

FIRM WATER CONTRACT

By and Between

LOWER COLORADO RIVER AUTHORITY

And

CITY OF PFLUGERVILLE, TEXAS

FIRM WATER CONTRACT

This Contract is entered by and between the LOWER COLORADO RIVER AUTHORITY (hereinafter, together with its successors and assigns, "LCRA") and the CITY OF PFLUGERVILLE, TEXAS, (hereinafter, together with its successors and assigns as provided herein, "PURCHASER"), who, in mutual consideration of the provisions herein contained, agree as follows:

CONTRACT

1. STANDARD TERMS AND CONDITIONS	1
2. GENERAL TERMS, EXCEPTIONS & SPECIAL CONDITIONS	1
2.1 INCORPORATION OF EXHIBITS.	1
2.2 MAXIMUM ANNUAL QUANTITY	2
2.3 LOSS FACTOR	2
2.4 POINTS OF AVAILABILITY.....	2
2.5 MAXIMUM DIVERSION RATE.	2
2.6 TYPE OF USE.....	2
2.7 SERVICE AREA.....	2
2.8 DEMAND, EFFLUENT, REUSE, AND RETURN FLOW SCHEDULE.	2
2.9 RIGHTS REGARDING UNUSED WATER	3
2.10 EFFECTIVE DATE	3
2.11 TERM OF CONTRACT.....	3
2.12 PREVIOUS CONTRACT.....	4
2.13 NOTICE.	4

1. STANDARD TERMS AND CONDITIONS

Except as expressly provided in Section 2 of this Contract, the Parties agree to the standard terms and conditions attached hereto as Exhibit A.

2. GENERAL TERMS, EXCEPTIONS & SPECIAL CONDITIONS

2.1 Incorporation of Exhibits.

All Exhibits attached to this Contract are incorporated herein by this reference in their entirety and made a part hereof for all purposes.

2.2 Maximum Annual Quantity

The MAQ is 24,000 acre-feet per year from the Effective Date. Of this amount, no more than 23,366 acre-feet per year may be diverted by or on behalf of PURCHASER at the Point of Availability. PURCHASER shall obtain an amendment to TCEQ Permit 5790 to authorize the diversion and use of up to 24,000 acre-feet per year. Prior to the issuance of such amendment, PURCHASER's use is limited based on the terms of the existing permit.

2.3 Loss Factor

The Loss Factor for this Contract shall be 2.71% of the amount made available at the Point of Availability. PURCHASER acknowledges that this Loss Factor represents estimated conveyance, delivery, and system losses from Lake Travis to the Point of Availability.

2.4 Points of Availability.

The Point of Availability is the Colorado River in Travis County, Texas as described and depicted in Exhibit B.

2.5 Maximum Diversion Rate.

The maximum diversion rate authorized under this contract is 42.8 cubic feet per second. PURCHASER shall obtain an amendment to TCEQ Permit 5790 to authorize the diversion and a diversion rate from the Colorado River of 42.8 cfs. Prior to the issuance of such amendment, PURCHASER's diversion rate is limited based on the terms of the existing permit. In the event the amended permit is issued for less than 42.8 cfs, the diversion rate shall be limited to the rate provided in the amended permit.

2.6 Type of Use.

This Contract is authorized for Municipal use consistent with Section 1.F. of Exhibit A.

2.7 Service Area.

Water supplied under this contract shall only be used within that certain area in Travis County as described in Exhibit C and depicted in Exhibit D, together hereinafter called the "Service Area." The Service Area does not include any portions of PURCHASER's service area that may extend into Williamson County in the Brazos River basin.

2.8 Demand, Effluent, Reuse, and Return Flow Schedule.

PURCHASER agrees that in conjunction with updates to the Demand Schedule required by Section I.K. of Exhibit A, PURCHASER shall provide PURCHASER's best estimate of actual and projected effluent, direct reuse, and return flows at each of PURCHASER's wastewater treatment plants or proposed plants with projections at time intervals no greater than five (5) years and extending for the term of the contract. PURCHASER agrees to provide the initial estimated schedule with the inclusion of effluent, direct reuse, and return flows by Dec. 31, 2022.

2.9 Rights Regarding Unused Water

The rights to effluent and return flows arising from the water supplied under this Contract are as follows:

PURCHASER has the right to direct reuse of the water supplied under this Contract within the Service Area specified in Section 2.7.

