

**RESOLUTION NO. 2009-001**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUELITO MUTUAL WATER COMPANY ESTABLISHING A WATER CONSERVATION POLICY**

**WHEREAS**, the San Miguelito Mutual Water Company ("SMMWC") is a water company incorporated under the laws of the State of California and is in the business of providing water and wastewater conveyance and treatment services to its shareholders and contracted customers; and

**WHEREAS**, pursuant to Article VI, Section 2 of the SMMWC Bylaws, entitled Powers to Establish Rates, Charges, Rules and Regulations, the SMMWC Board of Directors ("Board") has the specific power to make and enforce all rules and regulations permitted by law; and

**WHEREAS**, the Governor of the State of California on June 8, 2008 proclaimed a statewide drought and issued Executive Order S-06-08 strongly encouraging local water agencies to take aggressive, immediate action to reduce water consumption locally and regionally; and

**WHEREAS**, SMMWC has determined that standard rules and regulations must be codified in order to effectively implement and police the necessary reductions in water consumption; and

**WHEREAS**, by this Resolution, the Board intends to memorialize such rules and regulations.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN MIGUELITO MUTUAL WATER COMPANY AS FOLLOWS:**

**SECTION 1. RECITALS.** The above recitals are true and correct and are incorporated herein by this reference.

**SECTION 2. WATER CONSERVATION.** It is the policy of San Miguelito Mutual Water Company (SMMWC) to conserve water at all times. During drought periods or a reduction in water supply, SMMWC Board will implement mandatory water conservation measures with additional restrictive limitations on water use and adopt certain rate structures as deemed necessary.

**SECTION 3. PROHIBITION ON WASTING WATER.** At no time shall any customer/shareholder waste water. The following shall constitute Waste:

- a. Use of potable water to irrigate grass, lawns, groundcover, shrubbery, crops, vegetation and trees in such a manner as to result in excess water to run-off of the area being watered;

- b. Use of potable water to wash streets, sidewalks, walkways, driveways, paved surfaces, open ground or other hard surface areas where air-blowers or sweeping provide a reasonable alternative;
- c. Use of potable water for washing vehicles, boats, paved surfaces, buildings and other similar uses shall be attended and have hand-controlled water devices, typically a spring loaded shutoff nozzle;
- d. Use of water from any Fire Hydrant without prior approval by SMMWC; and
- e. Installation of fixture devices that do not meet the County of San Luis Obispo low-flow requirements.

#### **SECTION 4. WATER CONSERVATION STAGES.**

**a. Stage I: Voluntary Conservation - Minor**

Customers/Shareholders of SMMWC are requested to voluntarily limit the amount of water used to that amount absolutely necessary for health and business. A ten percent (10%) reduction in water use is requested.

**b. Stage II: Mandatory Conservation – Moderate**

Customers/Shareholders of SMMWC are required to mandatorily reduce the overall amount of water used by at least twenty percent (20%). This shall be achieved by reducing Residential use at least ten percent (10%), Commercial use at least ten percent (10%), and Irrigation use at least fifty percent (50%).

In addition to the prohibitions previously listed in Section 3, the following prohibitions shall apply:

- i. Use of potable water for irrigation of landscaping, turf areas and gardens shall occur only between the hours of five p.m. and nine a.m. and must utilize hand held hoses, drip irrigation or permanently installed automatic sprinkler system;
- ii. Use of potable water for planting of turf and other new landscaping unless it consists of low water using, drought tolerant plants.
- iii. Use of potable water for soil compaction or dust control purposes in construction activities is prohibited.
- iv. Use of Fire Hydrants shall be limited to fire suppression and/or other activities immediately necessary to maintain health, safety and welfare of SMMWC customers/shareholders.

- v. Operation of any ornamental fountain unless the water is re-circulated
- vi. Emptying and refilling swimming pools or spas except to maintain water levels or to prevent structural damage and/or to provide for the public health and safety.
- vii. Water service to patrons by any eating establishment unless specifically requested.

c. Stage III: Mandatory Conservation – Severe

Customers/Shareholders of SMMWC are required to reduce the amount of water used as directed by the SMMWC Board.

In addition to the prohibitions previously listed in Section 3, the following prohibitions shall apply:

- i. Use of potable water for installation or irrigation of landscaping, turf areas and gardens is prohibited.
- ii. Use of potable water for washing vehicles, boats, paved or hard surfaces, buildings and other similar uses is prohibited.
- iii. All replacement fixture devices shall meet ultra low-flow requirements.
- iv. The SMMWC Board may also impose any water-rationing requirements as it deems appropriate to protect public health, safety, welfare, comfort and convenience.

