



THE ISLAND WATER ASSOCIATION, INC.

NOTICE TO MEMBERS AND CUSTOMERS OF ISLAND WATER ASSOCIATION, INC.

Dear IWA Member,

The Board of Directors of The Island Water Association, Inc. (IWA), in partnership with Raftelis Financial Consultants, Inc., has completed a comprehensive Water Rate and Fee Study to evaluate IWA's current water service rates. The study determined that adjustments to rates and fees are necessary to maintain the utility's long-term financial stability and ensure the continued delivery of high-quality, reliable water service to our members.

Based on the study's recommendations, IWA is proposing an 18 percent rate adjustment for each of the three years 2026, 2027, and 2028. For a residential, non-irrigating household using 5000 gallons per month, this would result in estimated monthly bill increases of \$5.29 in 2026, \$6.26 in 2027, and \$7.41 in 2028. These would be the first rate increases in 16 years and reflect IWA's careful, long-standing commitment to controlling costs while keeping average water rates among the lowest in southwest Florida.

The proposed adjustments reflect the rapid escalation of operations and maintenance (O&M) costs, as well as planned capital improvement projects needed to meet increasing demand, renew and replace aging infrastructure, and strengthen system resiliency and hardening in preparation for future storm events. To help offset the cost of critical system resiliency improvements, IWA has been awarded more than \$44 million in grant funding, forgivable loans, and zero-interest loans.

A Public Hearing on the proposed water rate and fee adjustments will be held before the City Council of the City of Sanibel on Tuesday, March 3, 2026, at 9:15 AM at MacKenzie Hall, Sanibel City Hall, 800 Dunlop Road, Sanibel, Florida 33957. At this hearing, IWA members and customers will have the opportunity to comment on the proposed rate and fee adjustments before City Council consideration.

Detailed information on the proposed rate and fee adjustments, along with supporting documentation from the Water Rate Study, is available on IWA's website at www.islandwater.com

We appreciate your continued support as IWA plans responsibly for the future needs of Sanibel and Captiva Island.

Sincerely,

Diana Wilson
General Manager