

**WHOLESALE WATER SERVICES AGREEMENT
BETWEEN
WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY
AND
THE CITY OF DRIPPING SPRINGS FOR THE CANNON RANCH SUBDIVISION**

This WHOLESALE WATER SERVICES AGREEMENT (this “**Agreement**”) is made and entered into by and between WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY, a public utility agency created pursuant to Chapter 572, Texas Local Government Code (“**WTCPUA**”) and THE CITY OF DRIPPING SPRINGS, a Texas municipality (the “**City**”).

RECITALS

1. WTCPUA owns and operates raw water intake and pumping system facilities, a water treatment plant, treated water storage facilities, and treated water transmission and distribution facilities which have been designed to serve the existing needs of customers in western Travis and northern Hays County, and which may be expanded and added to serve future needs of WTCPUA water customers (collectively, the “**WTCPUA Water System**”).
2. The City desires to obtain wholesale services for the treatment of raw water and delivery of potable water to City from the WTCPUA Water System for the Wholesale Service Area, as defined herein, and WTCPUA desires to provide such services to City.
3. City will be responsible for construction of all improvements necessary to deliver the potable water provided by WTCPUA under this Agreement from the Delivery Points, as defined herein, to the City’s utility system to allow the City to supply retail potable water service to the City’s customers within the Wholesale Service Area
4. Consistent with the WTCPUA Service Rules and Policies the WTCPUA issued a Service Availability Letter to the City for the Wholesale Service Area on January 21, 2021 in the amount of 396 water LUEs, as shown in **Exhibit A**.
5. Subject to the City’s compliance with the provisions of this Agreement, and to the extent indicated, WTCPUA agrees that the WTCPUA Water System will be capable of providing Wholesale Water Services, as defined in this Agreement.
6. The City represents that provision of Wholesale Water Services to the Wholesale Service Area pursuant to this Agreement is consistent with the terms and conditions of the March 11, 2003 Wholesale Water Services Agreement, as amended, between the City and the WTCPUA relating to the service areas and potential service area.
7. WTCPUA and City now desire to execute this Agreement to evidence the agreement of WTCPUA to provide Wholesale Water Services, as more fully defined herein, to City under the conditions described in this Agreement.

8. The City, for the Wholesale Service Area, acknowledges that certain water system improvements are needed, and that the City will perform, or cause to be performed, necessary improvements at no cost and expense to WTCPUA, and provide and convey, or cause to be provided and conveyed, easements, water lines, and storage and pump station sites to the WTCPUA, at no cost to WTCPUA.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, WTCPUA and City agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions of Terms. In addition to the terms otherwise defined in the above recitals or the provisions of this Agreement, the terms used in this Agreement will have the meanings set forth below.

“**Agreement**” means this agreement.

“**Annual Raw Water Supply**” means the quantity of raw water purchased by City pursuant to its Raw Water Contract and allocated to the Wholesale Service Area, to be diverted, treated and delivered by the WTCPUA to the City under this Agreement and for which the City is responsible for payment under this Agreement. The Annual Raw Water Supply shall be 1710 acre-feet per annum.

“**AWWA**” means the American Water Works Association.

“**City**” means the City of Dripping Springs.

“**City System**” means the City’s water transmission, distribution and delivery systems that provide service to the City’s retail customers through the Wholesale Water Services provided under this Agreement, including any facilities required to extend service to the Wholesale Service Area from City’s side of the Delivery Points. The City System shall be owned, operated and maintained by City and shall not include the Master Meter or any facilities on WTCPUA’s side of the Delivery Points.

“**Delivery Points**” means the point or points at which WTCPUA will deliver treated water to the City under this Agreement, as depicted in Exhibit B.

“**Delivery Point Improvements**” means the installation of the tap and Master Meters at the Delivery Points, and any valves and pressure reducing devices required by WTCPUA for City to connect to and receive service from the WTCPUA Water System but does not include any facilities on WTCPUA’s side of the Delivery Points and does not include any facilities comprising the City System.

“**Effective Date**” means the last date this Agreement has been executed by both City and WTCPUA.

“**Emergency**” means a sudden unexpected happening; an unforeseen occurrence or condition; exigency; pressing necessity; or a relatively permanent condition or insufficiency of service or of facilities resulting from causes outside of the reasonable control of WTCPUA. The term includes Force Majeure and acts of third parties that cause the WTCPUA Water System to be unable to provide the Wholesale Water Services agreed to be provided herein.

“**Force Majeure**” means acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of any governmental entity other than WTCPUA or any civil or military authority, acts, orders or delays of any regulatory authorities with jurisdiction over the parties, insurrections, riots, acts of terrorism, epidemics, landslides, lightning, earthquakes, fires, hurricanes, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, or any other conditions which are not within the control of a party.

“**LCRA**” means the Lower Colorado River Authority.

“**LUE**” or “**Living Unit Equivalent**” means an amount of Wholesale Water Services sufficient for one single family residential connection or its equivalent. The number of LUEs for each retail connection in the Wholesale Service Area shall be calculated based on the WTCPUA Service Rules and Policies governing the calculation of LUEs for service connections.

“**Master Meters**” means the master meters meter vault, and all metering and telemetering equipment required to measure Wholesale Water Services provided by WTCPUA pursuant to this Agreement that shall be installed by City at the Delivery Points as described in this Agreement.

“**Max Day Reservation**” means the maximum amount of water to be delivered to the City for the Wholesale Service Area on a daily basis based on the flow rates and capacity commitments established in this Agreement. The City’s Max Day Reservation for the Wholesale Service Area is 864 gallons per day per LUE.

“**Monthly Charge**” means the monthly charge by the WTCPUA to the City for the provision of Wholesale Water Services by the WTCPUA to the Wholesale Service Area as described in Section 4.04 below.

“**Parties**” means the City of Dripping Springs and the WTCPUA.

“**Raw Water Contract**” means the Water Sale Contract to be entered into between the City and the LCRA, as it may be amended, superseded or supplemented, executed on September 22, 2022.

“**Raw Water Supply**” means a minimum of 1710 acre-feet per annum of raw water that the City shall reserve from LCRA under the Raw Water Contract for the Wholesale Service Area for the provision of Wholesale Water Services.

“**TCEQ**” means the Texas Commission on Environmental Quality or its successor agency.

“**USFWS MOU**” means the “Memorandum of Understanding” between the LCRA and the United States Fish and Wildlife Service, dated May 24, 2000, and the “Settlement Agreement and Stipulation of Dismissal” from the lawsuit Hays County Water Planning Partnership, et. al. vs. Lt. General Robert B. Flowers, U.S. Army Corps of Engineers, Thomas E. White, Secretary of the Army, Gale Norton, Secretary of the Department of the Interior, and the Lower Colorado River Authority, W.D. Tex. 2002 (No. AOOCA 826SS).

“**Water Impact Fee**” means a charge imposed per water LUE in accordance with Chapter 395 of the Local Government Code for funding the costs of water capital improvements or facility expansions necessary to serve the Wholesale Service Area in the amount set forth in the WTCPUA Service Rules and Policies and as amended from time to time by the WTCPUA Board of Directors.

“**Wholesale Water Services**” means the diversion of the Raw Water Supply from the Colorado River, the transmission of the Raw Water Supply to a place or places of treatment, the treatment of the water into potable form, and the transmission of the potable water to the Delivery Points.

“**Wholesale Service Area**” means the territory more particularly described or depicted in **Exhibit B** attached hereto, shown as the property located within the Cannon Ranch Subdivision which the Parties contemplate to be a mixed use residential and commercial development.

“**WTCPUA**” means the West Travis County Public Utility Agency or its successor.

“**WTCPUA Service Rules and Policies**” means the WTCPUA’s Schedule for Rates, Fees, and Charges, the WTCPUA Service and Development Policies, and any other rules or policies applicable to the provision of wholesale treated water service, as amended by the WTCPUA Board of Directors from time to time.

“**WTCPUA Service Area**” means the service area for the WTCPUA Water System, as depicted in the WTCPUA Service Rules and Policies, together with such other service areas as may be added by WTCPUA in the future.

“**WTCPUA Water System**” means the facilities owned and operated by WTCPUA, as described in this Agreement, together with all extensions, expansions, improvements, enlargements, betterments and replacements to provide water or Wholesale Water Services to WTCPUA’s customers in the WTCPUA Service Area, including the Delivery Point Improvements. The WTCPUA Water System does not include any improvements on City’s side of the Delivery Point for purposes of this Agreement, and does not include any facilities used by WTCPUA solely to provide retail potable water service, such as costs of retail distribution lines and related valves, pressure reducing devices, pressure boosting facilities and improvements; retail meters and taps and individual retail customer service lines.

“**WTCPUA Water Conservation and Drought Contingency Plan**” means, collectively, the WTCPUA Water Conservation Plan and the WTCPUA Drought Contingency Plan, as may be amended by the WTCPUA Board of Directors from time to time. A copy of the WTCPUA Water

Conservation and Drought Contingency Plan in effect as of the Effective Date is attached hereto as **Exhibit C**.

Section 1.02 Captions. The captions appearing at the first of each numbered section or paragraph in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement.

ARTICLE II **PROVISION OF WHOLESALE WATER SERVICES**

Section 2.01 Wholesale Water Services. WTCPUA agrees to provide Wholesale Water Services to the City for the Annual Raw Water Supply to serve the Wholesale Service Area in accordance with the flow limitations and other provisions of this Agreement, including the provisions located in Article III, all as hereafter specified. The Parties agree that this Agreement contemplates total ultimate service to, but not in excess of, 396 LUEs of Wholesale Water Services in the Wholesale Service Area.

Section 2.02 City Responsible for Retail Connections. City will be solely responsible for providing retail water service within the Wholesale Service Area. City shall not provide or sell water received under this Agreement to any entity, private or public, other than the City's retail customers located within the Wholesale Service Area. City will be solely responsible for ensuring compliance by its retail customers with the applicable terms of this Agreement, for the applicable provisions of the WTCPUA Service Rules and Policies, and for the proper and lawful application of City's policies and regulations governing connection to the City System.

Section 2.03 Diversion of Water; Primary Source.

- a. WTCPUA agrees to provide Wholesale Water Services to City for the Raw Water Supply purchased by the City from LCRA pursuant to the Raw Water Contract in accordance with the terms provided in this Agreement.
- b. It shall be the City's sole responsibility to secure and maintain the right for WTCPUA to divert and use water under the Raw Water Contract as may be necessary in order for WTCPUA to provide Wholesale Water Services to the City. Water made available under the Raw Water Contract and provided through the Wholesale Water Services furnished by WTCPUA pursuant to this Agreement will be used by City in order to provide potable water service within the Wholesale Service Area prior to the use of potable water obtained from any other source.
- c. WTCPUA, by entering into this Agreement with City, does not confer upon City, and City, as a result of this Agreement, shall never have or claim, any interest in raw water owned or controlled by WTCPUA.
- d. The Parties agree that the Master Meters shall be utilized for purposes of measuring the quantity of raw water purchased by the City under the Raw Water Supply Contract, and the WTCPUA agrees to fully cooperate with the City for purposes of furnishing all Master

Meter readings to LCRA for City billing and payment purposes under the Raw Water Contract.

Section 2.04 Title to and Responsibility for Water; Delivery Points.

- a. Title to the water diverted, treated, and transported to City by WTCPUA under this Agreement shall remain with WTCPUA at all times until it reaches the Delivery Points. At the Delivery Points, title, control, and dominion of the water shall pass to the City.
- b. City shall be solely responsible for conveying water from the Delivery Points to the City's intended places of use. Upon request by the City and at the City's cost and expense, the Delivery Points may be changed by written amendment to this Agreement.

Section 2.05 Quantity and Pressure.

