

**Senior Canyon Mutual Water Company
PO Box 600
Ojai, CA 93024**

JANUARY 6, 2024 UPDATES

Dear Shareholders,

Here are the latest developments in our Company:

Update #1 Water Production and Purchases

Potable water production from our Canyon sources, the Tunnel, West Fork, and North Fork, for December, 2023, was 38 acre feet, while we purchased 0.5 acre feet from Casitas Municipal Water District(CMWD). 38 acre feet is equivalent to 1,655,280 cubic feet and 12,381,494 gallons. Current monthly production has gone down from 55 acre feet in October and 47 acre feet in November, which is to be expected since the agricultural and yard demand has gone down with the cooler weather. Our canyon continues to produce about 400 gallons/min. The ag Canyon wells have not been used for over a year, and the Reservoir is full.

Update #2 Tunnel Grant

We remain in process of obtaining the necessary permitting before we can begin the Tunnel Renovation, now tentatively scheduled to begin in early April, 2024. This project is funded by a \$2.65 million grant from the Dept. of Water Resource(DWR). It is a fully reimbursable grant, but SCMWC must first pay our contractors before filing for reimbursements. We are learning both from FEMA and the US Forest Service that these governmental agencies can take a long time to complete the necessary paperwork for the permitting process.

Update #3 FEMA Grant

As mentioned in previous update letters, we sustained serious damage in our system from the 2023 torrential rains, and we qualified for Federal Emergency Management Agency (FEMA) funding assistance for repairs to our system. For most repairs, FEMA covers 75% of the costs, while SCMWC has to cover 25%. The way this process works is that we have to file for grant assistance for individual projects. The projects must have detailed descriptions including any necessary engineering and cost estimates. Once FEMA approves a project for funding, we then may begin the work. The smaller projects can often be done in house with our own employees, while the larger projects are contracted out to local companies. We have to first pay the entire cost of the project and after completion file for reimbursement from FEMA. This has proven to be a slow process, and it negatively impacts our cash reserves.

So far we have been reimbursed about \$55K, while we are still waiting for another \$250K to arrive. We have other projects to begin, but we have to juggle the cash flow to be able to do so.

Update #4 Leaks Chapter Two.....

Most shareholders have at one time or another experienced some kind of leak or other excess water use in our yards that shows up in a monthly bill. It could be from an old rusted out pipe, a failed pipe connection, a critter that bites into an irrigation line, or perhaps a water hose left on. In many of

these situations, there may not be any water seen on the surface, since the ground in our service area percolates so readily.

Often, the first time a shareholder might be aware of a leak is when they open their monthly bill.

There are several ways to mitigate the possibility of a leak in one's yard becoming costly:

#1: The only way to truly tell if you are using excess water is by reading your meter. Your meter is usually close to the property line. It has a little triangle in its face which rotates when water is going through it. The numbers on the meter are in cubic feet. Start reading it and learning out it works! Create a journal with the reading date and the total cubic feet recorded. When you take a reading you have to subtract the previous reading to calculate the volume used. Rei and Robert can help you learn this process. With this approach, you may still get leaks, but they can be detected before the water loss becomes painful to the pocketbook.

#2: Many of our shareholders live here part time and are dependent on gardeners or others to maintain their irrigation systems. But with such workers coming to your property once or twice a week or more, leaks can be flowing for a long time without detection. A number of these shareholders have successfully installed a Flume System that notifies its owner via the internet about water usage in the meter. For about \$250 the Flume system involves placing their device on the water meter. It must have WIFI access. The Flume device measures water flow and can send alerts when excess flow is detected. It runs on a small battery.

If for some reason there is no WIFI at the meter location, several options are available. A WIFI extender can possibly be installed to provide this connection. Another option is to install your own secondary private meter closer to your house. These are relatively inexpensive and can be purchased readily online. Senior Canyon would not be reading or installing such a private meter. Its purpose would be for you to be able to use a Flume-type system to monitor your water use.

(flumewater.com) Located in San Luis Obispo

Update #5 Monthly Bill Payment

While the monthly bills are paid in a timely manner by a vast majority of our shareholders, we have a few accounts that have larger than normal outstanding balances. SCMWC is not equipped to carry debt, and all accounts are expected to be paid in full each month. Of course, we recognize the the \$25 late fee will be applied occasionally.

For any balance that is 60 days overdue, SCMWC has the right to shut off the water to that account. The procedure for how this is done is stated on our website, seniorcanyonwater.com, under "Shut off Policy." No water will be shut off without following the proper procedures, but the Board is very serious about implementing this policy if necessary.

For the Board,

Peter Thielke
President

