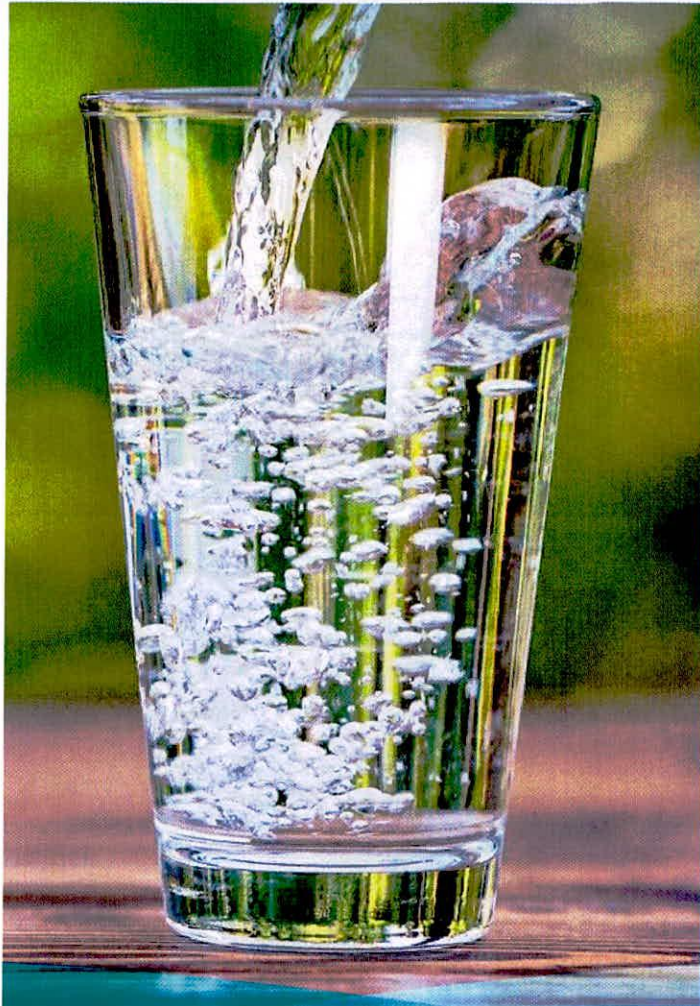




HIGHLANDS MUTUAL WATER COMPANY

Consumer Confidence Report

2024



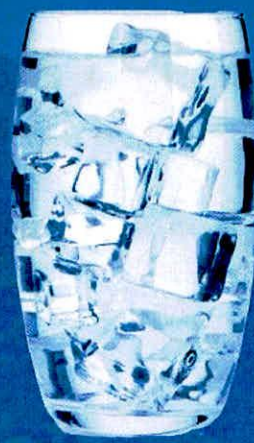
PWS ID# CA1710003

Continued Mission

We are most dedicated in our efforts to move forward with treatment and distribution infrastructure maintenance and replacement project upgrades in addition to state-of-the-art water treatment technology with the concern of an auxiliary source of water supply during future extended seasons of drought.

Even though untimely events occurred within the past year, your board of directors, general manager and employees of your company were able to stay focused with their participation on a course of action in the completion of a great number of required planned maintenance and upgrade projects that we have detailed later in this report for our shareholders.

Your company directors, management and employees agree that this would not have been possible without the action, dedication and continued support given by the local citizens and especially by the Highlands Mutual Water Company shareholders. You are all sincerely appreciated... Thank You!



COMMUNITY PARTICIPATION

The time and place of the scheduled meeting place for public participation and input is held at the Business Administrative and Accounting Office located at 14580 Lakeshore Drive in Clearlake, California 95422:

MONTHLY MEETINGS

The last Wednesday of Every Month 4:00 PM

SHAREHOLDER MEETING

Annually on the Second Wednesday in April 6:00 PM

Raw Lake Water Source Assessment

The latest Highlands Mutual Water Company sanitary water survey was recently updated in August 2023 in cooperation with other water systems using Clear Lake water source as the basis of the update.

The following is a brief, but comprehensive water source summary of significant sanitary hazards within the watershed which was prepared by your water district's State Water Board assigned engineer, who has made note of the following information during his recent assessment review of Highlands Mutual Water Company. As noted, during events of extensive development projects along the lakeshore and within the watershed, the following activities have the potential to cause significant surface water contamination:

- Wastewater discharges from inundated wastewater treatment plants, collection systems during flood events and subsequent periods of excessively high lake levels.
- Flood induced discharges into streams or the lake from land disposal areas.
- Wastewater collection system overflows and ruptures during flood events and periods of excessive high lake levels.
- Recreation, including boating, swimming, waterskiing, jet skiing, and fishing.
- Septic tanks that may have been incorrectly installed or maintained, or which are subject to flooding and excessively high groundwater tables.
- Stormwater runoff from, and inundation of, urbanized areas adjacent to the lake and tributary streams.

Clear Lake water quality is impacted by seasonal rainfall and algal growth. During heavy rains, turbidity results can rise to over 100 NTUs. Algal blooms can significantly impact plant treatment processes. Algal blooms can cause spikes in pH, lysing of cells during pre-oxidation, taste and odor, and is difficult to filter. Ammonia spikes are common during the summer months when large amounts of algae decompose causing significant chlorine demands making water difficult to treat.

