

La Cumbre Mutual Water Company

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GENERAL MANAGER

October 24, 2025

Subject: **Notice of Water Rate Increase**

Dear Stockholders and Customers:

The La Cumbre Mutual Water Company continues to implement critical infrastructure improvements to our water system. These projects are expected to be in service for decades but they cannot be paid for with our existing water rates and financial reserves. The Water Company and its financial consultants considered various options. From that process, we are attempting to revise our Bylaws to increase our borrowing limit from \$4,000,000 to \$20,000,000. This increase will extend the repayment of our most critical projects over time. The projects include upgrading our three reservoirs, pump stations and pipelines that are needed to provide reliable, potable water for human consumption, sanitation, and enhanced firefighting capabilities.

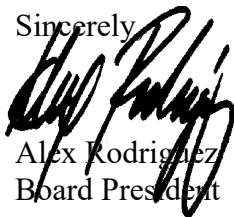
Revisions to the Bylaws require two-thirds majority approval based on stockholder acreage. Nearly 40% of the outstanding share have not been voted. We have sent multiple emails, texts, letters, as well as reaching out one on one, with some success.

Thank you for voting. **The Bylaws revision voting is still open.** Please talk to your neighbors about the importance of voting. We can provide additional Bylaws Amendment ballots as needed and are happy to discuss the importance of these projects.

Since we cannot be sure that the Bylaws revision will be approved, **the board of directors has determined that a 10% increase in water rates and meter charges is necessary** to keep the budget balanced and pay for the first set of projects, which includes rebuilding and enlarging our reservoir on Cuervo Avenue. At its October 17, 2025, meeting, the Board of Directors approved a 10% increase on both water rates and meter charges effective January 1, 2026.

This is our first water and meter rate increase in three and a half years. With this 10% rate increase, your water rates will be similar, or generally less, than the surrounding water utilities. If you have any questions, please feel free to call or text me directly at 805-331-7764.

Sincerely,



Alex Rodriguez
Board President