

SUNNY SLOPE WATER CO
March 2022
Letter to Shareholders

Dear Sunny Slope Water Co. Shareholder:

We have had another challenging year and with the ongoing pandemic and office remodel, many of our employees continue to work from home. I am pleased to report though, that on behalf of the Board of Directors, the Company continues to be financially strong, and water delivered to our customers remains of excellent quality. The 2021 Annual Report which provides more details on our finances, can be downloaded from our website at sunnyslopewatercompany.com.

During this year we began the rehabilitation of Reservoir # 1 at the corner of Huntington Drive and El Campo Drive. That rehabilitation is still ongoing. We are also in the last stages of completion of the main office building remodel project, and we hope to be back in the office before the Annual meeting of shareholders on March 21, 2022.

The company staff completed a U.S. EPA required **Risk and Resiliency Certification** this year. In the past we found it necessary to pay outside consultants over \$150,000 to do that assessment. This was a savings for our shareholders. By having the Office Staff work from home during the remodel project the company saved another \$50,000 by not leasing temporary office space.

The Company also replaced about 1,500 feet of mainline piping on Avon Avenue as part of an ongoing multiyear plan to modernize aging distribution infrastructure.

California continues to face severe drought conditions and we need to have all of our customer and shareholders to assist us in meeting the state mandates with respect to water use. We will continue to update you on the state requirements. Please use our web portal (<https://sunnyslope.watersmart.com>) to monitor your water usage and for tips on water conservation.

Your Sunny Slope Board of Directors and staff appreciate our shareholders for the continuing support. We always take every measure needed to maintain the Company's financial strength and provide a high quality of water at a reasonable cost.

Respectfully submitted

John L. Shaw
Board President