Valley Utilities Water Company, Inc. Customer Notice Regarding United States Air Force PFOS/PFOA Issue June 9, 2021

Valley Utilities Water Co., Inc. ("Valley") last updated you regarding the United States Air Force ("Air Force") PFOS/PFOA issue on May 11, 2021. You may download copies of all customer notices and the 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.

In previous customer notices, we informed you that (1) Valley was purchasing water from Liberty Utilities ("*Liberty*") through an interconnection pursuant to which Liberty had agreed to provide up to 300 gallons per minute until June 1, 2021 and (2) in order to meet increased seasonal customer demand Valley had also began intermittently pumping one of the three wells at Valley's Bethany Hills West site ("*Bethany*") that showed PFOS/PFOA levels above the recommended lifetime Health Advisory ("*HA*") level of 70 parts per trillion ("*ppt*"). As a result, Valley advised customers that it was possible PFOS/PFOA levels exceeded the lifetime HA of 70 ppt in some areas of its distribution system.

The Air Force has taken responsibility for the contamination and recently installed treatment facilities at the Bethany site designed to reduce PFOS/PFOA in water produced from the Bethany wells to below the HA of 70 ppt. Maricopa County Environmental Services Department ("MCESD") has issued an Approval To Construct certificate and an Approval To Commence Operations certificate for the PFOS/PFOA treatment system. These approvals allow the Air Force and Valley to begin the Validation Testing phase of the treatment system setup process. The Validation Testing phase consists of preparing the filter media and performing several water quality tests to ensure that the treatment system is ready for use and not adversely impacting Valley's existing water infrastructure.

Since the treatment system is designed to only intake raw (non-chlorinated) water, Valley had to stop purchasing water from Liberty in order to proceed with the Validation Testing. As a result, (1) Valley is currently using greater amounts of water from Bethany, and (2) Valley is unable to dilute water produced from Bethany with water purchased from Liberty. As a result, the PFOS/PFOA levels are now above the lifetime HA of 70 ppt in some areas of Valley's distribution system. Once the Validation Testing is complete, MCESD will grant us permission to begin the Performance Testing phase which consists of placing the treatment system online while monitoring water quality and overall system performance. Once all of the performance data has been received, MCESD, the Air Force, and Valley, will review the overall water quality results. Once these results are validated and show successful reduction of PFOS/PFOA levels below the lifetime HA of 70 ppt with no adverse impact to existing infrastructure, we will notify customers that bottled water will no longer be necessary. Barring unforeseen delays, we expect to have these results by the end of June. Going forward, we will continue to test the water on a regular basis as recommended by MCESD to ensure that the treatment system continues to reduce PFOS/PFOA levels to below the lifetime HA of 70 ppt.

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 to be certain that PFOS/PFOA levels in their drinking water are below the lifetime HA of 70 ppt. To receive bottled water from the Air Force, please call 844-610-8899. Valley will continue to provide updates periodically when important additional information becomes available. Customers with questions or concerns may contact Valley by email at valleyutilities@vuwco.com or by telephone at 623-935-1100.