

COMPANY POLICY

Policy No. PL006 Revision C, Effective May 1, 2024

Aqua Water Supply Corporation

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Aqua Water Supply Corporation's Drought Contingency Plan for Aqua WSC's Retail Water Certificate of Convenience and Necessity Number 10294.

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1. Purpose

The core policy, purpose, and intent of the Drought Contingency Plan is to conserve the available water supply and protect the integrity of water supply facilities with particular regard for domestic water use, sanitation, and fire protection. The Drought Contingency Plan's inherent purpose is to protect and preserve public health, safety, and welfare and minimize the adverse impacts of water supply shortages or other water supply emergency conditions. With this intent, Aqua Water Supply Corporation adopts the regulations and restrictions of this Drought Contingency Plan on the delivery and consumption of water.

2. Application

This policy applies to all persons, customers, and property utilizing water provided by Aqua Water Supply Corporation. The terms "person" and "customer" as used in the Drought Contingency Plan include individuals, corporations, partnerships, associations, and all other legal entities.

All contracts with Aqua WSC for resale of water require the acceptance and implementation of Aqua WSC's Drought Contingency Plan. Every wholesale water contract entered into or renewed after adoption of the plan, including contract extensions, will be subject to pro rata curtailment in accordance with Texas Water Code §11.039.

3. Definition of Terms

3.1 Aqua WSC

The Aqua Water Supply Corporation as represented by its Board of Directors.

3.2 Board of Directors or Board

The duly elected members of the Board of Directors of Aqua Water Supply Corporation.

3.3 Certificate of Convenience and Necessity (CCN)

A specified geographic area designated by the Public Utility Commission of Texas (PUC) in which the holder has the exclusive right to provide retail water service. Chapter 13 of the Texas Water Code requires a CCN holder to provide continuous and adequate service to the area within its CCN boundary.

3.4 Commercial and Institutional Water Use

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

3.5 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.

3.6 Customer

Any person, company, or organization using water supplied by Agua WSC.

3.7 Domestic Water Use

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

3.8 Drought Contingency Plan

A strategy or combination of strategies for monitoring the progression of a drought and preparing a response to potential water supply shortages resulting from severe droughts or other water supply emergencies.

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3.9 Essential Water Use

The use of water essential or required for the protection of the public's health, safety, and welfare, including livestock and pets. For example, watering a garden that supplies food is considered essential.

3.10 Governmental Authority

Any federal, state, local or other governmental body, including but not limited to the Lost Pines Groundwater Conservation District, the Gonzales County Underground Water Conservation District, the Fayette County Groundwater Conservation District, any governmental or quasi-governmental, regulatory or administrative agency, commission, body, or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or other governmental tribunal.

3.11 Industrial Water Use

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

3.12 Landscape Irrigation Use

The use of water 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.

3.13 Non-Essential Water Use

The use of water not essential nor required for the protection of the public's health, safety, and welfare, including, but not limited to:

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

3.14 Service Area

That area to which Aqua WSC may lawfully provide water service, whether within or outside the area described by the Certificate of Convenience and Necessity (CCN) held by Aqua WSC.

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4. Responsibilities

4.1 Board of Directors

Creates a statement of mission and purpose articulating the goals, means, and the constituents to be served by Aqua WSC. Sets goals and creates policies in support of this mission and provides direction, guidance, governance, and oversight to ensure Aqua WSC is on track with regard to meeting its goals. The Board adopts a resolution approving a Drought Contingency Plan (Water Conservation Plan) and authorizing Aqua WSC's General Manager to implement the Drought Contingency Plan.

4.2 General Manager

Executes the policies, plans, and directives of the Board of Directors to meet Aqua WSC's goals as articulated in the mission. Assists the Board in developing and disseminating policies and plans to the staff. Ensures the staff understands and executes planning directives and policies and brings staff ideas and/or concerns to the Board's attention. Implements the applicable provisions of the Drought Contingency Plan upon determination that implementing the plan is necessary to protect public health, safety, and welfare. The General Manager has the authority to initiate or terminate drought or other water supply emergency response measures as described in the Drought Contingency Plan.

5. Public Involvement

5.1 Public Notice

Aqua WSC provided opportunity for the public to provide input into the preparation of the Drought Contingency Plan on our website, www.AquaWSC.com, and during our regular Board of Directors meetings. Aqua WSC described the reasons and methodology for the development of the Drought Contingency Plan, directions for obtaining a copy of the draft plan, and contact information to deliver comments and request additional information.

Any Aqua WSC Member or Customer that has feedback regarding the Drought Contingency Plan, including considerations for future updates to the plan, is invited to share with us by emailing Info@AquaWSC.com or by making a public comment at our regular Board of Directors meetings, which are always open to the public.

Aqua Water Supply Corporation is located within the Region G, K, and L Water Planning areas. Aqua WSC has provided a copy of the Drought Contingency Plan to each Planning Group.

5.2 Public Education

Aqua WSC will periodically provide the public with information about the Drought Contingency Plan in the Aqua WSC Member Newsletter as well as on Aqua WSC's website, www.AquaWSC.com. The provided information will describe the conditions under which Aqua WSC initiates or terminates each stage of the Drought Contingency Plan and the drought response measures to be implemented in each stage. Aqua WSC may release additional information concerning the Drought Contingency Plan in press releases.

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6. Drought Response Stages

Aqua WSC will monitor water supply and/or demand conditions on a daily basis to determine if and when conditions warrant initiation or termination of each stage of the Drought Contingency Plan. When Aqua WSC determines conditions exist to initiate or terminate a drought response stage, Aqua WSC will provide reasonable notice, including, by way of example and without limitation, notices published in local newspapers, announcements on applicable radio and television stations, posting on Aqua WSC's website and social media pages, and by posting notices in public buildings. Aqua WSC will provide notice of the proposed implementation of a drought response stage 24 hours before officially initiating the response stage. Published notice may be followed by a mailed notice included in the next regular bill. All notices will contain the following information:

- The implementation date when Aqua WSC will begin the drought response stage;
- An explanation of the measures Aqua WSC will implement during the response stage; and
- An explanation of penalties for violations.

The Drought Contingency Plan is oriented toward alleviating stress on water storage and distribution facilities during peak demand periods. Provision is also made for response to emergency conditions resulting from the failure of key water system facilities and water supply contamination. Aqua WSC based the provided triggering criteria on known system capacity limits. In the future, Aqua WSC will revisit and possibly revise triggering criteria.

Because of Aqua WSC's sizable retail water service area and the large number of pressure zones within the water distribution system, Aqua WSC may initiate drought response stages in designated sub-areas of the water system. Aqua WSC's intent is to allow targeted implementation of drought response measures in areas where such measures are necessary, thereby minimizing the number of Aqua WSC customers impacted by the drought response requirements and restrictions.

Aqua WSC will require customers to comply with the requirements and restrictions on certain water uses, as defined under Non-Essential Water Use.

6.1 Stage 1 - Mild Water Shortage Conditions

6.1.1 Requirements for Initiation

Aqua WSC will request customers to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses on occurrence of any of the following triggering conditions:

- Begins on May 1st of every year when not in a declared drought stage.
- Average daily water use has reached 75 percent of system production capacity for three (3) consecutive days.

The request and drought response condition will remain consecutive as each new month begins.

6.1.2 Requirements for Termination

Aqua WSC may rescind Stage 1 of the Drought Contingency Plan on September 1st of every year or when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days.

6.1.3 Goal

Achieve a 10% voluntary reduction in daily water demand sufficient to optimize system reliability.

Voluntary Water Use Restrictions 6.1.4

Agua WSC will request water customers to voluntarily limit the irrigation of landscaped areas to the watering schedule and that customers limit the volume of water for irrigation of landscaped areas to no more than one (1) inch on the appropriate watering day.

Agua WSC will request that customers using water for construction purposes limit their use to the Outdoor Watering Schedule.

6.1.5 Agua WSC Outdoor Watering Schedule

Outdoor watering hours are before 10:00 a.m. and after 7:00 p.m. on the appropriate watering day. For customers having rural delivery numbers, use the last numerical digit of the delivery number, whether route or box, to determine outdoor watering days.

- Monday and Thursday: Even last number of address
- Tuesday and Friday: Odd last number of address

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6.2 Stage 2 - Moderate Water Shortage Conditions

6.2.1 Requirements for Initiation

Aqua WSC will require customers to comply with the requirements and restrictions on certain water uses on occurrence of any of the following triggering conditions:

- Average daily water use is 90 percent of system production capacity for three (3) consecutive days.
- Net storage in water tanks decreases for three (3) consecutive days.
- Aqua WSC is unable to deliver water at normal standards due to failure of or damage to major water system components.

6.2.2 Requirements for Termination

Aqua WSC may rescind Stage 2 of the Drought Contingency Plan when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

6.2.3 Goal

Achieve a 15% reduction in daily water demand sufficient to stabilize system performance.

6.2.4 Water Use Restrictions.

Under threat of penalty for violation, Aqua WSC will apply the following water use restrictions to all persons using water supplied by Aqua WSC:

- a. Use of water for irrigation of landscape areas is limited to the Outdoor Watering Schedule. You may only water using a hand-held hose, hand-held bucket, by drip irrigation, or with a permanently automatic sprinkler system. Watering with hose-end sprinklers is prohibited.
- b. Use of water to wash any motor vehicle, motorbike, boat, etc. is limited to the Outdoor Watering Schedule, except on the premises of a commercial car wash. On private premises, you may only wash vehicles using a hand-held bucket or a hose equipped with a positive shutoff nozzle.
- c. Use of water from hydrants is limited to the Outdoor Watering Schedule, except for firefighting or other activities necessary to maintain public health, safety, and welfare.
- d. Use of water to fill, refill, or add to any indoor or outdoor swimming pool, wading pool, or jacuzzitype pool is limited to the Outdoor Watering Schedule.
- e. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life.
- f. The following uses of water are defined as non-essential and are prohibited:
 - (1) Use of water to wash sidewalks, walkways, driveways, parking lots, tennis courts, etc.;
 - (2) Use of water to wash building exteriors or structures;
 - (3) Use of water for dust control;
 - (4) Use of water to flush gutters or permitting water to run or accumulate in any gutter/street;
 - (5) Failure to repair a controllable leak(s) within a reasonable period after receiving notice directing the repair of such leak(s).

6.2.5 Aqua WSC Outdoor Watering Schedule

Outdoor watering hours are before 10:00 a.m. and after 7:00 p.m. on the appropriate watering day. For customers having rural delivery numbers, use the last numerical digit of the delivery number, whether route or box, to determine outdoor watering days.

- Monday and Thursday: Even last number of address
- Tuesday and Friday: Odd last number of address

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Stage 3 - Severe Water Shortage Conditions 6.3

6.3.1 Requirements for Initiation

Agua WSC will require customers to comply with the requirements and restrictions on certain water uses on occurrence of any of the following triggering conditions:

- Production wells are operating at full capacity for a 24-hour period.
- Total production of wells falls by 15%.
- Water supply system is unable to deliver water in adequate standards due to failure of or damage to major water system components.
- Curtailment by a Governmental Authority.

6.3.2 Requirements for Termination

Aqua WSC may rescind Stage 3 of the Drought Contingency Plan when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days, or sooner if determined possible by Aqua WSC. Upon termination of Stage 3, Stage 2 becomes operative.

6.3.3

Achieve a minimum of 20% reduction in daily water demand sufficient to meet basic water needs for public health and safety.

6.3.4 Water Use Restrictions

Under threat of penalty for violation, Aqua WSC will apply the following water use restrictions to all persons using water supplied by Aqua WSC:

- a. All outdoor water usage is prohibited with the exception that water use for livestock is exempt from this prohibition.
- b. Use of water to fill, refill, or add to any indoor or outdoor swimming pool, wading pool, or jacuzzitype pool is prohibited.
- Use of water from hydrants is limited to firefighting or other activities necessary to maintain public health, safety, and welfare. Aqua WSC will shut off all fire hydrant meters utilized for non-essential water use.
- d. Aqua WSC will not allow or approve applications for new, additional, expanded, or increasedin-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind.
- e. Failure to repair a controllable leak(s) within a reasonable period after receiving notice directing the repair of such leak(s) is prohibited.
- All restaurants are prohibited from serving water to patrons except when requested.

6.3.5 **Emergency Interconnect**

As appropriate, at the discretion of the General Manager or the General Manager's designee, Agua WSC may utilize an emergency interconnection established between Agua WSC and the City of Elgin's water system.

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6.4 Stage 4 - Emergency Water Shortage Conditions

6.4.1 Requirements for Initiation

Aqua WSC will require customers to comply with the requirements and restrictions on certain water uses when the General Manager, or designee, determines that a water supply emergency exists based on:

- The occurrence of major water line breaks or pump or system failures which cause an unprecedented loss of capability to provide water service; or
- Natural or man-made contamination of the water supply source(s).
- Other natural or man-made causes.
- Failure of a major component of the system or an event that reduces the minimum residual pressure in the system to below 20 psi for a period of 24 hours or longer.
- Other unforeseen events that could cause imminent health or safety risks to the public.

6.4.2 Requirements for Termination

Aqua WSC may rescind Stage 4 of the Drought Contingency Plan when all of the conditions listed as triggering events have ceased to exist. Upon termination of Stage 4, Stage 3 becomes operative.

6.4.3 Goal

Achieve a minimum of 25% reduction in daily water demand sufficient to meet basic water needs for public health and safety.

6.4.4 Water Use Restrictions

- a. All outdoor water usage is prohibited with the exception that water use for livestock is exempt from this prohibition.
- b. Emergency Water Shortage Restrictions will result in pro rata curtailment of water deliveries to all customers, including wholesale water customers, as provided in the Texas Water Code, §11.039. Aqua WSC will limit total consumption to each member using one of the following methods:
 - A limit that is a fixed percentage of average use by all members in the prior month. Aqua WSC will uniformly apply the percentage on a system wide basis and notify each member of this percentage amount; or
 - 2. A limit that is a maximum number of gallons per meter (member) per week. Aqua WSC will notify each member of this number.
- c. Aqua WSC will read all meters as often as necessary to ensure compliance with this program for the benefit of all the members.
- d. All restaurants are prohibited from serving water to patrons except when requested.

6.4.5 Emergency Interconnect

As appropriate, at the discretion of the General Manager or the General Manager's designee, Aqua WSC may utilize an emergency interconnection established between Aqua WSC and the City of Elgin's water system.

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7. Enforcement

The Drought Contingency Plan regulates or prohibits water uses considered to be non-essential and deems the continuation of such uses during times of water shortage or other emergency water supply conditions to constitute a waste of water. Continued use of non-essential water subjects the offender(s) to penalties as defined in this section.

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No person will knowingly or intentionally allow the use of water from Agua WSC's System for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of the Drought Contingency Plan. In addition, no person will knowingly or intentionally allow the use of water from Agua WSC's System in an amount in excess of that permitted by the drought response stage in effect at the time as directed by the General Manager in accordance with provisions of the Drought Contingency Plan. Aqua WSC will take enforcement actions for violations of the drought stage restrictions or provisions of the Drought Contingency Plan.

7.1 First violation

Agua WSC may install a flow restrictor in the water line to limit the amount of water which is allowed to pass through the meter. Aqua WSC will charge the installation cost of the flow restrictor to the member's account. The cost is \$100 for 5/8", 3/4", and 1" meters. Aqua WSC will determine the cost for larger meters on a case-by-case basis.

7.2 Subsequent violations

Aqua WSC may terminate water service at the meter for a period up to seven (7) days and will charge a reconnect fee as stated in Aqua WSC's Water Service Tariff for restoration of service.

8. Variances

The General Manager, or designee, may grant a written temporary variance for existing water uses otherwise prohibited under the Drought Contingency Plan. If the General Manager determines that failure to grant a variance would result in an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance, and if the request satisfies one or more of the following conditions:

- Compliance with the Drought Contingency Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Drought Contingency Plan is in effect.
- Implementation of alternative methods can achieve the same level of water use reduction.

Persons desiring an exemption from the provisions of the Drought Contingency Plan must file a request for variance with the Aqua WSC within five (5) days after enactment of the Drought Contingency Plan or a particular drought response stage. The General Manager will review all petitions for variance. Petitions for variance must include the following:

- a. Name and address of the petitioner(s).
- b. Purpose of water use.
- c. Specific provision(s) of the Drought Contingency Plan from which petitioner is requesting relief.
- d. Detailed statement as to how the specific provision of the Drought Contingency Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this provision.
- e. Description of the relief requested.
- 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 the Drought Contingency Plan and the compliance date.
- h. Any other pertinent information.

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Variances granted to petitioners by Aqua WSC will be subjected to the following conditions unless waived or modified by the General Manager:

- Variances granted by Aqua WSC will include a timetable for compliance.
- Variances granted by Aqua WSC will expire when the Stage under which it was granted is
 no longer operative or when the Drought Contingency Plan is no longer in effect, unless
 the petitioner has failed to meet specified requirements.

Variances will not be retroactive or otherwise justify any violation of the Drought Contingency Plan occurring prior to the issuance of the variance.

9. Severability

It is the intention of the Board of Directors of the Aqua Water Supply Corporation that the sections, paragraphs, sentences, clauses, and phrases of this Drought Contingency Plan are severable. If the valid judgment or decree of any court of competent jurisdiction declares any phrase, clause, sentence, paragraph, or section of the Drought Contingency Plan to be unlawful, unconstitutional, or invalid, this judgment or decree will not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Drought Contingency Plan.

10. References

| PL001 | Water Service Tariff |
|-----------------|--|
| Section 11.1272 | Texas Water Code |
| Section 11.039 | Texas Water Code |
| Rule §288.20 | Title 30, Texas Administrative Code, Part 1, Chapter 288, Subchapter B |
| Rule §295.9 | Title 30, Texas Administrative Code, Part 1, Chapter 295, Subchapter A |

11. Revisions

| Rev. | Description | Author | Effective Date |
|------|---|----------------|----------------|
| А | Initial release of Policy | Unknown | 04-07-2014 |
| В | Minor corrections | Heather Tucker | 07-11-2022 |
| С | Major revisions to all sections except: Enforcement, Variances, and Severability | Dacy Cameron | May 1, 2024 |
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