


<p>RANCHO PAUMA MUTUAL WATER COMPANY</p> 	<p>BOARD POLICIES</p>	<p>Section 7.0</p>
<p>WATER CONSERVATION POLICY</p>		<p>Revision Date: 7/21/14, 12/12/14, 1/12/15, 4/11/16, 9/25/17</p>

7.1 ESTABLISHMENT OF THE CONSERVATION POLICY

A. Whereas prudent management of available water supplies is essential to public health, safety and welfare, Rancho Pauma Mutual Water Company (RPMWC) hereby, pursuant to Section III.2.2 of its Bylaws, establishes this Water Conservation Policy (Policy).

B. This Policy establishes five levels of water usage management, with increasing restrictions on water use in response to decreasing available underground water supplies or other factors.

C. This Policy supports the water laws of the State of California and RPMWC's belief that wasteful water practices should not be tolerated under any climatic conditions or circumstances.

7.2 NON-APPLICABILITY OF THIS POLICY TO CERTAIN ACTIVITIES

A. No provisions of this Policy shall apply to fire hydrants, fire mains, sprinkler systems, or other equipment used solely for fire protection purposes.

7.3 DETERMINATION AND DECLARATION BY BOARD OF DIRECTORS OF WATER SUPPLY CONDITIONS

A. Based upon data provided by the RPMWC Administrator and the RPMWC Engineering Consultant, the RPMWC Board of Directors (Board) shall from time to time determine and declare the state and condition of RPMWC's water supply and/or distribution system, and may state the total amount of water that is expected to be supplied from its wells to its shareholders and whether imported, expensive water is likely to be needed in the following period.

B. Based upon the amount of water that the Board expects to supply to its shareholders as established pursuant to Paragraph A, the Board may:

- Break the total amount of water down into further sub-periods (e.g. months);
- Determine to allocate water to and among shareholders based upon their ownership of shares in RPMWC; and
- Establish tiered pricing structures for potable, domestic agricultural and agricultural customers.

C. Notice of the determinations (Customer Notice/Water Supply Notice) made pursuant to Paragraphs A and B shall be posted in the lobby of RPMWC's offices, posted on the company website, and a copy thereof mailed to its shareholders.

D. In the event that cost of acquisition or distribution of water shall increase above that of the then adopted budget, the Board may determine a temporary Surcharge, if any, to recover the amount of such increase in costs.

#### 7.4 STATE OF WATER SUPPLY CONDITIONS

In issuing a Customer Notice/Water Supply Notice, the Board shall select one of the following Stages:

**STAGE 0 – WATER AWARE:** RPMWC anticipates that our wells alone will be able to meet historical demand.

**STAGE I - WATER WISE:** RPMWC anticipates that our wells will be able to meet the recent annual average daily water demands of its shareholders but possibly not able to meet the peak summertime water demands without the use of expensive, imported water.

**STAGE II - WATER WARNING:** RPMWC anticipates that our wells will not be able to meet either the recent average daily OR summertime peak water demands of its shareholders without the use of expensive, imported water.

**STAGE III - WATER ALERT:** RPMWC anticipates that our wells will not be able to meet both the recent average daily water demands AND the summertime peak demands of its shareholders without the use of expensive, Imported water.

**STAGE IV - WATER EMERGENCY:** RPMWC anticipates not being able to meet the recent daily water demands of its shareholders even with the purchase of expensive, imported water (if such is available). This Emergency is due to one or more of the following: (i) a failure of the supply, storage or distribution infrastructure, (ii) the depletion of the aquifer level, or (iii) limited availability of imported water.

Upon the issuance of a Customer Notice/Water Supply Notice, the Water Conservation Measures and Enforcement and Penalty Provisions for the applicable Stage shall apply until the issuance of a subsequent Customer Notice/Water Supply Notice.

#### 7.5 WATER CONSERVATION MEASURES

Upon the posting of a Customer Notice/Water Supply Notice, the water conservation measures provided below shall apply to all RPMWC water services until the posting of a subsequent Customer Notice/Water Supply Notice

**STAGE 0 - WATER AWARE:** Shareholders should practice prudent management of their water use to ensure that there is no unnecessary use. Examples of such prudent use include ensuring that areas not requiring irrigation are not irrigated, pipe and faucet leaks are promptly repaired, and other common sense measures. We shall always be classified as being in Stage 0 until otherwise posted by a Customer Notice/Water Supply Notice.

**STAGE I - WATER WISE:** Shareholders are asked to achieve a voluntarily ten percent (10%) reduction in water usage from the allowable monthly Tier1 level. Shareholders shall ensure that best efforts are used in (i) avoiding water leaving the property by draining onto adjacent properties or roadways, (ii) ensuring that all irrigation is on timers or by hand watering, and (iii) that the timers are set at, or the hand watering is for, the shortest

period necessary for maintenance of landscape. RPMWC staff will monitor water usage and may issue a Notice of Violation to those of its shareholders not practicing the above measures.

