Villa del Monte Mutual Water Company

P.O. Box 862 Los Gatos, CA 95031-0862

Letter to Shareholder's February 21, 2021

Members and Neighbors,

I'm happy to report some good news about our tank replacement and chloramine treatment upgrade project.

- Thanks to the (30) members who have participated in the Option-1 assessment prepayment plan, we were able to secure the loan required to move forward on the project.
- Santa Cruz County has approved our plans and have issued a construction permit for the project!
- And we have completed final terms with our construction contractor (RSH Construction) who plans to move on site the first week of March.

The preliminary schedule indicates a March 1st move in date and final completion at the end of August.

Some of the major tasks you should expect to see are:

- Demolition of the old storage tank.
- Construction of a new temporary tank farm at the old tank location.
- Demolition of the existing temporary tank farm.
- Earth work preparation and tank foundation work.
- Trenching for the installation of pipes and conduits.
- Construction of the new storage tank.
- Construction of the new chloramine control buildings.
- And many days of interconnecting piping, electrical and controls work.

Please be patient as the activity level increases. There will obviously be additional construction traffic so we all should expect some delays getting in and around in the Villa.

Sincerely,

Mike Miller Board President

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Villa del Monte Mutual Water Company

Mutual water companies provide water service in rural areas that have no alternative supplies, and in urban pockets where property owners continue to hold mutual water company shares and liability for the integrity of the water system.