

La Cumbre Mutual Water Company

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MIKE ALVARADO
GENERAL MANAGER

January 2018

Dear La Cumbre Water Customer,

In the coming months we will be asking you to approve two important changes in our bylaws. Our bylaws were originally written in 1925. The bylaws have a stipulation that the Water Company may incur indebtedness up to \$250,000. We would like to raise this limit to \$4 million. There are no plans to use these funds other than in an emergency. If we were to have an emergency such as an earthquake or fire, and we didn't have the higher limit in place, an assessment would be needed to raise the funds.

The other change we would like to make in the bylaws involves an easier process to get our annual proxy approved. This would allow the Board of Directors to conduct their normal business without delay. We will be mailing you more information on these bylaw changes in the coming months.

We also want to let our shareholders know that your board of directors is working hard to ensure that your Water Company continues to provide reliable customer service. Our staff has compiled a list of capital improvement projects and has prioritized them for your board to consider. In the coming months we will update our shareholders on these exciting plans. We also are evaluating texting services to use so that we may communicate with you via text message in the near future. In the meantime, if you would like to be added to an email distribution list, please send an email to office@lacumbrewater.com.

The recent fires that have affected Californians have reminded us of how important it is to communicate with our shareholders. We plan on using both text messaging and email to communicate with you if there is an emergency, as well as using them to share other important information. Our goal is to keep you up to date and current as our staff and your board of directors work hard to modernize your water company.

Thank you.



Jane Lodal
Board President