- a. Subject to the terms of this Agreement, including Section 2.01 above and Article III below, WTCPUA agrees to divert, transport and treat for City all water needed and requested by City for the Wholesale Service Area, up to, but not in excess of (i) the Raw Water Supply; (ii) a maximum daily flow rate of 342,144 gallons per day, (iii) a maximum hourly rate of 14,256 gallons per hour; and (iv) the minimum rates required for purchased water systems under TCEQ rules (30 TAC §290.45(f), as amended from time to time). WTCPUA agrees that the Wholesale Water Services shall be delivered at a delivery pressure necessary to maintain a minimum pressure of 35 psi to the Delivery Points under normal operating conditions. WTCPUA reserves the right to require the City, at its expense, to install flow restriction devices at such locations as WTCPUA may reasonably specify if necessary in order to restrict the flow of water to City to the specified levels.
- b. If the demands of City for Wholesale Water Services ever exceed the amount specified in this Agreement, then City shall notify WTCPUA of the amount of additional potable water needed. If WTCPUA is unable to provide the additional water required by City, City, at its option, may acquire additional water from other sources so long as the addition of such other sources does not conflict with or impact the WTCPUA Water System or the collection of Water Impact Fees.
- c. The City, at any time and upon first giving WTCPUA sixty (60) days prior written notice, may reduce the Annual Raw Water Supply. The written notice furnished by City to WTCPUA shall specify the number of LUEs to be released. In the event of any such reduction, WTCPUA's obligation to provide Wholesale Water Services shall be reduced accordingly. Notwithstanding the foregoing, the City shall not reduce its Annual Raw Water Supply for the Wholesale Service Area to a quantity less than 1710 acre-feet per year without the written approval of the WTCPUA.

Section 2.06 Quality of Water Delivered to City. The water delivered by WTCPUA at the Delivery Point shall be potable water of a quality conforming to the requirements of any applicable federal or state laws, rules, regulations, or orders, including requirements of the TCEQ applicable to water provided for human consumption and other domestic use. Each Party agrees to provide to the other Party, in a timely manner, any information or data regarding this Agreement or the

quality of treated water provided through this Agreement as required for reporting to the TCEQ or other state and federal regulatory agencies.

Section 2.07 Maintenance and Operation; Future Construction. WTCPUA shall be responsible for operating, maintaining, repairing, replacing, extending, improving, and enlarging the WTCPUA Water System, including the Master Meters, in good working condition and shall promptly repair any leaks or breaks in the WTCPUA Water System. City shall be responsible for operating, maintaining, repairing, replacing, extending, improving, and enlarging the City System in good working condition and shall promptly repair any leaks or breaks in the City System.

Section 2.08 Rights and Responsibilities in Event of Leaks or Breaks. City shall be responsible for paying for all water delivered to it under this Agreement at the Delivery Points even if such water passed through the Delivery Points as a result of leaks or breaks in the City System. In the event a leak, break, rupture or other defect occurs within the City System that could either endanger or contaminate the WTCPUA Water System or prejudice WTCPUA's ability to provide water service to its other customers, WTCPUA, after providing reasonable notice to City and an opportunity for consultation, shall have the right to take reasonable, appropriate action to protect the public health or welfare of the WTCPUA Water System or the water systems of WTCPUA's customers including, without limitation, the right to restrict, valve off or discontinue service to City until such leak, break, rupture or other defect has been repaired.

Section 2.09 Wholesale Service Commitment Not Transferable. WTCPUA's commitment to provide Wholesale Water Services is solely to City and solely for the Wholesale Service Area. City may not assign or transfer in whole or in part its right to receive Wholesale Water Services without WTCPUA's prior written approval. Notwithstanding the foregoing, the WTCPUA reserves the right to provide water service to other properties located within the WTCPUA Service Area, as may be amended from time to time.

Section 2.10 Conservation and Drought Planning. City, by signing below, certifies that it has adopted a water conservation plan and a drought contingency plan in compliance with TCEQ rules, 30 Texas Administrative Code, Chapter 288, and that the provisions of such plans are at least as stringent as the provisions of the WTCPUA Water Conservation and Drought Contingency Plan. City agrees that it will enforce such water conservation plan and drought contingency plan in the Wholesale Service Area.

Section 2.11 Plumbing Regulations. To the extent WTCPUA and City have the authority, both covenant and agree to adopt and enforce adequate plumbing regulations with provisions for the proper enforcement thereof, to ensure that neither cross-connection nor other undesirable plumbing practices are permitted, including an agreement with each of their respective water customers that allows it to inspect individual water facilities prior to providing service to ensure that no substandard materials are used and to prevent cross-connection and other undesirable plumbing practices.

Section 2.12 Curtailment of Service. The Parties agree that, if water service is curtailed by WTCPUA to other similarly situated customers of the WTCPUA Water System, WTCPUA may impose a like curtailment, with notice to City, on Wholesale Water Services delivered to City

under this Agreement. WTCPUA will impose such curtailments in a nondiscriminatory fashion. The Parties agree that they will not construe this Agreement to prohibit WTCPUA from curtailing service completely in the event of a maintenance operation or Emergency for a reasonable period necessary to complete such maintenance operations or repairs or respond to an Emergency circumstance. The City acknowledges and agrees that the WTCPUA's provision of Wholesale Water Services under this Agreement is subject to applicable provisions of the WTCPUA Water Conservation and Drought Contingency Plan.

Section 2.13 Fire Flows. The City understands and agrees the WTCPUA does not and is not required to provide fire flows to the Wholesale Service Area. As such, the City is solely responsible for the installation and maintenance of any water improvements necessary to provide fire flows to the Wholesale Service Area. Such improvements, if installed, shall be located on the City's side of the Delivery Points.

Section 2.14 Cooperation During Maintenance or Emergency. City will reasonably cooperate with WTCPUA during periods of Emergency or required maintenance.

Section 2.15 Right of Entry. City agrees to provide WTCPUA the right of entry and access to the City System at all reasonable times upon prior notice in order to inspect those facilities, to investigate the source of operational or maintenance problems or for preventive purposes intended to detect, minimize, or avert operational or maintenance problems, or for any other purpose reasonably related to the provision of Wholesale Water Services.

Section 2.16 Confirmation of Service Availability. When requested by City, the WTCPUA shall issue letters of service availability or other evidence of service commitment consistent with the City's obligations under this Agreement, to a developer in the City, such developer's lenders, prospective purchasers, the applicable governing municipal jurisdiction, or any other governmental entity having jurisdiction over development in the Wholesale Service Area.

Section 2.17 Maintenance of Raw Water Supply. City shall be responsible for maintaining compliance with its Raw Water Contract. In the event the LCRA terminates or suspends the Raw Water Supply to the City for any reason, WTCPUA may similarly terminate or suspend its provision of Water Services under this Agreement. The WTCPUA shall not commence Wholesale Water Services to the Wholesale Service Area until the Raw Water Contract is fully executed and effective or amended to include the Raw Water Supply.

ARTICLE III
CONSTRUCTION OF IMPROVEMENTS AND METERING PROVISIONS;
CONVEYANCE OF 1340 EST SITE

Section 3.01 City to Construct Points of Delivery Improvements, Master Meter. As a condition precedent to the commencement of Wholesale Water Services by the WTCPUA, the City shall install, or cause the installation of, the Points of Delivery Improvements, including the Master Meters, at or near each of the Delivery Points. The design, location, and installation of the Points of Delivery Improvements are subject to prior review and written approval by WTCPUA, which approval shall not be unreasonably withheld, denied or delayed provided the facilities comply with

applicable standards of the TCEQ and the WTCPUA. WTCPUA acknowledges that timely review and approval of the plans for the Points of Delivery Improvements are necessary in order for City to begin providing service as contemplated by this Agreement. The WTCPUA agrees to review all plans and either approve the plans or provide written comments specifically identifying the required changes within a reasonable amount of time from the submittal, provided that all submittals are complete. After completion of installation of the and Points of Delivery Improvements and inspection and written acceptance by the WTCPUA, City shall, as a condition precedent to this Agreement, dedicate and convey the Points of Delivery Improvements to WTCPUA free and clear of any liens, claims and encumbrances and execute an appropriate document in form and substance reasonably acceptable to WTCPUA evidencing the dedication and conveyance. The Points of Delivery Improvements shall be located in public rights of way, easements in final plats, or separate easements granted to the WTCPUA to facilitate maintenance, repair, and improvement of the facilities. Thereafter, the Points of Delivery Improvements will be part of the WTCPUA Water System, and WTCPUA will repair, maintain, and replace the Points of Delivery Improvements. The WTCPUA shall not commence Wholesale Water Services to the Wholesale Service Area until the Points of Delivery Improvements are accepted by and conveyed to the WTCPUA.

Section 3.02 Master Meter Accuracy; Calibration.

(a) The Master Meters shall be calibrated each calendar year by the WTCPUA, and the City shall reimburse the WTCPUA its reasonable costs associated with such calibration. The WTCPUA shall provide not less than 48 hours prior written notice of each such calibration, and a representative of the City may be present to observe each calibration.

(b) The Master Meters may be calibrated at any reasonable time by either party to this Agreement, provided that the party making the calibration notifies the other party in writing at least five days in advance and allows the other party to witness the calibration. In the event any question arises at any time as to the accuracy of the Master Meter, but not more than a frequency of once per consecutive 12-month period without mutual consent of both parties, then the Master Meter shall be tested by WTCPUA promptly upon request by the City. The expense of such test shall be borne by City if the Master Meter is found to be within AWWA and manufacturer's standards of accuracy for the type and size of meter, and by WTCPUA if the Master Meter is found to not be within AWWA and manufacturer's standards for the type and size of meter.

(c) If, as a result of any test, the Master Meter is found to be registering inaccurately (in excess of AWWA and manufacturer's standards for the type and size of meter), the readings of the Master Meter shall be corrected at the rate of their inaccuracy for any period which is definitely known or agreed upon and WTCPUA shall pay for the testing or, if no such period is known or agreed upon, the shorter of:

- (1) a period extending back either 60 days from the date of demand for the test or, if no demand for the test was made, 60 days from the date of the test; or
- (2) a period extending back one-half of the time elapsed since the last previous test;

The records of the readings, and all payments which have been made on the basis of such readings, shall be adjusted accordingly.

ARTICLE IV **RATES AND CHARGES**

Section 4.01 Wholesale Water Rates, Fees, and Charges

(a) City will pay WTCPUA for the Wholesale Water Services provided under this Agreement based on rates, charges and fees for the Wholesale Water Services set by the WTCPUA Board of Directors and amended from time to time. The WTCPUA shall provide Wholesale Water Supply to the City for the Wholesale Service Area in an amount not to exceed 396 LUEs as measured at the Delivery Points. The Parties agree that pursuant to the Agreement, the City shall provide retail potable water utility service for the Wholesale Service Area in the amount of 396 LUEs.

For purposes of this Agreement, the average daily water use within the Wholesale Service Area, as measured at the Delivery Points, shall not exceed 450 gallons per day per LUE or a total of 178,200 gallons per day (i.e., 65.04 million gallons per year) for 396 LUEs, computed as a daily average over a calendar year. In the event the total annual quantity of water as measured at the Delivery Points exceed 65.04 million gallons per year, the WTCPUA may assess, and the City agrees to pay a water surcharge for water used that is in excess of 65.04 million gallons.

In addition, the maximum or peak day water use for the Wholesale Service Area, as measured at the Delivery Points, shall not exceed 864 gallons per day per LUE, or 342,144 gallons per day. In the event the City's maximum or peak day water use on any given day exceeds 342,44 gallons over any 24-hour day, the WTCPUA may:

1. Install, at the City's sole cost, a water rate flow of controller to restrict or limit the maximum flow to the Property to a maximum of 2036 gpm on an instantaneous basis; and/or
2. Assess a surcharge for any quantity used in excess for 342,144 gallons per day.

(b) The City shall be solely responsible for establishing, billing, and collecting water or other rates, charges, and fees from customers within the Wholesale Service Area in accordance with applicable law. Failure to collect from its customers will not affect the City's obligation to make all payments due to the WTCPUA.

Section 4.02. Rates and Charges.

(a) The WTCPUA shall utilize the base-extra capacity methodology performed by a qualified professional to determine the appropriate Monthly Charge and Volume Charge for each wholesale customer, including the City for the Wholesale Service Area, and may be adjusted from time to time by the WTCPUA's Board of Directors.