LCRA has the right, but not the obligation, to use and reuse (directly and indirectly) any water remaining after PURCHASER exercises its rights to direct reuse as defined above (herein referred to as “Unused Water”). LCRA has legal rights to Unused Water under its senior water rights and/or may seek other permits specifically related to such Unused Water.

PURCHASER shall not oppose LCRA’s acquisition of one or more easements at any wastewater treatment and/or disposal facility owned in whole or in part by PURCHASER subject to the terms and conditions described in subparagraphs a)-c) of this Section 2.9:

- a) PURCHASER shall provide to LCRA at market value any easements reasonably necessary for LCRA to locate any collection facilities for Unused Water within facilities wholly owned and controlled by PURCHASER; provided that, LCRA agrees to locate the easements and construct, operate and maintain its facilities in a manner that does not obstruct or otherwise adversely impact or impair PURCHASER’s existing or planned operations;
- b) For facilities not wholly owned by PURCHASER, PURCHASER agrees not to oppose LCRA’s acquisition at market value of PURCHASER’s easement rights and interests in the facilities for easements reasonably necessary for LCRA to locate any collection facilities for Unused Water within the facilities; provided that, LCRA agrees to locate the easements and construct, operate and maintain its facilities in a manner that does not obstruct or otherwise adversely impact or impair existing or planned operations at the facilities. The rights granted herein apply only to PURCHASER’s rights to real property and/or Unused Water associated with such facilities, and do not apply to the rights of other owners of the facilities; and
- c) PURCHASER agrees not to oppose any permit application submitted by LCRA to the Texas Commission on Environmental Quality related to the Unused Water.

2.10 Effective Date

The Effective Date of this Contract shall be July 1, 2022.

2.11 Term of Contract.

The term of this Contract is 40 years unless terminated earlier by either party consistent with Exhibit A.

2.12 Previous Contract.

Upon the Effective Date of this Contract, that certain Water Contract between LCRA and PURCHASER, dated September 25, 2002 (LCRA Contract No. 00046757) shall be null, void, and of no further legal force and effect, provided that PURCHASER shall continue to be responsible and liable for all fees incurred under Contract No. 00046757, including, but not limited to, fees for Monthly Diversions and the Reserved Water or Reservation Charge, and fees due under the Inverted Block Rate, as such fees may be calculated and/or prorated through the Effective Date.

2.13 Notice.

All notices and invoices to PURCHASER shall be addressed to:

City of Pflugerville
100 East Main Street
Pflugerville, TX 78660

All payments to LCRA shall be made to the address on the invoices received by PURCHASER. All notices to LCRA shall be addressed to:

Lower Colorado River Authority
Attn: Raw Water Sales
P.O. Box 220
Austin, Texas 78767
(512) 473-3551 for facsimile transmission

and

Lower Colorado River Authority
Attn: River Operations
P.O. Box 220
Austin, Texas 78767
(512) 473-3551 for facsimile transmission

SIGNED BY:

Lower Colorado River Authority

By: _____
Monica Masters, P.E.
Vice President, Water Resources

Date: _____

City of Pflugerville, Texas

By: _____

Name: _____

Title: _____

Date: _____

EXHIBITS

- A. Standard Contract Terms and Conditions
- B. Description of Point(s) of Availability
- C. Description of Service Area
- D. Depiction of Service Area
- E. Water Conservation Plan
- F. Drought Contingency Plan
- G. Demand Schedule
- H. Arbitration Procedures

