

Mountain Peak Special Utility District
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**DROUGHT CONTINGENCY / EMERGENCY MANAGEMENT AND
CONSERVATION PLAN**

Revised/ Approved 2-11-2003

Mountain Peak Special Utility District (MPSUD) is a nonprofit District officially chartered on June 10, 1969, for the purpose of furnishing a potable water utility service. District operating policies, rates, and regulations are formulated and affected by a seven member Board of Directors elected by the voters of the District.

The District is authorized under Chapter 13 of the Texas Water Code to provide water utility service within the certificated service area as defined in Certificate of Convenience and Necessity (CCN) # 10908. Furthermore, pursuant to applicable statutes the District has adopted Policies and resolutions, amended as necessary, which govern the operation and administration of the water system.

Serving approximately 2,346 primarily residential customers, the MPSUD serves an area in Ellis and Johnson counties, located just South of the Dallas-Fort Worth Metroplex. The system is supplied water from two sources. The District owns and maintains Four (6) ground water wells and receives water from the City of Midlothian surface water treatment plant. The system was strictly a ground water system until becoming a customer of the City of Midlothian in 1997. The District also owns and maintains two (2) elevated storage tanks, five (5) ground storage tanks of various capacities, one (1) active hydro pneumatic pressure tank, four (6) active distribution system pump stations, water distribution lines of various sizes, and related infrastructure and appurtenances.

MPSUD is operated and maintained by a staff of seven (8) full-time employees, which include: a General Manager: two (2) full-time office personnel; four (5) full-time certified operators; and two (1) part-time office personnel. The system currently meets the State and Federal regulations governing public water systems of this type.

Mountain Peak Special Utility District's water rates are as follows:

Residential

Residential base or minimum charge will be \$22.84 for the first 1,000 gallons of water usage or less. The District has adopted a tiered rate structure which is to encourage water conservation. Additional consumption will be billed as follows:

- 1,001-5,000 additional gallons – \$4.00 per thousand gallons**
- 5,001-10,000 additional gallons - \$4.60 per thousand gallons**
- 10,001 – 20,000 additional gallons - \$5.40 per thousand gallons**
- 20,001 – 30,000 additional gallons - \$6.00 per thousand gallons**
- 30,001 – 40,000 additional gallons - \$6.60 per thousand gallons**
- 40,001 – 50,000 additional gallons - \$7.40 per thousand gallons**
- Any additional usage over 50,001 gallons-\$9.60 per thousand gallons**

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, sanitation, and fire protection, 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, Mountain Peak Special Utility District hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section XII of this Plan.

Section II: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by Mountain Peak S.U.D. by scheduling and providing public notice of a public meeting to accept input on the plan. Notice of the meeting was provided to all customers. In the adoption of this plan, the Board considered all comments from customers.

Section III: Public Education

Mountain Peak Water Supply will periodically provide the public 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. This information will be provided by means of utility bill inserts, posting of notices in public places and notification in the local newspaper.

Section IV: Coordination with Regional Water Planning Groups

The service area of Mountain Peak S.U.D. is located within the Region C Water Planning Group North Texas Water District and Mountain Peak S.U.D. has provided a copy of this Plan to that Regional Water Planning Group.

Section V: Authorization

The Board of Directors or their designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Board of Directors or their designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

Section VI: Application

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by Mountain Peak Water Supply. The terms “person” and “customer” as used in the Plan include individuals, Districts, partnerships, associations, and all other legal entities.

Section VII: Definitions

For the purposes of this Plan, the following definitions shall apply:

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 Mountain Peak S.U.D..

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 fire fighting.

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

Section VIII: Conservation Plan

Public Involvement

Opportunity for the public to provide input into the preparation of the Conservation Plan is provided by Mountain Peak S.U.D. by scheduling and providing public notice of a public meeting to accept input on the plan. Notice of the meeting is provided to all customers. In the adoption of this plan, the Board considered all comments from customers.

Public Education

Mountain Peak S.U.D. will periodically provide the public with information about the Conservation Plan, including information about the conditions under which the Plan is to be initiated or terminated. This information will be provided by means of utility bill inserts, posting of notices in public places and notification in the local newspaper.

In order 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, 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, Mountain Peak S.U.D. hereby adopts the following Conservation Plan.

Water uses under this Conservation Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply conditions are deemed to constitute a waste of water.

(VOLUNTARY) MAY 31st to SEPTEMBER 30TH

Goal: Achieve a voluntary 10 percent reduction in total water use, daily water demand.