(b) The City shall pay to the WTCPUA a Monthly Charge for each full calendar month in accordance with Section 4.04(b). The Monthly Charge has been designed primarily to recover allocated pro-rata debt service for installment payments to the LCRA, including interest, and for the City's pro-rata share of debt related to capital costs, including interest, for facilities necessary to maintain and expand WTCPUA System capacity to serve the Wholesale Service Area, including costs for rehabilitation and regulatory improvements which may be necessary to provide continuous and adequate service. Upon the effective date of this Agreement, the initial Monthly Charge for the City for the Wholesale Service Area will be \$9,672.81 per year, or \$ 806.07 per month. The Monthly Charge shall be assessed by the WTCPUA on a monthly basis. The absorption (i.e., build-out) schedule used as part of the Monthly Charge calculation for the Wholesale Service Area is thirty (30) years, and based on the schedule incorporated as **Exhibit D**. The City shall pay the Monthly Charge regardless of whether build-out within the Wholesale Service Area meets the absorption schedule used to develop the Monthly Charge.

(c) The City shall pay to the WTCPUA a monthly Volume Charge for the diversion, transportation, treatment, and delivery of the actual amount of water delivered to the City for the Wholesale Service Area, as measured by the Master Meter at each Delivery Point. The Volume Charge shall recover the City's pro-rata portion of the WTCPUA's expenses associated with operating and maintaining the WTCPUA System, including system raw water loss. The Effective Date of this Agreement, the initial monthly Volume Charge will be \$1.57 per thousand gallons used. The Volume Charge does not include any charges for raw water, and the City shall remain liable for such costs under the Raw Water Contract with LCRA.

(d) Within ten business days of a written request from the WTCPUA, the City shall provide the WTCPUA with copies of the City's monthly operating reports indicating the City's peak day consumption for the Wholesale Service Area. At any time, the WTCPUA may also install, at its sole discretion, a max-day meter and/or a flow regulator on the City System, including for the Wholesale Service Area, to assess or control actual maximum daily demands by the City.

(e) If the WTCPUA determines that the City is exceeding the Max Day Reservation for the City for the Wholesale Service Area, the City will be subject to a surcharge as determined by the WTCPUA Service Rules and Policies.

Section 4.03 Amendment of Wholesale Rates, Fees and Charges, Notice to and Review by City.

(a) WTCPUA may amend the Monthly Charge, the Volume Charge, and Water Impact Fees from time to time as approved by the WTCPUA Board of Directors.

(b) City will have the right to inspect and copy, at its expense, WTCPUA's books and records to verify any statement, billing, charge, computation, or demand made to City by WTCPUA. WTCPUA agrees to make all such information available to City for inspection and copying with reasonable promptness during normal business hours.

Section 4.04 Volume and Minimum Monthly Charges.

(a) WTCPUA will measure water flows monthly based on monthly readings of the Master Meters. The total of these amounts multiplied by the Volume Charges will be used by WTCPUA to compute the monthly bill for the Volume Charges.

(b) Upon the effective date of this Agreement, the City will commence payment to the WTCPUA of the Minimum Monthly Charge based on the absorption schedule provided as **Exhibit D**.

(c) For each monthly billing period, WTCPUA will forward to City a bill providing a statement of the total Minimum Monthly Charge and Volume Charges owed by City for Wholesale Water Services provided to City during the previous monthly billing period. City will pay WTCPUA for each bill submitted by WTCPUA to City by check or bank-wire on or before thirty (30) days from the date of the invoice. Payments shall be mailed to the address indicated on the invoice or can be hand-delivered to WTCPUA's administrative office in Travis County, Texas, upon prior arrangement. If payments will be made by bank-wire, City shall verify wiring instructions. Payment must be received at WTCPUA's administrative office or bank by the due date in order not to be considered past due or late. In the event City or an assignee responsible for payment in accordance with this Agreement fails to make payment of a bill within said thirty (30) day period, City shall pay late payment charges in accordance with WTCPUA Rules and Policies on the unpaid balance of the invoice.

(d) With respect to the Volume Charge and Minimum Monthly Charge, if WTCPUA has not received payment from City by the due date, the bill will be considered delinquent, unless contested in good faith. In such event, WTCPUA will notify City, or its assignee responsible for payment in accordance with this Agreement, of such delinquency in writing, if City or its assignee fails to make payment of the delinquent billing within 30 calendar days from the date of transmittal of such written notice of delinquency from WTCPUA, then WTCPUA may, at its discretion, terminate or reduce the level of Wholesale Water Services to City until payment is made.

Section 4.05 Water Impact Fees.

(a) City shall be obligated to pay WTCPUA, or cause to be paid, a Water Impact Fee for each new retail water customer that connects to the City System within the Wholesale Service Area and receives water provided under this Agreement. For the term of this Agreement, the Water Impact Fee will be the amount established from time to time in the WTCPUA Service Rules and Policies and as authorized by Chapter 395 of the Local Government Code. The Water Impact Fee paid for each new retail water connection to the City System within the Wholesale Service Area shall be due and payable to WTCPUA within 45 days after the end of the calendar month in which the new retail water connection is made.

(b) Within 45 days after the end of each calendar month, City shall submit a monthly report to WTCPUA, reflecting the new customer(s), service address(es), meter size(s) and number of LUE(s) for which payment of a Water Impact Fee is being made. The WTCPUA reserves the right to audit all City's submitted data and modify the City's claimed LUE calculations in

accordance with the WTCPUA Services Rules and Policies. If no new connections have been made, the monthly report will still be required, but will reflect that there have been no changes from the prior reporting period. If City fails to submit any report within the time period required by this Agreement, WTCPUA may assess City a \$50 late charge per customer account not reported. Unless changed by written notice in accordance with Section 9.09, the Water Impact Fees and monthly reports required by subsection 5.05 and this subsection will be submitted to the following address:

Jennifer Riechers, General Manager
West Travis County Public Utility Agency
13215 Bee Cave Parkway
Building B, Suite 110
Bee Cave, Texas 78738
jriechers@wtcpua.org

(c) The Water Impact Fee has been designed to fund or recover all or a part of the costs of the WTCPUA Water System for capital improvements or facility expansions intended to serve “new development” (as that term is defined in the Texas Impact Fee Law, Chapter 395 of the Texas Local Government Code) in the WTCPUA Service Area and, upon payment, City will have a guaranteed reservation of capacity in the WTCPUA Water System, to serve the Wholesale Service Area, for the number of LUEs for which a Water Impact Fee has been paid. The Water Impact Fee will be reasonable and just and established as required by law and in accordance with the provisions of this Agreement.

(d) City shall be responsible for payment to LCRA for the availability and supply of raw water under the Raw Water Contract.

Section 4.06 Protests, Disputes or Appeals. Nothing in this Agreement is intended to limit, impair or prevent any right of City to protest, dispute or appeal with respect to rate making, the establishment of fees and charges or any other related legal or administrative proceedings affecting services or charges to the City under this Agreement.

Section 4.07 City Water Rates and Charges. City will determine and charge its retail water customers such rates as are determined by its governing body. During the term of this Agreement, City will fix and collect rates and charges for retail water service that are, in the opinion of its governing body, sufficient, together with any other revenues available to City, to produce the amount necessary to operate, repair, and maintain the City System, and to pay the cost of Wholesale Water Services from WTCPUA. City will establish retail rates consistent with AWWA ratemaking principles. City will be solely responsible for ensuring that its retail rates and charges are determined and collected in accordance with applicable law.

Section 4.08 City Water Impact Fees. The Parties acknowledge that City has the right to the extent allowed under applicable law to assess, charge, and collect such impact fees, capital recovery fees, connection fees, meter fees, or other service fees, rates, taxes, or other charges as its governing body will deem appropriate in addition to the Water Impact Fee. This Agreement will not be construed to require, limit, or restrict the governmental power of City to implement the

same. City will be solely responsible for the proper exercise of its governmental power to assess and collect such fees and charges and for ensuring that all fees, taxes, rates, and charges City elects to charge are in compliance with applicable law.

Section 4.09 Verification of City Connections. For verification of the Water Impact Fees paid to WTCPUA and for any other purpose, City will make available for inspection and copying during regular business hours, at WTCPUA's expense, all records for retail connections to the City System. In addition, WTCPUA will have the right to inspect the City System at any time, at WTCPUA's sole expense, after giving City written notice of its intention to inspect and allowing the opportunity for City to be present, to verify the type and amount of retail connections made or the condition of the City System and City will provide lawful access to WTCPUA for this purpose.

Section 4.10 Additional Required Notices. In addition to the monthly reports required by Section 4.05(b) above, City shall:

(a) Provide to WTCPUA a copy of each final subdivision plat of property within the Wholesale Service Area.

(b) Provide to WTCPUA by June 1 of every year during the term of this Agreement a report setting forth: (i) the total number of retail water service connections within the Wholesale Service Area as of April 1 of the same year; and, (ii) the total number of new retail water service connections to the City System during the prior annual period ending April 1 of the same year, which connections shall be set forth in LUEs as determined by WTCPUA Service Rules and Policies.

(c) Reports provided pursuant to this Section shall be provided substantially in the form attached as **Exhibit E**.

ARTICLE V **REGULATORY COMPLIANCE**

Section 5.01 Agreement Subject to Applicable Law. The Agreement will be subject to all valid rules, regulations, and applicable laws of the United States of America, the State of Texas and/or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

Section 5.02 Cooperation to Assure Regulatory Compliance. Since the Parties must comply with all federal, state, and local requirements to obtain permits, grants, and assistance for system construction, studies, etc., each party will cooperate in good faith with the other Party at all times to assure compliance with any such governmental requirements where noncompliance or non-cooperation may subject the parties to penalties, loss of grants or other funds, or other adverse regulatory action in the performance of this Agreement.

ARTICLE VI
TERM, TERMINATION, DEFAULT, REMEDIES

Section 6.01 **Term and Termination.** This Agreement shall become effective upon the Effective Date and shall extend for a term of forty (40) years unless terminated earlier as provided herein. Provided the City provides at least twelve (12) months written notice to the WTCPUA, it may renew this Agreement for one additional term of forty (40) years. WTCPUA may terminate this Agreement upon written notice to City for any of the 396 LUEs for which a Water Impact Fee has not been paid in accordance with this Agreement by the fifteenth anniversary of the Effective Date. WTCPUA agrees that the City may prepay or cause to be prepaid Water Impact Fees no earlier than ten (10) years from the Effective Date but prior to such expiration in order to preserve the WTCPUA's service obligation with respect to such prepaid LUEs. To the extent any prepaid Water Impact Fees relate to real property that has not received final subdivision plat approval as of the date of payment, and the WTCPUA subsequently increases the amount of the Water Impact Fee between the date of prepayment and the date of final subdivision plat approval, then the incremental amount of the Water Impact Fee not prepaid shall be paid to WTCPUA within 45 days after the end of the calendar month in which the new retail water connection is made for the connection in accordance with the terms of Section 4.05 of this Agreement. The Parties may extend the termination deadlines in this Section upon written amendment of this Agreement.

Section 6.02 **Default.**

(a) In the event City shall default in the payment of any amounts due to WTCPUA under this Agreement, or in the performance of any material obligation to be performed by City under this Agreement, then WTCPUA shall give City at least 30 days' written notice of such default and the opportunity to cure same. Thereafter, WTCPUA shall have the right to temporarily limit Wholesale Water Services to City under this Agreement pending cure of such default by City and also to pursue any remedy available at law or in equity, pending cure of such default by City. Anything herein to the contrary notwithstanding, any Water Impact Fees paid to WTCPUA under this Agreement after the effective date of WTCPUA's written notice which are accepted by WTCPUA, or which are awarded as a remedy to WTCPUA shall increase the number of LUEs for which WTCPUA will provide Wholesale Water Services in accordance with this Agreement.

(b) In the event WTCPUA shall default in the performance of any material obligation to be performed by WTCPUA under this Agreement, then City shall give WTCPUA at least 30 days' written notice of such default and the opportunity to cure same. Thereafter, in the event such default remains uncured, the City shall have the right to pursue any remedy available at law or in equity, pending cure of such default by WTCPUA. In the event such default remains uncured for an additional 180 days, then City shall, in addition to and not in lieu of any other remedies available to City, have the right to notify WTCPUA that City intends to take a more limited amount of Wholesale Water Services from WTCPUA (which shall be at least the amount WTCPUA is then able to provide to City) and City may then obtain other water or Wholesale Water Services from another provider or may take appropriate action to supply itself with additional water or Wholesale Water Services upon giving WTCPUA written notice of its intent to do so.

