

To the Customers of Pete's Mountain Water Company:

We, the Board of Directors for the water company, intend to regularly and openly communicate with the customer/user community. This is an update of our current and near-future activities.

We are pleased to report that the sale of the company from Suzanne Weber was completed on November 30. The transition has been smooth: we took over the billing this past month and our new system manager, Phillip Merrill, has assumed the overall responsibilities of overseeing the operations. He will report monthly to the board.

More importantly, we want to express our deep appreciation of the members of the community who have readily agreed to the conditions of the transfer of the company. The vast majority has completed the application form and paid the initial membership fee. We are doing outreach to the very few who have not followed through with their commitment.

We have already spent ~\$380,000 for the due diligence, engineering consultation, and purchase of the system. With \$300,000 remaining from the loan, we should be able to accomplish all of the planned improvements. The operating reserves, provided by the initial fees paid by customers, will cushion the company from any big surprises, the likelihood of which, based on our scrupulous evaluation of the company, is remote.

With funds from the low interest loan we obtained, we anticipate initiating essential improvements to the system this winter and early spring. This includes returning Well #1 back into operation after more than 10 years of dormancy, upgrading the electrical service, adding a portable generator for emergency electrical power, improving and coordinating the controls and pump efficiency, and adding remote-readable meters.

We have adopted final versions of the organizational documents, including the bylaws and system rules/regulations, which are posted in the documents section of our website (<https://www.petesmountainwatercompany.com/documents/>). These provide important guidance for the community with regard to how the company operates and how to interact with the board. We are a mutual benefit association, in which each household account has a share. Therefore it behooves you, as owners as well as users of the system, to become familiar with these processes.

The next billing cycle will include the monthly ownership fee of \$29 intended to repay the 20 year loan. The billing system will be upgraded in the coming months, such that credit/debit card and direct deposit payment options will be added. The usage rates will not be changed for the coming year. We will reassess the rate structure after building up experience with the system and collecting data relevant to such an analysis.

We encourage you to visit our website for detailed information. Please feel free to contact any member of the board to obtain further information, to ask questions, or to express concerns.

Have a great holiday season. We hope next year will provide a continuously dependable, sustainable, plentiful, safe and high quality water service.

Sincerely,

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