Gorgoza Mutual Water Company
Water Conservation Plan
December 31, 2025

System Profile

Gorgoza Mutual Water Company (Gorgoza) was incorporated in the state of Utah on July 22, 1977. Gorgoza is a mutually owned water company that serves the homes, schools, condominiums, multi-family residences and commercial customers in the Pinebrook and South Ridge subdivisions (See Service Area Map Exhibit A) of Summit County, Utah. According to the Utah Division of Water Rights (DWRi), also known as the Utah State Engineer, Gorgoza currently has 1,689 connections serving an estimated population base of 4,323 people broken down as follows (see https://www.waterrights.utah.gov/asp_apps/viewEditPWS/pwsView.asp?SYSTEM_ID=1368):

GMWC M&I Water Connections

Residential	1,672
Commercial	13
Institutional	4
Industrial	0
Unmetered	0
TOTAL	1,689 Connections

The service area for Gorgoza is approximately 98% built out, with only about 40 residential and commercial lots to be built upon.

Gorgoza's distribution system has been engineered to meet the significant demands of the environment and topography. A network of wells, a spring, tanks, pumps, booster stations and pressure reducing valves are required to produce and deliver water to residents separated by over 1,000 feet of elevation change as well as an interstate highway. Gorgoza encounters sub-freezing temperatures for much of the year, and drought conditions during the summer are common. Gorgoza is dependent on winter snowpack to fill underground aquifers and conservation efforts from shareholders to ensure an adequate supply of water.

Supply

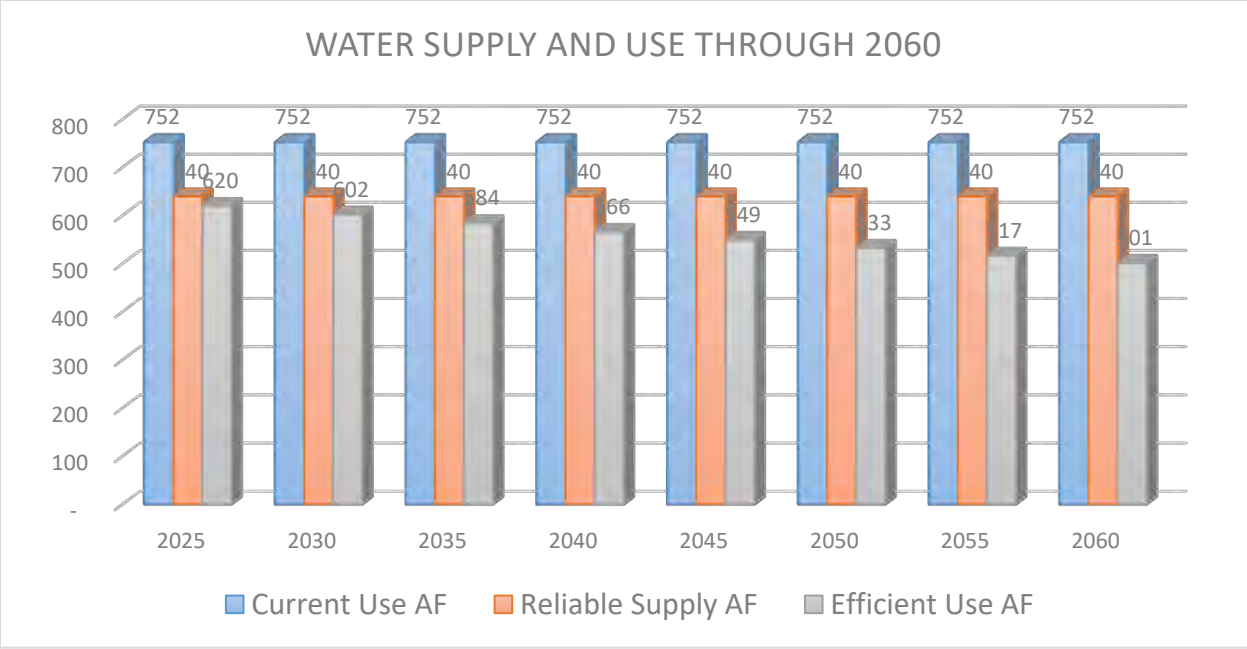
Water is supplied by ten local wells and one naturally flowing spring. Water supply by source in gallons per minute (GPM) as follows:

