COVINA VALLEY WATER COMPANY
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Andrew McIntyre, Chairman
Michael Quinn, Vice-Chairman
Rafael Fajardo, Treasurer
Lynda Noriega, Secretary
Sergio Islas, Director
Diane McIntyre, Director
Richard Rich, Director
Kevin Stapleton, Director
Michael Touhey, Director

P. David Michalko, President
Gloria Galindo, Assistant Treasurer

October 5, 2026

Dear Shareholders of Covina Valley Water Company, formerly known as Valencia Heights Water Company and Covina Irrigating Company. Enclosed is the notice for this year's annual meeting. Complete voting information is included with this notice. Class C retail shareholders will soon receive an electronic ballot through our billing software. For Class C wholesale customers, a ballot is included in this packet. All materials can also be found at ***www.covinavalleywater.org***

As reported last year, the merger of the two companies was finalized on September 8, 2025. Over the past year, we have completed numerous administrative tasks required to finalize the merger process. The Company now has three classes of stock. Class A consists of the original wholesale entitlement shares and are voting shares, Class B consists of retail entitlement shares and are non-voting shares, and Class C consists of shares issued to each water meter in the wholesale and retail water systems to comply with mutual water company regulations. The Board has adopted new policies in the lease and purchase of Class A and B shares this past year. The Company will purchase Class A and B shares and or the annual entitlement. Interested shareholders should contact the office for complete details.

During the past 12 months, we have completed several capital improvements, including the expansion of the groundwater treatment facility at our Baldwin Park well field. The expanded facility can treat up to 6,000 gallons per minute, strengthening system reliability. Following a 90-day commissioning period in November, the facility has operated continuously at rates ranging from 1,500 to 5,500 gallons per minute. We have received temporary operating authorization while we await the final operating permit associated with the merger and facility expansion.

Other completed or nearly completed projects include the installation of 1,850 feet of new 14-inch water pipeline extending from Swanee Lane, north of Rowland, south to Walnut Creek Wash; the purchase and installation of a disinfection residual monitoring trailer for the retail system; the automation of earthquake valves at reservoirs within the retail water system; and starting shortly is the replacement of 600 feet of 6" waterline with 8" waterline on the upper reaches of Buenos Aires Drive.

Looking ahead, planned projects include providing backup power for the William B. Tempe surface water treatment plant, adding PFOS treatment for Well No. 7, replacing waterlines in both water systems, and acquiring additional water rights.

Finally, the financial statements for the fiscal year ending June 30, 2026, are available at ***www.covinavalleywater.org*** Due to these statements, including the merged financials, the two-year comparison is misleading, but can be viewed to see the change in financial position of CIC/CVWC and the merged financials of the two Companies, now CVWC. As noted in the annual meeting notice, shareholders who are unable to attend should return their proxies by October 22, 2026. Upon request, a separate invitation will provide instructions for joining the meeting virtually.

Finally, Gloria and I extend our gratitude to the Board and staff for their continued support over the past three years in successfully completing the merger.

P. David Michalko, President
Covina Valley Water Company