

CITY OF HORSESHOE BAY

DROUGHT CONTINGENCY PLAN

SECTION 1. WATER SUPPLY VIABILITY. An adequate water supply is imperative for the continued health and welfare and well-being of the residents of the service area of the City of Horseshoe Bay, and it is the responsibility of the City to strive to ensure that all appropriate measures are taken that will conserve and protect this valuable natural resource, and furthermore, the conservation and protection of this resource must be intensified during such periods when its presence is limited.

SECTION 2. APPLICABLE REGULATIONS. Section 12.1272 of the Texas Water Code and applicable Rules of the Texas Commission on Environmental Quality (TCEQ), as amended, require all public water supply systems in Texas to prepare a drought contingency plan, and Section 11.039 of the Texas Water Code, as amended, authorizes water suppliers to distribute water supplies on a pro rata basis during times of water supply shortage.

SECTION 3. NECESSITY OF PLAN. Because of the vagaries of Texas weather, the drought conditions that often prevail within the State, the limitations on withdrawal capacity that may be implemented by the Lower Colorado River Authority (LCRA) during times of drought, and the ever-present possibility of a failure of the City's water supply system, the City Council of the City of Horseshoe Bay, as authorized under law and in the long-term best interest of the City's residents, hereby declares the necessity of the adoption of this **Drought Contingency Plan**.

SECTION 4. DECLARATION OF POLICY. In order to conserve the available water supply and/or to protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, and upon the adoption of Ordinance ORD 10-05-18A , this Drought Contingency Plan of the City of Horseshoe Bay shall be adopted and implemented in accordance with the regulations and requirements of the State of Texas, the Texas Commission on Environmental Quality, and the Lower Colorado River Authority.

SECTION 5. EFFECTIVE DATE. This Ordinance and the Drought Contingency Plan contained herein ("Exhibit B") shall be of full force and effect immediately upon the approval of Ordinance ORD 10-05-18A by the City Council of the City of Horseshoe Bay.

SECTION 6. PUBLIC INVOLVEMENT. A Public Forum (Hearing) on the DRAFT *Drought Contingency Plan* was held by the City Council in May 2010. The Public Forum will be advertised in advance, and the Public will be invited to attend this Hearing. Once the Drought Contingency Plan is adopted by Council, then it will be posted on the City's Web Site for viewing by the public.

SECTION 7. DEFINITIONS. For the purposes of this *Drought Contingency Plan*, the following definitions shall apply:

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

City: The City of Horseshoe Bay, its Mayor and City Council, or its City Manager or Director of Public Works, as the context dictates.

Commercial and Institutional Water Use: Water use which is integral to the operations of commercial, non-profit establishments, and governmental agencies, and retail establishments (such as hotels, motels, restaurants, office buildings, and other similar entities).

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

Customer: This term includes both Retail Customer and Wholesale Customers, and is any person, company, or organization using water supplied by the City of Horseshoe Bay.

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

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

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

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

Non-Essential Water Use: Water uses that are not essential or required for the protection of public health, safety, and welfare, including:

(a) Irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;

- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane, or other vehicle;
- (c) Use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas, unless such water use is for public health purposes (e.g., washing of an oily substances — that might cause falls from a sidewalk or walk-way);
- (d) Use of water to wash down buildings or structures for purposes other than immediate fire protection and/or public health purposes;
- (e) Flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) Use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (g) Failure to repair a controllable leak(s) within a reasonable time period (72 hours) after having been given notice directing the repair of such leak(s); and,

Odd Number Address: Street addresses, box numbers, or rural postal route number numbers ending in 1, 3, 5, 7, or 9.

Wholesale Customer: An individual, agency, or other entity that purchases water from the City of Horseshoe Bay for resale to the public for human consumption; this term does not apply to an individual, agency, or other entity that provides water to employees or tenants incidental to the service or business of the individual, agency, or entity.

