



COMMUNITY WATER COMPANY PROVIDING
RELIABLE WATER DELIVERY SERVICE SINCE 1977

April 6, 2020

**To the Members of Community Water Company of Green Valley
regarding how our water utility is addressing the impact of COVID-19**

Community Water Company is committed to remaining open and delivering drinking water to your home and business during the uncertainties arising from the coronavirus pandemic. Water is critical to the existence of our community. The health of our customers and employees is of utmost importance, and we are making many changes to the way we conduct our business to ensure the delivery of water while protecting our staff.

We have closed the front office to walk-in service. Following closing our office to walk-in service, we are moving staff workstations to their homes and conducting meetings remotely. We have divided the field staff into teams, segregated the work areas, and implemented disinfection procedures. Our objective is to maintain sufficient staff to continue water delivery to your home. We will defer maintenance if staff members become ill and require other staff members to self-quarantine under the existing CDC guidelines. We continue to evaluate the robustness of our teaming arrangements and make improvements as needed. Employees who experience symptoms of COVID-19 are required to separate themselves from the work environment and seek professional advice, including testing as applicable.

In an emergency, please call 520-625-8409 24/7 if you need to reach Community Water Company. Our web site is <http://www.communitywater.com>, or email us at billing@communitywater.com, or call us during our customer service hours of 7:30 AM to noon, and 1 PM to 4:30 PM, at the same phone number.

As a nonprofit corporation with members, our revenues from customers are our only source of funds to support our staff, operations, maintenance, and plant replacements. To address the growing economic challenges in our community, Community Water Company encourages our members to call us to sign up and participate in contributing to the Round-Up program. This voluntary program will round-up your bill to the next dollar. Funds are administered by local nonprofits to help customers within our service area who are unable to pay their water bills.

Due to the precautions related to the coronavirus pandemic, the annual meeting of members, typically held in April, has been postponed until further notice. Thank you for your continued support.

Sincerely,

Virgil W. Davis
Chair of the Board

Arturo R. Gabaldón
General Manager and President of the Board

Community Water Company of Green Valley

(An Arizona nonprofit corporation with members operating a water utility regulated as a public service corporation by the Arizona Corporation Commission)



We are providing this letter to keep you informed about CWC.
We authored this letter before the issues related to the
COVID-19 became apparent in March 2020.

*COMMUNITY WATER COMPANY PROVIDING
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To the Members of Community Water Company of Green Valley

We are delighted to have provided reliable water delivery service to our members for 43 years. We are now serving 12,800 homes and 400 businesses in the Green Valley-Sahuarita area, to whom we deliver an average of 2.2 million gallons of water daily. We accomplish this with an average residential water delivery bill of \$22 per month.

A major part of our success is attributable to the guidance of our volunteer board, who we thank for taking the long view when evaluating our options for system stewardship, water resource management, and utility practices. And we are proud that our latest January 2020 survey continues to reflect high customer satisfaction.

Community Water has a great staff. They work diligently to repair service and water main breaks while ensuring that affected customers are without water for less than 12 hours. Some of those repair events keep our crews working long hours over several days. The staff also works on enhancements to the reliability of our water delivery system, expanding system security, implementing complex computer upgrades, and addressing potential cyber threats. Community Water's source of supply is from four wells located in various parts of our service area. These wells provide water to four reservoirs: three reservoirs located at higher elevations, and one located centrally within our service area. Water is gravity fed from the higher elevation reservoirs through a complex water delivery system to your homes and businesses.

This year it became necessary to restore one of our wells, Well-06, to full design capacity. Production capacity has decreased since it was initially placed in service in 1977 and retrofitted for arsenic treatment in 2006. The task of restoring Well-06 took several months to complete; the work included relining the well, replacement of the pump, and upgrades to the arsenic treatment facilities and controls.

We experienced two major well failures during the summer months when we were at our peak water demand. We pulled and replaced the two existing pumps and the column pipes. Throughout this period, we maintained emergency pumping equipment on standby.

Community Water was able to address the unplanned equipment failures and maintain our water deliveries uninterrupted because we have an excellent reservoir system, maintain a highly skilled staff, have access to critical parts and components, and maintain financial reserves to timely fund required maintenance and repairs. Well maintenance costs exceeded \$500,000 in 2019, and we anticipate another \$500,000 in 2020.

Periodic rate increases are required to maintain the necessary revenue in support of financial sustainability and are essential to maintain sufficient cash flow to cover expenses, maintain funds for scheduled equipment maintenance, repair unexpected equipment breakage, and develop reserves to support borrowing to make appropriate system replacements and upgrades.

Community Water is committed to developing access to an alternate water supply as part of the 1980 Groundwater Management Act that sets safe-yield goals for the Tucson Active Management Area. We joined with Rosemont Copper Company in 2007 to develop Project Renew's. Project Renew's will bring renewable water supplies to the Green Valley-Sahuarita area. It has the approval of the Bureau of Reclamation, and development is at no cost to our members.

Under management by Project Renew's and as part of a joint effort with FICO, we installed two pipelines for about two miles along Pima Mine Road. Doing this joint project minimized construction delays to the people of Sahuarita. Project Renew's already connected to the Central Arizona Project pipeline and extended eastward under I-19 at Pima Mine Road. We now have CAP water near Nogales Highway and Pima Mine Road.

Prior Project Renew's construction also included completion of the acquisition of pipeline rights-of-way, installed segments of the pipeline under the Pima Mine Road Bridge, and the Nogales Highway intersection with Sahuarita Road, and secured a 99-year lease on State Land in Sahuarita for recharging water into the aquifer providing our drinking water.

Community Water continues the delivery of water that meets or surpasses all applicable health and safety standards. We conduct all required tests to check water quality and report our test results each June.

Our Water Quality Report is available on our website at <http://www.communitywater.com/wqr.pdf>. Please visit our office for a paper copy.

Community Water is proud of its annual support of providing water over the past decade to the MedianGreen Project. This water contribution supports the mission of the MedianGreen Project to replant and beautify the public road medians in Green Valley, reflecting the pride we take in our community.

Sincerely,



Virgil W. Davis
Chair of the Board



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