Exhibit A

Standard Contract Terms and Conditions

Exhibit A

STANDARD CONTRACT TERMS AND CONDITIONS

- I. WATER SUPPLY..... 2
 - A. PERMIT(S) MAY BE REQUIRED 2
 - B. MAXIMUM ANNUAL QUANTITY & LOSS FACTOR 2
 - C. EXCEEDANCE OF MAXIMUM ANNUAL QUANTITY..... 3
 - D. MAXIMUM DIVERSION RATE 3
 - E. SOURCE OF WATER SUPPLY 3
 - F. TYPE OF USE 4
 - G. SERVICE AREA..... 4
 - H. WATER CONSERVATION AND DROUGHT CONTINGENCY MEASURES. 5
 - I. AVAILABILITY OF WATER 6
 - J. DELIVERY OF WATER..... 6
 - K. DEMAND SCHEDULE 6
 - L. REDUCTION IN MAQ FOR NON-USE. 6
 - M. STATE REGULATION OF LCRA WATER SUPPLIES..... 6
 - N. OPERATIONS OF DAMS AND RESERVOIRS. 7
 - O. QUALITY OF WATER..... 7
 - P. INTERBASIN TRANSFER..... 7
 - Q. REQUIRED NOTICES. 7
- II. CONTRACT ADMINISTRATION..... 8
 - A. TERM OF CONTRACT 8
 - B. PAYMENT..... 8
 - C. MEASURING WATER 10
 - D. TERMINATION OF CONTRACT OR REDUCTION IN MAXIMUM ANNUAL QUANTITY..... 12
 - E. NON-PAYMENT..... 13
 - F. EQUITABLE REMEDIES. 13
 - G. NOTICE..... 14
 - H. ASSIGNMENT OF CONTRACT. 14
 - I. COMPLIANCE WITH FILING REQUIREMENTS. 14
- III. ENVIRONMENTAL, PERMITTING AND OTHER ISSUES RELATED TO WATER SUPPLY..... 14
 - A. NONPOINT SOURCE WATER POLLUTION ABATEMENT. 14
 - B. SEWAGE REGULATIONS..... 15
 - C. DOCUMENTATION OF COMPLIANCE; RIGHT OF ENTRY..... 15
 - D. ANNUAL REPORTS OF DUE DILIGENCE; AS-BUILT PLANS..... 15
- IV. GENERAL PROVISIONS 15

A. EFFECTIVE DATE.....	15
B. PREVIOUS CONTRACT.....	16
C. INDEMNIFICATION.....	16
D. FORCE MAJEURE.....	16
E. NO THIRD-PARTY BENEFICIARY.....	16
F. NO RIGHTS OR TITLE ACQUIRED.....	16
G. REPRESENTATIONS AND WARRANTIES.....	16
H. DISPUTE RESOLUTION.....	17
I. ACTUAL DAMAGES.....	18
J. AMENDMENT.....	18
K. BINDING EFFECT.....	18
L. COMPLETE CONTRACT.....	18
M. COUNTERPARTS.....	18
N. FURTHER ASSURANCES.....	18
O. GOVERNING LAW.....	18
P. HEADINGS; TABLE OF CONTENTS.....	18
Q. INCORPORATION OF WATER CONTRACT RULES.....	19
R. INTERPRETATION AND RELIANCE.....	19
S. RELATIONSHIP OF PARTIES.....	19
T. SEVERABILITY.....	19
U. NO ADDITIONAL WAIVER IMPLIED.....	19
V. SHORT TERM SALES OF FIRM WATER TO THIRD PARTIES.....	19

I. WATER SUPPLY

A. PERMIT(S) MAY BE REQUIRED

PURCHASER may not impound, divert, or use water under this Contract unless PURCHASER, in accordance with the substantive rules of the Texas Commission on Environmental Quality (“TCEQ”), U.S. Corps of Engineers, or any other local, state, or federal regulatory authority, obtains and maintains any water rights permit, wastewater discharge permit, dredge and fill permits, or any other similar permit, that is necessary to authorize PURCHASER’S impoundment, diversion and/or consumptive use, and subsequent discharge, of water consistent with this Contract.

B. MAXIMUM ANNUAL QUANTITY & LOSS FACTOR

From and after the Effective Date hereof, PURCHASER shall have the right to a Maximum Annual Quantity (MAQ) of raw or untreated water per annum made available by LCRA as set forth in the terms of the Contract. For purposes of this Contract, the term “made available” refers to the greatest of: (i) the amount of water released from LCRA firm supplies to allow for diversions by or on behalf of PURCHASER; or (ii) the amount of water diverted by or on behalf of PURCHASER at the Point(s) of Availability plus, if applicable, the Loss Factor (defined below) times the amount of water diverted.

Notwithstanding the foregoing, in the event that PURCHASER's Point(s) of Availability are located downstream of Lake Travis, PURCHASER and LCRA agree that calculations of Maximum Annual Quantity and the amount of water made available under this Contract will be based on the amount of water which LCRA makes available for diversion by or on behalf of PURCHASER at the Point(s) of Availability plus the Loss Factor as set forth in this Contract.

In the event that PURCHASER'S Point(s) of Availability are located downstream of Lake Travis, the Contract will specify a Loss Factor. The Loss Factor represents LCRA's best available estimate of the conveyance, delivery, or system loss incurred to provide water under this Contract. LCRA hereby reserves the right to modify the Loss Factor and make any associated changes to the MAQ, at any time, based on any revised estimates of conveyance, delivery, or system loss associated with the delivery of water to PURCHASER, including but not limited to changes in the source of supply LCRA uses to make water available to PURCHASER or updated and substantiated information related to river or canal losses.

