

LA CUMBRE MUTUAL WATER CO.

695 VIA TRANQUILA

SANTA BARBARA, CALIFORNIA 93110-2299

Phone 805 967-2376 Fax 967-8102

Email: office@lacumbrewater.com

WWW.LACUMBREWATER.COM

WATER RATES AND CHARGES

Whenever the word "Company" is used herein, it refers to the La Cumbre Mutual Water Company. Whenever the word "owner", "customer", or "consumer" is used, it applies to the stockholder of the La Cumbre Mutual Water Company in whose name the stock (which is appurtenant to the land served) is issued, as recorded in the stock book of the Company.

SCHEDULE OF CHARGES

Water Rates per Hundred Cubic Feet, HCF - (1 HCF = 748 gallons), per two months (Effective May 1, 2009)

Residential.....	Tier 1 (0-50 HCF)	@ \$3.30 / HCF
.....	Tier 2 (51-120 HCF)	@ \$3.70 / HCF
.....	Tier 3 (121-240 HCF)	@ \$4.10 / HCF
.....	Tier 4 (>=241 HCF)	@ \$5.10 / HCF
Commercial	Tier 1 @ \$3.30/HCF for 100% of past 3 year average on a bi-monthly average	
.....	Tier 3 @ \$4.10/HCF for any usage above 3 year average	
Multi-Family Rate	Tier 1 @ \$3.30/HCF for 0-18 HCF/Dwelling unit/billing period	
.....	Tier 2 @ \$3.70/HCF for 19-60 HCF/Dwelling unit/billing period	
.....	Tier 3 @ \$4.10/HCF for over 60 HCF/Dwelling unit/billing period	
Schools & Golf Courses.....	Tier 1 @ \$2.95/HCF for 100% of past 3 year average on a bi-monthly average	
.....	Tier 3 @ \$4.10/HCF for any usage above 3 year average	
Agricultural.....	Tier 1 @ \$3.30 for the first 40 HCF per bi-monthly billing period	
.....	Tier 2 @ \$2.42 for <= 870 HCF/agricultural acres/twelve month period	
.....	Tier 3 @ \$4.10 for >870 HCF/agricultural acres/ twelve month period	

USER CLASSIFICATIONS:

Residential - All customers other than those classified as commercial, Multi-Family, schools & golf courses or agricultural.

Commercial – Any property used solely for commercial use and located in the County of Santa Barbara commercial zoning area.

Multi-Family – Any property serving multiple attached dwelling unit structures such as apartments or condominiums.

Schools & Golf Courses - To qualify for this rate a school must be located on an area of at least 6 acres and be either a public or private, elementary or high school education facility. To qualify for this rate a golf course must have at least 20 acres of actual golf area and is a public or private membership institutional facility.

Agricultural - To qualify for agricultural rate a stockholder must submit a copy of a U.S. Internal Revenue Service Schedule "F" (from latest tax return) indicating farming operations on the property being served along with a letter signed by your CPA verifying that the Schedule F has been filed with the IRS. The Schedule F information will be kept in the strictest of confidence. In addition, since the Ag rate is applied only to acreage being farmed, not the total acreage of the property, we ask the stockholder to indicate the amount of acreage they are farming. This figure will be subject to verification by staff. Final determination of Ag eligibility will be made by management.

Bi-Monthly Meter Charges & Connection Charge (add both connection charge and capital cost recovery fee)

<u>Item</u>	<u>Bi-Monthly Charge</u>	<u>Connection Charge**</u> (Effective Jan. 1, 2009)	<u>Capital Cost Recovery Fee</u> (Effective Nov. 23, 2009)
"A" less than 50 HCF/Yr.....	\$8.75*	NA	NA
"B" less than 100 HCF/Yr.....	\$17.50*	NA	NA
3/4" meter	\$26.25	\$4,225	\$8,612
1" meter	\$43.75	\$4,830	\$13,875
1 1/2" meter	\$87.50	\$5,435	\$30,142
2" meter	\$140.00	\$6,040	\$47,844
3" meter	\$262.50	\$6,640	\$101,669
4" meter	\$437.50	\$7,245	\$143,533
Fire Sprinkler System (2" and under) ..	\$18.38	\$7,245	\$2,625
Fire Sprinkler System (over 2")	\$36.76	\$7,245	\$5,250
Private Fire Hydrant	\$18.38	\$7,850	\$2,625

*This special bi-monthly charge is for 3/4" services that used less than the noted HCF for the previous year beginning on the last working day in December. (Effective Jan. 1, 2000)

**Connection charge may be higher if job is determined by management to be significantly more costly to install than a typical installation.

***Connection Charge & Capital Cost Recovery Fee for new connections will be forfeited if not built within 12 months.

LAND CHARGE: On all properties within the La Cumbre Mutual Water Company service area the land charge per bi-monthly period shall be \$29.00 per acre calculated to one thousands of an acre. (Effective Jan. 1, 2007)

SERVICE & TRANSFER FEES: (Effective June 1, 1999)

- \$150.00 - To be paid at the time of transfer of property
- \$50.00 to re-issue stock only.
- \$30.00 to transfer service to a new name only.

TEMPORARY HYDRANT CONSTRUCTION METER: (Effective Apr. 1, 2008)

- \$500 Setup Fee
- \$70 per month charge
- Water rate \$3.30 per HCF used

CHARGES FOR SPECIAL SERVICES: (Effective June 23, 2008)

1. To disconnect a meter - No charge.
2. To reconnect a meter - One year of bi-monthly meter capacity charges.
3. To install smaller meter in existing service - Time and materials. No credit for difference between meter capital cost recovery fee charges.
4. To up-size back to original larger meter - Time and materials plus 1 year of difference between larger and smaller bi-monthly meter charges.
5. To replace existing meter with larger meter - Difference in capital cost recovery fees between existing small meter and new larger meter plus construction deposit for the larger meter. In the event of changes in use requiring a building permit, assuming the larger meter has not already been installed, the capital cost recovery fees will be those in effect at the time the Building Permit is issued.
6. To install second meter on same lot - Full connection charge.
7. To move meter - Time and materials.
8. To install a separate residential use only meter on an agricultural rate lot – Time and materials

OWNER'S RESPONSIBILITY FOR WATER CHARGES: The owner is responsible for the payment of all water charges and if such owner fails to pay said charges within sixty days, they will become a lien upon the land to which the respective shares of stock are appurtenant, and also upon said shares of stock and all rights and interests represented by such shares (Article VIII, Sec. 10, By-Laws).

PENALTY FOR NON-PAYMENT: If any accounts under the schedule of charges remain unpaid 30 days after the date of billing, they shall become delinquent and a penalty of 10% shall be added. If the total of said bill including the penalty is not paid within 10 days after the date of the delinquency notice the water will be shut off and will not be turned on again until all arrears and penalties have been paid, including a \$25.00 charge for the resumption of service. Services shut off for non-payment shall continue to incur the bi-monthly meter charge for a period of six (6) months, after which the service will be disconnected. Service will then only be resumed upon payment of 25% of the regular meter connection charge, in addition to all unpaid charges and penalties.

INSUFFICIENT FUNDS CHARGE: There will be a charge of \$25 for any checks returned by your bank as uncashable.