SECTION 8. OVERVIEW OF SERVICE AREA.

A. Introduction. The City of Horseshoe Bay (City or Horseshoe Bay) is located in Llano County and Burnet County, Texas, adjacent to Lake Lyndon B. Johnson (LBJ), and serves an area that is approximately 11.5 square miles in land area. The current number of Residents (full-time and part-time) of the City is 6,692.

The City of Horseshoe Bay is a political subdivision of the State of Texas – a general law municipal corporation, in an election held in September 2005, and is the successor to the Lake LBJ Municipal Utility District (MUD), absorbed into the City in March 2006. The City operates under the Local Government Code and the Texas Administrative Code, and is governed by a Mayor and five-member City Council. A City Manager is employed by the Council to administer the day-to-day operations of the City.

In general, the City of Horseshoe Bay follows the advice and lead of the Lower Colorado River Authority regarding drought mitigation planning.

B. Water Supply. The City of Horseshoe Bay currently obtains one hundred percent (100%) of its potable water supply from Lake LBJ – via two surface water treatment plants: Central Water Treatment Plant (WTP) and West Water Treatment Plant

(WTP). The Central WTP has a maximum treatment capacity of 4,000,000 gallons per day, and the West WTP has a maximum treatment capacity of 1,000,000 gallons per day. Central WTP is a membrane filter plant and West WTP is a conventional plant.

The surface water supply in Lake LBJ is under the control of the LCRA (Lower Colorado River Authority), with charges assessed against the City of Horseshoe Bay for withdrawals of raw water.

The LCRA currently recognizes the impact of the significant increases of growth in the Central Texas area, and this growth of population will increase demand for potable water. Under conditions of Drought, the LCRA may place limitations on the release of water supplies for the Lower Colorado River Authority and its Customers. The LCRA has undertaken an intensive Planning Regime, and it is also emphasizing the need for greater water-use efficiencies through higher levels of Water Conservation. Horseshoe Bay follows the lead of LCRA regarding water conservation and compliance with their policies and regulations.

C. Water Demands. The City of Horseshoe Bay is experiencing an increasing amount of growth, and this expanded growth rate is expected to continue in the future. The total annual water demands (2005 – 2009) are outlined in the following table:

	TOTAL WATER PRODUCED (GALS.)	MAXIMUM DAY DEMAND	AVERAGE DAY DEMAND	PEAK-TO-AVG RATIOS
2005	606,722,000	3,575,000	1,662,252	2.15
2006	684,790,000	3,480,000	1,876,137	1.85
2007	576,955,000	3,348,000	1,518,100	2.12
2008	717,652,000	3,929,000	1,924,877	2.04
2009	649,480,000	3,831,000	1,673,548	2.29

D. Water Supply and Water Demand Planning and Management. Due to the growth of the Central Texas area, the growth within Horseshoe Bay’s area of service, and the associated increase in water demand, the LCRA and the City of Horseshoe Bay are currently engaged in intensified water supply planning to ensure ample water for LCRA’s service area and the Residents of the City of Horseshoe Bay. This Planning Process is being conducted in conjunction with the actions and plans of Region K Water Planning Group.

The Water Treatment Plants of the City of Horseshoe Bay are currently capable of producing 5,000,000 gallons per day. In 2005, the City of Horseshoe expanded its water treatment capacity to 5.0 million gallons through an expansion of its Central Water Treatment Plant. In the near future, an upgrade will be completed on the West Water Treatment Plant. The total current capacities of the City’s two water treatment plants are as follows:

Central WTP	4,000,000 gallons per day
West WTP	1,000,000 gallons per day

In addition to the strides of Horseshoe Bay toward ensuring an adequate water supply by the expansion of the Central WTP and a planned upgrade of the West WTP, the City of Horseshoe Bay is working in many other ways to properly manage local water resources:

- Initiation of a Leak Detection and Leak Repair Program
- Requirements concerning Customer's repair of leaks on Customer's side of meter
- Metering of all customer connections
- Initiation of meter testing and meter change-out program
- Annual testing of water production meters, and
- Conducting of a "Water System Audit"

Furthermore, the City of Horseshoe Bay has implemented "Water Conservation Rates" (inclining block rates) that have positively impacted the City's ability to manage our precious water resources.

