

High Valley Water Company  
Meeting Minutes for April 23rd, 2024

Board Members Present: Scott Houston, Geneo Young, Dave Maurer, Bob Martin, Meghan Newsome

Staff Members Present: Andy Oyler, Justin Rametta  
Sunrise Engineering: Derek Johnson and Earth Services: Not present

Meeting Opened at 7:00 PM by Justin Rametta

Minutes from March 26th, 2024 meeting read and approved

Financial statements from March 2024 reviewed and approved.

Justin started the meeting by asking Andy about the amount of water we have been pumping from our well water vs the supply we get from Mountain Regional. We should only be using our well for 10% or less of our overall usage. So far this year we have used it for 53% of our usage. Andy explained that it was not an exact science and he has the ability to adjust the flow from Mountain Regional so maybe it hasn't been open enough. He promised to make some adjustments and keep a closer eye on it so our well doesn't have to pump as often and our usage gets back down to 10%.

We discussed having our well water sampled to check its current TDS levels. It would be good to understand what that current water quality looks like and if we could rely on it for more than 10% in the future. Justin to ask Karen how she was doing that testing in the past and get it tested soon.

We then moved into the discussion about our infrastructure project. In the past month Earth Services has replaced their leadership with employees from UBA (their parent company). They have put together a plan of action that aligns with our priorities list given back in February. They acknowledge their shortcomings last year and want to do everything in their power to correct prior issues and prove to us they can handle the completion of this project this year.

We discussed the plan of action Earth Services has provided us and the new leadership individuals that will be taking over management of the project. We discussed the fact that Earth Services is proposing to remove the asphalt and re-compact the entire trench on Countryside Circle and Fairview. They are proposing to use a testing method to verify the quality of the work done on Highland. Derek and Justin asked Jesse from Summit County if they would accept the less invasive testing methods vs re-doing all of Highland. Jesse was going to run this by the head engineer and get back to us. We actually have a meeting scheduled with Earth Services, Sunrise and Summit County tomorrow afternoon to discuss the proposed plan and hopefully get an answer from Summit County as to whether or not they will accept the proposed testing process.

Scott suggested doing our own documentation of the existing conditions of the project to have that as evidence if this project ever does end up in a lawsuit.

Justin explained to the board that he has consulted with a new attorney who specializes in construction litigation and has experience in dealing with bond companies. The new attorney's name is Eric Lee and he comes highly recommended from, as was introduced by, our regular counsel Bea Peck. Eric's preliminary analysis of our case is that we have the right to terminate for cause, but was in support of us giving Earth Services another opportunity to correct the problems and complete the project as long as they sign an addendum to the contract. Eric drafted an addendum under which Earth Services confirms that we are allowing them back on the project without prejudice to our rights based on their prior

breaches. In other words, they are being given another chance to perform, but their past lack of performance is not in any way excused. The existing contract and all rights under that contract remain intact, including rights based on past breaches. The board agreed that this was a great idea and Scott signed the addendum before the meeting was over.

Eric also suggested that we continue to keep the surety updated with any communications with Earth Services that involve their performance on the job.

GeneO asked Derek if Earth Services was supplying Sunrise with the requested documentation that he was missing. Derek said that information had started to come in which was encouraging.

We discussed the Lead and Copper Inventory status. Recently the State released an exemption for any home built after 1970. Sunrise found an aerial photograph of Highland Estates from 1975 that shows only 23 homes in the development at that time. Those 23 homes will be the target of the inventory going forward. Meghan suggested we send out a survey request to those properties as soon as possible. Sunrise and Meghan will continue to assist with that in the coming months.

Justin explained that our CD with Chase has matured. The new rates are coming down. Current offering is 4.5% for either a 2 or 9 month term. The board decided to reinvest the \$250k in a 9 month CD and invest another 50-100k in a 2 month.

We discussed Verizon's proposal again. Bea looked into the land ownership question as well as any conflict between UBB and Wicked Fast. She thinks we are fine legally taking the next step with Verizon. We discussed the rent rate again and the board wants to get more aggressive in the negotiations and see how much more Verizon would be willing to pay. Scott promised to take the lead on negotiations with Troy soon.

Justin explained to the board that he had spent a lot of hours in the past couple of weeks trying to collect updated contact information for all accounts. The intent is to have an email address on file for every property to start receiving monthly bills that way. During this process he encountered a handful of people who don't have an email address; one didn't even own a cell phone. He also spoke with multiple people who still want to mail in a check every month and numerous people requesting they still receive a printed bill each month. In order to continue moving toward an automated system Justin has proposed we subscribe to Xpress Billpay's lockbox service in order to have them manually process hand written checks for us. We also discussed using Freedom Mailing services to print and mail paper invoices to those accounts who are unable to receive their monthly statement electronically. The board agreed to try these services for a year and re-examine whether they are cost effective solutions after trying them out for a while. It really depends on how strong of an adoption rate we get with these new online offerings. However using a lockbox and mailing service will drastically reduce the amount of manual labor required currently and allow Justin more time to focus on the more important tasks of managing the company overall.

We discussed the new AMI meters and whether or not we need to upgrade the register at the same time. Steve from Hydrospecialties recommends having a 9 dial digital register in order to sense water moving to the 1/100<sup>th</sup> of a gallon to provide us with the leak detection we are expecting. Andy thinks all of our registers are already digital 9 dials. Steve thought they were mostly mechanical 6 dial. We need to get Hydrospecialties out to confirm what we have installed so we know what the hardware cost to implement is going to be. There is also a question as to whether or not we need new plastic lids vs the cast iron ones we have currently.

Justin let the board know that High Valley was sent a letter from Andy Garland, the general manager for Mountain Regional, explaining that our jointly owned Atkinson Well #2 is no longer producing enough water to sustain our service agreement and would like to negotiate our existing contract for "blending rate" to be at a "wholesale rate" instead. Bea Peck is going to handle these negotiations on our behalf. She was involved in the previous negotiations back in 2008 so is familiar with the situation. This letter was only received a few days ago so we haven't began negotiations but should know more in the coming weeks.

Next monthly board meeting is on May 28th, 2024

Meeting adjourned at 8:50