PURCHASER may, at its option, conduct its own investigation of conveyance, delivery, or system losses, associated with the delivery of water by LCRA under this Contract. If PURCHASER conducts such study in accordance with LCRA's then-current Water Contract Rules, it shall provide to LCRA in a written report the results of any such investigation within sixty (60) calendar days of completion and LCRA agrees to consider whether any adjustment to the Loss Factor is appropriate under this Contract. If LCRA determines that an adjustment to the Loss Factor is appropriate, it shall provide PURCHASER written notice, by certified mail, of any change to the Loss Factor and resulting change to the Contract MAQ, within fifteen (15) business days of adopting such change. A change to the Loss Factor that results in an increase in the MAQ of 500 acre-feet per year or more shall not take effect until approved by the LCRA Board as an amendment to this Contract. Notwithstanding the foregoing or any provision in LCRA's raw water contract rules, LCRA will not require PURCHASER to obtain a new contract on the most current standard form water contract where the change to the MAQ is based solely on a change to the Loss Factor.

PURCHASER shall designate a point or points of availability for such water as described and depicted in Exhibit "B" attached hereto (the "Point(s) of Availability"), said Exhibit depicting the location by reference to a corner of an original land survey and/or other survey point, giving course and distance and providing the latitude and longitude. Such Points of Availability may be located on the Colorado River or a LCRA-operated canal. In the event that the Point(s) of Availability are located on a LCRA operated-canal, PURCHASER shall also identify a point or points of diversion for such water on the Colorado River ("Point(s) of Diversion"). Such Point(s) of Diversion, if any, shall be described and depicted in Exhibit "B" in the same manner described for Point(s) of Availability.

C. EXCEEDANCE OF MAXIMUM ANNUAL QUANTITY.

If the amount of water made available to PURCHASER for any reason exceeds the Maximum Annual Quantity stated in PURCHASER's Contract during two (2) consecutive years, or two (2) out of any four (4) consecutive years, PURCHASER shall submit an application (including the application fee) for a new standard form water contract for an adjusted MAQ, the reasonableness of which shall be determined consistent with LCRA's then effective Water Contract Rules, to the extent LCRA has water supplies available.

D. MAXIMUM DIVERSION RATE

PURCHASER may not divert water made available by LCRA under this Contract at a rate greater than as set forth in this Contract ("Maximum Diversion Rate").

E. SOURCE OF WATER SUPPLY.

1. The water made available for impoundment, diversion and/or use under this Contract will be water provided from any source available to LCRA at the time PURCHASER uses water under this Contract.

2. LCRA may make water available under this Contract in accordance with LCRA's Water Management Plan, as may be amended in accordance with state law from time to time, from storage in Lakes Buchanan and/or Travis in accordance with water rights held by LCRA as set forth in Certificates of Adjudication No. 14-5478, as amended, and 14-5482, as amended.
3. LCRA may make water available under this Contract from water rights owned by LCRA based on that certain water right previously owned by the Garwood Irrigation Company and identified as Certificate of Adjudication No. 14-5434 issued by the Texas Water Commission on June 28, 1989, as amended (herein, "Garwood's Right"). That portion of Garwood's Right that is owned by LCRA (and for which reference is made to Certificate of Adjudication No. 14-5434C issued by the Texas Natural Resource Conservation Commission) is referred to herein as "Garwood's Remaining Right."
 - a) PURCHASER acknowledges and agrees that LCRA may make water available for impoundment, diversion and/or use under this Contract from Garwood's Remaining Right only following approval by the Texas Commission on Environmental Quality or its successors (hereafter, "TCEQ"), of amendments to allow use of Garwood's Remaining Right for the type of use authorized by this Contract at the Point of Diversion and/or Point of Availability.
 - b) In this event, this Contract is subject to the commitments and conditions set forth in Section 7.08 of that certain Purchase Agreement, dated July 20, 1998, between Garwood Irrigation Company, as seller, and the Lower Colorado River Authority, as buyer (the "LCRA-Garwood Purchase Agreement"), and is further subject to all terms, provisions and special conditions contained within Garwood's Remaining Right, as amended. Copies of the LCRA-Garwood Purchase Agreement and Garwood's Remaining Right, as amended, are available at the following internet web-site address:

<http://www.lcra.org/water/contracts.html>

PURCHASER also may obtain copies of the LCRA Purchase Agreement and Garwood's Remaining Right, as amended, by request to LCRA's address for notices herein. By executing this Contract, PURCHASER hereby acknowledges receipt of copies of the LCRA Purchase Agreement and Garwood's Remaining Right, as amended.