SECTION 9. EDUCATION – RETAIL AND WHOLESALE CUSTOMERS.

A. Retail Customers. On an as-needed basis, the City of Horseshoe Bay shall provide newspaper notice and other media releases to all retail water customers of the City and such notice shall furnish water conservation information, including notification of the Water Conservation Stage currently in effect. In addition, Water Conservation Brochures and Information shall be made available at the City of Horseshoe Bay office and the City's Web Page.

B. Wholesale Customers. Wholesale Customers will be partners with the City of Horseshoe Bay in managing the area's water resources. The City Manager shall notify the Wholesale Customers of the current Water Conservation Stage of the City. Furthermore, the City shall provide other Water Conservation Information to Wholesale Water Customers, in conjunction with the water conservation regulations of the City of Horseshoe Bay and water conservation measures that will be beneficial for the Wholesale Customers.

SECTION 10. NORMAL OPERATIONS. The Residents of Horseshoe are blessed to be on the banks of Lake LBJ and have immediate access to sufficient water to fulfill basic needs and to irrigate lawn and landscape without restriction; however, in times of drought there may be water supply curtailments from the LCRA -- and only enough available water to fulfill basic needs. Malfunction of water system facilities (LCRA and Horseshoe Bay) may also cause curtailments. The Lower Colorado River Authority is in charge of allocating water resources in times of Drought and they have extensive plans to equitably allocate water among all the water users.

An important part of the LCRA Plan is to request that everyone use water wisely at all times. We should be aware that the least costly new water supply is the water that we conserve. Water consumers can conserve water just by making a few sensible changes to the way it is used; these practices will save resources – both water and money.

Most of our indoor water use is already efficient. Construction over the last several years has provided water-efficient appliances and plumbing fixtures: clothes washers,

dishwashers, low-flow toilets, and showerheads. However, it is outdoor irrigation where the greatest amount of water consumption occurs.

In Horseshoe Bay, over 75% of the residential water use is for outdoor irrigation. Additionally, a swimming pool will evaporate as much water on a hot windy day as will be evapotranspired from the same area of grass. Consequently, if we want to conserve water, outdoor water use should be a conservation priority. Residents can water outdoors at any time with a hand held hose. This means that new lawns, special trees, and other special condition can always be taken care of if there is a perceived need.

When the LCRA informs the City that we are in drought conditions, we will need to implement additional conservation measures. The City of Horseshoe Bay will provide Notice when this occurs and outline the additional conservation measures that must be undertaken by City Residents.

SECTION 11. RESPONSIBILITY OF WHOLESALE WATER CUSTOMERS. In accordance with Title 30, Texas Administrative Code, Chapter 288, as amended, all Wholesale Water Customers of the City of Horseshoe Bay shall develop a *Drought Contingency Plan*, and such Plan shall have similar provisions and restrictions as the Horseshoe Bay Drought Contingency Plan – with correlative target goals of water usage reduction, and the Wholesale Water Customer shall submit its Drought Contingency Plan to Horseshoe Bay’s City Manager for approval, or may adopt these Policies and Procedures and so notify the City Manager.

SECTION 12. COORDINATION WITH REGIONAL WATER PLANNING GROUP. The service area of Horseshoe Bay is wholly located within the Region K Water Planning Area. The City of Horseshoe Bay has provided a copy of its updated *Drought Contingency Plan* to this Region at this address: REGION K, Aqua Water Supply Corporation, P.O. Drawer P, Bastrop Texas 78602. The City of Horseshoe Bay is also coordinating its water supply and water demand planning, and the development of its Drought Contingency Plan, with the planning efforts of the Lower Colorado River Authority.

