

NOTICE OF WATER RATE INCREASE EFFECTIVE JANUARY 1, 2024

Dear Shareholder,

In December 2023, the Board of Directors approved a 10% increase in all water services, effective January 1, 2024. This decision was not made lightly but is a necessary response to the escalating costs associated with providing quality drinking water to our community.

Summary of Rate Changes:

| Service | Current Rate | 2024 Rate |
|---------------------------------|--------------|-----------|
| Monthly Service Connection Fee | \$40.70 | \$44.75 |
| | | |
| Water Rates (per 1,000 gallons) | | |
| Tier 1 (0-6,500 gal.): | \$2.99 | \$3.29 |
| Tier 2 (6,501-15,000 gal.): | \$9.47 | \$10.42 |
| Tier 3 (15,001+ gal.): | \$18.94 | \$20.83 |

Water Volume Tier Structure: To encourage water conservation, Green Valley Mutual Water will maintain the water volume tier structure. This incentivizes customers to reduce their water consumption and contributes to the sustainable use of our water resources.

Reasons for the Rate Adjustment: The driving force behind this rate increase is the continual rise in operational costs. Our commitment to delivering safe and high-quality drinking water requires compliance with increasingly stringent regulatory standards. Meeting these standards involves investments in advanced treatment technologies and continuing maintenance.

As a private mutual water company, all operating costs must be recovered through shareholders' monthly fees. The 2024 rate adjustments ensure that each utility customer pays their proportionate share of the costs to provide essential water services.

Access to 2024 Budget Information: For a detailed breakdown of the 2024 budget, please visit our website at <u>www.gvmwc.org</u> under the "News and Info" tab. We believe in transparency and want our shareholders to have access to information that explains how their contributions are allocated.

Contact Information: Should you have any questions or concerns, our team at GVMWC is here to assist you during regular business hours, Monday to Friday, from 9 am to 3 pm, at (909) 867-2912.

From all of us at Green Valley Mutual Water Company,

Happy New Year!