

Ponderosa Basin Mutual Water Company

5623 Parker Dr. Mariposa, Ca. 95338
209-742-6572

11/30/2025

Dear Shareholder,

Subject: Notification of Water Rate Adjustment Effective January 1, 2026

The Board of Directors of the Ponderosa Basin Mutual Water Company carefully reviewed the proposed budget for the 2026 fiscal year during our regular meeting on November 12, 2025. After thorough consideration, the Board has approved a necessary rate adjustment to ensure the continued reliability and financial health of our water system.

This decision was not made lightly and is driven by significant increases in our operational costs, including:

- Rising electricity rates
- Increased premiums for Workers' Compensation and Commercial Liability Insurance
- Escalating costs for system maintenance and repairs

New Rate Structure Effective January 1, 2026:

- Residential Unmetered Water: The monthly rate will increase by \$21, from \$99 to \$120 per month.
- Short-Term Vacation Rental Units: The monthly rate will be \$210 (comprising the residential rate of \$120 plus a \$90 commercial surcharge).

Historically, our company has charged the minimum necessary to deliver water. While this has kept rates low, it has also left us without a sufficient financial cushion, requiring us to tap into our state-mandated emergency fund for unexpected expenses. This emergency fund was originally established through the sale of company-owned real estate, not from monthly rates. The new rate structure will allow us to cover current operational increases while also systematically replenishing and maintaining the emergency reserve as required by law.

Water bills are mailed on the 1st of each month and are due by the 15th. The new rates will be reflected on your first bill of the new year.

We strongly encourage shareholder participation and input. Our Board meetings are held on the second Wednesday of each month at 6:00 PM.

Sincerely,



Howard Skinner
President