

**DROUGHT CONTINGENCY PLAN
FOR
UNDINE TEXAS, LLC**

SECTION I: DECLARATION OF POLICY, PURPOSE, AND INTENT

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use and sanitation, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the Texas Commission on Environmental Quality (“TCEQ”) requires that water utilities develop drought contingency plans (see TCEQ rules at Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.20, attached as Appendix A). Undine Texas, LLC (“Undine”) hereby adopts the following Drought Contingency Plan (“Plan”) setting out the regulations and restrictions on the delivery and consumption of water provided to its customers.

SECTION II: APPLICATION

The provisions of this Plan apply to all persons, customers, and property utilizing water provided by Undine in accordance with Undine’s Tariff. The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

SECTION III: PUBLIC INVOLVEMENT

Undine afforded the public an opportunity to provide input into the Plan by notifying its customers, by insert into the customers’ bills, of the opportunity to review and comment on the Plan. Undine took those provided comments into account in developing the final Plan.

SECTION IV: PUBLIC EDUCATION

Undine will periodically provide its customers with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. Undine will provide this information through customer billing inserts, direct mail notices, subdivision sign postings, and/or posting on Undine’s website.

SECTION V: COORDINATION WITH REGIONAL WATER PLANNING GROUP

Pursuant to TCEQ’s rules, Undine has provided a copy of the Plan to each of the applicable regional water planning groups for Undine’s service areas. Undine will provide a copy of the Plan to any new regional water planning groups for any new system(s) added to Undine’s tariff.

SECTION VI: DEFINITIONS

The following definitions apply to this Plan:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by Undine.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- (a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (e) flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and

- (i) use of water from hydrants for construction purposes or any other purposes other than firefighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

SECTION VII: INITIATION AND TERMINATION OF DROUGHT RESPONSE STAGES

Undine’s Vice President of Operations or his/her designee (the “Operator”) will monitor water supply and demand conditions on a daily basis and determine when conditions warrant initiation of each stage of the Plan. The Operator will also determine when conditions warrant removal of a stage of a Plan, which will generally be the third day following the day when conditions fall below those “triggers.”

Undine will take the following actions when it initiates or terminates a drought stage:

- Notify customers through subdivision sign postings and/or providing information on its website.
- Notify the TCEQ Executive Director within 5 business days (upon activation of any mandatory provisions of the Plan).

The Operator may decide not to order the termination of a drought response stage or water emergency even though the conditions for termination of the stage are met. Factors that could influence such a decision include, but are not limited to, the time of the year, weather conditions, or the anticipation of potential changed conditions that warrant the continuation of the drought stage.

Stage 1 - MILD Water Shortage Conditions

Triggers for Initiation

The Operator will implement the response target and response actions for Stage 1 annually from May 1 through September 30.

Response Target

Achieve a voluntary 10% percent reduction in total water use.

Customer Response Actions

- (a) Voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems pursuant to the following schedule:

STAGE 1 WATERING SCHEDULE	
DAYS OF THE WEEK	STREET NUMBERS
Sundays and Thursdays	Even Numbers*
Saturdays and Wednesdays	Odd Numbers*
<i>*Only between the hours of midnight and 10:00 a.m. and 8:00 p.m. to midnight on designated watering days.</i>	

- (b) Voluntarily practice water conservation and minimize or discontinue Non-Essential Water Use.

Utility Measures:

On or about May 1 of each year, Undine will provide its customers with water conservation educational materials designed to inform its customers on the importance of water conservation and provide strategies to achieve individual water conservation. In addition, Undine will provide a copy of the Plan to its employees and staff and educate them on the Plan. It will work closely with applicable groundwater conservation districts, including providing timely information to them on water levels, water quality, and pumping demands. It will conduct leak surveys as necessary and repair any identified leaks on a timely basis.

Stage 2 - MODERATE Water Shortage Conditions

Triggers for Initiation

The Operator will implement the response target and response actions for Stage 2 when one or more of the following conditions is met:

- o Total well run time for a well equals or exceeds 15 hours for 3 consecutive days; or
- o The percent of water treatment and/or production capacity reaches 60% for 3 or more days in a 7 day period.

Response Target

Achieve a 20% percent reduction in total water use.

Customer Response Actions

The following water use restrictions shall apply to all customers (subject to the enforcement provisions in Section IX):

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems, will be limited to the following schedule:

STAGE 2 WATERING SCHEDULE	
DAYS OF THE WEEK	STREET NUMBERS
Sundays and Thursdays	Even Numbers*
Saturdays and Wednesdays	Odd Numbers*
<i>*Midnight until 10:00 am and 8:00 pm to midnight</i>	

- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of midnight and 10:00 am and between 8:00 pm and midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

- (c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of midnight and 10:00 am and between 8 pm and midnight.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) Use of water from hydrants shall be limited to fire-fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from Undine.
- (f) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours of midnight and 10:00 am and between 8 pm and midnight. However, if the golf course utilizes a water source other than that provided by Undine, the facility shall not be subject to these regulations.
- (g) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (h) Non-Essential water use is prohibited.

Utility Measures:

In addition to the measures taken under the previous stage(s), Undine will minimize water main flushing and public landscape irrigation.

Stage 3 - SEVERE Water Shortage Conditions

Triggers for Initiation

The Operator will implement the response target and response actions for Stage 3 when one or more of the following conditions is met:

- Total well run time for a well equals or exceeds 18 hours for 3 consecutive days; or
- The percent of water treatment and/or production capacity reaches 75% for 3 or more days in a 7-day period.