ARTICLE VII
GENERAL PROVISIONS

Section 7.01 Assignability. Assignment of this Agreement by either party is prohibited without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 7.02 Amendment. This Agreement may be amended or modified only by written agreement duly authorized by the respective governing bodies of City and WTCPUA and executed by duly authorized representatives of each.

Section 7.03 Necessary Documents and Actions. Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Agreement.

Section 7.04 Entire Agreement. This Agreement constitutes the entire agreement of the Parties, and this Agreement supersedes any prior or contemporaneous oral or written understandings or representations of the Parties regarding Wholesale Water Services by WTCPUA to City for the Wholesale Service Area. In the event of a conflict between this Agreement and the Service Availability Letter, attached as **Exhibit A**, this Agreement controls. The City has the right to provide water service to the Wholesale Service Area and, accordingly, the Wholesale Service Area is not required to be added to the City's Certificate of Convenience and Necessity as a condition of service.

Section 7.05 Applicable Law. This Agreement will be construed under and in accordance with the laws of the State of Texas.

Section 7.06 Venue. All obligations of the Parties created in this Agreement are performable in Travis County, Texas, and venue for any action arising under this Agreement will be in Travis County, Texas.

Section 7.07 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity, other than to the Parties, any rights, benefits, or remedies under or by reason of this Agreement.

Section 7.08 Duplicate Originals. This Agreement may be executed in duplicate originals each of equal dignity.

Section 7.09 Notices. Any notice required under this Agreement may be given to the respective Parties by deposit in regular first-class mail or by hand-delivery and by email to the address of the other party shown below:

City: Deputy City Administrator
City of Dripping Springs
P.O. Box 384
Dripping Springs, Texas 78620

WTCPUA: Jennifer Riechers, General Manager
West Travis County Public Utility Agency
13215 Bee Cave Parkway
Building B, Suite 110
Bee Cave, Texas 78738
jriechers@wtcpua.org

With copy to: Lauren Kalisek
Lloyd Gosselink Rochelle & Townsend, PC
816 Congress Avenue, Suite 1900
Austin, Texas 78701
Email: lkalisek@lglawfirm.com

Notices shall be deemed received on the date of hand delivery or within three days of deposit in first-class mail.

Section 7.10 Consents and Approvals. Wherever this Agreement requires any Party, or its agents or employees to provide a consent, approval or similar action, the parties agree that such consent, approval, or similar action will not be unreasonably withheld or delayed.

Section 7.11 Severability. Should any court declare or determine that any provisions of this Agreement is invalid or unenforceable under present or future laws, that provision shall be fully severable; this Agreement shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in place of each such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable. Texas law shall govern the validity and interpretation of this Agreement.

Section 7.12 Records. WTCPUA and City each agree to preserve, for a period of at least two years from their respective dates of origin, all books, records, test data, charts and other records pertaining to this Agreement. WTCPUA and City shall each, respectively, have the right during reasonable business hours to inspect such records to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to any provisions of this Agreement.

Section 7.13 State Approval; Compliance with TCEQ Rules; MOU Compliance.

(a) Each party represents and warrants that the plans and specifications for its respective system have been or will be approved by the TCEQ or its successors. Anything herein to the contrary notwithstanding, it is the intention of the parties that this Agreement fully comply with the requirements of the TCEQ applicable to public drinking water systems which receive water through a sole-source water supply contract, including the requirements of 30 Texas Administrative Code, Section 290.45(f). The parties each agree to provide any information which may be requested by the other in order to respond to any inquiries or reports required by the TCEQ.

If, at any time, it is determined that this Agreement does not comply with all applicable TCEQ requirements, the parties agree to cooperate to modify this Agreement in order to effect such compliance.

(b) City agrees that it will provide retail water service to the Wholesale Service Area in a manner that complies with the USFWS MOU. The City agrees to provide written documentation to WTCPUA detailing the manner and method in which it will comply with the USFWS MOU.

Section 7.14 Force Majeure. If any party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement, other than an obligation to pay or provide money, then such obligations of that party to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the affected party, and that the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of the affected party.

Section 7.15 Good Faith. Each party agrees that, notwithstanding any provision herein to the contrary (i) it will not unreasonably withhold or condition or unduly delay any consent, approval, decision, determination, or other action which is required or permitted under the terms of this Agreement, and (ii) it will act in good faith and shall at all times deal fairly with the other party.

Section 7.16 Authority of Parties Executing Agreement, Validity. By their execution, each of the individuals executing this Agreement on behalf of a party represents and warrants to the other party that he or she has the authority to execute the document in the capacity shown on this document. Each of the parties further represent and warrant that this Agreement constitutes a valid and binding contract, enforceable against it in accordance with its terms.

Section 7.17 Other Agreements. Nothing in this Agreement shall be construed as amending, modifying, or limiting the rights and obligations of the Parties under any other agreements between the Parties.

Section 7.18 Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes:

- Exhibit A Service Availability Letter
- Exhibit B City of Dripping Springs Northeast Quadrant Master Water Plan Exhibit
- Exhibit C WTCPUA Water Conservation and Drought Contingency Plan
- Exhibit D Wholesale Service Area Absorption Schedule
- Exhibit E Annual Reporting Form on Service Connections

Section 7.19 Effective Date. This Agreement will be effective from and after the last date of due execution by all Parties.

WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

By: _____
Scott Roberts, President
Board of Directors

Date: _____

ATTEST: _____
Walt Smith, Secretary

CITY OF DRIPPING SPRINGS

By: _____
Bill Foulds, Jr. Mayor

Date: _____

ATTEST: _____
Andrea Cunningham, City Secretary

City of Dripping Springs – Canon Ranch Wholesale Service Area
New Customer Connections
For Period

_____ (fill in period covered by report)

Connection Date	New Customer Name	Service Address	Meter Size	LUEs	Connection Fee Due	Connection Fee Credit Applied	Net Connection Fee Due
TOTAL							

Submit form and applicable payment due monthly to:

IF NO CONNECTIONS WERE MADE AND/OR IF NO CONNECTION FEE PAYMENT IS DUE TO WTCPUA FOR THE REPORTING PERIOD, THIS FORM MUST STILL BE FILLED OUT (WITH PERIOD IDENTIFIED AT TOP) AND SUBMITTED TO WTCPUA.

Exhibit A



WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

13215 Bee Cave Parkway
Building B, Suite 110
Bee Cave, Texas 78738
Office: 512/263-0100
Fax: 512/263-2289
wtcpua.org

January 21, 2021

Ms. Ginger Faught
City of Dripping Springs
511 Mercer St.
Dripping Springs, TX 78620

Re: Service Availability
Cannon Ranch
100 Cannon Ranch Rd.
Dripping Springs, TX
WTCPUA Project # 290-20-027

Dear Ms. Faught:

The West Travis County Public Utility Agency (WTCPUA) as the wholesale water utility provider for the referenced application, has completed its review of requested water service dated July 23, 2020 by the City of Dripping Springs. This property is subject to the *Wholesale Water Services Agreement between Lower Colorado River Authority and City of Dripping Springs* ("Service Agreement") dated March 11, 2003 as assigned. In accordance with West Travis County Public Utility Agency Water and Sewer Service and Development Policies, the WTCPUA will provide a total level of service allocation of 396 LUEs of water allocation is approved subject to the Owner and Developer complying with the Service Extension Request (SER) Conditions below:

SER CONDITIONS

1. The Owner and Developer are subject to the terms and conditions of *West Travis County Public Utility Agency Regional Water and Wastewater Systems Schedule for Rates, Fees, Charges and Terms and Conditions of Water and Wastewater Service*, known as the WTCPUA Rate Tariff, as amended from time to time by the Board of Directors of the West Travis County Public Utility Agency;
2. Wholesale water service is subject to the Owner/Developer filing an application to the appropriate and competent jurisdiction and obtain approval to add to its current *Certificate of Convenience and Necessity* all the Property as described herein for the Exclusive Right to provide potable water service to the Property;
3. Wholesale water service is subject to the Owner entering into an *Amended and Restated Wholesale Water Service Agreement* with the WTCPUA enumerating, specifying, documenting and clarifying certain

elements of the Agreement including, but not limited to, wholesale rates, Point of Delivery, extensions of service, etc.— alternately, the WTCPUA would provide retail service should the City elect not to;

4. The Owner and/or Applicant completes the review process of technical plans associated with necessary modifications to the existing WTCPUA infrastructure due to the Project and new facilities necessary to facilitate the delivery of wholesale water service to the Owner;
5. The Owner and/or Applicant or the WTCPUA constructs, at Applicant's sole cost and expense, all water service extensions of facilities necessary to facilitate wholesale service to the Property, including but not limited to:
 - a. A minimum 16" water line for interim from the 1420 pressure plane infrastructure at US290, in the vicinity of or directly from the WTCPUA 1420 Elevated Storage Tank;
6. The WTCPUA inspects and accepts such facilities and Owner and/or Applicant conveys such facilities to the WTCPUA;
7. Owner and/or Applicant shall coordinate with the WTCPUA on investigation of a potential elevated storage tank (EST) site, the location of which shall be mutually agreed to, for potential construction of a WTCPUA 1340 EST that may be a part of the WTCPUA CIP.
8. The Applicant, at its sole cost and expense, grants to the WTCPUA all exclusive-use easements necessary for the WTCPUA to own and operate the facilities in a form and manner acceptable to the WTCPUA;
9. Prior to release of plans for construction, the Developer shall pay all required engineering review fees, legal fees, and inspection fees relating to all tasks required by the WTCPUA to provide service to the Proposed Development.
10. The PUA inspects and accepts the facilities per the approved construction plans and specifications.
11. The Developer, at its sole cost and expense, grants to the PUA all on-site and off-site easements necessary for the PUA to own and operate the facilities.
12. The Applicant shall adopt one of the alternative water quality measures required of the new development as specified in that certain "Memorandum of Understanding" between the LCRA and the United States Fish and Wildlife Service (USFWS), dated May 24, 2000 (MOU) and the "Settlement Agreement and Stipulation of Dismissal" from the lawsuit, Hays County Water Planning Partnership, et. al. vs. Lt. General Robert B. Flowers, U.S. Army Corps of Engineers, Thomas E. White, Secretary of the Army, Gale Norton, Secretary of the Department of the Interior, and the Lower Colorado River Authority, W.D. Tex. 2002 (No. AOOCA 826SS) (Settlement Agreement) including:
 - Measures approved by the USFWS through separate Section 7 consultation, or other independent consultation;
 - TCEQ optional enhanced measures, Appendix A and Appendix B to RG-348; or
 - U.S. Fish and wildlife Service Recommendations for Protection of Water Quality of the Edwards Aquifer dated September 1, 2000;
13. The Owner and/or Applicant pays all applicable fees and charges associated with the extension of service; and,

Ms. Ginger Faught

Page 3

January 21, 2021

14. The Owner and/or Applicant follows and complies with all applicable WTCPUA rules and regulations pertaining to water service, as amended from time to time by the WTCPUA Board of Directors.

Please be advised that conditions may change over time and the WTCPUA will not reserve or commit water capacity to the Property until all conditions listed above are met. Also, please be advised that the WTCPUA will not provide direct fire flow service to the Property, and, as such, the Applicant may be required to install and maintain fire service facilities needed to meet local fire code regulations and requirements.

If you have any questions concerning this matter, please do not hesitate to contact me.

Sincerely,



Jennifer Riechers
General Manager

Cc: Reuben Ramirez
Tricia Altamirano
Jennifer Smith
Keli Kirkley
Jennifer Riechers
Stephanie Albright, Lloyd Gosselink Rochelle & Townsend, P.C.
George Murfee, Murfee Engineering Company, Inc.

