

La Cumbre Mutual Water Company

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9/4/2015

STAGE II DROUGHT LEVEL - LAWN/TOILET REBATES

Dear La Cumbre Water Customer,

The State of California is offering up to \$2000 (\$2/square foot of turf grass replacement up to 1000 square feet) per single-family residence to replace your turf grass with landscapes that require little water. The State is also paying \$100 per single-family residence for purchasing and installing a high-efficiency toilet (1.28 gallons per flush or less) that replaces a less efficient toilet (using more than 1.6 gallons per flush). The web site to visit is WWW.SaveOurWaterRebates.COM to find out all the information for both programs. The rebates are offered on a first come first served basis, so if you are interested we highly recommend you act quickly.

For this year, our customers have on average used 35% less than 2013! Your conservation has helped tremendously with our water supplies. However, the main Central Basin water levels, that two of our three active wells are located in, has been declining since 2012 due to lack of local rainfall. We are having our engineering firm study a non-active well we have in the central basin where the water tables are still relatively high. If we bring this well online, we would either need to provide local iron/manganese treatment or pipe the water to our Nogal Treatment Plant.

The other basin we draw water from is the Foothill Basin, where the water levels have stayed relatively good over the years. Unfortunately, the well there is failing. It cannot be rehabilitated and needs to be replaced. The reliability of our water portfolio would be significantly improved by adding a new/replacement well in this basin.

In the coming weeks, we will be quantifying what these two needed projects will cost. Unfortunately, the bylaws originally written in 1925 that govern our Mutual Water Company, only allow us to borrow \$250,000 at any one time. It takes two thirds stockholder approval to amend the bylaws or to approve an indebtedness of more than \$250K. To put our water company in a better position during this drought and to avoid rationing in the future, we need to amend the bylaws to increase the borrowing amount. More to come relating to this in the near future.

Your current bill is the first bill with the new higher rates. In addition to the higher water rates and lower tiers, we have increased the fixed meter charge by 40% to help pay for our meter replacement program. The meter replacement program has already exposed many leaks that customers have had on their side of the meter that they previously did not know about.

For conservation ideas please check out the following websites: sbwater.org and saveourwater.com. Please feel free to call our office for any help you need. Thank you for your continued support and your continued conservation efforts.

Sincerely,

For the Board of Directors



Jane Lodas
Board President