SECTION 13. AUTHORIZATION.

A. Authority Provided. The Mayor and City Council of the City of Horseshoe Bay shall have the authority to implement the Drought Contingency Plan’s provisions, upon the determination that such implementation is necessary to protect public health, safety, and welfare, and in conjunction with the requirements of the Plan and recommendations of the City Manager. In addition, and as promulgated and Drought Contingency Plan, with recommendations from the City Manager (based on information provided by the Community Services Department and/or the Lower Colorado River Authority), the City Council shall have the authority to initiate or terminate drought or other water supply emergency response measures as necessary.

B. Notification.

(1) If a non-emergency drought condition should exist (Stage 1), then notification shall be provided via the provision of a Sign or a Newspaper Notice to the Retail Customers and Wholesale Customers of the City of Horseshoe Bay. This notification category may apply to Stage 1, but not to any other Water Conservation Stage.

(2) Under a water conservation situation other than non-emergency drought conditions, and with a higher demand for immediate water conservation actions, written notification shall be mailed or delivered to Retail and Wholesale Customers and placed in a local Newspaper, with ample notice time to allow at least seventy-two (72) hours notification prior to initiation of the Drought Contingency (water conservation) Stage. This notification category primary applies to Water Conservation Stage 2, Stage 3, or Stage 4, unless the condition outlined in Subsection 13.B.3. (as listed below) takes precedence.

(3) If an Emergency Drought Condition should arise that jeopardizes the public water system of the City of Horseshoe Bay, and that may negatively impact the health, welfare, or safety of Horseshoe Bay Customers, and if no time is available for prior notification, then notification shall be provided as soon as practical after the start of the Drought Contingency Stage.

(4) All Notifications to the Retail and Wholesale Customers shall contain the anticipated commencement date of the Water Conservation Stage, the level of the Stage (Stage 1, 2, 3 or 4), the water conservation requirements of that particular Stage, the estimated date that the Stage will cease (if known), and other related Drought Contingency Plan information.

C. Status of Drought Contingency Plan Stage. For Stages 2, 3, and 4, and on a periodic basis and no less than once per month during such time that the provisions of the Drought Contingency Plan have been implemented, the City Manager shall provide information to the Mayor and City Council as to the status of the Drought Conditions and Drought Contingency Plan.

SECTION 14. APPLICATION. The provisions of this Drought Contingency Plan shall apply to all persons, entities, and customers (both retail customers and wholesale customers) using water supplied by the City of Horseshoe Bay, both inside and outside the boundaries of the District.

SECTION 15. WHOLESALE WATER SUPPLY ALLOCATIONS. The Wholesale Water Supply Allocations are outlined under the Four Stages (Stages 1, 2, 3, and 4) of the Drought Contingency Plan, and are listed as percentages of per-connection water consumption based on the normal water service conditions of the Wholesale Agency in the most recent normal water service period.

- **STAGE 1: Voluntary Conservation (up to 5% reduction)**
- **STAGE 2: Mandatory (twice weekly watering; 10-25% reduction)**
- **STAGE 3: Mandatory (once per week watering; 10-25% reduction)**
- **STAGE 4: Mandatory (no outdoor watering; 35% reduction)**

Wholesale Customers shall reduce gallons of water per-connection water consumption until such consumption is no more than the consumption amounts listed under Stage 2, Stage 3 and Stage 4 of the Drought Contingency Plan, with adjustments to be made by the City of Horseshoe Bay for:

(a) Any active water conservation measures and associated (and documented) reductions in water usage during the most recent normal water service period, and

(b) Water usage increase on a per-connection basis that can be justified by the applicant.