Voluntary Water Use Restrictions:

- (a) Water customers are requested to voluntarily limit aesthetic water use and the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the hours of 8 p.m. to 9 a.m. on designated watering days.
- (b) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.
- (c) New water customers are requested to install sensors on irrigation systems to automatically shut off supply in freezing temperature or rain.

Water supply in our area is of constant and growing concern. Mountain Peak Water Supply has always endeavored to conserve this precious commodity, and urges our customers to remember that water is in limited supply and that public health and conservation of our water resources should be our primary goals.

Section IX: Criteria for Initiation and Termination of Drought Response Stages

The Board of Directors or their designee shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified “triggers” are reached.

The triggering criteria described below are based on daily operation reports, water supply or storage tank levels and/or rainfall as needed to determine when trigger conditions are reached. The triggering conditions take into consideration: the vulnerability of the water source under drought of record conditions; the production, treatment and distribution capacities of the system, and member usage based upon historical patterns.

Stage 1 Triggers -- MILD Water Shortage Conditions

Requirements for initiation

Customers shall be required to conserve water and adhere to the prescribed restrictions on certain water uses, defined in Section VII – Definitions, when any of the following conditions exist:

- 1: *Water consumption has reached 80% of daily maximum supply for 3 consecutive days.*
- 2: *Water supply is reduced to a level that is only 20% greater than the average consumption for the previous month.*
- 3: *When, pursuant to requirements specified in a wholesale water purchase contract, notification is received requesting initiation of Stage 1 of a Drought Contingency Plan to the extent required by such contract.*
- 4: *When, in the interest of the public good, the Board determines that additional water conservation measures are required to ensure the long term viability of the System.*

Requirements for termination

Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a sufficient period of time to ensure an end to this stage of water shortage.

Stage 2 Triggers -- MODERATE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section IX of this Plan when any of the following conditions exist:

- 1: *Water consumption has reached 90% of daily maximum supply for 3 consecutive days.*
- 2: *Water level in any of the water storage tanks cannot be replenished for (3) consecutive days.*

Requirements for termination

Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a sufficient period of time to ensure an end to this stage of water shortage. Upon termination of Stage 2, Stage 1 becomes operative if appropriate.

Stage 3 Triggers -- SEVERE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan when any of the following conditions exist:

- 1: *Water consumption has reached 100% of daily maximum supply for 24 hours.*
- 2: *Water consumption has reached 95% or more of daily maximum supply for 3 consecutive days.*
- 3: *Water consumption of 100% of the maximum available and the water storage levels drop during (1) 24 hour period.*

Requirements for termination

Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a sufficient period of time to ensure an end to this stage of water shortage. Upon termination of Stage 3, Stage 2 becomes operative if appropriate.

Stage 4 Triggers -- CRITICAL Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when any of the following conditions exist:

- 1: *The declaration of a state of disaster due to drought conditions in a county or counties served by the District.*
- 2: *Failure of a major component of the system or event which reduces the minimum residual pressure in the system below 20 p.s.i. for a period of (24) hours or longer.*

Requirements for termination

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a sufficient period of time to ensure an end to this stage of water shortage. Upon termination of Stage 4, Stage 3 becomes operative if appropriate.

Stage 5 Triggers -- EMERGENCY Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan when The Board of Directors or their designee, determines that a water supply emergency exists based on any of the following conditions:

1. Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service; **or**
2. Natural or man-made contamination of the water supply source(s).
3. Any conditions which may result in health or safety risks to the public.

Requirements for termination

Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a sufficient period of time to ensure an end to this stage of water shortage.

Stage 6 Triggers -- WATER ALLOCATION

Requirements for initiation

Customers shall be required to comply with the water allocation plan prescribed in Section X of this Plan and comply with the requirements and restrictions for Stage 6 of this Plan when any of the following conditions exist:

1. For any reason, all water production has ceased and the only water available is in existing lines or storage.

Requirements for termination – Water allocation may be rescinded when all of the conditions listed as triggering events have ceased to exist for a sufficient period of time to ensure an end to this stage of water shortage.

Section X: Drought Response Stages

The Board of Directors or their designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe, critical, emergency or water shortage condition exists and shall implement the following notification procedures:

Notification

Notification of the Public:

The Board of Directors or their designee shall notify the public by means of:

*publication in a newspaper of general circulation,
direct mail to each customer,
public service announcements,
signs posted in public places*

Additional Notification:

The Board of Directors, or their designee shall notify directly, or cause to be notified directly, the following individuals and entities:

*Fire Chief(s)
City and/or County Emergency Management Coordinator(s)
County Judge & Commissioner(s)
State Disaster District / Department of Public Safety
TNRCC (required when mandatory restrictions are imposed)
Major water users
Critical water users, i.e. hospitals
Schools / Parks / & public facilities managers*

Stage 1 Response -- MILD TO MODERATE Water Shortage Conditions (MANDATORY)

Goal: Achieve a 10 percent reduction in total water use, daily water demand.

Supply Management Measures:

To manage limited water supplies and/or reduce water demand, Mountain Peak Water Supply will reduce or discontinue flushing of water mains, and activate and use an alternative supply source(s); if available.

Water Use Restrictions:

- (a) Water customers are to limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the hours of 8 p.m. to 9 a.m. on designated watering days.

- (b) All operations of Mountain Peak Water Supply shall adhere to water use restrictions prescribed for Stage 2 of the Plan.
- (c) Water customers are to practice water conservation and to minimize or discontinue water use for non-essential purposes.
- (d) New water customers are required to install sensors on irrigation systems to automatically shut off supply in freezing temperature or rain.

Stage 2 Response -- MODERATE Water Shortage Conditions

Goal: Achieve a 20 percent reduction in total water use.

Supply Management Measures:

To manage limited water supplies and/or reduce water demand, Mountain Peak Water Supply will reduce or discontinue flushing of water mains, and activate and use an alternative supply source(s); if available, and reduce or restrict contractor water use.

Water Use Restrictions. Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 8:00 p.m. to 9:00 a.m. on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (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 8:00 p.m. and 9:00 a.m. 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 8 p.m. and 9:00 a.m.
- (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 Mountain Peak Water Supply.
- (f) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by Mountain Peak Water Supply 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) The following uses of water are defined as non-essential and are prohibited:
 - 1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - 2. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - 3. use of water for dust control;
 - 4. flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - 5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Stage 3 Response -- SEVERE Water Shortage Conditions

Goal: Achieve a 30 percent reduction in total water use.

Supply Management Measures:

To manage limited water supplies and/or reduce water demand, Mountain Peak Water Supply will reduce or discontinue flushing of water mains, and activate and use an alternative supply source(s); if available, and reduce or restrict contractor water use.

Water Use Restrictions. All requirements of Stage 2 shall remain in effect during Stage 3 except:

- (a) Landscaped areas shall be irrigated only between the hours of 8 p.m. and 9:00 a.m. and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler systems only. The use of hose-end sprinklers is prohibited at all times.
- (b) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by Mountain Peak Water Supply.
- (c) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

Stage 4 Response -- CRITICAL Water Shortage Conditions

Goal: Achieve a 40 percent reduction in total water use.

Supply Management Measures:

To manage limited water supplies and/or reduce water demand, Mountain Peak Water Supply will reduce or discontinue flushing of water mains, and activate and use an alternative supply source(s); if available, and reduce or restrict contractor water use.

Water Use Restrictions. All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except:

- (a) Landscaped areas shall be irrigated only between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times.
- (b) 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 a.m. and 10:00 a.m. and between 6:00 p.m. and 10 p.m.

- (c) The filling, refilling, or adding of water to swimming pools, wading pools, and jacuzzi-type pools is prohibited.
- (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) No application for new, additional, 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 stage or a higher-numbered stage shall be in effect.

Stage 5 Response -- EMERGENCY Water Shortage Conditions

Goal: Achieve a 50 percent reduction in total water use.

Supply Management Measures:

To manage limited water supplies and/or reduce water demand, Mountain Peak Water Supply will reduce or discontinue flushing of water mains, and activate and use an alternative supply source(s); if available, and reduce or restrict contractor water use.

Water Use Restrictions. All requirements of Stage 2, 3, and 4 shall remain in effect during Stage 5 except:

- (a) Irrigation of landscaped areas is absolutely prohibited.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

Stage 6 Response -- WATER ALLOCATION

In the event that water shortage conditions threaten public health, safety, and welfare, the Board of Directors or their designee is hereby authorized to allocate water according to the following water allocation plan:

Single-Family Residential Customers

The allocation to residential water customers residing in a single-family dwelling shall be as follows:

Persons per Household	Gallons per Month
1 or 2	6,000
3 or 4	7,000
5 or 6	8,000
7 or 8	9,000
9 or 10	10,000
11 or more	12,000

“Household” means the residential premises served by the customer’s meter. “Persons per household” includes only those persons currently physically residing at the premises and expected to reside there for the entire billing period. It shall be assumed that a particular customer’s household is comprised of two (2) persons unless the customer notifies Mountain Peak Water Supply of a greater number of persons per household on a form prescribed by the General Manager. The General Manager shall give his/her best effort to see that such forms are mailed, otherwise provided, or made available to every residential customer. If, however, a customer does not receive such a form, it shall be the customer’s responsibility to go to the Mountain Peak Water Supply offices to complete and sign the form claiming more than two (2) persons per household. New customers may claim more persons per household at the time of applying for water service on the form prescribed by the General Manager. When the number of persons per household increases so as to place the customer in a different allocation category, the customer may notify Mountain Peak Water Supply on such form and the change will be implemented in the next practicable billing period. If the number of persons in a household is reduced, the customer shall notify Mountain Peak Water Supply in writing within two (2) days. In prescribing the method for claiming more than two (2) persons per household, the General Manager shall adopt methods to insure the accuracy of the claim.

Residential water customers shall pay the following surcharges:

- \$4.00 for the first 1,000 gallons over allocation.
- \$4.50 for the second 1,000 gallons over allocation.
- \$5.00 for the third 1,000 gallons over allocation.
- \$5.50 for each additional 1,000 gallons over allocation.

Surcharges shall be cumulative.

Master-Metered Multi-Family Residential Customers

The allocation to a customer billed from a master meter which jointly measures water to multiple permanent residential dwelling units (e.g., apartments, mobile homes) shall be allocated 6,000 gallons per month for each dwelling unit. It shall be assumed that such a

customer's meter serves two dwelling units unless the customer notifies Mountain Peak Water Supply of a greater number on a form prescribed by the General Manager. The General Manager shall give his/her best effort to see that such forms are mailed, otherwise provided, or made available to every such customer. If, however, a customer does not receive such a form, it shall be the customer's responsibility to go to the Mountain Peak Water Supply offices to complete and sign the form claiming more than two (2) dwellings. A dwelling unit may be claimed under this provision whether it is occupied or not. New customers may claim more dwelling units at the time of applying for water service on the form prescribed by the General Manager. If the number of dwelling units served by a master meter is reduced, the customer shall notify Mountain Peak Water Supply in writing within two (2) days. In prescribing the method for claiming more than two (2) dwelling units, the General Manager shall adopt methods to insure the accuracy of the claim. Any person who knowingly, recklessly, or with criminal negligence falsely reports the number of dwelling units served by a master meter or fails to timely notify Mountain Peak Water Supply of a reduction in the number of persons in a household shall be fined not less than \$25.00. Customers billed from a master meter under this provision shall pay the following monthly surcharges:

- \$4.00 for 1,000 gallons over allocation up through 1,000 gallons for each dwelling unit.
- \$4.50, thereafter, for each additional 1,000 gallons over allocation up through a second 1,000 gallons for each dwelling unit.
- \$5.00, thereafter, for each additional 1,000 gallons over allocation up through a third 1,000 gallons for each dwelling unit.
- \$5.50, thereafter for each additional 1,000 gallons over allocation.

Surcharges shall be cumulative.

Commercial Customers

A monthly water allocation shall be established by the Board of Directors or their designee, for each nonresidential commercial customer other than an industrial customer who uses water for processing purposes. The non-residential customer's allocation shall be approximately 75% percent of the customer's usage for corresponding month's billing period for the previous 12 months. If the customer's billing history is shorter than 12 months, the monthly average for the period for which there is a record shall be used for any monthly period for which no history exists. Provided, however, a customer, 100 percent of whose monthly usage is less than 2000 gallons, shall be allocated 2000 gallons. The General Manager shall give his/her best effort to see that notice of each non-residential customer's allocation is mailed to such customer. If, however, a customer does not receive such notice, it shall be the customer's responsibility to contact Mountain Peak Water Supply to determine the allocation. Upon request of the customer or at the initiative of the General Manager, the allocation may be reduced or increased if, (1) the designated period does not accurately reflect the customer's normal water usage, (2) one nonresidential customer agrees to transfer part of its allocation to another nonresidential customer, or (3) other objective evidence

demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the Board of Directors. Nonresidential commercial customers shall pay the following surcharges:

Customers whose allocation is 2000 gallons through 5000 gallons per month:

- \$4.00 per thousand gallons for the first 1,000 gallons over allocation.
- \$4.50 per thousand gallons for the second 1,000 gallons over allocation.
- \$5.00 per thousand gallons for the third 1,000 gallons over allocation.
- \$5.50 per thousand gallons for each additional 1,000 gallons over allocation.

Customers whose allocation is 5000 gallons per month or more:

- 2 times the block rate for each 1,000 gallons in excess of the allocation up through 5 percent above allocation.
- 2.5 times the block rate for each 1,000 gallons from 5 percent through 10 percent above allocation.
- 3 times the block rate for each 1,000 gallons from 10 percent through 15 percent above allocation.
- 3.5 times the block rate for each 1,000 gallons more than 15 percent above allocation.

The surcharges shall be cumulative. As used herein, "block rate" means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer's allocation.

Industrial Customers

A monthly water allocation shall be established by the Board of Directors or their designee, for each industrial customer, which uses water for processing purposes. The industrial customer's allocation shall be approximately 90% percent of the customer's water usage baseline. Ninety (90) days after the initial imposition of the allocation for industrial customers, the industrial customer's allocation shall be further reduced to 85% percent of the customer's water usage baseline. The industrial customer's water use baseline will be computed on the average water use for the 12 month period ending prior to the date of implementation of Stage 2 of the Plan. If the industrial water customer's billing history is shorter than 12 months, the monthly average for the period for which there is a record shall be used for any monthly period for which no billing history exists. The General Manager shall give his/her best effort to see that notice of each industrial customer's allocation is mailed to such customer. If, however, a customer does not receive such notice, it shall be the customer's responsibility to contact the Mountain Peak Water Supply to determine the allocation, and the allocation shall be fully effective notwithstanding the lack of receipt of written notice. Upon request of the customer or at the initiative of the General Manager, the allocation may be reduced or increased, (1) if the designated period does not accurately

reflect the customer's normal water use because the customer had shutdown a major processing unit for repair or overhaul during the period, (2) the customer has added or is in the process of adding significant additional processing capacity, (3) the customer has shutdown or significantly reduced the production of a major processing unit, (4) the customer has previously implemented significant permanent water conservation measures such that the ability to further reduce water use is limited, (5) the customer agrees to transfer part of its allocation to another industrial customer, or (6) if other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the Board of Directors. Industrial customers shall pay the following surcharges:

Customers whose allocation is 0 gallons through 5,000 gallons per month:

\$4.00	per thousand gallons for the first 1,000 gallons over allocation
\$4.50	per thousand gallons for the second 1,000 gallons over allocation.
\$5.00	per thousand gallons for the third 1,000 gallons over allocation.
\$5.50	per thousand gallons for each additional 1,000 gallons over allocation.

Customers whose allocation is 5,000 gallons per month or more:

- 2 times the block rate for each 1,000 gallons in excess of the allocation up through 5 percent above allocation.
- 2.5 times the block rate for each 1,000 gallons from 5 percent through 10 percent above allocation.
- 3.0 times the block rate for each 1,000 gallons from 10 percent through 15 percent above allocation.
- 3.5 times the block rate for each 1,000 gallons more than 15 percent above allocation.

The surcharges shall be cumulative. As used herein, "block rate" means the charge to the customer per 1,000 gallons at the regular water rate schedule at the level of the customer's allocation.

Section XI: Enforcement

1. First Violation - The customer will be notified by written notice of their specific violation
2. Subsequent Violations:

- (a). After written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24 hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed \$100.00.
- (b). After written notice, the utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the utility will apply for restoration service.
- (c). No person shall knowingly or intentionally allow the use of water from Mountain Peak Water Supply 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 Board of Directors or their designee, in accordance with provisions of this Plan.
- (d). Any person, including a person classified as a water customer of Mountain Peak Water Supply, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.

Section XII: Variances

The Board of Directors or their designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined 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.

Persons requesting an exemption from the provisions of this Plan shall file a petition for variance with Mountain Peak Water Supply within 5 days after the Plan or a particular drought response stage

has been invoked. All petitions for variances shall be reviewed by the Board of Directors or their 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 Plan.
- (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.

Variances granted by Mountain Peak Water Supply shall be subject to the following conditions, unless waived or modified by the Board of Directors or their designee:

- (a) Variances granted shall include a timetable for compliance.
- (b) Variances granted shall expire when the Plan is no longer in effect, unless the petitioner has failed to meet specified requirements.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

Section XIII: Wholesale water users

Whereas, Mt. Peak SUD drought contingency plan shall include a provision in every wholesale water contract entered into or renewed after adoption of the plan, including contract extensions, that in case of a shortage of water resulting from drought, the water to be distributed shall be divided in accordance with Texas Water Code 11.039.
