

# La Cumbre Mutual Water Company

695 Via Tranquila, Santa Barbara, CA 93110-2296  
Phone 805 967-2376 Fax 805 967-8102  
WWW.LACUMBREWATER.COM

**DIRECTORS**  
**ALEX RODRIGUEZ**  
*PRESIDENT*  
**MARC RUSSO**  
*VICE-PRESIDENT*  
**DOUG CAMPBELL**  
**JANE LODAS**  
**ROB THOMSON**  
**MIKE ALVARADO**  
*GENERAL MANAGER*

May 5, 2023

Dear Shareholders,

You may have seen in the media recently that Gov. Newsom eased drought restrictions that have affected our region for the past few years. Recent rainfall throughout the state and the snowpack in the Sierras, a significant source of water to our area, have replenished our water sources, and reservoirs throughout the state have experienced significant increases. The increase in our state water supplies will help our groundwater basins to rest and slowly recharge.

While this is certainly good news, we must continue to emphasize that the need for conservation efforts has not diminished. As your water company, it is our responsibility to ensure the sustainable use of our resources, not only during times of drought but also during times of plenty.

Conservation efforts, such as reducing water waste, fixing leaks, and utilizing drought-tolerant landscaping, are still necessary to ensure the long-term health of our water supply. We encourage all shareholders to continue water conservation in their daily lives.

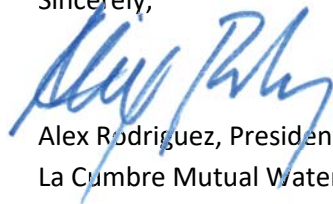
We continue to seek out short- and long-term water acquisitions to bolster our portfolio for the probable drought years to come. We are also pursuing the necessary permitting for the implementation of an Aquifer Storage and Recovery Program (ASR) to inject Cachuma “spill” water or other surplus water supplies into our groundwater basin for future use.

Your water system has been in operation since 1925 and is two years shy of providing water for 100 years. The entire system is being evaluated by an outside engineering firm to prioritize replacement/upsizing of existing mainlines, pump stations, wells, and reservoirs.

The board of directors and staff have undertaken a rate study as we remain committed to providing affordable and reliable water for our shareholders. We are committed to exploring and implementing new technologies and strategies that will help us to conserve water in the most efficient and effective ways possible. This may include investments in new infrastructure, partnerships with other organizations, and educational outreach programs to promote water conservation.

We are grateful for your ongoing support and commitment to the La Cumbre Mutual Water Company. By working together, we can ensure that our water resources remain healthy and sustainable for generations to come.

Sincerely,



Alex Rodriguez, President  
La Cumbre Mutual Water Company