

**ESTERO MUTUAL WATER COMPANY
RESOLUTION NO. 2023-06**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
ESTERO MUTUAL WATER COMPANY DECLARING A
WATER SHORTAGE EMERGENCY AND ESTABLISHING A MORATORIUM ON
NEW WATER CONNECTIONS AND MORATORIUM ON “WILL SERVE” OR
“WATER SUPPLY AVAILABILITY LETTERS” TO PERSONS OR ENTITIES THAT
ARE NOT COMPANY SHAREHOLDERS**

WHEREAS, Estero Mutual Water Company (the “Company”) is a mutual water company empowered to provide water service to its shareholders within its boundaries; and

WHEREAS, during periods of insufficient (i) precipitation, (ii) surface water flow, and/or (iii) natural groundwater recharge or stream flow the Company may need to declare a Water Shortage Emergency under its by-laws and have all customers and shareholders curtail their use of water and take other actions to reduce the overall demand on the Company’s water supply and distribution system to ensure that domestic use, sanitation, fire protection and other health and safety needs can be met by the limited available water supply; and

WHEREAS, the total water supply available to the Company is dependent upon local rainfall and the Company’s ability to collect that water from the Company’s catchment basin and existing groundwater sources, and

WHEREAS, although the months of December 2022 through March 2023 resulted in above average precipitation locally, Marin County had previously received limited rainfall over the prior approximately 18 months, which exacerbated the water supply issues the Company faces; and

WHEREAS, precipitation in California generally and in Marin County specifically has been highly variable and uncertain over the past decade; and

WHEREAS, due to concerns regarding the Company’s long-term water supply availability, the Company engaged Questa Engineering Corporation to conduct a Water Capacity Study (the “Study”) to examine the Company’s water supply situation under various hydrologic, demand and number of service connection scenarios; and

WHEREAS, the Study concluded the Company has adequate water supplies to meet the demands of its current number of service connections (145 connections) where demand is 90

gallons per connection per day or lower, but would run short of water supplies if demand is 125 gallons per connection per day or higher with the current number of connections; and

WHEREAS, the Study further concluded the Company would not be able to meet demand at full expected build-out of 177 service connections, even at the low demand of 90 gallons per connection per day, unless extraordinary water conservation measures are instituted; and

WHEREAS, based on the findings and conclusions of the Study and the past hydrologic conditions the Company has experienced, the Company's Board of Directors finds and determines the Company's water supply situation is reaching a critical stage, and meets at a minimum the criteria for declaration of a Water Shortage Emergency, and such measures are necessary to protect the water supply to meet health and safety needs of the community; and,

WHEREAS, the Company's Board of Directors further finds and determines that providing water to any new service connections that will provide service to persons or entities that are not shareholders of the Company as of April 18, 2023 will result in the Company being unable to provide water service to its shareholders and customers for human consumption, sanitation and fire protection purposes.

IT IS THEREFORE RESOLVED that the Board of Directors of the Estero Mutual Water Company hereby declares a Water Shortage Emergency and the following actions shall be taken:

- i. Customers are prohibited from using water for the irrigation of landscaped areas except by means of a hand-held hose with positive pressure shutoff nozzle, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- ii. The washing of automobiles, trucks, trailers, boats, and other types of mobile equipment is not permitted at any time except when failure to do so would cause a health or safety emergency. Pressure washing of homes and decks in order to ensure safety and integrity, including, but not limited to, the removal of the potential for mildew and mold, pending individual approval by EMWC is permitted.
- iii. The use of water to wash down sidewalks, driveways, parking areas, patios, or other paved or hard surface areas shall not be permitted.

- iv. The use of water for the operation of any indoor or outdoor decorative pools or fountains.
- v. Repair or replace any leaking appliances or facilities, including, not limited to, service line, pipes, faucets, shower heads and toilets, within 72 hours of being notified of a potential or confirmed leak.
- vi. Shareholders and Residents are strictly encouraged to reduce water use to minimize the potential increased cost of service and related higher rates.
- vii. The goal is to reduce demand system-wide to maintain water availability for essential uses and ensure the health and safety of EMWC consumers.

IT IS FURTHER RESOLVED that in addition to the actions specified above, the Board of Directors hereby adopts a moratorium on any new connections to the Company's water distribution system for any property that is owned by a person or entity that was not a shareholder in the Company as of April 18, 2023, or the successor in interest to such a shareholder. The Board of Directors further establishes that no "will-serve" or water supply availability letters will be issued to any person or entity seeking a new meter connection that was not a shareholder in the Company as of April 18, 2023, or the successor in interest to such a shareholder for so long as this moratorium remains in place. Existing "will-serve" and water supply availability letters will be honored if issued within the last two years and according to their terms. Any existing "will-serve" and water supply availability letters older than two years are deemed to have lapsed, and

IT IS FURTHER RESOLVED that the Board of Directors will review the continued necessity for these moratoriums from time to time as it sees fit until such time as the Company's water supply situation has improved to a degree where it is no longer in a Water Shortage Emergency.

IT IS FURTHER RESOLVED that due to the unique requirements and limited water supply and in coordination with Marin County, all new development requires a will serve- letter, or water supply availability letter even if an existing meter is in place. The board will notify and update Marin County-regarding the adoption of this resolution.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Estero Mutual Water Company held on April 18, 2023.

Steve Werlin, Board President

ATTEST

Mike Smith, Board Secretary

CERTIFICATION

I, Mike Smith, Secretary of the Estero Mutual Water company, do hereby certify that the foregoing Resolution Number 2023-06 as duly adopted by the Board of Directors of the Estero Mutual Water Company at the closed general business meeting thereof held on the 18th day of April 2023, by the following vote, to wit:

AYES: (7)

NOES: (0)

ABSTAIN: (0)

ABSENT: (0)

Mike Smith, Board Secretary
Estero Mutual Water Company