**STAGE II - WATER WARNING:** Each shareholder shall endeavor to attain a twenty percent (20%) reduction in water usage from the allowable monthly Tier1 level. RPMWC staff will monitor compliance with (i) the water conservation practices outlined in Stages 0, and I, and (ii) the restrictions set forth immediately below, and may issue a Notice of Violation and take action set forth herein in the event that such practices and restrictions are not complied with.

1. There shall be no washing down of drive ways or hardscape, except when it is absolutely necessary to alleviate safety or health hazards.
2. There shall be no inefficient landscape irrigation, such as runoff, overspray, water flows onto non-targeted areas (such as adjacent property, non-irrigated areas, hardscapes, roadways or structures).
3. There shall be no irrigating during or for a set number of days following a rainstorm. Irrigation should be delayed by one day for each 1/10th inch of rainfall received.
4. Automatic irrigation of residential landscape may take place only during the period of time from three hours before sunset till 9:00 a.m. Landscaped areas of properties that are irrigated by drip irrigation or micro spray irrigation or are hand watered shall be exempt from these irrigation time restrictions. Irrigation of golf courses, commercial nurseries, and commercial growers may take place at any time but only with water efficient rotators or drip/low flow type irrigation.
5. Any washing of vehicles, trucks, RVs, boat, trailers, aircraft, or the like shall be done using a bucket and/or hose with shut off nozzle used to stop flow except for wetting and rinsing.
6. No RPMWC supplied water shall be used to operate ornamental fountains, water features, or the like (other than swimming pools and ornamental ponds with aquatic life), unless the water is re-circulated or retained in the system.
7. No RPMWC supplied water shall be used for earthwork or road construction purposes, and RPMWC will not issue new construction meters.
8. Restaurants shall not serve water to customers unless specifically requested.

**STAGE III - WATER ALERT:** Each shareholder shall endeavor to attain a thirty percent (30%) reduction in water usage from the allowable monthly Tier1 level. RPMWC staff will monitor compliance with (i) the water conservation practices outlined in Stages 0, I, and II, and (iii) the restrictions set forth immediately below and may issue a Notice of Violation and take action set forth herein in the event that such practices and restrictions are not complied with.

1. Residential automatic lawn watering and landscape irrigation shall be limited to no more than three assigned days per week on the schedule contained in the Customer Notice/Water Supply Notice.
2. Residential automatic lawn watering and landscape irrigation shall be limited to no more than ten (10) minutes per watering station per permitted day.
3. Irrigation of golf courses, commercial nurseries, and commercial groves (including domestic agricultural customers) may take place at any time but shall be such as to decrease water consumption by thirty percent (30%) from historic levels.
4. There shall be no draining and refilling of swimming pools. Adding water to swimming pools to compensate for low water levels is allowed only to prevent

damage to the pool plaster or if the pool is equipped with a full area cover to reduce evaporation.

**STAGE IV - WATER EMERGENCY:** Each shareholder shall achieve the required reductions and observe any restrictions set forth in the Customer Notice/Water Supply Notice, reflective of the particular situation(s) which caused the emergency. RPMWC staff will monitor compliance with (i) the Customer Notice/Water Supply Notice and the reductions and restrictions and water conservation practices outlined in Stages 0, I, II, and III, and (ii) the restrictions set forth immediately below and may issue a Notice of Violation and take action set forth herein in the event that all such are not complied with.

1. Other than as set forth in the Customer Notice/Water Supply Notice, there shall be no watering or irrigation of (i) residential lawns and landscaping, (ii) golf course fairways and roughs, commercial nurseries, and commercial growers, unless such watering or irrigation is absolutely necessary for (a) the maintenance of existing landscaping necessary for fire protection as identified by the local fire protection agency, (b) the maintenance of existing landscaping for erosion control, or (c) the watering of livestock and domestic animals.

## 7.6 ENFORCEMENT AND PENALTY PROVISIONS

**STAGE 0 - WATER AWARE:** RPMWC staff shall draw to the attention of a shareholder any meaningful opportunities for improvement in water management that such staff observe in the water usage pattern of that shareholder.

**STAGES I, II AND III:** A Notice of Violation may be issued by RPMWC staff upon any sighting of non-compliance with the current Stage's restrictions. Subsequent to having received a specific violation notice, a shareholder may be fined \$50 for each day the specific violation occurs.

**STAGE IV - WATER EMERGENCY:** A Notice of Violation may be issued by RPMWC staff upon any sighting of non-compliance with the Stage IV restrictions and immediately upon such issuance, the meter shall be shut off and locked by Staff. If a shareholder's meter is shut off, all water used in the billing period that includes the shut off shall be charged at two times the then applicable Tier III pricing. The customary service restart fee shall be charged upon commitment satisfactory to the RPMWC Administrator that the shareholder will subsequently be in compliance.

**EXTREME OVERUSE – MORE THAN THREE (3) TIMES ALLOCATION:** Effective June 1, 2016, in addition to any other penalties and charges, a Penalty Assessment of \$5 per billing unit will be assessed for all domestic water use that exceeds three (3) times the shareholder's current month allocation.