F. TYPE OF USE.

PURCHASER represents to LCRA and LCRA relies on such representation that all water made available under this Contract will be impounded, diverted, and/or used by PURCHASER for the type of use as described in this Contract, as such use is defined by the substantive rules for water rights of the TCEQ. In accordance with state law, any part of the water that PURCHASER impounds or diverts but does not use or consume for such use in accordance with this Contract shall be returned to the Colorado River or a tributary of the Colorado River.

G. SERVICE AREA.

Water made available under this Contract shall only be used within that certain area, as described in Exhibit "C" attached hereto and depicted in Exhibit "D," attached hereto, together hereinafter called the "Service Area."

H. WATER CONSERVATION AND DROUGHT CONTINGENCY MEASURES.

1. PURCHASER agrees to implement the water conservation program contained in the water conservation plan (the "Water Conservation Plan") described in Exhibit "E" attached hereto. PURCHASER further agrees that the water impounded and/or diverted by PURCHASER pursuant to this Contract will be used in accordance with such Water Conservation Plan. LCRA, in accordance with applicable law, may from time to time adopt reasonable rules and regulations relating to water conservation measures. PURCHASER shall update its Water Conservation Plan every five years, or on such schedule as may be required by LCRA or other state law. PURCHASER further agrees to amend its Water Conservation Plan, as necessary, to reflect amendments in state law, regulations or LCRA's water conservation rules and regulations. PURCHASER further agrees to do so within 180 days of the effective date of such amendments, provided that, if the amendments are adopted by LCRA (rather than, for example, TCEQ), the deadline for PURCHASER to make corresponding amendments to its Water Conservation Plan shall run from the date LCRA provides written notice of the amendments to PURCHASER. PURCHASER further agrees to submit its amended Water Conservation Plan to LCRA within 30 days after its adoption. Revisions to PURCHASER's Water Conservation Plan are not required under this section if PURCHASER has not initiated diversions; however, PURCHASER shall update its Water Conservation Plan to be consistent with LCRA's rules and regulations related to water conservation at least sixty (60) days prior to initiating diversions under this Contract. In the event that PURCHASER agrees to furnish water or water services to a third party, who in turn will furnish the water or water services to an ultimate consumer, PURCHASER agrees to include in its agreement with the third party provisions that obligate the third party to: a) develop and implement a water conservation program consistent with PURCHASER's Water Conservation Plan; and, b) amend its water conservation program to reflect amendments in state law, regulations or LCRA's water conservation rules and regulations within the same timelines that apply to PURCHASER.

2. PURCHASER agrees to implement the drought contingency program contained in the drought contingency plan (the "Drought Contingency Plan") described in Exhibit "F" attached hereto. PURCHASER further agrees that the water impounded and/or diverted by PURCHASER pursuant to this Contract will be used in accordance with such Drought Contingency Plan. PURCHASER shall review and update the Drought Contingency Plan not less than once every five (5) years or following written request by LCRA consistent with any other schedule required by LCRA's Water Contract Rules. PURCHASER further agrees to submit any amended Drought Contingency Plan to LCRA within 30 days after its adoption. LCRA, in accordance with applicable law, may from time to time adopt reasonable rules and regulations relating to drought contingency measures, including LCRA's Water Management Plan. PURCHASER agrees to amend its Drought Contingency Plan, as necessary, to reflect amendments in state law or regulations or LCRA's rules, regulations or Water Management Plan. PURCHASER further agrees to do so within 180 days of the effective date of such amendments, provided that, if the amendments are adopted by LCRA (rather than, for example, TCEQ), the deadline for PURCHASER to make corresponding amendments to its Drought Contingency Plan shall run from the date LCRA provides written notice of the amendments to PURCHASER. Revisions to PURCHASER's Drought Contingency Plan are not required under this section if PURCHASER has not initiated diversions; however, PURCHASER shall update its Drought Contingency Plan to be consistent with LCRA's rules and regulations related to water conservation at least sixty (60) days prior to initiating diversions under this Contract. In the event that PURCHASER agrees to furnish water or water services to a third party, who in turn will furnish the water or water services to an ultimate consumer, PURCHASER agrees to include in its agreement with the third party provisions that obligate the third party to: a) develop and implement a drought contingency program consistent with PURCHASER's Drought Contingency Plan; and b) amend its drought contingency program to reflect amendments in state law, regulations, or LCRA's rules, regulations, or Water

Management Plan within the same timelines that apply to PURCHASER.