Exhibit B

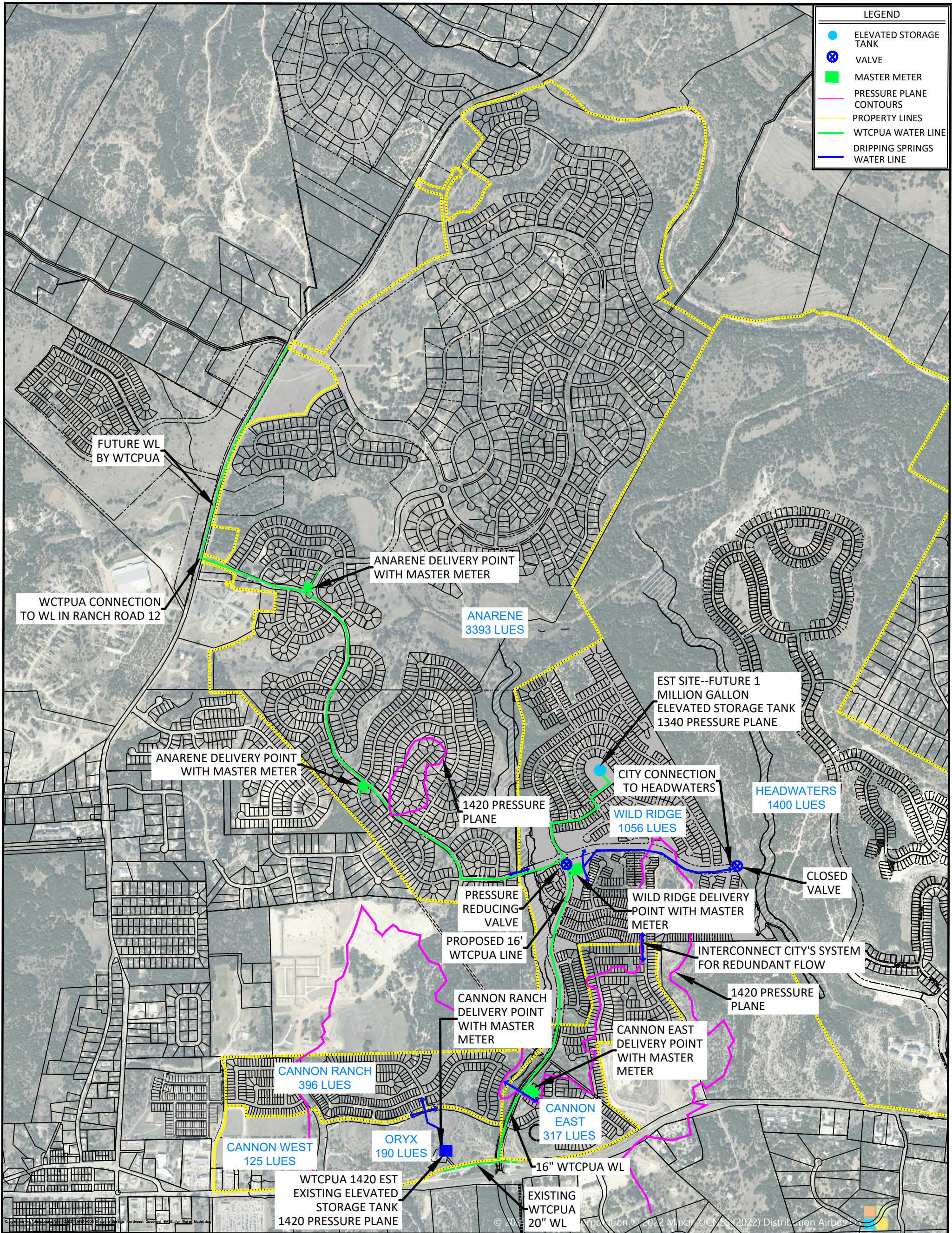


Exhibit C

WATER CONSERVATION & DROUGHT CONTINGENCY PLAN

for the

WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

July 2013
Amended October 2014
Amended April 2019
Amended August 2019
Amended September 2022

Prepared by:
West Travis County Public Utility Agency
and
Malone/Wheeler, Inc.
Texas Registered Engineering Company No. F-786
5113 Southwest Parkway, Suite 260
Austin, Texas 78735

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1.0 INTRODUCTION

The West Travis County Public Utility Agency (WTCPUA) has developed this Water Conservation and Drought Contingency Plan (Plan) for its treated water utility systems to manage public water resources efficiently and to plan appropriate responses to emergency and drought conditions. This Plan fulfills requirements of the Texas Administrative Code (TAC), Title 30, §§288.2, 288.20 and 288.22, regarding water conservation and drought contingency planning for municipal water suppliers. Appendix A provides details on how the Water Conservation and Drought Contingency Plan adheres to the TAC requirements for water conservation and drought contingency plans. The Plan recognizes that conservation is a valuable tool in managing water and wastewater utility systems. Water conservation can extend available water supplies; reduce the risk of shortage during periods of extreme drought; reduce water and wastewater utility operating costs; improve the reliability and quality of water utility service; reduce customer costs for water service; reduce wastewater flows; improve the performance of wastewater treatment systems; enhance water quality and protect the environment.

1.1 Authorization and Implementation

The WTCPUA Board of Directors is authorized and directed to implement the applicable provisions of this Plan. The WTCPUA Board of Directors has the authority to initiate and terminate drought or other water supply emergency response measures as described in this Plan.

Further, the WTCPUA Board of Directors designates the General Manager to act as administrator of this Plan. The administrator will oversee the implementation of the program and will be responsible for ensuring that staff keeps adequate records for program verification. LCRA water conservation staff will assist with implementation of programs and projects described in this Plan.

1.2 Public Involvement

This Plan is based on the *2014 Raw Water Conservation Plan*, the *2019 Drought Contingency Plan for Firm Water Customers*, the *2013 Drought Contingency Plan Rules for Water Sale Contracts*, and the *2015 Water Conservation Plan Rules for Water Sale Contracts*. All customers in the service area of the utilities were provided an opportunity for input through the LCRA and WTCPUA adoption processes. Any future revisions to this Water Conservation and Drought Contingency Plan will be made through a process that includes the opportunity for public participation.

1.3 Application

This Plan applies to treated (potable) water utility systems, both wholesale and retail, owned and operated by WTCPUA.

1.4 Coordination with Regional Water Planning Groups

The service area of the WTCPUA is located within the Lower Colorado Regional Water Planning Area and WTCPUA will provide a copy of this Plan to LCRA, the Lower Colorado Regional Water Planning Group (Region K) and applicable governmental entities.

2.0 DEFINITIONS

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

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

Agriculture water use: water use for fruit and vegetable gardens.

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

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

Domestic water use: use of water by an individual or a household to support its domestic activity. Such use may include consumption, washing, or cooking; irrigation of lawns, family garden or orchard; consumption by animals; and recreation including fishing, swimming, and boating. If the water is diverted, it must be diverted solely through the efforts of the user. Domestic use does not include water used to support activities for which consideration is given or received or for which the product of the activity is sold.

Industrial water use: water used in commercial processes, including commercial fish and shellfish production and the development of power by means other than hydroelectric. This does not include agricultural use.

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.

Livestock water use: water used for the open-range watering of livestock, exotic livestock, game animals or fur-bearing animals. For purposes of this definition, the terms "livestock" and "exotic livestock" are to be used as defined in § 142.001 of the Agriculture Code, and the terms "game animals" and "furbearing animals" are to be used as defined in §63.001 and §71.001, respectively, of the Parks and Wildlife Code.

“New landscape” means:

- a. Installed during construction of a new house, multi-family building, or commercial building;
- b. Installed as part of a governmental entity’s capital improvement project; or
- c. Alters more than one-half of the area of an existing landscape.

Non-essential water use: water uses that are not essential or are not required for the protection of public health, safety and welfare, such as:

- a. Irrigating landscape areas, including parks, athletic fields, and golf courses, except for as otherwise provided under this Plan;
- b. Washing any motor vehicle, motorbike, boat trailer, airplane, or other vehicle;
- c. Washing any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- d. Washing 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. Filling, refilling, or adding to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- g. Filling a fountain or pond for aesthetic or scenic purposes except when necessary to support aquatic life;
- h. Failure to repair a controllable leak within a reasonable period after having been directed to do so by formal notice; and

Use of water for agriculture or livestock is not included in the definition of “non-essential water use.”

Retail Water Customer: an individual or entity that purchases water from an LCRA water utility for its consumption.

Wholesale Treated Water Customer: an individual or entity that purchases raw water from LCRA to sell to the public for consumption.

3.0 WATER CONSERVATION PLAN

3.1 Service Area Characteristics and Goals

The WTCPUA Water System provides water to about 9,000 commercial and residential customer accounts which represents an equivalent population of approximately 31,500. In addition, the WTCPUA Water System also provides water service for fourteen wholesale water customers with an estimated equivalent population approximately 33,400 for a total population served of approximately 65,000.

The WTCPUA Water System serves mostly single-family residential homes, although the number of multi-family, mixed-use, and commercial customers has grown significantly in the past five years. The service area generally consists of residential and commercial development west of the City of Austin— in and around the City of Bee Cave, along Hamilton Pool Road, and along State Highway 290 from Austin to the City of Dripping Springs.

Appendix B includes tables that provide the baseline total water use, per capita water use and water loss for the WTCPUA Water System from 2016 through 2018. The three-year average for total gallons per capita per day water use (GPCD) was 124 which includes both wholesale and retail treated water customers. Of the 124 GPCD, 12.3 GPCD was attributable to unbilled water in 2018 (*e.g.*, losses, waterline & hydrant flushing, *etc.*), or 9.9 percent of total water use.

The water demands in this region more than triple during the summer months due to water for outdoor irrigation purposes. With this in mind, the WTCPUA has focused its conservation and demand management measures on outdoor water use and will continue to expand this effort to meet the growing need for water in this system.

3.2 Water Conservation Goals

In accordance with Title 30 TAC, Chapter 288 rules, water conservation plans must have specific, quantified goals for municipal use in gallons per capita per day (GPCD). Water conservation goals for WTCPUA were established in 2014 using baseline data available at that time. The goals were updated in 2019 per baseline data, which is shown in Appendix B. Appendix C includes a TWDB Goal Form (No. 1964). This form does not include Residential GPCD since this would require an extensive data processing effort in the customer database based on current tracking setup.

Conservation goals for the WTCPUA have been set for three metrics:

1. Total unit water use reduction (GPCD)
2. Peak day demand reduction (peak day/average day)
3. System-wide water loss reduction.

The five-year total unit water use reduction goal is five percent (5%), or a unit usage of 122 GPCD. The 10-year goal for total unit water use reduction is an additional five percent (5%), or a total unit usage of 116 GPCD.

The five-year, peak day demand reduction goal is ten percent (10%) or a peak day/average day ratio of 1.84. The ten-year goal for peak day demand reduction is an additional five percent, or a peak day annual average ratio of 1.75.

The water loss reduction goal is five percent (5%), or a total water loss 9.4% compared to a total water loss of 9.9% in 2018 as a percentage of total water produced at the water treatment plant (WTP).

3.3 Water Conservation Strategies

The water conservation strategies to meet these goals include measures to decrease outdoor water use, which will decrease overall water use and peak day demands, and strategies to reduce system-wide water loss. Additional strategies include expanded public education and outreach efforts.

3.3.1 Watering Schedule

In October 2014, the WTCPUA Board approved a plan to adopt a year-round, mandatory twice-weekly watering schedule for the West Travis County Regional Water System, to conserve water, and lower daily peak demand at the water treatment plant.

This schedule assumes an application rate of one inch of water per week in two half-inch applications. According to research, one inch of water per week is sufficient to sustain most residential lawns and landscapes. However, multiple applications on yards of shallow soil depth allow for less runoff and improved soil retention.

3.3.2 Increasing Block Water Rates

The West Travis County Regional Water System has a multi-tiered, increasing block water rate that reflects the cost drivers for the water systems and sends a water conservation price signal to customers.

Copies of the complete rates schedules for these systems are available on the WTCPUA web site.