Source	Supply (GPM)
Wells	2,910
Spring	100
Surface	0
Purchased	0
Exchanged	0
TOTAL	**3,010**

Water Supply and Use

Over the next 35 years through 2060, Gorgoza anticipates their water supply to remain relatively consistent, assuming no major atmospheric events or long-term drought cycles lasting more than a few years. A new well was added to the system in 2021 which added approximately 200 GPM to the system capacity. A winter training facility was constructed nearby requiring snowmaking during non-peak months of November through February for the foreseeable future and is included in the Use Data for 2026 through 2060. Snowmaking demands are difficult to anticipate because they are dependent on temperature, natural snowfall amounts and needs of the training facility. Therefore, total snowmaking demand going forward is estimated to be approximately 20-25 million gallons annually, equal to 61 to 77 acre-feet (AF), based on winter use from 2019 - 2024. Fortunately, spring snowmelt will recharge three wells located near the base area of the facility.

Because there is minimal growth anticipated in the foreseeable future, and full buildout of the service area is expected to occur, Gorgoza does not expect a major increase in average water use. Through continued conservation efforts such as education, leak detection and graduated water rate schedules along with Gorgoza's internal conservation efforts, efficient use is projected to decrease under normal circumstances as shareholders continue to understand the need to use their water efficiently, and the Company provides more ways for them to do so. As a result, Gorgoza feels it's possible to reduce total water use by approximately 3% over the next 5 years.



Water measurement

Methods and practices

100% of Gorgoza's connections are metered. All meters in the system (sources and all connections) are read concurrently on or about the same day every month. Meters readings are then reviewed for accuracy. Questionable readings are investigated and meters are replaced if not working properly. Certain meters are calibrated annually, if the meter design allows. As part of Gorgoza's long-term capital improvement program, meters will be replaced every 10-15 years with latest technology available, which includes ultrasonic meters with no moving parts.

Gorgoza's aquifers experience recharge in the spring from winter snowpack and the spring flows continuously through the year. There are no plans in the foreseeable future to add water sources because the service area is very close to full build-out and current and forecasted water supplies exceed current and forecasted demand.

Assessments and Billing

Progressive Rate Structure

Water rates have been based on a graduated scale since the Gorgoza's incorporation in 1977. The intent from that time forward has been to encourage water conservation by assessing a monetary penalty to those who use excessive amounts of water each month.

MONTHLY WATER USAGE ASSESSMENT TABLE EFF. 1/1/2026

For up to 8,000 gallons of water per month the monthly assessment is $95.00. Costs for water usage in excess of 8,000 gallons per month are as follows:

GALLONS USED	BASE CHARGE	+	CHARGE PER GALLON
8,000 – 20,000	$ 95.00		$.0138
20,001 – 35,000	$ 260.00		$.0173
35,001 – 55,000	$ 520.00		$.0253
55,001 – 75,000	$ 1,025.00		$.0408
75,001 – 100,000	$ 1,840.00		$.0817
100,001 and up	$ 3,883.00		$.2452