Water Service Connections shall be divided into these types of usage: Residential, Commercial, and Institutional, and the Wholesale Customer shall furnish past records of water usage to the Horseshoe Bay City Manager upon his/her request, along with other information necessary to make determinations regarding any potential adjustments that may be considered.

If the Wholesale Customer has no valid or existing past records of water usage in a drought period, then the water demand records of the City of Horseshoe Bay will be utilized to set allocations for the Wholesale Customer.

SECTION 16. DROUGHT RESPONSE STAGES. Drought Response Stages, with increasing target goals of water demand reduction to meet the severity of water shortage conditions, are hereby established. The Wholesale Water Customers of the City of Horseshoe Bay shall promulgate Drought Response Stages that are at least as restrictive as those implemented by the City of Horseshoe Bay. Reductions in water consumption (listed as percentages), are reductions from consumption based on normal water service conditions.

No water customer of the City of Horseshoe Bay shall make, cause, use or permit the use of water from the City for residential, commercial, governmental, or other related purpose in a manner contrary to any provision of this Drought Contingency Plan, or in any amount in excess of that use permitted by the Conservation Stage in effect pursuant to action taken by the Mayor and City Council or the City Manager, in accordance with the provisions of this Drought Contingency Plan. The Penalties for violation of “Drought Response Stages” are listed under Section 17.

STAGE 1. VOLUNTARY (Mild Water Shortage Condition)

A. Target Water Demand Reduction Goal: Up to 5%

B. Triggering Mechanisms:

1. Dry year with minor drought conditions.
2. Loss or failure of water production or water distribution appurtenances or facility that would decrease water system supply capabilities by 5% or less.

3. Any surface water supplies withdrawal restriction enacted by the LCRA that would entail a reduction up to 5% in water supply.
4. Any short-term or long-term situation requiring a reduction up to 5% in water consumption.

D. City of Horseshoe Bay Actions:

1. Explain water shortage conditions and disseminate water conservation information to Retail and Wholesale Customers.
2. Minimize water system flushing and system water-waste, in conjunction with the overall public health requirements of the Horseshoe Bay community.
3. Request Customer cooperation and voluntary Customer actions toward efficient utilization of water resources.
4. Intensify efforts to detect and repair water system leaks in a timely manner; in accordance with all State requirements for line locate notification.
5. In the event that the reduction goal in LCRA's Raw Water Drought Contingency Plan as it may be amended, differs from this amount, the City of Horseshoe Bay will follow the reduction goal in LCRA's plan. (LCRA's Raw Water Drought Contingency Plan is currently incorporated in LCRA's Water Management Plan.)

E. Water Customer (Water User) Voluntary Actions:

1. Voluntary Action (Retail and Wholesale Customers): Efficient use of water via voluntary water conservation practices. Wholesale Customers should activate and implement their Drought Contingency Plans as needed. They should also notify the City of Horseshoe Bay City Manager of this action.
2. Voluntary Action (Retail and Wholesale Customers): Voluntary cooperation with the City of Horseshoe Bay in its efforts to reduce water demand up to 5%.
3. Voluntary Action (Retail and Wholesale Customers): Customers will be provided with a "Leak Notice," for leaks (or possible leaks) discovered on private property and customers should initiate leak repair activities within 72 hours after notice.
4. Voluntary Action (Retail and Wholesale Customers): All lawn and landscape irrigation is encouraged to be conducted in an efficient manner and to minimize the wasting of water, such as water flowing into the street or gutter past the property from which this water was originated.

5. Voluntary Action (Retail and Wholesale Customers): Due to higher evaporation losses, Water Customers are encouraged not to water their lawns and landscapes between the hours of 10:00 a.m. and 7:00 p.m.