3.3.3 LCRA WaterSmart Rebates Program

The WTCPUA promotes LCRA's WaterSmart Rebates program, which can help offset the cost of upgrading irrigation systems and maintaining landscapes and pools to help customers save water and money. LCRA provides rebates of 50 percent of the total cost, or up to \$600 per residential property, for irrigation evaluations, retrofitting or replacing irrigation system equipment, new pool filters and covers, aeration, compost and mulch.

3.3.4 Landscape Irrigation Standards

In June 2008, the Texas Commission on Environmental Quality (TCEQ) adopted new water efficiency rules for the design, installation, and maintenance of landscape irrigation systems, effective January 1, 2009. Compliance with the rules is required of municipalities with populations of 20,000 or more and allows water districts to adopt and enforce them.

WTCPUA will evaluate adopting and enforcing supplemental standards for the design, installation, and maintenance of landscape irrigation systems in its retail utility service area.

3.3.5 Conservation Landscape Best Management Practices

WTCPUA reviews all applications for irrigation meters to ensure meters are sized correctly, landscape irrigation complies with WTCPUA's two-day-a-week watering restrictions, and best management practices (BMP) are followed.

3.3.6 Water Loss

WTCPUA has experienced rapid growth. In such systems, water loss typically occurs from construction flushing and theft. In addition, additional flushing is needed to maintain water quality in dead-end lines. WTCPUA evaluates the water losses for our systems and determines the best corrective actions to minimize those losses, which can include monthly audits and can include monthly audits or periodic inspections along distribution lines.

3.4 Adoption of Plan

Formal adoption of the Water Conservation Plan will be by a resolution from the West Travis County Public Utility Agency Board of Directors.

4.0 ADDITIONAL WATER CONSERVATION STRATEGIES

4.1 Water Monitoring and Records Management

WTCPUA maintains records of water distribution and sales through a central customer consumption tracking and billing system. The billing system provides a way to compile, present, and view water-use and billing information.

4.2 Water Metering

WTCPUA Water Contract Rules impose requirements on wholesale customers, which require all water meters to be accurate within plus or minus 5 percent of the indicated flow over the possible flow range. The meters are read on a monthly basis, and must be calibrated annually.

WTCPUA follows metering, leak detection, and repair requirements as stated in the LCRA *Water Conservation Plan Rules*. Water is metered in and out of the WTCPUA water treatment plant.

The water use of all retail customers is also metered. A regularly scheduled maintenance program of meter repair and replacement is performed in accordance with the manufacturer's recommendations. In 2019 the WTCPUA completed replacement of all aging retail customer meters with smart meters—approximately 3,000 meters in total. Zero consumption accounts are checked to see if water is actually being used or not recorded.

4.3 Wholesale Water Conservation Plans

Each wholesale treated water customers must develop adrought contingency and a water conservation plan in accordance with LCRA *Water Contract Rules*. The plans must include a governing board resolution, ordinance, or other official document noting that the plan has been formally adopted by the utility. Wholesale treated water customers must include in their wholesale water supply contracts the requirement that each successive wholesale customer develop and implement a water conservation and drought contingency plan.

WTCPUA provides technical assistance with the development and review of wholesale treated water customers' water conservation plans and programs. LCRA assists with the development of rules and regulations that encourage water conservation, such as adding water conservation components into landscape ordinances. Conservation education materials are available to wholesale customers for either no charge, or at a reduced rate.

WTCPUA also requires drought contingency plans, which meet or exceed LCRA rules for drought contingency plans, for each of its wholesale treated water customers.

4.4 Education and Outreach

4.4.1 Water Conservation Public Awareness Program

WTCPUA posts its Water Conservation and Drought Contingency Plan, Water Conservation Tips and the LCRA WaterSmart Rebates program on its web site to promote and ensure customer awareness of water conservation. WTCPUA also promotes water conservation through direct customer communications through Constant Contact, billing insert notifications, and website alerts for changes in Drought Contingency Plan Stages.

4.4.3 WaterSmart Landscaping for Central Texas

WTCPUA promotes the LCRA WaterSmart landscape guidelines to help homeowners and homebuilders create well-designed, water-efficient landscapes.

4.4.4 Highland Lakes Firm Water Customer Cooperative (HLFWCC).

WTCPUA is a member of HLFWCC which is comprised of municipal utilities that have firm water wholesale contracts with LCRA. HLFWCC meets quarterly to discuss water utility management, conservation best management practices, and LCRA water plans. Feedback is provided through periodic meetings with LCRA.

4.4.5 Support and Participation in Other Organizations

WTCPUA supports and participates in organizations that promote water conservation, including the , Texas Water Conservation Association, and the Hill Country Alliance.

5.0 DROUGHT CONTINGENCY PLAN

5.1 Permanent Water Use Restrictions

The following restrictions apply to all WTCPUA water utility systems on a year-round basis, regardless of water supply or water treatment plant production conditions.

According to the restrictions, a water user must not:

- (1) Fail to repair a controllable leak, including:
 - a. a broken sprinkler head,
 - b. a leaking valve,
 - c. leaking or broken pipes, or
 - d. a leaking faucet.
- (2) Operate an irrigation system with:
 - a. a broken head,
 - b. a head that is out of adjustment and the arc of the spray head is over a street or parking area, or
 - c. a head that is fogging or misting because of excessive water pressure.
- (3) During irrigation, allow water:
 - a. to run off a property and form a stream of water in a street for a distance of 50 feet or greater, or
 - b. to pool in a street or parking lot to a depth greater than one-quarter of an inch.
- (4) Irrigate outdoors using an in-ground irrigation system or hose-end sprinkler more than twice per week or outside of scheduled days and times as indicated below:

Residential

Addresses ending in 0,1,2,3: Monday and Thursday.

Addresses ending in 4,5,6: Tuesday and Friday

Addresses ending in 7,8,9: Wednesday and Saturday

Commercial (including large landscapes such as HOA common areas)

Tuesday- and Friday

Watering Hours:

Midnight to 10 a.m. and 7 p.m. to midnight

5.2 Drought Response Stages – Retail Customers

The WTCPUA General Manager shall monitor water supply and demand conditions and shall determine when conditions warrant initiation and termination of each stage of the Drought Contingency Plan. Water supply conditions will be determined by the availability of the source of supply for individual service areas, system capacity, and weather conditions. Demand will be measured by the peak daily demands on each system. Notification of the initiation or termination of drought response stages shall be

by a variety of methods, possibly including local media, direct mail to each customer, the WTCPUA web site, and signs posted at other public places.

Any or all of the measures described in this Plan may be implemented on an area basis that is appropriate to the triggering criteria.

All demand management measures under the four stages of this DCP are mandatory and subject to enforcement.

5.2.1 Stage 1 – Mild Water Shortage

Requirements for initiation — Affected customers shall be required to comply with the Stage 1 Drought Response Measures of this Plan when the following triggering criteria are met:

- a. When total daily water demand equals or exceeds
 - i. 80 percent of the total design capacity of the WTCPUA water treatment plant for three consecutive days; or
 - ii. 90 percent of the total design capacity of the WTCPUA water treatment plant for a single day; or;
- b. Source water contamination results in compromised capacity of the treatment and delivery systems; or
- c. Mechanical or electrical failure of a system component results in compromised treatment and/or delivery capacity; or
- d. the LCRA initiates Stage 1 of its DCP; or

Requirements for termination — Stage 1 of the Plan may be rescinded when:

- a. When water treatment plant capacity condition listed above as a triggering event are predicted to cease for an extended period; or
- b. the source water contamination event or mechanical or electrical failure of a system component is resolved.
- c. LCRA announces that curtailment of water supplies to firm water customers is no longer required under the drought contingency measures of the LCRA DCP.

Supply Management Measures:

The WTCPUA will:

- a. Apply water-use restrictions prescribed for Stage 1 of the Plan to WTCPUA facilities for which Stage 1 has been declared.
- b. Discontinue water main and line flushing unless necessary for public health reasons; and
- c. Keep customers informed about issues regarding current and projected water supply and demand conditions.

Demand Management Measures:

Water Supply Reduction Target: Achieve a 10% reduction in water use.

Under threat of penalty as described in Section 5.4, the following water-use restrictions shall apply to all retail water customers:

Irrigation of Landscaped Areas:

- a. Outdoor watering hours will be limited to between midnight and 10 a.m. and between 7 p.m. and midnight on designated days. This prohibition does not apply to irrigation of landscaped areas if it is by means of:
 - i. Hand-held hose; or
 - ii. Faucet-filled bucket or water can of five gallons or less
- c. New landscapes may be installed, and re-vegetation seeding performed under these specific criteria:
 - i. The mandatory twice weekly watering schedule is adhered to.
 - ii. If a deviation from the twice weekly schedule is required, that a completed variance form for new landscapes has been submitted to WTCPUA and has been approved prior to the installation of the landscape, or re-vegetation seed application; and
 - iii. Irrigation of the new landscape, or application follows the schedule identified in the new landscape variance:
 1. once a day for the first 10 days after installation;
 2. once every other day before 10 a.m. and after 7 p.m. for days 11 through 20 after installation;

3. once every third day before 10 a.m. and after 7 p.m. for day 21 through 30 after installation.
- iv. Alternatives to re-vegetation may be available in times of low water supply. Specific information regarding such alternatives is available in the LCRA Highland Lakes Watershed Ordinance Technical Manual (sec. 3.2.8).
- v. Variances for new landscapes and re-vegetation will be issued for the shortest period necessary to reasonably assure the landscapes survival. A variance is not an exemption from compliance with the permanent water use restrictions under *Permanent Water Restrictions* of this plan other than schedule. Variances will not be granted for seasonal “color bed” or temporary grass installation (over seeding).

Vehicle Washing:

Use of water to wash any motor vehicle, such as a motorbike, boat, trailer, or airplane is prohibited except on designated watering days between the hours of midnight and 10 a.m. and between 7 p.m. and midnight. Such activity, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle. A vehicle may be washed any time at a commercial car wash facility or commercial service station. Further, this activity is exempt from these regulations if the health, safety, and welfare of the public are served by washing the vehicle, such as a truck used to collect garbage or used to transport food and perishables.

Events:

Events involving the use of water such as: car washes, festivals, parties, water slides, and other activities involving the use of water are permitted, if the water being used drains to a re-circulating device, or is used for a beneficial purpose such as watering landscaping to prevent water waste.

Restaurants:

All restaurants are encouraged to serve water to their patrons only upon request.

Recreational Areas (Includes Parks and Athletic Fields):

The areas can only be used for designated or scheduled events or activities. Unnecessary foot traffic must be discouraged. Watering must follow

irrigation of landscaped areas schedule. A variance can be applied for if necessary.

Water Waste:

The following uses of water are prohibited at all times during periods in which restrictions have gone into effect unless a variance has been approved:

- a. Washing sidewalks, walkways, driveways, parking lots, street, tennis courts, and other impervious outdoor surfaces; except for immediate health and safety;
- b. Washing buildings, houses or structures with a pressure washer or garden hose is prohibited for aesthetic purposes but permitted for surface preparation of maintenance work to be performed.
- c. Controlling dust, unless there is a demonstrated need to do so for reasons of public health and safety, or as part of a construction plan approved by a governmental entity;
- d. Flushing gutters or allowing a substantial amount of water to run off a property and accumulate in a gutter, street, or parking lot to a depth greater than one-fourth of an inch.

5.2.2 Stage 2 – Moderate Water Shortage

Requirements for initiation – Customers shall be required to comply with Stage 2 Drought Response Measures of this Plan when moderate water shortage conditions exist. WTCPUA will recognize that a moderate water shortage condition exists when any of the following criteria is met:

- a. When total daily water demand equals or exceeds:
 - i. 85 percent of the total design capacity of the WTCPUA water treatment plant for three consecutive days; or
 - ii. 95 percent of the total design capacity of the WTCPUA water treatment plant for a single day; or
 - iii. the total design capacity of the WTCPUA raw water transmission main for three consecutive days; or
- b. source water contamination results in compromised capacity of the treatment and delivery systems; or
- c. mechanical or electrical failure of a system component results in compromised treatment and/or delivery capacity; or

- d. target reduction for the Stage 1 demand management measures is not achieved; or
- e. the LCRA initiates Stage 2 of its DCP

Requirements for termination — Stage 2 of the Plan may be rescinded when:

- a. The WTCPUA water treatment plant capacity condition listed above as a triggering event is predicted to cease for an extended period; or
- b. the source water contamination event or mechanical or electrical failure of a system component is resolved.
- c. LCRA announces that curtailment of water supplies to firm water customers is no longer required under drought contingency measures of the LCRA DCP.

