

## **RESOLUTION NO. 2014-001**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUELITO MUTUAL WATER COMPANY ESTABLISHING AND IMPLEMENTING A STAGE II WATER CONSERVATION PROGRAM**

**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 potable 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**, on April 27, 2009, the SMMWC Board adopted Resolution 2009-001 establishing a Water Conservation Policy including specific permanent prohibitions on wasting water and a three (3) stage water conservation program to address drought conditions or reductions in the water supply; and

**WHEREAS**, on January 15, 2014 SMMWC established and implemented a Stage I Water Conservation Program to address the drought; and

**WHEREAS**, on January 17, 2014, the Governor of the State of California declared a state of emergency (the "Proclamation") due to record dry conditions and concerns over the State's dwindling water supplies. In addition to the Proclamation, Governor Brown called on all Californians to reduce water use by twenty percent (20%); and

**WHEREAS**, in an effort to meet the Governor's call to action of a 20 percent reduction in water use statewide, the State Water Resources Control Board on July 15, 2014, adopted Emergency Resolution No. 2014-38, which mandates minimum actions by water providers to curb water waste and conserve water.



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

**SECTION 1. WATER CONSERVATION STAGE II IMPLEMENTATION.** Section 5 of Resolution 2009-001 is hereby amended in its entirety as follows:

**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 there is a Declared State of Emergency due to severe drought conditions, or 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 of the water shortage.
  - ii. Mail information to all customers explaining the importance of water conservation.
  - iii. Provide technical information to customers on means to achieve water use efficiency.

**SECTION 2. STAGE II WATER CONSERVATION PROGRAM.** Based upon the Proclamation, existing water supply conditions and extreme drought, the Board of Directors hereby enacts, establishes and implements a Stage II Water Conservation Program.

Customers 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 contained in Section 3 of Resolution 2009-001, 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 (5) p.m. and nine (9) 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.
- 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.

**SECTION 3. WATER CONSERVATION RATES.** The Board hereby adopts the Water Conservation Rates set forth in Exhibit "A" attached hereto and incorporated herein by this reference.

**SECTION 4. 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 5. 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 6. 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 7. EFFECTIVE DATE.** This Resolution shall become effective immediately upon adoption.

**SECTION 8. RECITALS.** The above recitals are true and correct and are incorporated herein by this reference.

**PASSED AND ADOPTED** this 17<sup>th</sup> day of September, 2014.

  
John Delehant, President  
Board of Directors

ATTEST:

  
Geraldine Hall, Secretary

APPROVED AS TO FORM:

  
Timothy J. Carmel  
General Counsel

## EXHIBIT "A"

### WATER CONSERVATION RATES

#### 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:

Note: Usage Tiered Rate Models do not include monthly availability charge

A. Residential Tiered Rate Model (10% reduction)

Based on a 2 year usage history, of each service ID/meter averaged by neighborhood minus the required 10% reduction.

a) Average Neighborhood Use Less Than 5500 Gal. Monthly (<5500)

Category	Rate Multiplier	Cost per 100 gal	< Base Usage Charge	> Base Usage Charge
		0	\$41.66	\$41.66
Conservation	0.90	0.765		
Base Rate	1.00	0.850		
Inefficient	1.20	1.020		
Excessive	1.50	1.275		
Wasteful	2.00	1.700		
Negligent	3.00	2.550		



- b) Average Neighborhood Use Greater Than 5500 Gal Monthly(>5500)

Category	Rate Multiplier	Cost per 100 gal	< Base Usage Charge	> Base Usage Charge
		0	\$41.66	\$41.66
<b>Conservation</b>	0.90	0.903		
<b>Base Rate</b>	1.00	1.004		
<b>Inefficient</b>	1.20	1.205		
<b>Excessive</b>	1.50	1.506		
<b>Wasteful</b>	2.00	2.008		
<b>Negligent</b>	3.00	3.012		

B. Commercial Tiered Rate Model (10% reduction)

Based on 2 year usage history of summer months ( May – Oct ) for each service ID/meter minus required 10% reduction.

- a) Small Commercial Customers Use Less Than 10,000. Gal. Monthly (<10,000)

Category	Rate Multiplier	Cost per 100 gal	< Base Usage Charge	> Base Usage Charge
		0	\$41.66	\$41.66
<b>Conservation</b>	0.90	0.765		
<b>Base Rate</b>	1.00	0.850		
<b>Inefficient</b>	1.20	1.020		
<b>Excessive</b>	1.50	1.275		
<b>Wasteful</b>	2.00	1.700		
<b>Negligent</b>	3.00	2.550		

- b) Large Commercial Customers Use Greater Than 10,000. Gal. Monthly (>10,000)

Category	Rate Multiplier	Cost per 100 gal	< Base Usage Charge	> Base Usage Charge
		0	\$41.66	\$41.66
<b>Conservation</b>	0.90	0.903		
<b>Base Rate</b>	1.00	1.004		
<b>Inefficient</b>	1.20	1.205		
<b>Excessive</b>	1.50	1.506		
<b>Wasteful</b>	2.00	2.008		
<b>Negligent</b>	3.00	3.012		

C. Irrigation Tiered Rate Model

Based on 2 year usage history of summer months ( May – Oct ) for each service ID/meter minus required reduction of 50%.

Category	Rate Multiplier	Cost per 100 gal	< Base Usage Charge	> Base Usage Charge
		0	\$41.66	\$41.66
<b>Conservation</b>	0.90	0.903		
<b>Base Rate</b>	1.00	1.004		
<b>Inefficient</b>	1.20	1.205		
<b>Excessive</b>	1.50	1.506		
<b>Wasteful</b>	2.00	2.008		
<b>Negligent</b>	3.00	3.012		