

# La Cumbre Mutual Water Company

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## DIRECTORS

JANE LODAS

PRESIDENT

ALEX RODRIGUEZ

VICE-PRESIDENT

BOB URADNICEK

MARC RUSSO

DOUG CAMPBELL

MIKE ALVARADO

GENERAL MANAGER

September 6, 2018

## IMPORTANT INFORMATION

### Bylaw Changes

Dear La Cumbre Water Shareholder,

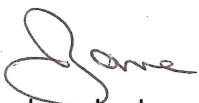
Thanks to those of you who have voted for our bylaw changes. They have both passed. The first bylaw change applies to the original 1925 stipulation that the Water Company may incur indebtedness up to \$250,000. We have raised this limit of borrowing authority to \$4,000,000 thanks to getting over 67% approval from our shareholders.

The other change we have made to the bylaws involves an easier process to get our annual proxy approved. A proxy vote is a ballot cast on the behalf of the shareholder who would rather cast a written vote than attend the annual meeting to vote. Previously, the bylaws required that a minimum 50% (by acreage) of the proxies be returned for the board of directors to conduct its official business. Now, 20% of the proxies returned (by acreage) will allow the board to conduct its official business without delay.

It was a tremendous undertaking to get 2/3rds (66.7%) stockholder approval to pass both bylaws. Whether you voted for or against the provisions, we appreciate you being part of the process. What we found was 25% of our stockholders were unresponsive even after sending 5 letters, multiple emails and placing numerous phone calls. So, if you are part of the 75% who participated (and you probably are if you are still reading this), thank you for being engaged in the process. And a special thanks to Alex Rodriguez, Doug Campbell, Penny Braniff, Geri Bidwell and Judy Whiting for their help.

We are studying the consequences of going into an 8<sup>th</sup> year of drought. A 30% reduction from customers 2013 usage is still our current target conservation rate. Last year our stockholders achieved an outstanding 38% conservation rate. Currently, two inactive wells are in the planning stages of being rehabilitated. This rehabilitation will help by spreading out the pumping in the basin and with redundancy. These are challenging times. We deeply appreciate your conservation efforts and your support of your water company. As always, please feel free to call or email the office with any questions.

Sincerely,



Jane Lodas

Board President