Upon termination of Stage 2, Stage 1 becomes operative.

Supply Management Measures:

In addition to measures implemented in the preceding stages of the Plan, affected WTCPUA water utility systems will implement additional water control options to limit water to only critical use for protection of health and safety and maintenance of treatment quality.

Demand Management Measures:

Water Supply Reduction Target: Achieve a minimum 20% reduction in water use.

Under threat of penalty as described in Section 5.4, all retail customers are required to further reduce non-essential water uses as follows. All requirements of Stage 1 shall remain in effect during Stage 2, with the following modifications and additions:

Irrigation of Landscaped Areas:

Outdoor watering hours will be limited to between midnight and 6 a.m. on designated days. This prohibition does not apply to irrigation of landscaped areas if it is by means of:

- i. Hand-held hose; or
 - ii. Faucet-filled bucket or water can of five gallons or less
- b. New landscapes may only be installed if they do not require a variance to the mandatory watering schedule. No variances will be approved.

Vehicle Washing:

Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle is prohibited. A vehicle can be washed at any time at a commercial car wash facility or commercial service station. Further, this activity is exempt from these regulations if the health, safety, and welfare of the public are served by washing the vehicle, such as a truck used to collect garbage or used to transport food and perishables.

Pools:

- a. Filling of all new and existing swimming pools, hot tubs, wading pools, is prohibited, unless application for variance is approved on a case by case basis. Replenishing to maintenance level is permitted. Draining is permitted only onto pervious surfaces or onto a surface where water will be transmitted directly to a pervious surface, and only if:
 - i. Draining excess water from pool due to rain in order to lower water to maintenance level;
 - ii. Repairing, maintaining or replacing pool components that have become hazardous; or
 - iii. Repair of a pool leak.
- b. Refilling of public/community swimming pools permitted only if pool has been drained for repairs, maintenance, or replacement as outlined in items above.

Outside Water Features:

Operation of outside water features, such as, but not limited to, fountains or outdoor misting systems, is prohibited, except where such features are designed and consistently maintained to sustain aquatic life or maintain water quality. WTCPUA may require proof of such design and consistent maintenance.

Ponds:

Ponds used for aesthetic, amenity, and/or storm water purposes may maintain water levels only necessary to preserve the integrity of the liner and operating system. WTCPUA may require proof of specific design documentation regarding a pond and the intended purpose.

Events:

Events involving the use of water such as: car washes, festivals; parties; water slides; and other activities involving the use of water are prohibited.

Recreational Areas (Includes Parks and Athletic Fields):

The areas can only be used for designated or scheduled events or activities. Unnecessary foot traffic must be discouraged. Watering is prohibited except with a hand-held hose.

5.2.3 Stage 3 – Severe Water Shortage

Requirements for initiation – Customers shall be required to comply with Stage 3 Drought Response Measures of this Plan when severe water shortage conditions exist. WTCPUA will recognize that a severe water shortage condition exists when either of the following criteria is met:

- a. When total daily water demand equals or exceeds:
 - i. 90 percent of the total design capacity of the WTCPUA water treatment plant for three consecutive days; or
 - ii. 100% of the total design capacity of the WTCPUA water treatment plant for a single day; or
- b. source water contamination results in compromised capacity of the treatment and delivery systems; or
- c. mechanical or electrical failure of a system component results in compromised treatment and/or delivery capacity; or
- d. target reduction for the Stage 2 demand management measures is not achieved; or
- e. the LCRA initiates Stage 3 of its DCP

Requirements for termination — Stage 3 of the Plan may be rescinded when:

- d. The WTCPUA water treatment plant capacity condition listed above as a triggering event is predicted to cease for an extended period; or
- e. LCRA announces that curtailment of water supplies to firm water customers is no longer required under drought contingency measures of the LCRA DCP.

Upon termination of Stage 3, Stage 2 becomes operative.

Supply Management Measures:

In addition to measures implemented in the preceding stages of the plan, affected WTCPUA water utility systems will implement additional water control options to limit water to only critical use for protection of health and safety and maintenance of treatment quality.

Demand Management Measures:

Water Supply Reduction Target: Achieve a minimum 30% reduction in water use.

Under threat of penalty for violation as described in Section 5.4, customers are required to eliminate non-essential water uses during an emergency. This includes, but is not limited to the following measures:

Outdoor watering will be restricted to:

Addresses ending:

Monday	1, 3
Tuesday	2, 4
Wednesday	5, 7
Thursday	6, 8
Friday	9, 0
Saturday	All commercial & HOAs

Hours will be limited to between midnight and 6 a.m. on designated days. This prohibition does not apply to irrigation of landscaped areas if it is by means of:

- i. Hand-held hose; or
- ii. Faucet-filled bucket or water can of five gallons or less

New landscapes may only be installed if they do not require a variance to the mandatory watering schedule. No variances will be approved.

Fire Hydrants:

Use of water from fire hydrants shall be limited to firefighting and activities necessary to maintain public health, safety and welfare. Use of water from designated fire hydrants for construction purposes may be allowed under special conditions and will require a meter; a variance application must be submitted and approved before a hydrant meter will be provided.

5.2.4 Stage 4 – Emergency Water Conditions

The WTCPUA General Manager or designee will notify affected retail customers, wholesale customers, and the media of the initiation and termination of Stage 4. Examples of a water emergency include, but are not limited to, the following:

- a. Major water line breaks, loss of distribution pressure, or pump system failures that cause substantial loss in its ability to provide water service;

- b. Contamination of the water supply source; or
- c. Any other emergency water supply or demand conditions that the WTCPUA General Manager or designee, determines to constitute a water supply emergency more severe than that contemplated in the triggers contained in the LCRA Water Management Plan; or

Upon declaration of Stage 4—Emergency Water Conditions, water use restrictions outlined in Stage 4 Emergency Response Measures shall immediately apply and be in effect until lifted by WTCPUA.

Emergency Measures

Water Supply Reduction Target: As determined by the WTCPUA Board of Directors.

Under threat of penalty for violation as described in Section 5.4, customers are required to eliminate non-essential water uses during an emergency. This includes, but is not limited to the following measures:

- a. Irrigation of any landscaped areas is prohibited.
- b. Use of water from fire hydrants shall be limited to firefighting and activities necessary to maintain public health, safety, and welfare only.
- c. No applications for new, additional, expanded, or larger water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be allowed or approved
- d. Additional measures may be added as needed.

5.3 Drought Response Stages – Wholesale Customers

All WTCPUA wholesale treated water customers are required to develop and formally adopt drought contingency plans for their own systems in accordance with Title 30 TAC §§288.20 and §288.22. The measures of this Plan must be at least as stringent as the drought response measures required by WTCPUA for its retail customers. Wholesale treated water customers must include in their wholesale water supply contracts the requirement that each successive wholesale customer develop and formally adopt a drought contingency plan.

Stage 1 —Mild Water Shortage — Mandatory Measures

WTCPUA will keep wholesale treated water customers informed about demand and current and projected water supply conditions. WTCPUA will initiate discussions with wholesale treated water customers about potential curtailment and the implementation of mandatory measures to reduce water usage by 10%.

Stage 2 —Moderate Water Shortage – Additional Mandatory Measures

WTCPUA will contact its wholesale treated water customers to initiate additional mandatory measures to control water demand and to ensure capacity for emergency response requirements. Additional mandatory measures will include the curtailment of water use by a minimum of 20% in accordance with the wholesale treated water customer's own drought contingency plan.

Stage 3 —Severe Water Shortage – Additional Mandatory Measures

WTCPUA will contact its wholesale treated water customers to initiate additional mandatory measures to control water demand and to ensure capacity for emergency response requirements. Additional mandatory measures will include the curtailment of water use by a minimum of 30% in accordance with the wholesale treated water customer's own drought contingency plan.

In addition, if the Stage 3 triggering criteria is based on a water supply shortage, WTCPUA will initiate the curtailment of water provided to wholesale treated water customers on a *pro rata* basis. The wholesale treated water customer's monthly allocation of water shall be based on a percentage of the customer's baseline water use. The percentage will be determined by the WTCPUA General Manager and may be adjusted as conditions warrant.

Stage 4 – Emergency Measures

Water Supply Reduction Target: As determined by the WTCPUA Board of Directors

WTCPUA will contact its wholesale treated water customers to initiate additional mandatory measures to control water demand and to ensure capacity for emergency response requirements. Additional mandatory measures will include the curtailment of non-essential water uses in accordance with the wholesale treated water customer's own drought contingency plan.

5.4 Conservation and Drought Contingency Plan Implementation

5.4.1 Public Notification

WTCPUA will periodically provide information about the drought contingency components of this plan, including (1) the conditions under which each stage of the Plan is to be initiated or terminated, and (2) the drought response measures to be implemented at each stage. This information will be provided by various means depending on the audience, including articles in the local media and special materials mailed to customers and available on the WTCPUA web site.

5.4.2 Enforcement for Retail Customers

The following enforcement provisions shall apply to all WTCPUA retail water customers:

- a. No person shall knowingly or intentionally allow the use of water from a WTCPUA water utility system for residential, commercial, industrial, agricultural, ornamental, 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.
- b. Except as otherwise provided in this Section 5.4.2, any person who violates this Plan shall be subject to the following surcharges and conditions of service:
 - i. Following the first documented violation, the violator shall be given a notice specifying the type of violation and the date and time it was observed.
 - ii. Following the second documented violation, the violator shall be sent by certified mail a notice of violation and shall be assessed a surcharge of \$200;
 - iii. Following the third documented violation, the violator shall be sent by certified mail a notice of violation and shall be assessed a surcharge of \$700;
 - iv. Following the fourth documented violation, the WTCPUA Board of Directors or its designee shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a reconnection charge, hereby established at \$500, and any other costs incurred by a WTCPUA water utility system in discontinuing service, and any outstanding charges including late payment fees or penalties. In addition, suitable assurance in the amount of a deposit of \$500 must be given to the WTCPUA Board of Directors or its designee, that the same action shall not be repeated while the Plan is in

effect. The WTCPUA Board of Directors or its designee may apply the deposit to any surcharges or penalties subsequently assessed under this Plan against a customer. Any remaining amount of such deposit, if any, shall be returned to the customer at the time of the customer’s voluntary disconnection from the utility system.

- c. Compliance with this Plan also may be sought through injunctive relief in district court. Each day that one or more of the provisions in this Plan is violated shall constitute a separate violation. Any person, including one classified as a water customer of the WTCPUA, in apparent control of the property where a violation occurs or originates, shall be presumed to be the violator. Any such person, however, shall have the right to show that he or she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children, but any such parent may be excused if he proves that he had previously directed the child not to use the water in violation of this Plan and that there is no reasonable expectation that parent could have known about the violation. Table 5-1 shows the progressive steps of the drought response enforcement process for retail customers.

Table 5-1: Drought Response Retail Enforcement Process

Documented Violation	Response
First	Notice of violation issued Customer is notified of actions to be taken if violations continue
Second	Penalty – \$200
Third	Penalty – \$700
Fourth and on	Service Disconnection \$500 reconnection fee and \$500 deposit required

5.4.3 Enforcement for Wholesale Customers

Wholesale treated water customers shall provide WTCPUA with an order, ordinance, or resolution to demonstrate adequate enforcement provisions for the wholesale customer’s own conservation and drought contingency plan.

