February 1, 2017

Annual Rate Adjustment

Dear County Service Area No. 10A Water Customer:

This letter is being sent to inform you of the annual increase to the CSA 10A bi-monthly water rates.

The annual rate increase was approved by the County Board of Supervisors on January 10, 2012. The new rate is 2.49% higher than the present rate and is effective on your April, 2017 billing.

The change in the bi-monthly rate schedule is shown below:

<table>
<thead>
<tr>
<th>Level</th>
<th>Allowable Water Quantity</th>
<th>Present Rate</th>
<th>New Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0 CCF to 14 CCF *</td>
<td>$124.60 Minimum Charge</td>
<td>$127.70 Minimum Charge</td>
</tr>
<tr>
<td>2</td>
<td>Greater than 14 CCF</td>
<td>$6.05 Per CCF</td>
<td>$6.20 Per CCF</td>
</tr>
</tbody>
</table>

* (CCF is Hundred Cubic Feet or 748 gallons)

All rates shall be adjusted annually every January 1st by the average of the percentage increases in the Consumer Price Index (CPI) for “All Urban Wage Earners and Clerical Workers” for all items for San Francisco/Oakland/San Jose and Los Angeles/Riverside/Orange Co. categories as published by the Bureau of Labor Statistics in October of each year with the allowable water quantities remaining unchanged.

On the back side is a chart to determine the cost of water at various consumption levels.

For details regarding these rates or any other questions regarding the rate increase, please call Harold Wright at (805) 781-5462 or email him at hwright@co.slo.ca.us

Sincerely,

Annette Young
Utility Billing Supervisor