STAGE 2. MANDATORY (Moderate Water Shortage Conditions)

A. Target Water Demand Reduction Goal: 10 to 25%

B. Triggering Mechanisms:

1. Dry year with moderate drought conditions.
2. Loss or damage to City of Horseshoe Bay water production or water distribution appurtenance or facility that would decrease water supply system capabilities by 10 to 25%.
3. When the drought contingency measures of the LCRA Water Management Plan trigger the requirement that municipal firm raw water customers implement mandatory water restrictions on their retail customer use.
4. Any surface water supplies withdrawal restriction enacted by the LCRA that would entail a reduction of 10 to 25% in water supply to the City of Horseshoe Bay.
5. Any short-term or long-term water supply situation requiring a reduction between 10 to 25% in water consumption.

C. City of Horseshoe Bay Actions:

All of those actions as listed under Stage 1 of the Drought Contingency Plan.

D. Water Customer (Water User) Actions and Restrictions:

E. *In addition to the Appropriate Actions / Restrictions of Stage 1:*

1. Restriction (Retail Customers): In conjunction with the prohibition of watering between the hours of 10:00 a.m. and 7:00 p.m., outdoor watering shall be restricted to twice per week, with watering allowed under the following Lawn/Landscape Schedule:

Customer Class	Outdoor Water Use Days*
Commercial, Multifamily	Tuesday and/or Friday
Residential Odd-numbered address	Wednesday and/or Saturday
Residential Even-numbered address	Thursday and/or Sunday

* Note: No watering on Monday, and no watering on Customer's next watering day if it rains during that week.

2. Action (Retail Customers): Watering with bath water, dish water, and/or laundry water is encouraged to the extent that this practice is allowed under local health and safety regulations.
3. Restriction (Retail Customers): Water usage through an ornamental fountain shall not be allowed unless such water is recycled, except for the make-up water that is associated with water loss to evaporation.
4. Restriction (Retail Customers): Washing of sidewalks and driveways is not allowed under Stage 2 of this Drought Contingency Plan.
5. Restriction (Retail Customers): All lawn and landscape irrigation shall be done in an efficient manner and the wasting of water from lawn and landscape irrigation shall be prohibited, and wasted irrigation water shall not flow in the street or gutter past the property from which this water was originated, nor shall it pond in street or gutter.
6. Restriction (Retail Customers): Except when empty, all swimming pools shall be covered when not in use.
7. Restriction (Retail Customers): Washing of vehicles and boats is prohibited unless the customer utilizes a hose with a positive shutoff nozzle. (Note: this Section and Restriction shall not apply to commercial car washes).
8. Restriction (Wholesale Customers): Wholesale Customers shall reduce water consumption until such consumption is no more than 75 to 90% of the amount consumed under normal water service circumstances.
9. Restriction (Retail and Wholesale Customers): New lawns, special trees, and other special conditions, where water is needed to sustain vegetative life, watering can be accomplished via a hand held hose.

STAGE 3. MANDATORY (Severe Water Shortage Conditions)

A. Target Water Demand Reduction Goal: 10 to 25%

B. Triggering Mechanisms:

1. Drought year with severe water shortage conditions.
2. Loss or failure of water production or water distribution appurtenances or facility that would decrease water system supply capabilities by 10 to 25%.
3. When drought conditions worsen triggering the implementation of additional mandatory water restrictions.

4. Any surface water supplies withdrawal restriction enacted by the LCRA that would entail a reduction of 10 to 25% in water supply to the City of Horseshoe Bay
5. Short-term or long-term situation requiring a reduction of 10 to 25% in water consumption.

C. City of Horseshoe Bay Actions:

All of those actions as listed under Stages 1 and 2 of the Drought Contingency Plan.

D. Water Customer (Water User) Actions and Restrictions: *In addition to the Appropriate Actions and Restrictions of Stages 1 and 2:*

1. Restriction (Retail Customers): In conjunction with the prohibition of watering between the hours of 10:00 a.m. and 7:00 p.m., outdoor watering shall be restricted to once per week, with watering allowed under the following Lawn/Landscape Watering Schedule:

<u>Address-Last Digit</u>	<u>Day of Week for Permitted Irrigation</u>
0 – 1	Sunday
2 – 3	Tuesday
4 – 5	Thursday
6 – 7	Friday
8 – 9	Saturday

2. Restriction (Wholesale Customers): Wholesale Customers shall reduce water consumption until consumption is less than 10-25% of the amount consumed under normal water service circumstances.