**SECTION 5. WATER CONSERVATION STAGE IMPLEMENTATION.** The SMMWC Board shall monitor the drought conditions and/or water supply to determine the extent of the conservation required through implementation and/or termination of a particular conservation stage as follows:

a. Stage I: Voluntary Conservation – Minor

Implementation shall be required when one (1) of the following occurs:

- i. Any notification of a reduction in the requested monthly delivery of State Water.
- ii. The purchase of additional State Water to achieve the requested monthly delivery of State Water.
- iii. The loss of production use of one (1) onsite water supply well for an extended period of time.

b. Stage II: Mandatory Conservation – Moderate  
Implementation shall be required when all of the following occurs:

- i. A notification of a reduction in the County of San Luis Obispo's portion of its delivered State Water allocation below that amount which meets its Contractors monthly requests, currently twenty-two percent (22%).
- ii. The purchase of additional State Water does not meet the requested monthly delivery.
- iii. The loss of production use of one (1) onsite water supply well for an extended period of time.

c. Stage III: Mandatory Conservation – Severe  
Implementation shall be required when any two (2) of the following occurs:

- i. Non delivery of State Water due to Natural Disaster, Declared State of Emergency or Legal Restriction.
- ii. Loss of Onsite Water supply or infrastructure due to Natural Disaster, Declared State of Emergency or Legal Restriction.
- iii. The loss of production use of two (2) or more onsite water supply wells for an extended period of time.

d. At the implementation of any of the conservation measures outlined in this chapter, SMMWC shall:

- i. Notify all customers/shareholders of the water shortage.
- ii. Mail information to all customers/shareholders explaining the importance of water conservation.
- iii. Provide technical information to customers/shareholders on means to achieve water use efficiency.

**SECTION 6. WATER CONSERVATION RATES.** SMMWC Board shall adopt certain rate structures as deemed necessary to promote conservation as follows:

a. Stage I: Voluntary Conservation – Minor  
No Change in Tiered rates

b. Stage II: Mandatory Conservation – Moderate  
In order to achieve an overall reduction of water use by at least twenty percent (20%), the following reductions in water use, rate and surcharge models shall apply:

- i. Residential customers shall reduce water use by at least ten percent (10%). The usage rates shall be based on a Residential Tiered Rate Model, as established by the SMMWC Board.
- ii. Commercial customers shall reduce water use by at least ten percent (10%). Base water use for commercial customers shall be defined by their monthly usage averaged over the previous two (2) years of account history. Those commercial customers whose monthly average is below ten thousand (10,000) gallons shall be subject to the usage rates established in the Small Commercial Tiered Rate Model, as established by the SMMWC Board. Those commercial customers whose monthly average is above ten thousand (10,000) gallons shall be subject to usage rates established in the Large Commercial Tiered Rate Model, as established by the SMMWC Board.
- iii. Irrigation customers shall reduce water use by at least Fifty percent (50%). Base water use for irrigation customers shall be defined by their monthly usage averaged over the previous two (2) years of account history. All irrigation customers shall be subject to usage rates established in the Irrigation Tiered Rate Model as established by the SMMWC Board.

c. Stage III: Mandatory Conservation – Severe  
SMMWC Board may limit water use to domestic usage only with reductions and rates as directed by the Board.

**SECTION 7. PENALTIES FOR NONCOMPLIANCE.** A violation of any provision of this Resolution may result in the SMMWC Board issuing penalties. Such penalties may include fines or termination of water service until such violation is corrected or until fines are paid in full. All violations will be subject to the following administrative procedure:

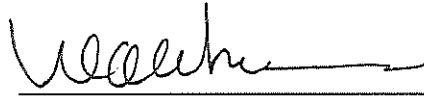
- a. Written notice to the alleged offender, including the furnishing of informational material and advice where appropriate.
- b. Recovery of all SMMWC staff costs, including overhead, for any second or greater offense within any one-year period.
- c. Additional administrative penalties for any third or greater offense within any one-year period.

**SECTION 8. EXCEPTIONS.** The Board, upon recommendation of the General Manager, and in its sole discretion shall have the authority to allow medical and/or special exceptions to the rules and regulations set forth above.


**SECTION 9. SEVERABILITY.** If any provision of this Resolution or the applicability thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid portion or application, and to that end the provisions of this Resolution are severable.

**SECTION 10. EFFECTIVE DATE.** This Resolution shall become effective immediately upon adoption.

**PASSED AND ADOPTED** this twenty-seventh day of April, 2009.

  
\_\_\_\_\_  
Walt Musso, President

ATTEST:

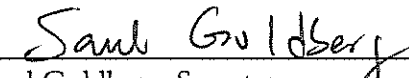
  
\_\_\_\_\_  
Saul Goldberg, Secretary

I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2009 - 001, duly and regularly passed and adopted by the Board of Directors of the San Miguelito Mutual Water Company, County of San Luis Obispo, State of California, this twenty-seventh day of April, 2009, by the following vote:

AYES, AND in favor thereof, Directors : Six

NOES, Directors : One

ABSENT, Directors : None

  
\_\_\_\_\_  
Saul Goldberg, Secretary  
Board of Directors