendations:

1. If needed, use portion of \$10 base rate increase to cover any budget shortfall in fiscal year 2024.
2. If needed use portion of \$5 Base rate increase to cover any budget shortfall in fiscal year 2024.
3. Add Cross Connection Control Administrator position
4. Approve proposed rate increase.

EAWC Overview:

In FY 2024 EAWC finances experience significant pressure, only one new connection, influenced by macro economy and Comcast issues. Board elected to pay-off Nelson well generator. Resulting in a net loss in FY 2024. FY 2025 budget proposal includes new rate structure.

FY 2024 included a continued 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 5 years. Upgrade to add chlorination to the Scada system pushed to FY 2025.

The water system, which includes a storage tank, two wells, two water pumps, a booster station, a two generators and a distribution system. All are 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. 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 identify installed backflow devices and track annual certified inspections.

The proposed budget for 2024- 2025, the minutes from last year's Shareholder Meeting, the voting proxy form and this year's meeting agenda are posted at 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