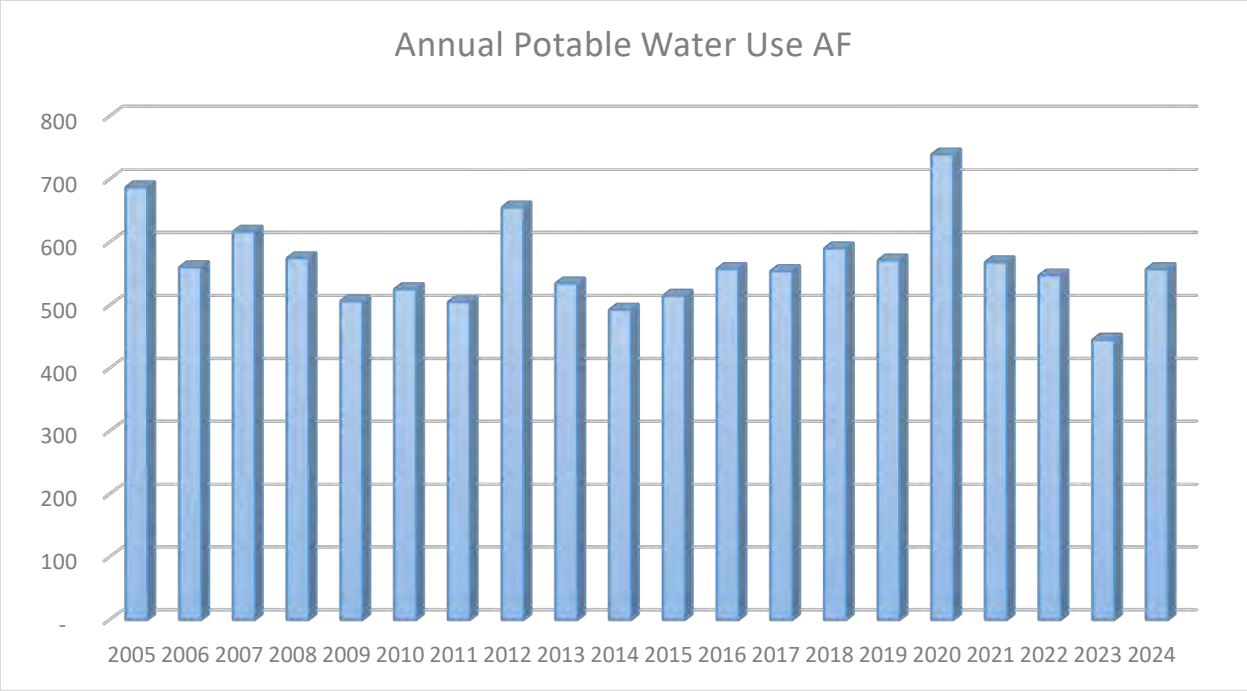
Water System Loss Control

Average water loss for the past five years has been 145 AF annually, which equates to approximately $503,000 in revenue losses annually at the base assessment rate. Gorgoza strives to keep water and revenue loss to a minimum and upgraded to a sophisticated telemetry system installed in 2020 that monitors for leaks or abnormal use within the distribution system. Gorgoza is working diligently during the short construction season to replace aging ductile iron water lines throughout the system with PVC. Our service area is subject to significant road salting by Summit County due to winter driving conditions at our elevation, and that salt has proven to be very corrosive to our original ductile iron water lines. As a result, relatively high water loss has occurred in recent years. As additional lines are replaced with PVC, water loss is expected to drop considerably.

After meter readings have been processed, reports with higher-than-normal usage are generated. Crews are dispatched to the location and if a leak is detected, the shareholder is notified and educated on how to solve the problem. If leaks are suspected but are not visibly detected, Gorgoza will utilize the services of a professional leak detection company to help in locating leaks in main lines as well as lateral lines, if necessary. Gorgoza crews have the equipment and cumulative knowledge to perform system repairs and maintenance in-house, so problems are detected early and corrected as promptly as possible.

Water Use

Gorgoza does not have a non-potable distribution system. Potable water use by year from 2005 is as follows:



For calendar year 2024, potable water use by volume in 1,000 gallon units was as follows:

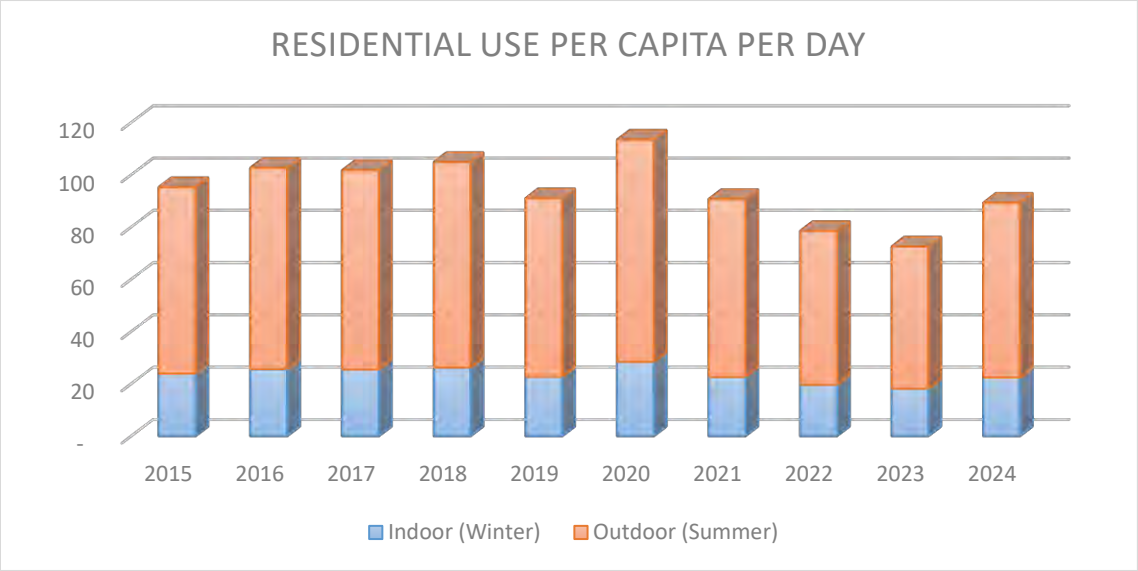
Residential	140,000 Gallons
Commercial	26,000 Gallons
Institutional	14,000 Gallons
TOTAL	180,000 Gallons

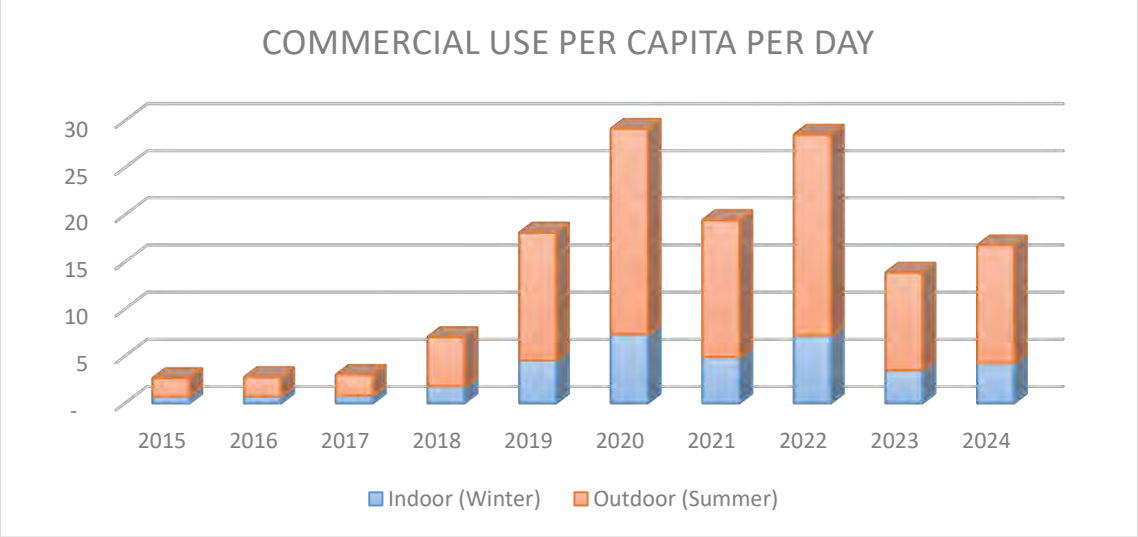
Note that 180,000,000 Gallons is about 552 AF.

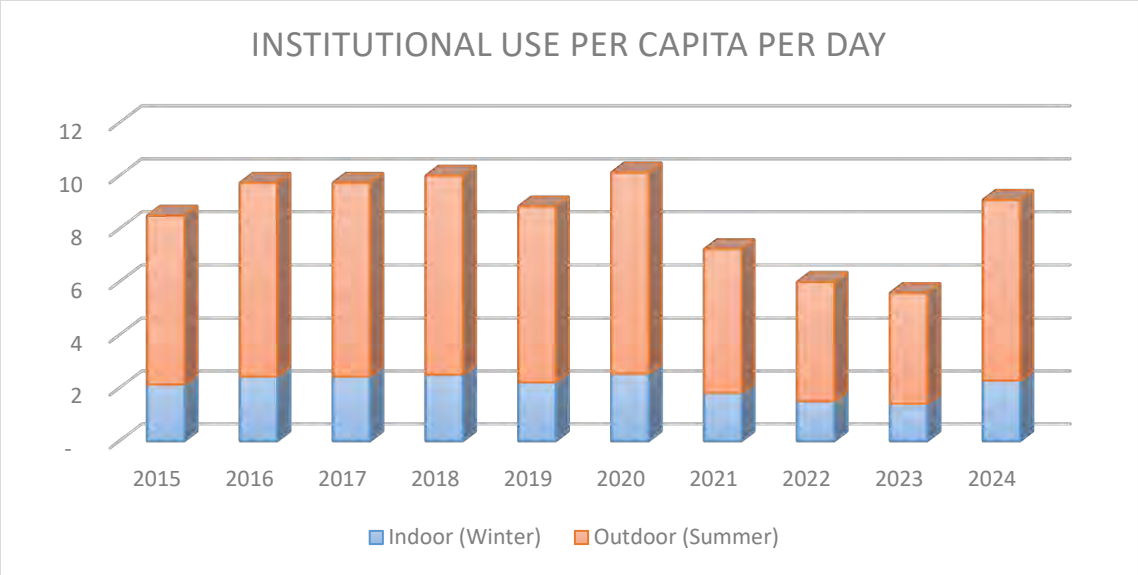
Gallons Per Capita Per Day (GPCD) usage breaks down approximately as follows, based on 2024 production and estimated population base as of 2024:

GPCD	Indoor (Winter Use)	Outdoor (Summer Use)	Total
Residential	22	67	89
Commercial	4	13	17
Institutional	2	7	9
Total	29	86	115

Water efficiency from 2020 through 2024 in gallons per capita per day (GPCD) by each sector and indoor vs. outdoor use was as follows:







Conservation Goals and Practices

Gorgoza Water Company has always been committed to water conservation from its inception in 1977. In the early years of growth, Gorgoza had to be self-reliant because the only source of water was from their wells with no delivery options from neighboring water systems. Accordingly, Gorgoza was one of the first water companies in the State of Utah to implement a graduated assessment scale to encourage water conservation.

The number of residential equivalents (RE) served by Gorgoza should plateau within the next five years. Therefore, the goal of reducing water usage by at least 3% by 2030 should be attainable, however, the State's goal for our region is 20% by 2030. Gorgoza feels this goal may prove more difficult to reach due to warmer temperatures and declining precipitation trends in our area widely thought to be associated with climate change. These trends, if responded to appropriately, may be the catalyst to further water restrictions simply out of necessity pushing Gorgoza closer to the 3% water reduction goal by 2030.

Education

The board of directors meet in the early spring at their first quarterly meeting to discuss the need for water restrictions during the summer months based on winter snowpack, soil moisture content, prior year precipitation, long range weather forecasts, operational status of the distribution system and other factors affecting water supply. Prior to and during the summer months of high demand, comments and suggestions are added to the monthly invoices stressing the importance of conserving water and being aware of leaks in the homes. Shareholders are contacted personally by staff if excessive usage is detected by the monthly meter readings to determine whether a leak is occurring, or if the homeowner is simply using water excessively. If necessary, a site visit is made and suggestions are given to either fix the problem or reduce water usage.

There have been long-term drought cycles in prior years that had short-term effects on Gorgoza's water supply. If restrictions are deemed necessary, the board will order a Notice of Watering Restrictions be circulated to the shareholders as soon as possible explaining the restrictions

and penalties assessed if those restrictions are not followed. System operators will patrol the service area throughout the day, evening, and night (if necessary) to enforce the watering restrictions and administer warning and penalties to those not in compliance with the set watering restrictions. Water operators will also keep in constant contact with larger property owners, i.e. homeowner associations, that use significant amounts of water on their common area each month to ensure that they are also following the watering schedule that they have been placed on.

Over the past few decades, Gorgoza has brought several new water sources online which has greatly increased water supply. While conservation has always been strongly encouraged, the need for watering restrictions has diminished considerably. Furthermore, there are projects and plans currently in progress to improve the integrity of the distribution. We have implemented the following items in order to reach conservation goals over the next several years.

1. New Telemetry System – In early 2020, Gorgoza invested heavily in upgrades to an internet-based monitoring system. Upgrades and enhancements to the software have been added since the original system was put in place. Monitoring and status transmissions are now real-time, so staff are notified immediately if system alarms are triggered. Instant notifications allow staff to respond much quicker in the event of malfunctions that could otherwise waste significant amounts of water.

2. "Smart" Metering System – The Company implemented a new internet-based metering system in 2021 called WaterSmart to allow shareholders the ability to monitor their water use real-time and receive warnings of excessive usage. The system has saved a significant amount of water because leaks were identified and fixed immediately. Approximately 55% of owners have enrolled in WaterSmart. Through educational efforts and monthly notifications, our goal is to increase membership by at least 15% annually to attain as close to 100% enrollment as possible by 2030.

