

La Cumbre Mutual Water Company

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GENERAL MANAGER

May 25, 2022

Dear Water Company Shareholder,

The Western United States is in a megadrought, and water supplies in the State of California have been drastically reduced. This has impacted the availability of water to the Water Company. The State of California directed us to reduce water usage by 15% compared to 2020, but instead we have seen an unacceptable **22% increase** through the first 4 months of the year. With the summer months approaching, we are imploring customers to drastically reduce or eliminate, outdoor water usage. Our staff has reviewed and considered numerous alternatives, and we have exhausted our abilities to purchase additional, fairly-priced supplemental water on the open market.

Due to the inability to purchase supplemental water, and the need for repairs and upgrades of our existing infrastructure, the board of directors unanimously adopted a revised water/meter charge rate change that goes into effect July 1, 2022. This new rate structure keeps existing Tier limits but will add Tier 5. Further, the rate in the lowest use tiers (Tier 1 & 2) remain the same. The higher use tiers increase, as shown on the Schedule of Charges. Also, it is important to note that our rates are comparable to, if not lower than, other water utilities in the region.

A rate increase is never taken lightly by our staff or the Board of Directors. Our primary objective is to always provide excellent service, protect and improve our infrastructure, and ensure reliable water supplies for human consumption, sanitation, and fire protection.

Thank you for helping us conserve.

Kind regards,



Alex Rodriguez
Board President



Jane Lodalas
Board Secretary