SONOITA VALLEY WATER COMPANY CUSTOMER NOTICE

STAGE 3 CURTAILMENT

The Arizona Corporation Commission (Commission) authorized Sonoita Valley Water Company (Company) to curtail water usage under certain conditions. A copy of the curtailment plan is available at:

https://southwesternutility.com/images/utilities/Sonoita_Valley/2022_06_06_Sonoita_Curtailme nt_Plan.pdf

There are 4 stages in the water curtailment plan described as follows:

- Stage 1 no known issues;
- Stage 2 water production is less than 80% of capacity for 48 hours;
- Stage 3 water production is less than 50% of capacity for 24 hours; and
- Stage 4 water production is less than 25% of capacity for 12 hours.

In addition, depending upon water supply and demand, stages 2, 3 or 4 may be implemented if the Company has identified issues such as a steadily declining water table, increased draw down threating pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Current Issue - Water production at Well 4 has dropped from approximately 30 gallons per minute to 7 gallons per minute due to a lack of water in the aquifer and the Company is hauling water to meet water demand.

Curtailment Stage 3 – The Company requests its customers to <u>voluntarily</u> employ water conservation measures to reduce water consumption by approximately 50%. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible.