

TO: GRAN MUTUAL WATER COMPANY SHAREHOLDERS

Re: LATE PAYMENT POLICY

Gran Mutual Water Company (the Company) provides water service to all lot owners in the Spanish Gardens, Skansen, and Rocky Bluffs subdivisions and to the lot owners on Canyon Rim Drive. Each lot owner is also a shareholder in the Company.

The Company is governed by an elected and unpaid Board of Directors who ensure that the water system is functioning properly to provide high quality water service to all lot owners. Additionally, the Board must ensure that Company finances will adequately cover all expenses—incurred and anticipated— to maintain this service. Because water delivery is increasingly more expensive each year due to changes in governmental regulations, repair and maintenance costs, and monthly utility fees, timely payment of each shareholder’s water service bills is imperative to maintain the Company’s operations.

Water service bills are sent to all shareholders monthly and are due upon receipt. Payments will be considered past due if not received within thirty (30) days of the billing date, and a late fee of \$30 will be charged for each 30-day period a water bill remains unpaid.

If a water bill remains unpaid for ninety (90) days or longer, a water shut-off notice will be issued to the shareholder of the associated lot. Subsequently, the shareholder will have thirty (30) days to pay the delinquent bill, in addition to all late fees, in full. If the entire amount due is not received by the end of that 30-day period, water service to the lot will be immediately shut off. Water service will be restored to the affected lot only after the shareholder pays all delinquent dues, fees, assessments, and a reconnection fee of \$1,000.

The Board encourages all shareholders to pay their portion of the Company’s expenses in a timely manner, thereby eliminating the need to enact late fees and other costly penalties. As owners, the shareholders of Gran Mutual Water Company rely upon one another to maintain the Company’s ability to provide the invaluable resource of water service to each lot in the system.

Authorized by the Board of Directors

Revised 11/2021