In addition, wholesale treated water customers who fail to comply with the conservation and drought contingency measures in the Plan may be subject to civil penalties or any other remedies available to WTCPUA by law or under the terms of the raw water or wholesale water contracts and subject to the penalties in Table 5-2 below:

Table 5-2: Wholesale Customer Drought Response Violation Penalties

Documented Violation	Response
First	Written notice of violation
Second	Penalty fee up to \$2,000
Third and on	Penalty fee up to \$10,000

5.4.4 Variances

- a. The WTCPUA Board of Directors or it's designee may grant variances:
 - i. From specific applications of the outdoor water schedule, providing that the variances do not increase the time allowed for watering but rather alter the schedule for watering; and,
 - ii. Allowing the use of alternative water sources that do not increase demand on potable water sources for outdoor use. Variance requests may be submitted to Water Customer Services and need not meet the requirements of subsection (b) below.

- b. WTCPUA Board of Directors or it's designee may grant in writing temporary variances for existing water uses otherwise prohibited under this Plan if it is determined that failure to do so would cause an emergency adversely affecting the public health, sanitation, or fire protection, and if one or more of the following conditions are met:
 - i. Compliance with this Plan cannot be accomplished during the duration of the time the Plan is in effect, or
 - ii. Alternative methods can be implemented that will achieve the same level of reduction in water use.

- c. Persons requesting a variance from the provisions of this Plan shall file a petition for variance with WTCPUA Customer Service any time the Plan or a particular drought response stage is in effect. The WTCPUA General Manager, or designee, will review petitions for variances. The petitions shall include the following:
 - i. Name and address of the petitioner;
 - ii. Purpose of water use;
 - iii. Specific provision of the Plan from which the petitioner is requesting relief;
 - iv. Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm the petitioner or others will sustain if petitioner complies with this Plan;
 - v. Description of the relief requested;
 - vi. Period of time for which the variance is sought;

- vii. 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; and
 - viii. Other pertinent information.
- d. Variances shall be subject to the following conditions, unless waived or modified by the WTCPUA Board of Directors or it's designee:
- i. Variances granted shall include a timetable for compliance.
 - ii. Variances granted shall expire when the Plan, or its requirements, is no longer in effect, unless the petitioner has failed to meet specified requirements.

No variance shall be retroactive or otherwise excuse any violation occurring before the variance was issued.

5.4.5 Plan Updates

The Plan will be reviewed consistent with LCRA and TCEQ rules and updated based on developments in the WTCPUA water service area.

5.4.6 Drought Surcharge

In order to offset the impact of lost revenues resulting from extended periods of implementing water conservation/drought contingency measures and/or due to implementation of LCRA raw water supply curtailments, the Board of Directors may assess a Drought Surcharge as authorized in the WTCPUA's Tariff, as may be amended from time to time.

5.4.7 Notification to LCRA and TCEQ

The WTCPUA shall notify the LCRA General Manager and the TCEQ Executive Director in writing within five (5) business days of the implementation of any mandatory provisions of this Drought Contingency Plan.

Appendix A – Adherence to TCEQ Chapter 288 Rules

As a municipal water supplier, the minimum requirements in the Texas Administrative Code for water conservation plans for municipal uses by public water suppliers are covered in this Plan as follows:

- 288.2 (a)(1)(A) – Utility Profile – Section 2.1, 3.1
- 288.2 (a)(1)(C) – Specific, Quantified Five- and Ten-Year Goals – Section 2.2, 3.2
- 288.2 (a)(1)(D) – Measure and Account Water Diverted – Section 4.1, 4.2
- 288.2 (a)(1)(E) – Universal Metering – Section 4.2
- 288.2 (a)(1)(F) – Measures to Determine and Control Unaccounted-for Uses of Water – Section 4.2
- 288.2 (a)(1)(G) – Continuing Public Education and Outreach – Section 4.4
- 288.2 (a)(1)(H) – Rate Structure that is not Promotional – Section 2.3.2, 3.3.2
- 288.2 (a)(1)(I) – Reservoir Systems Operation Plan –Water Management Plan.
- 288.2 (a)(1)(J) – Means of Implementation and Enforcement – Section 1.1, 1.6
- 288.2 (a)(1)(K) – Coordination with Regional Water Planning Group(s) – Section 1.4
- 288.2 (a)(2)(A) – Program for Leak Detection, Repair and Water Loss Accounting – Section 3.3.1
- 288.2 (a)(2)(B) – Record Management System with Customer Classification – Section 4.1
- 288.2 (a)(2)(C) – Wholesale Customer Conservation Plan Requirement – Section 4.3
- 288.2 (a)(3) – Additional Conservation Strategies – Section 2.3, 4.4

As a municipal water supplier, the minimum requirements in the Texas Administrative Code for drought contingency plans for municipal uses by public water suppliers are covered in this Plan as follows:

- 288.20 (a)(1)(A) – Public Input – Section 1.2
- 288.20 (a)(1)(B) – Continuing Public Education – Section 4.4
- 288.20 (a)(1)(C) – Coordination with Regional Water Planning Group(s) – Section 1.4
- 288.20 (a)(1)(D) – Monitoring and Criteria for the Initiation and Termination of Drought Response Stages – Section 5.2
- 288.20 (a)(1)(E) – Emergency Response Stages – Section 5.3
- 288.20 (a)(1)(F) – Water Use Reduction Targets – Section 5.3
- 288.20 (a)(1)(G) – Water Supply or Water Demand Management Measures – Section 5.3
- 288.20 (a)(1)(H) – Procedures for the Initiation or Termination of Drought Stages and Public Notification – Section 5.2,5.3,5.4.1
- 288.20 (a)(1)(I) – Variances Procedures – Section 5.4.4
- 288.20 (a)(1)(J) – Enforcement of Mandatory Water Use Restrictions – Section 5.4.2, 5.4.3

Exhibit D

West Travis County Public Utility Agency
 Wholesale Rate Study
 Updated: January 27, 2022
 Individual Capital Amortization Schedule

City of Dripping Springs (Cannon)
 Series 2013-2022 Debt Payment
 Schedule

Effective
 10/1/2022

Effective Interest Rate	3.81%
Capital Cost Allocation	\$ 1,787,783
Plus Reserves	101,065
Plus Issuance Costs (2%)	37,777
Capital Cost Allocation	\$ 1,926,625
Build-out LUEs	396
Annual Payment per LUE	\$ 375
Effective Impact Fee Credit	18%

	Interest Rate	Debt		Beginning Balance	Additional Cost Added	Interest Expense	Subtotal	Total Annual Debt Payment	Ending Balance	Annual Minimum Bill Paid to PUA*	Average Base	
		Amortization %**	Projected LUEs								Monthly Base	Chare per LUE
March 2023-December 2023	3.81%			\$ 1,926,625		\$ 61,233	\$ 1,987,858	\$ 8,998	\$ 1,978,860	\$ 9,672.81	\$ 806.07	
2024	3.81%		32	\$ 1,978,860		\$ 75,472	\$ 2,054,332	\$ 11,998	\$ 2,042,334	\$ 12,897.09	\$ 1,074.76	\$ 33.59
2025	3.81%		128	\$ 2,042,334		\$ 77,893	\$ 2,120,228	\$ 47,991	\$ 2,072,237	\$ 51,588.34	\$ 4,299.03	\$ 33.59
2026	3.81%		227	\$ 2,072,237		\$ 79,034	\$ 2,151,270	\$ 85,109	\$ 2,066,162	\$ 91,488.70	\$ 7,624.06	\$ 33.59
2027	3.81%		328	\$ 2,066,162		\$ 78,802	\$ 2,144,963	\$ 122,977	\$ 2,021,987	\$ 132,195.13	\$ 11,016.26	\$ 33.59
2028	3.81%		396	\$ 2,021,987		\$ 77,117	\$ 2,099,104	\$ 148,472	\$ 1,950,632	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2029	3.81%		396	\$ 1,950,632		\$ 74,396	\$ 2,025,028	\$ 148,472	\$ 1,876,556	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2030	3.81%		396	\$ 1,876,556		\$ 71,570	\$ 1,948,127	\$ 148,472	\$ 1,799,655	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2031	3.81%		396	\$ 1,799,655		\$ 68,638	\$ 1,868,292	\$ 148,472	\$ 1,719,821	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2032	3.81%		396	\$ 1,719,821		\$ 65,593	\$ 1,785,413	\$ 148,472	\$ 1,636,942	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2033	3.81%		396	\$ 1,636,942		\$ 62,432	\$ 1,699,373	\$ 148,472	\$ 1,550,902	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2034	3.81%		396	\$ 1,550,902		\$ 59,150	\$ 1,610,052	\$ 148,472	\$ 1,461,580	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2035	3.81%		396	\$ 1,461,580		\$ 55,744	\$ 1,517,324	\$ 148,472	\$ 1,368,852	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2036	3.81%		396	\$ 1,368,852		\$ 52,207	\$ 1,421,059	\$ 148,472	\$ 1,272,587	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2037	3.81%		396	\$ 1,272,587		\$ 48,536	\$ 1,321,123	\$ 148,472	\$ 1,172,651	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2038	3.81%		396	\$ 1,172,651		\$ 44,724	\$ 1,217,375	\$ 148,472	\$ 1,068,904	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2039	3.81%		396	\$ 1,068,904		\$ 40,767	\$ 1,109,671	\$ 148,472	\$ 961,199	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2040	3.81%		396	\$ 961,199		\$ 36,659	\$ 997,858	\$ 148,472	\$ 849,387	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2041	3.81%		396	\$ 849,387		\$ 32,395	\$ 881,782	\$ 148,472	\$ 733,310	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2042	3.81%		396	\$ 733,310		\$ 27,968	\$ 761,278	\$ 148,472	\$ 612,806	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2043	3.81%		396	\$ 612,806		\$ 23,372	\$ 636,178	\$ 148,472	\$ 487,706	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2044	3.81%		396	\$ 487,706		\$ 18,601	\$ 506,307	\$ 148,472	\$ 357,835	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2045	3.81%		396	\$ 357,835		\$ 13,648	\$ 371,483	\$ 148,472	\$ 223,011	\$ 159,601.44	\$ 13,300.12	\$ 33.59
2046	3.81%	24.85%	396	\$ 223,011		\$ 8,505	\$ 231,517	\$ 36,901	\$ 194,616	\$ 39,666.88	\$ 3,305.57	\$ 8.35
2047	3.81%	24.85%	396	\$ 194,616		\$ 7,423	\$ 202,039	\$ 36,901	\$ 165,138	\$ 39,666.88	\$ 3,305.57	\$ 8.35
2048	3.81%	24.85%	396	\$ 165,138		\$ 6,298	\$ 171,436	\$ 36,901	\$ 134,535	\$ 39,666.88	\$ 3,305.57	\$ 8.35
2049	3.81%	24.85%	396	\$ 134,535		\$ 5,131	\$ 139,666	\$ 36,901	\$ 102,766	\$ 39,666.88	\$ 3,305.57	\$ 8.35
2050	3.81%	24.85%	396	\$ 102,766		\$ 3,919	\$ 106,685	\$ 36,901	\$ 69,784	\$ 39,666.88	\$ 3,305.57	\$ 8.35
2051	3.81%	24.85%	396	\$ 69,784		\$ 2,662	\$ 72,446	\$ 36,901	\$ 35,545	\$ 39,666.88	\$ 3,305.57	\$ 8.35
2052	3.81%	24.85%	396	\$ 35,545		\$ 1,356	\$ 36,901	\$ 36,901	\$ 0	\$ 39,666.88	\$ 3,305.57	\$ 8.35

*Debt payment recovers capital cost plus interest expense. Annual base fee is calculated by multiplying the annual debt payment times .25 for times coverage, and then subtracts the impact fee credit.
 **Applied to debt payment in later years to accommodate for the addition of new debt, which caused the PUA's debt to go through 2052.

Exhibit E

**City of Dripping Springs – Canon Ranch Wholesale Service Area
New Customer Connections
For Period**

_____ (fill in period covered by report)

Connection Date	New Customer Name	Service Address	Meter Size	LUEs	Connection Fee Due	Connection Fee Credit Applied	Net Connection Fee Due
TOTAL							

Submit form and applicable payment due monthly to:

IF NO CONNECTIONS WERE MADE AND/OR IF NO CONNECTION FEE PAYMENT IS DUE TO WTCPUA FOR THE REPORTING PERIOD, THIS FORM MUST STILL BE FILLED OUT (WITH PERIOD IDENTIFIED AT TOP) AND SUBMITTED TO WTCPUA.