



December 18, 2017

Dear Shareholder:

The Shareholder Annual Meeting is approaching. It will be held at **Four Points by Sheraton Hotel located at 4900 Duckhorn Drive · Sacramento, California 95834**, on Tuesday, **February 13, 2018**, beginning at 10:00 a.m. As stated in the Company's bylaws, you are entitled to nominate individuals for election to the Board of Directors. We must receive your nominations no earlier than 40 days before the meeting (**January 4, 2018**) and no later than 21 days prior to the meeting (4:30 p.m., **January 23, 2017**). *"Only those persons shall be entitled to vote at such meeting who are shareholders in good standing,"* Bylaws, Article V, Section 7. *"Those shareholders who have paid the required assessments and charges in accordance with these Bylaws and who are not suspended shall be shareholders in good standing,"* Bylaws, Article IV, Section 5. The official notice and proxies will be sent out in January after the close of the nominations for voting and information purposes.

Nominee Qualifications

"Each director must be a shareholder, either directly or indirectly, of the Corporation." (Article VI, Section 2 of the Natomas Bylaws). "Indirectly", as approved by the Board of Directors, more specifically has been determined as the following:

1. A general partner of a partnership;
2. A manager of an LLC;
3. An officer of a corporation;
4. A trustee of a trust; or
5. An appointment on the governing Board of a governmental or quasi-governmental entity.

Unless the name of the nominee is specifically listed on the Title and the Natomas Stock Certificate, a signed document of verification for one of the five above listed positions held will need to be issued with the nomination form.

Please Note.

1. As a shareholder in Natomas Central Mutual Water Company, it is imperative that we keep accurate records of your account; therefore, please note the name, address and total number of shares associated with the account listed on the envelope. After verification of information, please contact our office with any potential corrections.
2. If you desire to nominate a candidate for the Board of Directors, please contact our office to receive a nomination form to be returned within the time period referenced above.

If you have any questions or comments, please do not hesitate to call our office at 916-419-5936.

Sincerely,

Amanda Wolken
Office Manager
Natomas Central Mutual Water Company