STAGE 4. MANDATORY (Emergency Water Conditions)

A. Target Water Demand Reduction Goal: 35%

B. Triggering Mechanisms:

1. Critical drought conditions, resulting in emergency water conditions and curtailment of water use.
2. Loss or damage to Horseshoe Bay water production or water distribution appurtenance or facility that would decrease water supply system capabilities by 35%.
3. Any other emergency water supply or demand issue the LCRA General Manager or the LCRA Board determines to warrant the declaration of Stage 4.

4. Any surface water supplies withdrawal restriction enacted by the LCRA that would entail a 35% reduction in water supply to the City of Horseshoe Bay.
5. Any short-term or long-term water supply situation requiring a 35% reduction in water consumption.

C. City of Horseshoe Bay actions:

All of those actions taken under Stages 1, 2, and 3 of the Drought Contingency Plan.

D. Water Customer (Water User) Actions and Restrictions:

1. Restriction (Retail Customers): Prohibition of all non-essential water use, including outdoor watering, unless necessary for the preservation of health and safety and welfare. Water usage for livestock is exempt.
2. Restriction (Wholesale Customers): Wholesale Customers shall reduce water consumption by 35% of the amount consumed in under normal water supply circumstances.

SECTION 17. PENALTIES. The following Penalties shall be incurred for violation of the various Stages of the Drought contingency Plan. These Penalties are listed in the following as associated with the Stages listed below:

A. Reminder - Stage 1 (voluntary actions and restrictions):

1. Written Reminder mailed to customer by first class U.S. postage. A copy of the Water Conservation Stages and a Water Conservation Brochure shall be included with the Reminder.

B. Penalties - Stages 2, 3, and 4:

1. First Violation within twelve-month period: Written Reminder mailed to customer (retail or wholesale) by first class U.S. postage, with copy of Reminder maintained on file in the City office for a twelve-month period. A copy of the Water Conservation Stages and a Water Conservation brochure shall be included with the Reminder.
2. Second Violation within twelve-month period: A Penalty shall be imposed in an amount equal to ten percent (10%) of the most current bill of the violating retail or wholesale customer, or a \$100 charge, whichever is greater.
3. Third Violation within twelve-month period: A Penalty shall be imposed in an amount equal to fifteen percent (15%) of the most current bill of the violating retail or wholesale customer, or a \$150 charge, whichever is greater.

4. Fourth and Subsequent Violations within twelve-month period: The City shall impose a Penalty in an amount equal to twenty percent (20%) of the most current bill of the violating retail or wholesale customer, or a \$200 charge, whichever is greater.

SECTION 18. IMPLEMENTATION AND TERMINATION OF CONSERVATION STAGES. Based on water supply and water demand information, the Mayor and City Council may order that the appropriate Stage of Water Conservation be implemented or terminated in accordance with the applicable provisions of the Drought Contingency Plan. Termination of a particular Stage shall be accomplished by a Written Notice to advance to a subsequent Stage or withdraw to a previous Stage.

The Notification Procedures as outlined in Subsection 13.B of this Plan shall be utilized as a process of Notice to the water customers (retail and wholesale) of the City of Horseshoe Bay.

SECTION 19. ADVANCEMENT AND WITHDRAWAL OF STAGES. Water Conservation Stages may be advanced or withdrawn in the following manner:

A. Advancement to Subsequent Stage.

1. Emergency condition, such as failure of pumping equipment, etc., that requires a percentage water consumption reduction greater than that of the current Stage.
2. LCRA's Drought Contingency Plan and/or Water Management Plan require a reduction in water use by its firm water customers.
3. Failure to maintain target water conservation reduction goal of that particular Stage.
4. Advancement via Triggering Mechanism.

