



Water Stock Split – Frequently Asked Questions

Why is Western Heights Water Company splitting the shares?

Splitting the shares provides more shares for future connections in the service area. There are currently 3,443 shares issued, which leaves 1,557 for future connections. The share split will increase the number of available shares to 4,671.

Splitting the shares helps support water conservation. After the share split, the base rate water allocation per share will be 12 billing units per month. This is the typical monthly indoor water usage for a single family three-bedroom, two-bathroom house. This allows Shareholders to tailor the number of shares they own to their actual water use. Shareholders will have the option to purchase more shares to provide themselves more water at the base rate. The share split methodology does not reduce shareholder base rate allocation, but it does allow shareholders to sell or turn in water shares that are in excess of their monthly needs.

How does the stock split affect me as a shareholder?

For each water share you own, you will receive three new shares. Each new share will be worth \$983.33 – one third of the existing \$2,950 share value. Each new share will entitle the shareholder to 24 billing units every two months – approximately one third of the existing 70 billing units per month. The assessment per share will decrease to \$22 per share per year – one third the existing assessment. The overall affect to each shareholder is more shares. The total value of the shares combined is the same, and the allocation of water at the base rate and the total annual assessment will remain the same.

Will I receive new stock certificates?

Yes. Your existing stock certificates will be canceled and new stock certificate numbers will be issued. For each existing share you have you will receive three new shares with new numbers. The new stock certificates will be recorded and tracked electronically. You will only receive a hardcopy of the certificates if you request them. With the new certificates, there will be only one share per stock certificate.

When will the stock split happen?

The stock split was effective June 30, 2018. You will be notified by mail. New certificate numbers are issued and your old certificates are canceled.

Why is Western Heights Water Company not automatically printing water share certificates?

Water shares are now tracked electronically, where in the past, they were tracked using hard copies. By only printing water stock certificates for those who request them, we are saving money.