

La Cumbre Mutual Water Company

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BOB URADNICEK
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MARC RUSSO
MIKE ALVARADO
GENERAL MANAGER

August 8, 2017

Santa Barbara County Grand Jury
Attn: Robert May, Foreman Pro Tem
1100 Anacapa Street
Santa Barbara, CA 93101

RECEIVED

AUG 16 2017

BY: _____

Judge James Herman
County of Santa Barbara
Superior Court, Department 1
1100 Anacapa Street
Santa Barbara, CA 93101

Dear Mr. May and Honorable James Herman:

The La Cumbre Mutual Water Company received the report entitled "Managing Regional Water Supplies" dated June 9, 2017. As you are aware, La Cumbre is a corporation that was formed in 1925 under the laws of the State of California. La Cumbre's Articles of Incorporation provide that the purpose of the corporation is to, among other things, provide water to the corporation's shareholders. The shares of stock of La Cumbre are appurtenant to the real property located within La Cumbre's boundaries. As such, when a parcel is sold or transferred, the shares of stock associated with that parcel are transferred to the new owner with title to the real property.

La Cumbre is not a governmental agency. Accordingly, La Cumbre does not appear to be the type of entity described in Government Code sections 925 et seq. that is subject to Grand Jury review. Nevertheless, La Cumbre has reviewed and responded to the Grand Jury's inquiry, which response is attached hereto.

We would also like to correct some inconsistencies with the report. La Cumbre extracts groundwater from two distinct basins, four production wells are within the Goleta Central Basin which was adjudicated via the "wright judgment" (Martha H. Wright et al. V. Goleta Water District et al., 1989 amended judgment, Superior Court of Santa Barbara County Case No. Sm57969). The judgment named La Cumbre as a Superior Appropriator. One well is in the

Foothill Basin which has not been adjudicated, but is managed pursuant to an ab 3030 groundwater basin management plan.

Please contact me should you have any further inquiries or questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Mike Alvarado".

Mike Alvarado
General Manager

Report Title: Managing Regional Water Supplies

Report Date: June 9, 2017

Response by: La Cumbre Mutual Water Company

Name & Title: Mike Alvarado, General Manager

Finding No. 1 No single entity has decision or enforcement power within Santa Barbara County to lead regional planning.

Response: Thank you for you inquiry. Due to our status as a California corporation we are not obligated to respond to finding no.1