

Sheep Creek Water Company
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December 1, 2023

Dear Customer:

During the Regular Board of Directors Meeting on November 7, 2023, the Board of Directors approved the new water rates.

Prices of materials and outside services have increased from Edison, fuel, pipe, gate valves, fire hydrants, fittings, sampling our water, and etc. Due to the inflation, the Board has approved the following water rates:

Effective January 1, 2024

Category	Current Rate	Increase	New Rate
Monthly Base Rate	\$65.50	\$4.50	\$70.00
Tier 1 Rate	\$.55/hcf	\$.10/hcf	\$.65/hcf
Tier 2 Rate	\$4.50/hcf	\$.77/hcf	\$5.27/hcf
Tier 3 Rate	\$10.00/hcf	\$1.00/hcf	\$11.00/hcf

*New meter cost increase was also approved at the November 7, 2023 Regular Board of Directors Meeting. The cost will increase 10 percent.

Summary: Tier 3 water fee is charged to those that are using water above and beyond their water allotment allocated per water share. This fee is structured to pay for the loan of the new wells and upgrades to the water company. These fees are projected to generate approximately \$350,000.00 per year or \$3.5 million over the next 10 years. The water continues to be sold at-cost.

Sincerely,

Joseph Tapia

General Manager

Sheep Creek Water Company