

Mountain Mutual Water Company

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January 2017

Dear Members,

Winter seems to have descended suddenly and viciously this year. Along with that comes the usual water breaks; our staff has been busy staying ahead of any issues. Prior to the sudden onset of winter we have been extremely busy with customer repairs and services. Also, our crews have continued to enhance our infrastructure. In September a re-routing of our transmission line was made just west of Troy and Anges which has improved our feed to Tank 17 located on May Queen Dr. which acts as the central distribution point within the subdivision. This is an improvement enabling more efficient and reliable delivery to an important tank that is being replaced in 2017 or early 2018. More work on improving our infrastructure is still needed, but it is being managed economically in an incremental manner.

A principle function of the Board of Directors is the analysis and preparation of budgets. We are pleased to report that our revenue and operating expenses have been kept within budget once again in 2016. With some trimming and reprioritization we are also projecting a balanced operating budget in 2017. This means the Board of Directors is not increasing 2017 rates for the 3rd consecutive year. Our 2017 budget will be presented at our next annual membership meeting this coming spring. The annual meeting will be held on Saturday, April 22, 2017, 10 AM at the CCME Clubhouse.

Regarding progress on the special assessment, the Board is happy to report that substantial payments have been made ahead of the deadline with many members taking advantage of the discount to pay the full 5 year assessment. Thank you to all of you who made the payments in a timely manner. These payments have encouraged the Board to move ahead on the replacement of tanks earlier than previously thought possible. Already progress has been made for an improved location and site to install a larger tank 12. This tank serves a part of the subdivision that has posed difficulties operationally for many years. It is one of two priorities (tank 17 being the other). Tentative land agreement and survey has begun for that work; it is hoped planning can be done for installation work to begin the spring and summer of 2017.

In Q1 of 2017 MMWC will release a redesigned, easy to use website. It contains all the content and educational information that our website has had over the past several years. However, the website has been redesigned to have an updated look and feel as well as an updated user experience. A primary objective was to organize the website so that important and pertinent information can be found and accessed on fewer pages and with fewer clicks than in the past. Not only can easier access to more documents be a benefit to our members, but up-front information notices can be readily updated in a more timely manner. For new members and potential new members, it is hoped that the website can be a resource that will help them gain better understanding of the unique water service that is available to them and which makes our subdivision especially wonderful.

It has been a pleasure to serve you in 2016. We are looking forward to the challenges of 2017 and working to provide superior water delivery service to our membership.

Best Regards,

Mountain Mutual Water Company Board of Directors

NOTICE OF ANNUAL MEETING

Saturday, April 22, 2017 Cripple Creek Mountain Estates Clubhouse, 4453 CR 1, Teller County, Colorado

The Annual Meeting of the Members of Mountain Mutual Water Company, a Colorado non-profit corporation (The Company), will be held at Cripple Creek Mountain Estates clubhouse across CR 1 from the Mountain Mutual Water Company office in Teller County, Colorado, on Saturday, April 22, 2017 at 10:00 AM for the following purposes:

1. To elect two offices for a three year term; and
2. To transact other such business as may properly come before the board during the meeting.

The accompanying Proxy Statement provides additional information relating to the above matters.

The Board of Directors has fixed the close of business on December 31, 2016 as the record date for members entitled to notice of and to vote at this meeting on any adjournment thereof. The transfer books will not be closed.

To ensure a quorum and full vote, members are requested to sign and mail the accompanying proxy. If you attend the meeting and vote in person, the proxy will not be used.

NOTE: Only Members in good standing are eligible to vote or submit proxies.

By order of the Board of Directors.

PROXY STATEMENT - 2017 ANNUAL MEETING OF MEMBERS APRIL 22, 2017

1. The terms for Mike Bonar and Hope Christensen are about to expire. The following persons have submitted "letters of interest" to run for the vacancy, a three year term: Mike Bonar and Hope Christensen. Please review the candidates. *You should vote for only two (2) people.*
2. Management is not presently aware of any other business that might be brought up at the annual meeting.

The accompanying proxy is solicited on behalf of the management. The cost of soliciting proxies will be born by the Company. In addition to the solicitation by mail, officers, and regular employees of the Company may solicit proxies by telephone or in person.

A member giving a proxy may revoke it at any time prior to the voting thereof. Any member who attends the annual meeting may revoke his/her proxy in person.

The By-Laws of the Company provide, in Part: "No member who shall become delinquent in the payment of charges or becomes delinquent in the timely payment of any debt he/she owes the corporation, shall receive or be entitled to receive any service for any purpose or to vote at any regular or special meeting of members, until such delinquency shall have been paid in full."

The Board urges each member to pay their delinquencies and vote. The Board has worked diligently to obtain the assets needed to perform the services, and the Company deserves the support of each member. The memberships in the Company are valuable and the cooperation and support of all members is needed to maintain this value. We urge each member to promptly pay all charges, and to vote.

By order of the Board of Directors.