

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 27, 2025

Dear Stockholder,

Our annual stockholders meeting will be held **Tuesday, June 10, 2025, from 10:00 AM to noon at the La Cumbre Country Club**. We invite you to attend.

The meeting will be informational as well as covering procedural business required by the Water Company Bylaws. Company officers will discuss the state of your Water Company. This is an opportunity for you to be informed, ask questions, make comments, and offer suggestions.

This year, one of the five seats on the Board of Directors is to be filled for a three-year term. The incumbent, Ms. Jane Lodas, has been referred to fill this position by the Nominating Committee consisting of stockholders Debra Keys Thomas, Doug Toews, and myself, Alex Rodriguez. There were no additional nominations by petition. Since the number of nominees equals the number of openings, Ms. Lodas will be declared elected.

PROXY INSTRUCTIONS:

A Proxy card is enclosed, please sign, and return the enclosed Proxy by **June 09, 2025**. We need to receive 20% of the voting shares annually so that the **Water Company can conduct its normal business affairs and ratify the election of its directors**. It is always a great effort for our water company staff to call and ask to have these proxies returned. In the past some shareholders have resisted returning their proxies because they thought, erroneously, that by signing the proxy they were approving higher water rates. There is no correlation between raising water rates and returning your proxy. The Board of Directors can adjust water rates as they deem necessary to keep the company financially solvent. Please take a moment to **sign and return your proxy today and ballot today**. Thank you for your help, it is truly appreciated! We hope to see you at the meeting!

Additionally, we are asking you to approve an important change in our bylaws. Our bylaws stipulate that the Water Company may incur indebtedness up to \$4 million, but we are asking to increase our borrowing limit to \$20 million as a backstop for our Master Plan. Although we may have to borrow funds to finance future projects in the Master Plan, water sales over the next decade should cover the majority of the critical infrastructure investments. We also need to be prepared for a catastrophic event (a fire or seismic event) and damage it may cause to our infrastructure. We urge you to vote **YES** on this important change to our bylaws and return your ballot immediately along with your proxy. Your vote is important because we require 2/3 of our outstanding shares to vote in the affirmative to make this important change.

Very truly yours,



Alex Rodriguez
Board President

YOUR PROXY IS IMPORTANT

PLEASE RETURN PROMPTLY

IF A QUORUM IS NOT OBTAINED THE ANNUAL MEETING
MAY BE RE-SCHEDULED.