

La Cumbre Mutual Water Company

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May 2021

Dear Water Company Shareholder,

In October 2020, the Board of Directors approved a rate increase and a Tier adjustment. This was done, in part, because of the initial 10% allocation for State Water, the purchase of supplemental water and capital improvement projects for our well sites. On March 23rd of this year our State Water Allocation was reduced from 10% to 5% due to the low snowpack and runoff in the Northern Sierra water shed. We are experiencing drought conditions once again.

Over the last decade, we have relied on groundwater to make up for the shortfall from our low State Water allocation. Currently, because of pumping by us and the Goleta Water District, groundwater levels are declining and it can take decades to bring the levels up to historical readings. Our staff is exploring options to help increase levels in the basin as well as to augment our water supply.

To exacerbate our predicament, the Board of Supervisors and county staff have sought to impose conditions on the Central Coast Water Authority (CCWA) and its project participants by refusing to take action and approve Management Amendment 21. Failure to participate in Amendment 21 will have immediate and adverse impacts on CCWA's participants, your water company being one. Without approval of Amendment 21 we may be unable to secure supplemental water supplies through exchanges or transfers. With our State Water allocation at 5% we are facing severe water supply shortages.

A few years ago, everyone in California was asked to conserve water by Governor Brown's Administration. Due to these complex circumstances, we are asking for a continued 20% reduction from your 2013 baseline usage to help us through these difficult times.

Conservation by all of us is more important than ever. The smart meter system deployed throughout our service area has an especially useful leak alert feature. If you have not already done so, we encourage you to register your meter for this free service which provides daily and hourly water usage information accessible via your smart phone or computer. For more information, please email office@lacumbrewater.com.

Thank you for helping us conserve.

Kind regards,



Alex Rodriguez
Board President