Continued Mission

Our mission is to continue providing our shareholders with a reliable, high-quality water supply through rigorous fiscal management and strategic infrastructure investment. We prioritize long-term financial stability and proactive drought planning to ensure a safe, sustainable, and affordable water future for our entire community.

Costs Review of Capitalized Assets Projects

2025

Throughout 2025, the board of directors and management continued to coordinate budget reviews in moving forward with critical planned infrastructure and maintenance projects. The following is a summary of completed improvements:

Security Fencing of Infrastructure	$ 18,950
Fire Hydrant Maintenance, Replacements and New Installations	27,285
Additional Water Storage Tanks Maintenance, Repairs and Upgrades	209,050
Lelabelle Boulevard & Clement Drive Valve Can Raising	53,854
	$309,139

COMMUNITY PARTICIPATION

The time and place of the scheduled meeting place for public participation and input is held at the Business Administrative and Accounting Office located at 14580 Lakeshore Drive in Clearlake, California 95422:

MONTHLY MEETINGS

The last Wednesday of Every Month 4:00 PM

SHAREHOLDER MEETING

Annually on the Second Wednesday in April 6:00 PM

Raw Lake Water Source Assessment

In California, Watershed Sanitary Surveys are primary assessments for a system that uses surface water as their water source and most water systems are required to conduct the surveys every five years. Our most recent sanitary water survey was conducted in August 2023 in cooperation with other local water systems using Clear Lake water source as the basis of the update.

As noted in prior raw lake water assessments, the following list of activities remains the same in having the potential to cause significant surface water contamination:

- Wastewater discharges from wastewater treatment plants, collection system overflows and ruptures during flood events and subsequent instances of excessively high lake levels.
- Flood induced discharges into streams and/or the lake stemming from land disposal sites.
- Recreation, including boating, swimming, waterskiing, jet skiing and fishing.
- Septic tanks that may have been incorrectly installed or maintained subjecting them to flooding and excessively high groundwater tables.
- Stormwater runoff from urbanized areas adjacent to the lake and tributary streams.
- Seasonal heavy rainfall and algal growth impact water quality and the plant treatment processes making it difficult to filter.

Clear Lake water quality is impacted by seasonal rainfall and algal growth. During heavy rains, turbidity results can rise to over 100 NTUs. Algal blooms can significantly impact plant treatment processes. Algal blooms can cause spikes in pH, lysing of cells during pre-oxidation, taste and odor, and is difficult to filter. Ammonia spikes are common during the summer months when large amounts of algae decompose causing significant chlorine demands making water difficult to treat.

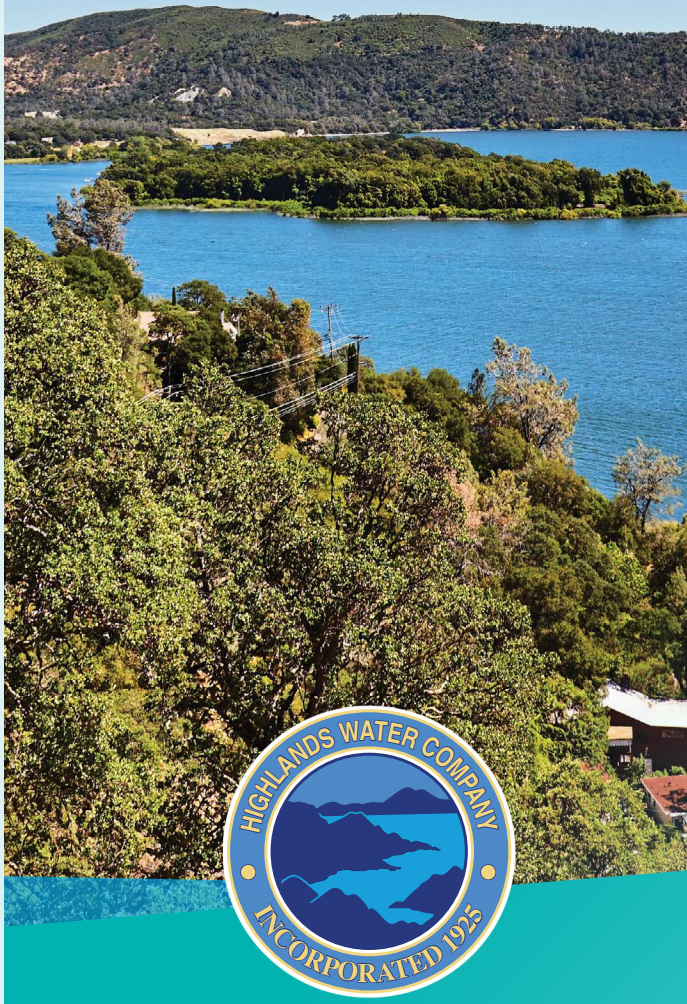
The Highlands Mutual Water Company general manager and system operators acknowledge the summary assessment and concur that due to the above outlined potential contaminating activities, the following specific water quality issues are always being addressed during the water treatment process:

- taste and odor
- haloacetic acids
- total trihalomethanes

RAW WATER SOURCE: Surface Water Treatment System Location at Beakban Island, Lakeshore Drive, Clearlake, CA

HIGHLANDS MUTUAL WATER COMPANY

Consumer Confidence Report 2025



PWS ID# CA1710003

About this report: During the last year, we have tested the drinking water quality for numerous constituents as required by state and federal regulations. The data that follows throughout this report shows the results of monitoring for the period of January 1, 2025 to December 31, 2025, which may also include earlier monitoring data.

Throughout the last year, as in prior years past, your tap water continues to meet all U.S. EPA and State drinking water health standards. We are confident in sharing and most pleased to report that your water system has not violated any maximum contaminant level or water quality standards in attaining water quality results that have either met, or in some instances, exceeded state and federal standard requirements.

Your Water Company Did Not Have Any Violations of an MCL, MRDL, AL, Surface Water TT, or Required to Perform Any Additional Monitoring or Reporting Requirements During This Year's Consumer Confidence Report.

Sources of Drinking Water and Contaminants that May Be Present in Source Water

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

Microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

Inorganic contaminants, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.

Pesticides and herbicides, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.

Organic chemical contaminants, including synthetic and volatile organic chemicals, that are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application, and septic systems.

Radioactive contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.

Regulation of Drinking Water and Bottled Water Quality

In order to ensure that tap water is safe to drink, the U.S. EPA and the State Board prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. The U.S. Food and Drug Administration regulations and California law also establish limits for contaminants in bottled water that provide the same protection for public health.

Water Conservation Tips

Water Conservation has become a new way of life. Water Conservation habits that are developed when there is adequate rainfall will help sustain the water supply through growth and dry years. We suggest the continuation of the following water conservation habits:

Water between 6 p.m. and 10 a.m.

Adjust watering frequency according to the weather and season. Try to set sprinkler systems for multiple short cycles for each station and allow 30 to 60 minutes for the water to soak into the soil between cycles

Check and repair leaking pipes, hoses, sprinklers, and toilets

Install water-saving shower heads and toilets

Use a broom to clean driveways and sidewalks

2025 Drinking Water Test Results of Contaminants Detected

The following tables list the results of all the drinking water contaminants that were detected during the most recent sampling of the constituent. The presence of these contaminants in the water does not necessarily indicate that the water poses a health risk. The State Board allows us to monitor certain contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of the data, though representative of the water quality, are more than one year old. If there had been any violation of an AL, MCL, MRDL, or TT an asterisk would have been added in the text to show and draw attention to any such violation. Also, additional detailed information regarding any such noted violation would be required to be provided later in this annual report.

Summary Information for Violation of a MCL, MRDL, AL, TT, or Monitoring and Reporting Requirement.

Sampling Results Showing the Detection of Coliform Bacteria

Microbiological Contaminants	Highest No. of Detections	No. of Months in Violation	MCL	MCLG	Typical Source of Bacteria
E. coli	Year 2025 0	0	(a) N/A	0	Human and animal fecal waste

Routine and repeat samples are total coliform-positive and either is E. coli-positive or system fails to take repeat samples following E.coli-positive routine sample or system fails to analyze total coliform-positive repeat sample for E. coli.

Sampling Results Showing the Detection of Lead and Copper

Lead and Copper	Sample Date *(Next Sampling Due by 9/30/2026)*	No. of Samples Collected	90th Percentile Level Detected	No. Sites Exceeding AL	AL	PHG	Typical Source of Contaminant
Lead (ppb)	06/15/2023	20	0.0046	0	15	0.2	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers; erosion of natural deposits
Copper (ppm)	06/15/2023	20	1.2	0	1.3	0.3	Internal corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives

Sampling Results for Sodium and Hardness

	Sample Date	Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Sodium (ppm)	6/10/25	14		None	None	Salt in the water and is generally naturally occurring
Hardness (ppm)	6/10/25	121		None	None	Sum of polyvalent cations present in the water, generally magnesium and calcium, and are usually naturally occurring

Detection of Contaminants with a Primary Drinking Water Standard

	Sample Date	Level Detected	Range of Detections	MCL [MRDL]	PHG (MCLG) [MRDLG]	Typical Source of Contaminant
Bromate (ug/L)	2/24/25 5/31/25 9/01/25 12/03/25	ND ND ND ND		10	0.10	Byproduct of drinking water disinfection process
Hexavalent Chromium (ug/L) We have listed the results for the purpose of customer information and proof of initial sampling in April 2025, as well as the May 2025 untreated and treated water sampling results.	(Initial) **April 2025** Raw Untreated **May 2025** Raw Untreated Treated Water	ND ND ND	ND ND ND	10 10 10	0.02 0.02 0.02	Erosion of natural deposits; transformation of naturally occurring trivalent chromium to hexavalent chromium by natural processes and human activities such as discharges from electroplating factories, leather tanneries, wood preservation, chemical synthesis, refractory production, and textile manufacturing facilities
Health Effects Language for Hexavalent Chromium: Some people who drink water containing Hexavalent Chromium in excess above the MCL over the period of many years may have an increased risk of getting cancer. Systems were required to take an initial sample by April 1, 2025.						
HAA5s (Haloacetic Acids) (ug/L) [Sum of 5 Haloacetic Acids]	Quarterly 2025 20th St Tank Lower Spruce	33.55 22.93	23.20 – 46.60 10.10 – 45.50	60 60	NA NA	Byproduct formed when chlorine is added to the water treatment process to kill the bacteria, reacting with organic matter present in the source water
TTHMs (ug/L) [Total trihalomethanes]	Quarterly 2025 20th St Tank Lower Spruce	40.70 37.41	26.22 - 55.40 21.11 - 68.01	80 80	NA NA	Byproduct formed by a reaction between chlorine used as a disinfectant and naturally occurring organic matter present in the water, like decaying vegetation and humic substances, which are particularly abundant in lake surface water

Detection of Contaminants with a Secondary Drinking Water Standard

	Sample Date	Level Detected	Range of Detections	SMCL	PHG (MCLG)	Typical Source of Contaminant
Bicarbonate Alkalinity as CaC03 (mg/L)	6/10/25	130		NA	NA	Dissolution of carbonate rocks, limestone and dolomite, whereby calcium and magnesium ions from the rock dissolve into the water, creating bicarbonate ions that contribute to the alkalinity of the water
Calcium (mg/L)	6/10/25	22		30	NA	Naturally occurring minerals dissolved in water as it flows over the land, such as in rivers, lakes, and streams
Chloride (mg/L)	6/10/25	14		250	500	Rocks and soils naturally contain chloride, which can be released through weathering; road salt in areas where salt is used in the winter during road conditions; Septic systems and wastewater from industrial and municipal processes
Color (CU) Color Units	6/10/25	13		15 Units	NA	Natural occurring organic materials
Fluoride (mg/L)	6/10/25	.10		2.0	1	Some people who drink water containing fluoride in excess of the federal 4 mg/L over many years may get bone disease, including pain. People who drink water containing fluoride in excess of the state MCL of 2 mg/L may get mottled teeth and tenderness of the bones. Children who drink water containing fluoride in excess of the state MCL of 2 mg/L may get mottled teeth
Magnesium (mg/L)	6/10/25	16		NA	NA	Rocks containing carbonate from natural erosion of carbonate-containing limestone, such as calcium carbonate or dolomite; runoff from agricultural or landscapes where lime has been applied
Odor (T.O.N)	6/10/25	7.1		3	NA	Naturally occurring organic materials, iron, or manganese
pH (pH Units)	6/10/25	7.65		6.5 - 8.50	NA	High levels can cause dry, itchy skin and upset stomach, best range sits around 7 (scale 0-14
Specific Conductance (EC) Umhos/cm	6/10/25	290		1,600 uS/cm	NA	Substances that form ions when in water, seawater influence
Sulfate as S04 (mg/L)	6/10/25	6.60		500	NA	Runoff/Leaching from natural deposits, industrial waste
Total Alkalinity as (CaC03) (mg/L)	6/10/25	130		NA	NA	Carbonate-contain rocks from natural erosion of carbonate-containing limestone, runoff from agricultural or landscapes where lime has been applied
Total Dissolved Solids (TDS) (mg/L)	6/10/25	150		1,000	NA	Runoff/Leaching from natural deposits

Detection of Unregulated Contaminants

	Sample Date	Level Detected	Range of Detections	Notification Level	Health Effects
Aggressive Index (NU)	6/10/25	11.50		NA	Corrosive tendency of water to its effect on asbestos cement pipe
Boron (ug/L)	6/10/25	980		1,000	Excessive Boron intake can lead to nausea, vomiting, diarrhea, skin rash, kidney damage, seizures.

Unregulated contaminants monitoring helps U.S. EPA and the State Water Resources Control Board to determine where certain contaminants occur and whether the contaminants need to be regulated.

Raw Water Sampling Results for Radioactivity

Chemical or Constituent (and reporting units	Sample Date	Level Detected (pCi/L)	MCL	PHG (MCLG)	Health Effects
Gross Alpha (picocuries per liter)	4/03/24: Next Sample Date for Treated Drinking Water April,2033	0.289	15	(0)	Certain minerals are radioactive and may emit a form of radiation known as alpha radiation. Some people who drink water containing alpha emitters above the MCL over many years may have an increased risk of getting cancer.

Additional General Information on Drinking Water

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the U.S. EPA's Safe Drinking Water Hotline (1-800-426-4791).

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. U.S. EPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).

Lead-Specific Language: If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. HIGHLANDS MUTUAL WATER COMPANY is responsible for providing high quality drinking water and removing lead pipes but cannot control the variety of materials used in plumbing in your home. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. [Optional: If you do so, you may wish to collect the flushed water and reuse it for another beneficial purpose, such as watering plants.]

Because lead levels may vary over time, lead exposure is possible even when your tap sampling results do not detect lead at one point in time. You can help protect yourself and your family by identifying and removing lead materials within your home plumbing and taking steps to reduce your family's risk. Using a filter, certified by an American National Standards Institute accredited certifier to reduce lead, is effective in reducing lead exposures. Follow the instructions provided with the filter to ensure the filter is used properly. Use only cold water for drinking, cooking, and making baby formula. Boiling water does not remove lead from water. Again, it is recommended that before using tap water for drinking, cooking, or making baby formulas, flush your pipes for several minutes. Additional ways suggested for the purpose of conservation efforts would be to consider scheduling showers, doing laundry or wash a load of dishes prior. If you have a lead galvanized service line and/or fitting connectors requiring replacement, you may need to flush your pipes for a longer period. If you are concerned about lead in your water, you may wish to have your water tested, contact Highlands Mutual Water Company at (707) 994-2393 for further information. Additional information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline (1-800-426-4791) or at http://www.epa.gov/lead.

A Lead Service Line Inventory has been completed and submitted to the California State Water Resources Control Board by Highlands Mutual Water as per mandated regulation.

All water systems are required to comply with the state LCR. Water systems are also required to comply with federal LCR, and its revisions and corrections. The revisions and corrections to the federal LCR include mandatory language requirements that have not yet been adopted by the State Water Board.

SYSTEMS PROVIDING SURFACE WATER AS A SOURCE OF DRINKING WATER

Sampling Results Showing Treatment of Surface Water Sources

Treatment Technique (a) (Type of approved filtration technology used)	#1 Multi-Media Pressure Conventional Surface Water
Turbidity Performance Standards (b) (that must be met through the water treatment process)	Turbidity of the filtered water must: 1 – Be less than or equal to 0.3 NTU in 95% of measurements in a month. 2 – Not exceed 0.3 for more than 30 consecutive minutes. 3 – Not exceed 1.0 NTU at any time.
Lowest monthly percentage of samples that met Turbidity Performance Standard No. 1.	100%
Highest single turbidity measurement during the year	0.199
Number of violations of any surface water treatment requirements	None

(a) A required process intended to reduce the level of a contaminant in drinking water.