I. AVAILABILITY OF WATER.

LCRA is committing to make available to PURCHASER under this Contract a portion of LCRA's firm water supply, as defined in LCRA's Water Contract Rules; provided, however, LCRA may interrupt or curtail the water supplied under this Contract as required by state law or in accordance with LCRA's Water Management Plan or Drought Contingency Plan, as such Plans and any amendments thereto have been approved and may be approved in the future by the TCEQ.

J. DELIVERY OF WATER.

LCRA is responsible for making water available under this Contract only up to the MAQ. LCRA makes no guarantee that the water made available under this Contract will be available at any particular time or place or that any LCRA owned/operated reservoir or the Colorado River will be maintained at any specific elevation or flow at any particular time. Furthermore, PURCHASER acknowledges and agrees that LCRA's obligations under this Contract shall not require LCRA to make additional releases of water from LCRA firm water supplies beyond the MAQ or to make releases to raise the water elevations or flows at the Point(s) of Availability at a particular time sufficient for PURCHASER's intake and/or diversion facilities to operate.

K. DEMAND SCHEDULE.

PURCHASER has provided a Demand Schedule (Exhibit G) that reflects PURCHASER's best estimate of the scheduled initiation of diversions, initial usage, annual water usage, and any increases of usage over time, of the water to be made available by LCRA under this Contract, consistent with LCRA's Water Contract Rules. PURCHASER shall review, update if needed, and provide to LCRA an updated Demand Schedule not less than once every five (5) years coincident with any updated Water Conservation Plans required by this Contract or LCRA's Water Contract Rules, or following written request by LCRA consistent with any other schedule that may be required by LCRA's Water Contract Rules.

L. REDUCTION IN MAQ FOR NON-USE.

Upon sixty (60) days' written notice to PURCHASER, LCRA may consider reducing the MAQ under this Contract at any time after ten year(s) after the Effective Date of this Contract if PURCHASER's maximum annual use has not been at least ten percent of the MAQ on an annual basis within the first ten years. Within thirty (30) days of LCRA's written notice that it is considering reduction of the MAQ, PURCHASER shall provide LCRA with a written assurance and updated Demand Schedule that demonstrates PURCHASER's intent to increase its diversions under this Contract within the next two (2) years to an amount that will be at least ten percent (10%) of the original MAQ secured by this Contract. If PURCHASER fails to or is unable provide such written assurance, or if at least ten percent (10%) of the MAQ is not put to use on an annual basis within the two year period, LCRA may thereafter, at its sole option, terminate the contract or reduce the MAQ to any amount LCRA deems appropriate and reasonable under LCRA's raw water contract rules in effect at the time. An adjustment to the MAQ of this Contract under this section does not require PURCHASER to obtain a new contract on the most current standard form contract.

M. STATE REGULATION OF LCRA WATER SUPPLIES.

PURCHASER acknowledges and agrees that the water LCRA makes available under this Contract may be regulated in whole or in part by the State of Texas or local regulatory authorities. PURCHASER further acknowledges and agrees that LCRA's water rights are subject to regulation by the State of Texas, including but not limited to periodic review and amendment of LCRA's Water Management Plan by the TCEQ. LCRA and PURCHASER acknowledge and agree that LCRA shall be obligated to exercise due diligence to manage its water supplies within such regulatory regimes to make water available to PURCHASER in accordance with the terms of this Contract. PURCHASER acknowledges and agrees, however, that LCRA's obligations under this Contract may be affected by orders of the State of Texas, its agencies or

local regulatory authorities. Orders of the State of Texas, its agencies or local regulatory authorities may constitute a “force majeure” event in accordance with this Contract.

N. OPERATIONS OF DAMS AND RESERVOIRS.

The right of LCRA to maintain and operate its several dams and their appurtenances on the Colorado River and its associated tributaries and at any and all times in the future to impound and release waters thereby in any lawful manner and to any lawful extent LCRA may see fit is recognized by PURCHASER; and, except as otherwise provided herein, there shall be no obligation upon LCRA to release or not to release any impounded waters at any time or to maintain any waters at any specified elevation or flow. PURCHASER acknowledges that the elevations of said reservoirs and the Colorado River will vary as a result of hydrologic events, or lack thereof, (e.g. floods or droughts) in the watershed and LCRA’s operations of its dams on the Colorado River.

