

Valley Heights Estates, Inc.

PO Box 9141
Rapid City, SD 57709

January 20, 2020

Dear resident / property owner :

You are receiving this letter as a follow up to the correspondence that you or the prior tenant/property owner received in January of 2018 from Valley Heights Estates, Inc., ("VHE"). VHE owns the water distribution system through which your property receives water from the city of Box Elder. The January letter from VHE discussed water sampling and advised that in the future there would be a surcharge for each service connection for continued use of the water system. The purpose of this letter is to confirm that commencing February 1, 2020, each service connection will be charged a monthly surcharge to defray the costs of maintenance and operation of the water system through which you receive your water.

Commencing with construction of the VHE water distribution system in 2001, the State of South Dakota Department of Environment and Natural Resources ("DENR") had previously considered the VHE water system to be a part of the city of Box Elder's water system for the purpose of water sampling and certified water operator management. As such, from 2001 until November of 2017, the City of Box Elder included the VHE system as part of their water sampling program, and thus collected all DENR required water samples for testing. In the fall of 2017; however, the DENR advised VHE that it now considered the VHE water system to be a consecutive water system, and that VHE would henceforth be required to perform independent water sampling, and that the system must be managed by a certified water operator. These requirements, when coupled with the existing costs of repairs and maintenance of the water system, have rendered continued operation of the water system impractical without imposition of a surcharge to all that receive their water from the city of Box Elder via the VHE water system.

The amount of the surcharge will be \$18.00 per month and will be billed to each service connection. You will receive monthly invoices from Water Billing Services on behalf of VHE. Additional billing information is attached. Failure to make payment will result in your water service being interrupted until such time as the last unpaid invoice is paid in full. You will continue to receive a separate bill for your water from the city of Box Elder.

Thank you for your cooperation.

Valley Heights Estates, Inc.