(b) Turbidity (measured in NTU) is a measurement of the cloudiness of water and is a good indicator of water quality and filtration performance. Turbidity results which meet performance standards are considered to be in compliance with filtration requirements.

TERMS USED IN THIS REPORT

Level 1 Assessment: A Level 1 assessment is a study of the water system to identify potential problems and determine (if possible) why total coliform bacteria have been found in our water system.

Level 2 Assessment: A Level 2 assessment is a very detailed study of the water system to identify potential problems and determine (if possible) why an E. coli MCL violation has occurred and/or why total coliform bacteria have been found in our water system on multiple occasions.

Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency (U.S. EPA).

Maximum Residual Disinfectant Level (MRDL): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum Residual Disinfectant Level Goal (MRDLG): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Primary Drinking Water Standards (PDWS): MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

Public Health Goal (PHG): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

Regulatory Action Level (AL): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

Secondary Drinking Water Standards (SDWS): MCLs for contaminants that affect taste, odor, or appearance of the drinking water. Contaminants with SDWSs do not affect the health at the MCL levels.

Treatment Technique (TT): A required process intended to reduce the level of a contaminant in drinking water.

Variances and Exemptions: Permissions from the State Water Resources Control Board (State Board) to exceed an MCL or not comply with a treatment technique under certain conditions.

ND: Not detectable at testing limit.

ppm: parts per million or milligrams per liter (mg/L)

ppb: parts per billion or micrograms per liter (µg/L)

ppt: parts per trillion or nanograms per liter (ng/L)

ppq: parts per quadrillion or picogram per liter (pg/L)

pCi/L: picocuries per liter (a measure of radiation)

QUESTIONS?

For more information about this report, or for any questions relating to your drinking water, please contact Jeff Davis, General Manager and Water Department Superintendent at (707) 994-2393.

Technical reports are available upon request to all shareholders and users of water being provided by Highlands Mutual Water Company:

State Water Resources Control Board
Division of Drinking Water
Engineering Report of Highlands
Mutual Water Company Infrastructure
July 10,2024

Clear Lake Source Water Assessment
and Watershed Sanitary Survey
August,2023

Lead Service Line Inventory (LSLI)
Highlands Mutual Water Company
Deadline Submission to the
State Water Resources Control Board
October 16,2024

PLEASE CONTACT THE HIGHLANDS MUTUAL WATER COMPANY BUSINESS ADMINISTRATION OFFICE (707) 994-2393 or Mail Requests to Highlands Mutual Water Company, Request for Documents, 14580 Lakeshore Drive, Clearlake, California 95422

Importance of This Report Statement in Five Non-English Languages (Spanish, Mandarin, Tagalog, Vietnamese, and Hmong)

Language in Spanish: Este informe contiene información muy importante sobre su agua para beber. Favor de comunicarse Highlands Mutual Water Company, 14580 Lakeshore Drive in Clearlake, California 95422, (707) 994-2393 para asistirlo en español.

Language in Mandarin: 这份报告含有关于您的饮用水的重要讯息。请用以下地址和电话联系 Highlands Mutual Water Company, 以获得中文的帮助:14580 Lakeshore Drive in Clearlake, California 95422 (707) 994-2393.

Language in Tagalog: Ang pag-uulat na ito ay naglalaman ng mahalagang impormasyon tungkol sa inyong inuming tubig. Mangyaring makipag-ugnayan sa Highlands Mutual Water Company in Clearlake, California 95422 (707) 994-2393, o tumawag sa (707) 994-2393 para matulungan sa wikang Tagalog.

Language in Vietnamese: Báo cáo này chứa thông tin quan trọng về nước uống của bạn. Xin vui lòng liên hệ Highlands Mutual Water Company, 14580 Lakeshore Drive, in Clearlake, California 95422 (707) 994-2393, tại (707) 994-2393 để được hỗ trợ giúp bằng tiếng Việt.

Language in Hmong: Tsab ntawv no muaj cov ntsiab lus tseem ceeb txog koj cov dej haus. Thov hu rau Highlands Mutual Water Company, ntawm 14580 Lakeshore Drive in Clearlake, California 95422 (707) 994-2393, rau kev pab hauv lus Askiv.

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