

# Krista Mutual Water Company

Dear shareholders,

Just wanted to update you about a few things that are going on with Krista Mutual Water Company.

## **Krista Fluoride Contamination Planning Project State Revolving Fund Grant**

Krista received a grant for the Fluoride violation. To correct this, we drilled a test well that did not produce quality or quantity water.

We then looked at annexing with Lebec, and thanks to you and our shareholders' approval both companies have agreed to move forward with this. We are now working with our engineers on the build and designs that will incorporate suggestions from our Board of Director & Lebec's engineer to upgrade our system for the annexation. This is one aspect that was required in our Preliminary Engineer Report to finalize this grant. While we are working on this we will also be working on an application to get a grant for the consolidation of the 2 companies.

## **Annexation Request for upgrades**

Our company was formed in 1971, much of what is running through our system has been there since that time. Our board has been working diligently to find ways to upgrade our system, they have looked at grants and all the options that we could before our board approached Lebec with the possibility of annexation. Krista's board has given Lebec's engineer all the info on what is necessary to upgrade our system. A feasibility study has been done to see what would need to be needed by both companies to consolidate. They have requested that we have a new tank put in to replace 3 of our old tanks, Meters, replace most of our system lines within the housing track (The line from our well to Canyon was done 20 years ago, but may still be replaced with the annexation), all new valves, SCADA System (Radio controls of wells and tanks), and an intertie with Lebec's line up the road. Krista's Well to be converted to an above ground pump and motor, with a generator on site and boosters. We will have the intertie with Lebec at the wellsite where the water will be blended to reduce the fluoride levels and provide water if our well fails. Lebec will have to have their line that will connect to us upgraded to handle the pressure and a new tank to hold enough water to supply to us and their existing customers. This study has taken a lot of work between both Board of directors (Krista's & Lebec), their engineers and the state. **The state will be looking at the proposed study to see if we can get an annexation grant to pay for all upgrades to both systems. ALL OF THESE SUGGESTIONS ARE NOT GUARANTEED. Everyone involved is excited for the future of our community. This process will take 5 to 10 years with many monthly meetings and paperwork. If you are interested in finding out more, please come on our board meetings on the last Monday of the month.**

## **Meter Grant**

Krista has also been working with the state on a meter and valve replacement grant. We heard back from the state that we could add the generator to this application but that it would be a 90% grant and 10% Loan with 0% interest for 20 years. Our board voted that we proceed with this so that within 2 to 3 years as soon as the grant is approved we can have a permanent generator to run our well if we experience any power outage. Since that time this grant has now become, Meter Installation, Well site Improvements and Generator Installation Project and is now going to be 100% grant. In the meantime, Krista, will have to rent a generator for 4 to 6 months, each year to be prepared for the PSPS's. All of these improvements will help with the merger of both companies.

## **Water Restrictions**

Just a reminder, we did not have a wet winter, so we will need to conserve. If the drought has taught us anything, it is that water is valuable, we still should use it wisely. We ask that even number houses water only on Monday, Wednesday and Fridays, and Odd number houses water Tuesday, Thursday and Saturdays. **No** watering from 10 am to 5 pm. Watering houses, driveways or cars is **NOT** allowed at this time.

## **PG&E public safety power shutoffs (PSPS)**

We will be preparing for the PSPS that occur between August and December by renting a generator.

When the power goes out, we do not always get a notice, much like you, so please conserve water during power outages as our pumps cannot work without power. It takes about 4 hours to fill our tanks and our operator needs to be up here running the generator and keeping an eye on the tanks. This is all added expenses and we try to use this sparingly, but we do want you to have the water you need for basic living at all times.

Thank you

Board of Directors

The Board of directors would like to welcome any shareholder to come to our Board of Directors meetings and Shareholders meetings which are held at via zoom and the agenda can be found on our website with the zoom info at

<https://kristamutualwater.com/>. Board of Directors meetings are held the last Monday of the month at 1:00 pm. We look forward to seeing you.