Response Target

Achieve a 30% reduction in total water use.

Response Actions

The following water use restrictions shall apply to all customers (subject to the enforcement provisions in Section IX):

- (a) All requirements of Stage 2 shall be in effect during Stage 3.

- (b) Irrigation of landscaped areas will be limited to the following schedule and restrictions:

STAGE 3 WATERING SCHEDULE	
DAYS OF THE WEEK	STREET NUMBERS
Sundays and Thursdays	Even Numbers*
Saturdays and Wednesdays	Odd Numbers*
<i>*Midnight until 10:00 am and 8:00 pm to midnight</i>	

Irrigation shall be by means of hand-held hoses, hand-held hose-end, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler systems only. The use of hose-end sprinklers is prohibited at all times.

- (c) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by Undine.
- (d) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

Utility Measures:

Undine will continue to implement the measures identified in the previous stage(s) and will conduct leak surveys as necessary and repair any identified leaks on a timely basis.

Stage 4 - CRITICAL Water Shortage Conditions

Triggers for Initiation

The Operator will implement the response target and response actions for Stage 4 when one or more of the following conditions is met:

- o Total well run time for a well equals or exceeds 22 hours for 3 consecutive days; or
- o The percent of water treatment and/or production capacity reaches 90% for 3 or more days in a 7-day period.

Response Target

Achieve a 40 percent reduction in total water use.

Response Actions

The following water use restrictions shall apply to all customers (subject to the enforcement provisions in Section IX):

- (a) All requirements of Stage 3 shall be in effect during Stage 4.
- (b) Irrigation of landscaped areas will be limited to the following schedule and restrictions:

STAGE 4 WATERING SCHEDULE	
DAYS OF THE WEEK	STREET NUMBERS

Sundays and Thursdays	Even Numbers*
Saturdays and Wednesdays	Odd Numbers*
<i>*Between 6:00 am and 10:00 am and 8:00 pm to midnight</i>	

Irrigation shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of a hose-end sprinkler or permanently installed automatic sprinkler system are prohibited at all times.

- (c) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 am and 10:00 am and between 6:00 pm and 10:00 pm
- (d) The filling, refilling, or adding of water to swimming pools, wading pools, and Jacuzzi-type pools is prohibited.
- (e) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (f) No application, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response state or a higher-numbered state shall be in effect.
- (g) In addition, due to the extreme nature of Stage 4, Undine reserves the right to prescribe a monthly consumption limit for customers to ensure it is able to meet the required reduction for the system.

Utility Measures:

Undine will continue to implement the measures identified in the previous stage(s).

Stage 5 – EMERGENCY Water Shortage Conditions

Triggers for Initiation

The Operator will implement the response target and response actions for Stage 5 when one or more of the following conditions is met:

1. Upon notification by the managing groundwater conservation district or regional surface water authority that the district or authority has declared an exceptional drought;
2. Major water line break, pump or other equipment failure, or other failure to the system which causes unprecedented loss of capability to provide water service; or
3. Natural or man-made contamination of the water supply source(s).

Response Target

Achieve a 50 percent reduction in total water use.

Response Actions

The following water use restrictions shall apply to all customers (subject to the enforcement provisions in Section IX):

- (a) All requirements of Stages 2 - 4 shall be in effect during Stage 5.
- (b) Irrigation of landscaped areas is prohibited.
- (c) In addition, due to the extreme nature of Stage 5, Undine reserves the right to prescribe a monthly consumption limit for customers to ensure it is able to meet the required reduction for the system.

Utility Measures:

Undine will continue to implement the measures identified in the previous stage(s).

SECTION VIII: ENFORCEMENT OF MANDATORY RESTRICTIONS

No person shall knowingly or intentionally allow the use of water from Undine for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the Vice President of Operations or his/her designee, in accordance with provisions of this Plan. Undine will enforce the mandatory water use restrictions set out in the Plan.

- Customers violating a mandatory water use restriction for the first time will be given a written warning of the violation.
- Customers violating a mandatory water use restriction for a second and subsequent times may be issued a fine of not less than \$100 and not more than \$2,000 per incident, with the level of fine determined by the Vice President of Operations or his/her designee based on the repetitive nature of the violation and the severity of the violation.
- Undine may install a flow restrictor in the line of a customer to limit the amount of water allowed to pass through the meter in a 24-hour period consistent with the management water use restriction in response to a customer violating a mandatory water use restriction for a second time. Undine may charge the customer for the cost of installing and removing the flow restrictor, at an amount not to exceed \$50.00 for each installation or removal.
- Undine may cut off water service to a customer for the duration of the water use restriction in response to a customer violating a mandatory water use restriction for a third time. Undine may assess its normal reconnect fee for restoration of service.

SECTION IX: VARIANCES

The Operator, may, in writing, grant a temporary variance for existing water uses otherwise prohibited under this Plan if the Vice President of Operations determines that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

- (a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- (b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

Customers requesting an exemption from the provisions of this Plan shall file a written petition, by direct mail or email, for variance with the Operator within five (5) days after the Plan or a particular drought response stage has been invoked. Petitions shall be submitted to the Vice President of Operations or his/her designee. All petitions for variances shall be reviewed by Undine's Vice President of Operations or his/her designee, and shall include the following:

- (a) Name and address of the petitioner(s).
- (b) Purpose of water use.
- (c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- (d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- (e) Description of the relief requested.
- (f) Period of time for which the variance is sought.
- (g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- (h) Other pertinent information.

[END]