B. Withdrawal to Previous Stage.

1. Emergency condition has been decreased in severity or resolved, so that previous target goal may be utilized.
2. Regulatory action(s) has been dissolved or mollified.
3. Water consumption reductions have been above that necessary to meet target goal of current Stage.
4. Current Triggering Mechanism is no longer valid or applicable.

SECTION 20. ORDER OF STAGES. Advancement or withdrawal to any Water Conservation Stage shall not be limited to any particular order of Stages, but shall be based on the current water supply shortage and drought conditions and the target water conservation goal applicable to that situation.

SECTION 21. ENFORCEMENT. The City Manager and other employees of the City are hereby authorized by the Mayor and City Council to enforce the provisions of the Drought Contingency Plan at such time the Plan is implemented by order of the Mayor and City Council or the City Manager, and neither the City of Horseshoe Bay nor the City's representatives engaged in enforcement activities under this Plan, when acting in good faith and without malice, shall ever be held liable for any loss or damage, whether real or asserted or caused or alleged to be caused, as a result of the enforcement activities related to this Drought Contingency Plan.

Wholesale Customers shall be bound by their Agreement (Contract) with the City of Horseshoe Bay, and their failure to develop a Drought Contingency Plan that aligns with the City's, or failure to implement such Plan if it is in effect, shall be considered a breach of that Agreement (Contract) between the City of Horseshoe Bay and the Wholesale Customer.

SECTION 22. VARIANCES. The City Manager may, in writing, grant a variance for existing water uses otherwise prohibited under this Plan, if it is determined that failure to grant such variance would cause a condition adversely affecting the health or sanitation for the public or the person requesting such variance and if one or more of the following conditions are met:

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

Persons or entities requesting an exemption from the provisions of this Drought Contingency Plan shall file a petition with the Horseshoe Bay City Manager within 5 days after the Plan or a particular Water Conservation Stage has been invoked or after a condition justifying the variance first occurs. All petitions for variances shall be reviewed by the City Manager and shall include the following:

- Name and address of the petitioner(s)
- Purpose of water use
- Specific provision(s) of the Plan from which the petitioner is requesting relief
- Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if the petitioner complies with this Plan
- Description of the relief requested
- Period of time for which the variance is sought

- 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
- Other pertinent information, as requested by the General Manager

Variations granted by the City Manager shall be subject to the following conditions, unless specifically waived or modified by the City Manager.

- Variations granted shall include a timetable for compliance
- Variations granted shall expire when the water allocation or water conservation stage is no longer in effect, unless the petitioner has failed to meet specific requirements
- No variance allowed for a condition requiring water allocation will continue beyond the termination of water allocation [termination of water conservation stage(s)]
- Any variance for a subsequent water allocation variance must be petitioned again
- The fact that a variance has been granted in response to a petition will have no relevance to the Manager's decision on any subsequent petition

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

SECTION 23. APPEALS. A Person or Entity suffering a Violation(s) of the Drought Contingency Plan may appeal this Drought Contingency Plan Violation(s) to the City Manager of the City of Horseshoe Bay. Any appeal to a Violation(s) must include detailed information as to the reason the Violation(s) should be dismissed.

The decision of the City Manager, as regarding Plan Violation(s) or Variance Denial, may be appealed to the City's Mayor and City Council and such appeal will be heard in conjunction with a Special or Regular Meeting of the City Council. The decision of the Mayor and City Council shall be final.

SECTION 24. APPROVAL OF ORDER AND DROUGHT CONTINGENCY PLAN. City of Horseshoe Bay City Council held a Public Forum (Hearing) in May 2010 and approve the revisions to the Drought Contingency Plan in May 2010. After consideration by the City Council, the plan will be approved or modified in accordance with the actions directed by the City Council.