Valley Utilities Water Company, Inc. Customer Notice Regarding United States Air Force PFOS/PFOA Issue April 29, 2021

Valley Utilities Water Co., Inc. ("Valley") last updated you regarding the United States Air Force ("Air Force") PFOS/PFOA issue on March 29, 2021. You may download copies of all customer notices or the February letter from the Air Force at www.vuwco.com or call Valley's office to request copies. Valley is providing this notice to update you on recent developments.

Valley has made adjustments to its water system and continues to purchase water from Liberty Utilities ("Liberty") through an interconnection pursuant to which Liberty has agreed to provide up to 300 gallons per minute until June 1, 2021. As a result, none of the three wells at Valley's Bethany Hills West ("Bethany") site that showed PFOS/PFOA levels above the recommended lifetime Health Advisory ("HA") levels of 70 parts per trillion ("ppt") are currently producing water. Arizona Department of Environmental Quality ("ADEQ") recently tested and confirmed that levels of PFOS/PFOA in the water now entering Valley's system from the Bethany site are significantly below 70 ppt. Both wells at Valley's Glendale site showed non-detectible levels of PFOS/PFOA when tested in 2016, 2018, and 2021, and Valley's well at its Lux site showed non-detectible levels when tested by Valley in both 2016 and 2021. ADEQ recently conducted an additional test of the Lux well which showed levels of PFOS/PFOA below 5 ppt. Valley therefore believes that the PFOS/PFOA level of all water in its distribution system is currently below 70 ppt.

Valley will keep the Bethany wells offline as long as it can meet customer demand. However, Valley can offer no assurance that it will be able to keep these wells out of production. As system demand increases or if an active well suffers an outage, Valley may be required to rely upon its Bethany wells.

The Air Force has taken responsibility for the contamination and is working to install treatment facilities at Valley's Bethany site to reduce PFOS/PFOA in water withdrawn from the Bethany wells to below 70 ppt. Valley continues to meet regularly with the Air Force and its engineers, Maricopa County of Environmental Services ("MCESD"), and ADEQ to help insure that the process moves along in an efficient manner. Valley has completed the plumbing and system placement preparations at Bethany necessary to receive the PFOS/PFOA treatment system. The Air Force has told us to expect delivery of the treatment system and filter media in mid to late May. Following assembly, installation, and conditioning of the treatment system, water testing will be performed to insure successful reduction of PFOS/PFOA to below the HA of 70 ppt. Once test results are received that show PFOS/PFOA are below 70 ppt, we will notify you that bottled water will no longer be necessary as well as our plans for continued testing of our water. We expect to have these results by the end of June barring unforeseen delays.

The Air Force remains committed to providing bottled water to Valley customers free of charge until the treatment equipment is fully operational. The bottled water provided by the Air Force remains the best option for Valley customers who want to be certain that PFOS/PFOA levels in their drinking water are below the 70 ppt. To receive bottled water from the Air Force, please call 844-610-8899. The Air Force or Valley will provide updates periodically when important additional information becomes available. You can also learn more by watching Arizona Corporation Commissioner Anna Tovar's virtual town hall on PFOS/PFOA issues at the following website address: https://www.youtube.com/watch?v=QUwiiAPyMb8. Customers with questions or concerns may contact Valley by email at valleyutilities@vuwco.com or by telephone at 623-935-1100.