



Roosevelt County Water Cooperative, Inc.
1700 South Avenue D
Portales NM 88130

September 7, 2023

Dear Member:

The Board of Director's wanted to take this opportunity to give you an update. We first would like to apologize for the delay in this update, but due to the litigation with the City of Portales we were unclear on what all we could share without harming the Co-op. We always want to be as transparent as we can with you.

As many of you are aware, the City of Portales filed a lawsuit against the Co-op in April of this year because the BOD chose not to sign the water purchase contract that the City Council approved. The BOD's decision to not sign was made in what they believe to be the best interest of the Co-op and its members. The BOD had hoped that the Co-op and City could continue their negotiations that had begun, but requests for meetings were turned down.

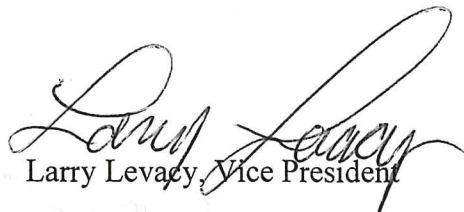
In June of this year the City of Portales informed the Co-op that they would be implementing a Stage 3 Water Restriction and asked us to comply, which we did immediately by informing our members. Then in August the City informed the Co-op with a letter addressed to our General Manager that they intended to restrict the amount of water available for Site A. They presented the letter on August 10th with the intent to restrict the water on Friday, August 11th, which did not allow much time to inform members. They also stated in the letter that they would monitor all master meters and may restrict them as well. The Co-op's attorney was able to obtain a restraining order against the City which will keep them from restricting water further and have a hearing on September 22nd in regards to this order.

Due to the lawsuit, as well as the many other reasons, the BOD decided to pursue other avenues and possibilities for supplying water to its members, which include purchasing our own wells and water rights, as well as perhaps entering into negotiations with EPCOR to purchase wholesale water from them. Each of these are in their very early stages and there have been no final decisions made. It is also our goal to continue to negotiate with the City of Portales and hopefully come to some sort of resolution with them as well, but also continue to pursue other water possibilities so that the Co-op can continue to supply safe clean drinking water to our members for well into the future.

The BOD understands that each of us were elected by members attending our Annual Meetings, and take that honor very seriously. Each of us will continue to fight on our members behalf and will not stop until a viable solution is found that will allow the Co-op to continue to serve our members with honor and respect.

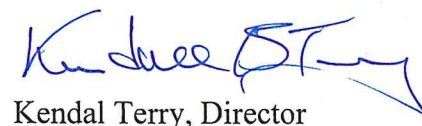
Respectfully,


Ryan Craig, President


Larry Levacy, Vice President


Donna Rutherford, Secretary


Leslie Rector, Director


Kendal Terry, Director