The Highlands Mutual Water Company general manager and system operators acknowledge the summary assessment and concur that due to the above outlined potential contaminating activities, the following specific water quality issues are always being addressed during the water treatment process:

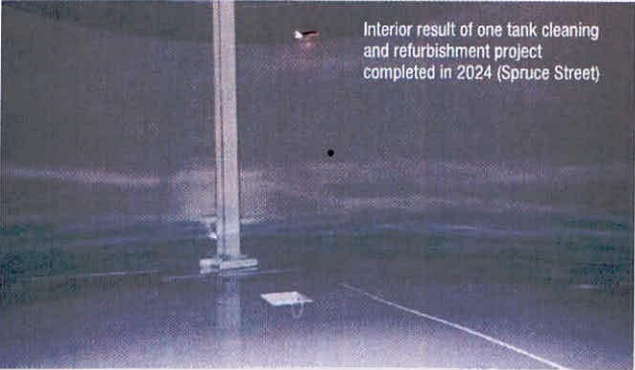
- taste and odor
- haloacetic acids
- total trihalomethanes

RAW WATER SOURCE: Surface Water Treatment System
Location at Beakban Island, Lakeshore Drive, Clearlake, CA

About this report: During the last year, we have tested the drinking water quality for many constituents as required by state and federal regulations. The data that follows throughout this report shows the results of monitoring for the period of January 1, 2024 to December 31, 2024, which may also include earlier monitoring data.

Throughout this last year, as in prior years past, your tap water continues to meet all U.S. EPA and State drinking water health standards. We sincerely wish to express that this is mostly due to the steadfast vigilance, dedication and commitment given by the Highlands Mutual Water Company State certified treatment operators who have taken great care in the safeguarding and production of quality water. We are very pleased to report that your water system has not violated any maximum contaminant level or water quality standards in attaining water quality results that have either met, or in some instances, exceeded state and federal standard requirements.

Your Water Company Did Not Have Any Violations of an MCL, MRDL, AL, Surface Water TT, or Required to Perform Any Additional Monitoring or Reporting Requirements During This Year's Consumer Confidence Report.



Interior result of one tank cleaning and refurbishment project completed in 2024 (Spruce Street)

Costs Review of Capitalized Assets Projects

2023	
Plant Clarifier Rake Drive	\$ 75,130
Plant Facility Heating Unit	7,770
Cypress Avenue Mains	268,005
Federal Mandated ADA Project	128,686
Haloacetic Acid (HAA5) Treatment Upgrade	16,191
	\$ 495,782

2024	
Landholding Improvements	\$ 40,866
Fire Hydrant Maintenance & Repairs	7,056
Plant Facility Redwood Tank Repairs	77,598
Vertical Filter Carbon Replacement	107,694
Water Tanks Maintenance & Repairs	199,800
Distribution Parts & Supply Building Repairs	24,227
Raw Water Intake Pumps Replaced	192,408
Lelabelle Boulevard & Clement Drive Mains	622,158
Blue Jay Avenue Water Mains	231,149
Water Flow Testing Equipment	6,713
	\$ 1,509,669

Water Conservation

Did you know that the average U.S. household uses approximately 400 gallons of water per day or 100 gallons per person per day? Luckily, there are many low-cost and no-cost ways to conserve water. Small changes can make a big difference – try one today and soon it will become second nature.



Take short showers – 5 minutes shower uses 4 to 5 gallons of water compared to up to 50 gallons for a bath.



Water plants only when necessary.

Shut off water while brushing your teeth, washing your hair, and shaving can save up to 500 gallons a month.



Fix leaking toilets and faucets. Faucet washers are inexpensive and take only a few minutes to replace. To check your toilet for a leak, place a few drops of food coloring in the tank and wait. If it seeps into the toilet bowl without flushing, you have a leak. Fixing it or replacing it with a new, more efficient model can save up to 1,000 gallons a month.



Use a water-efficient showerhead. They are inexpensive, easy to install, and can save you up to 750 gallons a month.



Run your clothes washer and dishwasher only when they are full. You can save up to 1,000 gallons a month.



Adjust sprinklers so only your lawn is watered. Apply water only as fast as the soil can absorb it and during the cooler parts of the day to reduce evaporation.

Teach your kids about water conservation to ensure a future generation uses water wisely. Make it a family effort to reduce next month's water bill! Visit www.epa.gov/watersense for more information.

Sources of Drinking Water and Contaminants that May Be Present in Source Water

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:
Microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

Inorganic contaminants, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.

Pesticides and herbicides, that may come from a variety of sources such as agriculture, urban stormwater runoff, and

residential uses.

Organic chemical contaminants, including synthetic and volatile organic chemicals, that are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application, and septic systems.

Radioactive contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.

Regulation of Drinking Water and Bottled Water Quality

In order to ensure that tap water is safe to drink, the U.S. EPA and the State Board prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. The U.S. Food and Drug Administration regulations and California law also establish limits for contaminants in bottled water that provide the same protection for public health.