PURCHASER acknowledges that Longhorn Dam, which is owned and operated by the City of Austin, may lie upstream of the Point(s) of Availability and/or Point(s) of Diversion, if any, and downstream of Lake Travis. PURCHASER agrees to hold LCRA harmless for any claims that PURCHASER has against LCRA for any action or inaction by the City of Austin relating to its ownership and operation of Longhorn Dam.

O. QUALITY OF WATER.

LCRA makes no representation as to the quality of the water made available under this Contract, and PURCHASER hereby releases LCRA and agrees to hold it harmless from any and all claims that PURCHASER or PURCHASER’s customers or users have or may have against LCRA for any diminution in or impairment of the quality of water made available under this Contract.

P. INTERBASIN TRANSFER.

Any surface water made available under this Contract may not be transferred or used outside of the Colorado River basin unless such transfer or use is within LCRA’s water service area or is otherwise in strict compliance with LCRA Board Policies, LCRA water rights and a final permit for interbasin transfer (“IBT”) issued by the TCEQ. In the event that PURCHASER intends to transfer or use surface water made available under this Contract outside of the Colorado River basin in accordance with this section, PURCHASER, by executing this Contract, authorizes LCRA to apply to the TCEQ for the necessary authorization pursuant to Texas Water Code § 11.085 and 11.122 within forty-five (45) days of the Effective Date of this Contract. LCRA shall diligently pursue such authorization after it is filed. PURCHASER shall pay for any filing and notice fees related to such application after LCRA bills PURCHASER for such fees in accordance with this Contract.

Q. REQUIRED NOTICES.

1. PURCHASER shall notify LCRA in writing of its intention to initiate diversions of water under this Contract not more than eight (8) weeks, nor less than four (4) weeks, prior to PURCHASER’s initiation of diversions. Such notice shall include PURCHASER’s anticipated diversion rate, not to exceed the Maximum Diversion Rate. If impoundments or diversions of water are being continued from a previous contract or other right to divert, and no change in diversion rate is anticipated, no notice is necessary.
2. PURCHASER shall notify LCRA in writing not more than two (2) weeks prior to making any change in its planned diversion rate, not to exceed the Maximum Diversion Rate specified in this Contract.
3. If PURCHASER’s Point(s) of Availability and/or Point(s) of Diversion, if any, are located downstream of Lake Travis or on a tributary which flows into the Colorado River downstream of Lake Travis, PURCHASER shall notify LCRA’s River Operations Center

(ROC) of its intent to impound and/or divert water under this Contract and shall either: (1) develop with the ROC a written process or mechanism for notifying the ROC of its intent to divert water under this Contract; or (2) notify the ROC prior to making any impoundment and/or diversion under this Contract in accordance with any requirements set forth in the Special Conditions in the Contract.

4. In the event the PURCHASER is required by state law to obtain a water right permit or water right permit amendment – including but not limited to contractual, term, or temporary water right permits – from TCEQ related to water that is reserved or purchased pursuant to an LCRA water contract, PURCHASER shall provide LCRA: (i) a copy of the application for the water right permit or water right permit amendment within five (5) business days of its filing with TCEQ; (ii) a copy of any proposed notice related to the application; and (iii) a copy of the water right permit or water right permit amendment promptly following the issuance of the water right permit or water right permit amendment. PURCHASER shall incorporate LCRA's reasonable comments into the application notice provided that: (i) LCRA provides its comments to PURCHASER within ten (10) business days of LCRA's receipt of the draft notice, unless a shorter response period is required by the TCEQ; and (ii) TCEQ accepts LCRA's comments in the final version of the notice. Applicant also shall provide LCRA two copies of any notice or action by TCEQ of a violation or termination of the water right permit or water right permit amendment within ten (10) days of Applicant receiving notice from TCEQ.
5. PURCHASER shall notify LCRA in writing not more than eight (8) weeks, nor less than four (4) weeks, prior to implementing a program for reuse of water that is reserved or purchased pursuant to this Contract and that falls within the type of use and Service Area provided in this Contract. PURCHASER will make available to LCRA non-privileged documents regarding PURCHASER's reuse program within a reasonable amount of time, not to exceed fifteen (15) business days, following a written request by LCRA staff. For all purposes of this Contract, the term "reuse" means the authorized use of water, which water was diverted and used pursuant to this Contract, but which water remains unconsumed and has yet to be either disposed of or discharged or otherwise allowed to flow into a watercourse, lake or other body of state-owned water.
6. PURCHASER shall notify LCRA in writing of its intentions to divert or deliver water for a Secondary Purchaser at least thirty (30) days prior to any diversions or deliveries from PURCHASER to the Secondary Purchaser.
7. Prior to the Effective Date of this Contract, PURCHASER shall provide to LCRA a demand or use schedule that estimates PURCHASER's annual usage, and any increases to it over time, of the water to be made available by LCRA under this Contract (the "Demand Schedule"). PURCHASER shall review, update if needed, and provide to LCRA the Demand Schedule not less than once every five (5) years or following written request by LCRA consistent with any other schedule required by LCRA's Water Contract Rules.