3. Future Water Line Replacement – Gorgoza's service area was built in subdivision phases over a period of approximately four decades. As noted above, a major component to the Company's long-term plan is replacing aging water lines with modern materials. The next phase of water line replacements is scheduled to occur over the next two years to replace approximately 3,000 linear feet of main water lines and laterals costing an estimated $500,000. Phase two will occur between 2028 and 2030 to replace an additional 4,000 feet of water mains and laterals, with phase three occurring between 2031 and 2035 to replace all remaining ductile iron water lines and associated laterals with modern materials.

4. Rate Structure Review Annually – Gorgoza staff and the board of directors will monitor the effectiveness of the rate structure annually to determine if rates are encouraging conservation at acceptable levels. If the assessment structure is not effectively decreasing usage in accordance with conservation goals, Gorgoza will adjust rates and tiers as needed and continue to reassess effectiveness year-to-year.

5. Gallons Per Capita Per Day (GPCD) – GPCD will be reviewed each year and compared to the previous 5-year rolling average of usage as another means of determining whether conservation efforts are effectively reducing usage. Once we have data through 2030, Gorgoza will reassess the 3% goal in 2031, and increase the reduction percentage goal if possible.

6. Leak Detecting and Water Loss Management – Gorgoza will continue using the latest sophisticated correlating leak detection equipment to allow staff the ability to quickly locate leaks in the distribution system. As aging water lines are replaced, total production will be monitored to affirm water loss continues to decrease.

7. Mature Landscaping – Gorgoza's service area is unique in that it is nearing 100% build-out. Most homes and multi-family developments have existed for decades and have mature landscaping, so the high demand to place and maintain new landscaping, whether commercial or residential, will diminish significantly in the next few years and not recur again.

Best Management Practices

Water Conservation Board – Gorgoza's system is small, but the board of directors includes highly educated, long-term residents or property owners that effectively serve as the Company's conservation committee. Members include a hydrogeologist, developer, civil engineers and general contractors. Some members have been on the board for over two decades and have been deeply involved with the conservation efforts of the Company during that time.

Public Awareness/PR – The Company's website contains articles about conservation efforts and links to other guidelines to help shareholders be more conscious of their water usage and understand ways to reduce water use.

Education/Training & Outreach Services – Crews are always willing to visit with shareholders to determine areas where excessive water use is occurring and offering ways to reduce usage.

Ordinances & Standards – Gorgoza has always encouraged watering during evening and early morning hours only. Instances of daytime watering are noted and the shareholder contacted if necessary.

Water Pricing – Since 1977, Gorgoza assessment rate structure has been a graduated scale with significant monetary penalties for excessive water usage. Shareholders are contacted immediately after each monthly meter reading if high use is reported.

Physical System – Gorgoza's crews routinely monitor the distribution system for leaks. With the new telemetry system, they receive more accurate and timely notification if tank levels drop or other circumstances arise that indicate potential leaks. As noted previously, meters are read monthly and are replaced every ten years or so to take advantage of the latest technology.

"Smart" Water Monitoring System – Gorgoza implemented a real-time online monitoring system available to shareholders, so they have the ability to monitor their water usage and be immediately notified of excessive water use. Gorgoza has the ability to track the number of shareholders who sign up for the program and can monitor their login activity. Gorgoza will provide links and tutorials on their website to promote the product and help shareholders

understand the importance of self-monitoring their water usage to avoid excessive water use assessments. As an incentive to enroll, Gorgoza may consider offering discounts to use the program.

Adoption of the Water Conservation Plan

The conservation plan will be presented at the Company's annual meeting on May 5, 2026. Notice will be provided on the website, the notice delivered via US Postal Service, and on the assessment invoices delivered in April. Once approved and adopted by the board of directors, the plan will be made available on Gorgoza's website.

Water Conservation Plan Authors

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GORGOZA WATER COMPANY

RESOLUTION

BE IT RESOLVED: The Board of Directors of the Gorgoza Mutual Water Company approves and adopts the 2025 Water Conservation Plan.

Approved and adopted on May 5, 2026 by the Gorgoza Mutual Water Company Board of Directors.

Cory V. McNeely, CPA
Treasurer

ANNUAL MEETING OF THE SHAREHOLDERS OF GORGOZA MUTUAL WATER COMPANY
MAY 5, 2026 – 6:00 P.M. – GORGOZA MUTUAL WATER COMPANY, 7950 PINEBROOK ROAD, PARK CITY, UTAH and via Zoom.

