

RESOLUTION NO. 2009-002

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUELITO MUTUAL WATER COMPANY PROHIBITING THE DISCHARGE OF WASTEWATER FROM ON-SITE SELF REGENERATING WATER SOFTENERS AND SALTWATER POOLS INTO THE SAN MIGUELITO MUTUAL WATER COMPANY WASTEWATER CONVEYANCE AND TREATMENT SYSTEM

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, SMMWC is subject to waste discharge requirements issued by the California Regional Water Quality Control Board (“RWQCB”) pursuant to Chapter 5.5 (commencing with Section 13370) of Division 7 of the Water Code which sets limits on concentrations of certain constituents, including total dissolved solids and sodium; and

WHEREAS, the SMMWC Board of Directors (“Board”) finds that on-site self-regenerating water softeners and salt water pools produce, or have, high concentrations of saline wastewater and when discharged to the SMMWC wastewater system, are detrimental and corrosive to the SMMWC wastewater conveyance and treatment system and more importantly, contribute significantly to the elevated concentration levels of total dissolved solids, chlorides and sodium in effluent; and

WHEREAS, there is an urgent need to reduce future discharges of high saline waste into SMMWC wastewater treatment facilities for the immediate protection of the beneficial uses of waters of the State, including groundwater and creek-water sources, to protect and preserve the public health, safety, and in order to prevent violation of SMMWC’s discharge limitations set forth in RWQCB Order No. 95-57, as same may be amended from time to time (“RWQCB Order No. 95-57”); and

WHEREAS, SMMWC desires to adopt and enforce regulatory requirements that limit the discharge of high volumes and concentrations of total dissolved solids, chlorides and sodium into SMMWC's wastewater conveyance and treatment system to the extent technologically and economically feasible; and

WHEREAS, prohibiting the discharge of wastewater from on-site self-regenerating water softening appliances and saltwater pools is an economical, feasible and viable means of reducing the amount of total dissolved solids, chlorides and sodium entering SMMWC's wastewater system and thereby ensuring continued compliance with SMMWC's waste discharge requirements established by RWQCB Order No. 95-57; and

WHEREAS, the Board declares that it is in the best interest of SMMWC, and its shareholders, to make and enforce rules prohibiting the discharge of wastewater from on-site self-regenerating water softeners and saltwater pools into the SMMWC wastewater system; and

WHEREAS, this Resolution shall supersede any portions of previous resolutions duly enacted by the SMMWC Board which conflict with the policies and procedures established hereunder; and

WHEREAS, by this Resolution, the Board intends to establish such rules it has determined to be necessary to protect SMMWC and its shareholders from the potential damages due to the discharges from on-site self regenerating water softeners and saltwater pools.

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. PROHIBITION OF CERTAIN TYPES. The SMMWC Board declares that it is in the best interest of SMMWC, and its shareholders, to make and enforce rules prohibiting the discharge of wastewater from on-site self-regenerating water softeners and saltwater pools into the SMMWC wastewater system. In order to effectuate the above stated goal, the following prohibitions are hereby made effective upon passage of this Resolution:

- a. No person or entity shall install, or use any currently installed, on site self-regenerating water softeners that discharge into the SMMWC wastewater system.
- b. No person or entity shall discharge the contents of any saltwater pool into the SMMWC wastewater system. The term saltwater pool shall mean any spa, pool, pond or other similar improvement which uses sodium chloride or other saline based solution as a chlorination system.

- c. All Residential and/or Commercial on site self-regenerating water softeners that discharge into the SMMWC wastewater system shall be removed within one hundred eighty (180) days of the effective date of this Resolution (the “one hundred eighty day grace period”).

SECTION 3. ENFORCEMENT. On December 1, 2009, the SMMWC Board shall impose the following monthly surcharge:

- a. Residential customers/shareholders shall pay a minimum of seventy five dollars (\$75.00) per month
- b. Commercial customers/shareholders shall pay a minimum of seventy five dollars (\$75.00) per month per three thousand (3000) gallons of Wastewater use.

SECTION 4. VERIFICATION OF REMOVAL. SMMWC shall allow each and every customer/shareholder the full one hundred eighty (180) day grace period from June 1,2009, the effective date of this Resolution, to remove an on site self regenerating water softener. To avoid the surcharge customers/shareholders may contact SMMWC staff for an onsite inspection. At the completion of the onsite inspection each customer/shareholder shall be required to execute a Surcharge Waiver Agreement which verifies:

- a. No onsite self-regenerating water softener is in use.
- b. An onsite self-regenerating water softener was in use but has been removed, and the connection is bypassed.
- c. The type of water softener in use is not onsite self-regenerating.
- d. An onsite self-regenerating water softener is in use and the surcharge is applicable.

SECTION 5. PENALTIES FOR NONCOMPLIANCE. Any customer/shareholder found violating the provisions of this chapter shall be subject to the following:

- a. The surcharge amount shall take effect after the one hundred eighty (180) day grace period. The surcharge amount shall remain in effect for a period of no longer than six (6) months. If after six (6) months an onsite self-regenerating water softener is not confirmed to be removed, then water service shall be terminated.
- b. A pro rata payment or reimbursement to SMMWC of any fine or penalty imposed upon SMMWC by any regulatory agency as a direct or indirect result of the discharge of onsite self regenerating water softeners into the SMMWC wastewater system. For the purposes of this section, the term “fine” shall include any fine or penalty imposed by the RWQCB, California Department of Fish and Game, or other agency with jurisdiction.
- c. At the discretion of the Board, the Board reserves the right to take any additional action(s) necessary to protect the interests of SMMWC and its

customers/shareholders, including, but not limited to, appropriate legal action and/or termination of service.

SECTION 6. EXCEPTIONS. The SMMWC Board, upon recommendation of the General Manager shall have the authority to allow medical and/or special exceptions to permit the installation of on site self-regenerating water softeners that discharge into the SMMWC wastewater system.

SECTION 7. 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.

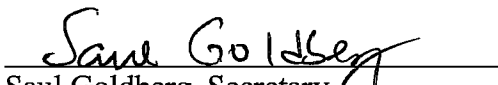
SECTION 8. EFFECTIVE DATE. This Resolution shall become effective June 1, 2009.

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



Walt Musso, President

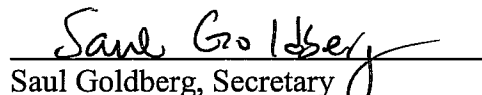
ATTEST:



Saul Goldberg, Secretary

I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2009 - 002, 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	:	Zero
ABSENT, Directors	:	One



Saul Goldberg, Secretary
Board of Directors