

La Cumbre Mutual Water Company

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July 2020

Message from the Board President **Current water supply**

Dear La Cumbre Mutual Water Company Shareholder,

I would like to take this time to update you about concerns we are faced regarding our current water supply and challenges of our aging infrastructure. The Water Company delivers approximately 1100 acre-feet per year to you: our 1250 shareholders. Most of this water comes from three main sources: local groundwater from the Goleta Central Basin, the Foothill Basin and imported water from the State Water Project. We are required to cooperatively manage the local groundwater with others to maintain its ability to meet the needs of all users. Due to the demands of the ongoing drought that started in 2014, these two groundwater supplies have been reduced. Our State Water supply is currently at 20%, which equates to only 220-acre feet. The State Water Project allocation varies from year-to-year due to drought, snowpack levels, environmental issues and endangered species.

Over the last decade, we have relied on groundwater to make up the deficit from our low State Water allocation. The only way basin water levels will recover is by natural recharge (which can take decades to bring the levels up to historical levels) or artificial recharge using excess spill water from Lake Cachuma, which has not spilled since 2011. Our staff are developing a plan and the necessary permits and agreements to allow the Water Company to inject Cachuma spill water into our local groundwater basin. This will help to manage groundwater levels and provide additional supplies for use in years when imported supplies are limited.

Adding to the challenges, the Water Company has been in operation for 95 years. Many components and facilities on your system have reached or are exceeding, their life expectancy. Throughout the last 13 years, the water company has invested in vital capital improvement projects to enhance system reliability and meet ever-changing water quality standards. We will continue to prioritize our improvement projects to proactively identify and replace infrastructure elements prior to their failure as protection against unplanned water outages. Management is working to address current issues and preparing for future contingencies including the identification of practices to encourage additional water use efficiency and the exploration of potential new water supply sources.

We will keep you apprised of our current situation. Our staff consistently evaluates our water rates to ensure that shareholders have access to reliable water supplies while allowing for the health and continued operations of the Water Company. We are asking you to continue to conserve water and increase your efforts to reduce your usage. For more information about reducing your consumption, including making changes to your landscape, please go to www.waterwisesb.org.

Sincerely,



Alex Rodriguez, President