



San Antonio Water Company

Incorporated October 25, 1882

Serving the original Ontario Colony lands

Based on the Rate Study adopted by the Board in April 2017, the following rates are in effect on July 1, 2017:

- Tier 1 rate of \$0.51/hcf increased to \$0.68/hcf. (Base Rate)
(Increased O & M/Admin. Expenses)
- Tier 2 rate of \$1.33/hcf increased to \$1.78/hcf
(Cost to purchase water-indexed to Upland's water rate)
- Tier 3 rate of \$3.78/hcf
(New charge for those who exceed more than double their monthly entitlement)
- Water Availability Charge - \$8/month per share.
(Monthly assessment to cover portion of fixed expenses)

As an inactive shareholder, you may not be aware nor have received an assessment in a number of years.

As a mutual water company, the Water Company by-laws permit it the powers to assess a charge to all shares in form of an assessment. The Board has the ability to determine what part of the revenue of the company shall be raised by assessments and what part by tolls or rates and the amount or items shall be charged to current operating expense and to betterments.

The Water Availability Charge (WAC) mirrors an assessment, but rather than a one-time fee, the WAC is set to be recovered monthly but does not suspend or limit the company's ability to implement future assessments.

You may or may not be aware that the water the Water Company is able to produce is prorated among all outstanding shares. Therefore, whether your share is active or inactive your shareholding contains a budgeted pro-rata share of this water. The Water Company regularly maintains fixed expenses in making this water available for all shares. This enables inactive shares to actively receive water when it is available via current distribution systems. Therefore this fixed rate is applied to all shareholdings to cover pro-rata share of the Water Company's expenses.

In addition to the WAC, those shareholdings that are actively receiving their entitlement of water pay an additional Readiness to Serve charge based on their meter size. For further clarifications or questions, please call our office at 909-982-4107.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charles Moorrees', is placed over a light gray rectangular background.

Charles Moorrees
General Manager