DIRECTORS ATTENDING LIVE OR VIA ZOOM: Tom Butz, Brent Harman, Bill Loughlin, Chip Petersen, Stan Plaisier, Scott Schofield, Barbara Yamada, Cory McNeely, Treasurer, and Ted Barnes, legal counsel. See sign-in sheet for shareholders in attendance.

Scott brought the meeting to order and introduced the board to the attending shareholders.

1. Minutes from the April 22, 2025 shareholder meeting were reviewed. Karen Spencer made the motion to approve the minutes as presented. Stan Merrill seconded. Vote all in favor.

2. The 2025 and 2024 comparative financial review report prepared by Bountiful Peak Advisors and the 2026 operating budget were presented for the shareholders' review. General discussion followed, primarily related to projects scheduled for 2026. Cory noted the company was in good financial condition, with no long-term debt other than small vehicle loans.

3. The 2025 Water Conservation Plan document was distributed to the shareholders in attendance. Cory discussed the State's requirement for the plan to be updated every five years. He noted the primary reason for the plan was to help water companies around the state reduce water use with efforts including tiered rate schedules (which Gorgoza has), customer education, real-time water use monitoring, leak detection and leak prevention. General discussion followed. Subsequently, Chip Petersen made a motion to adopt the 2025 Water Conservation Plan. Barbara Yamada seconded. Vote all in favor.

4. A shareholder asked whether watering restrictions would be put in place this summer. Scott noted that restrictions would most likely be put in place, limiting watering to two days per week, and no more than three days per week. More information will follow and be distributed in the coming weeks.

5. Scott noted there were several improvement projects completed during the year, including raising the lid on the 150k tank, constructing a new booster station to better circulate water at upper elevations, and replace approx. 1,500 ft. of ductile iron water line and laterals with new PVC main line and laterals.

6. Elections for two seats on the board of directors were held. Scott noted that he and Chip Petersen's seats were up for reelection and that both wanted to continue for another term on the board. Stan Merrill made the motion to reelect Scott and Chip by acclamation. Motion seconded. Vote all in favor.

7. Scott discussed the requirements set by the State of Utah for all homeowners with irrigation systems to install backflow prevention devices on their systems and reasons for the requirement. General discussion followed. It was noted that devices are to be installed by the end of 2026.

8. Scott asked for a motion to adjourn. A motion was made to adjourn. Motion seconded. Vote all in favor. Meeting adjourned.

Cory McNeely
Treasurer

Scott Schofield
President

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO ALL SHAREHOLDERS OF GORGOZA MUTUAL WATER COMPANY:

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders of GORGOZA MUTUAL WATER COMPANY will be held on Tuesday, May 5, 2026, commencing at 6:00 p.m. at the offices of Gorgoza Mutual Water Company located at 7950 Pinebrook Road, Park City, Utah. The following matters of business will be transacted at the meeting:

1. Review and approval of the April 22, 2025 shareholder meeting minutes.
2. Presentation of independently prepared 2025 and 2024 comparative financial statement review report and proposed budget and cash flow projection for 2026.
3. Presentation of Gorgoza Water Company's Water Conservation Plan report for shareholder review and discussion.
4. General update on the condition of the water system and discussion of recently completed and proposed capital improvement projects.
5. Elections to fill two, three-year term seats on the board of directors.
6. Discussion of any other matters of business properly brought before the board of directors.

Pursuant to the Company's Bylaws, the date of this notice is the record date for the determination of the shareholders entitled to vote at the meeting. The issuance of certificates representing the respective classes of stock and transfers of shares which are affected after the record date will not alter the determination of shareholders entitled to vote at the meeting. A list of those entitled to vote will be available for inspection ten days prior to the meeting at the office of the Company.

If you are unable or do not want to attend the meeting in person, you are requested to complete and return the enclosed proxy form in order to assure sufficient representation at the meeting. Proxies must be received by 5pm on Monday, May 4th, 2026 via email to gmwc@gorgozawater.com, US Postal mail service, or hand-delivered to the Gorgoza Mutual Water Company at 7950 Pinebrook Road, Park City, UT 84098.

GORGOZA MUTUAL WATER COMPANY

Secretary

Date: 4.13.26