II. CONTRACT ADMINISTRATION

A. TERM OF CONTRACT.

This Contract shall be for the term of years as set forth in this Contract, which shall commence on the Effective Date and end on the anniversary of the Effective Date in the last year of the contract term as set forth in this Contract, unless terminated earlier by either party as provided below.

B. PAYMENT.

1. The "Water Rate" is the rate determined by the Board of Directors of LCRA to then be in

effect for all sales of firm water for the same use as provided in this Contract. The "Reservation Rate" is the rate determined by the Board of Directors of LCRA to then be in effect for the reservation of firm water for the same use as provided in this Contract. The "Inverted Block Rate" is the rate determined by the Board of Directors of LCRA to then be in effect for diversion or use of water in amounts in excess of the Maximum Annual Quantity.

2. The Water Rate presently in effect is \$155 per acre-foot (\$0.48 per 1,000 gallons) of water. The Reservation Rate presently in effect is \$77.50 per acre-foot. The Inverted Block Rate presently in effect is \$310 per acre-foot of water. LCRA reserves all rights that it may have under law to modify the Water Rate, the Reservation Rate, or the Inverted Block Rate. PURCHASER understands and acknowledges that the Water Rate, Reservation Rate, and the Inverted Block Rate set forth in this Contract have been approved by LCRA's Board of Directors, and that the Board may change all rates, fees and charges under the Contract from time to time.
3. PURCHASER agrees and covenants to pay LCRA – on a monthly basis beginning with the first billing period after the Effective Date of this contract – an amount of money (the "Use Charge") equal to the Water Rate less the Reservation Rate multiplied by the amount of water made available to PURCHASER during the previous billing period ("Monthly Use").

In the event that PURCHASER'S Point(s) of Availability are located on Lake Buchanan, Inks Lake, Lake LBJ, Lake Marble Falls or Lake Travis, the Monthly Use shall be amount of water diverted by or on behalf of PURCHASER.

In the event that PURCHASER'S Point(s) of Availability are located downstream of Lake Travis the Monthly Use shall be the sum of i) the Monthly Diversion, plus ii) the Loss Factor, times the Monthly Diversion, as such Loss Factor is established under this Contract. In the event the amount diverted at the Point(s) of Availability is less than the amount LCRA made available (through releases from storage and/or pumping into LCRA canals) at the Point(s) of Availability at PURCHASER's request, for purposes of this Section II.B, the Monthly Diversion shall be the amount of water made available at the Point(s) of Availability. Otherwise the Monthly Diversion shall be calculated from the actual amount diverted at the Point(s) of Availability.

4. PURCHASER agrees and covenants to pay – on a monthly basis beginning with the first billing period after the Effective Date of this Contract – the "Monthly Reservation Charge," which shall be an amount equal to the Reservation Rate multiplied by one-twelfth (1/12) of the MAQ.
5. PURCHASER further agrees and covenants to pay LCRA – on a calendar year basis – an amount of money (the "Excess Use Charge") equal to the Inverted Block Rate multiplied by any amount of water made available to PURCHASER in excess of the Maximum Annual Quantity during the previous calendar year, less any amount PURCHASER has previously paid for the same water through the Use Charge and/or Reservation Charge. In the event the amount of water made available to PURCHASER is limited because of a curtailment imposed by LCRA or state law in accordance with this Contract to an amount less than the MAQ, then PURCHASER shall pay a surcharge, in excess of any Use or Reservation Charges, to be set by LCRA's Board of Directors, multiplied by any amount of water made available to PURCHASER in excess of the amount PURCHASER is authorized to have available during the curtailment (the "Curtailment Surcharge").
6. The term "billing period," as used for purposes of metering and billing in this Contract, shall refer to each period between readings of the Meter(s), which readings typically are performed on a monthly basis. All charges under this Contract shall be pro-rated as necessary to reflect the Effective Date or date of termination of this Contract; in other

words, LCRA may include in an invoice up to thirty (30) additional days in a billing period to account for water reserved, released, diverted or impounded during days following execution or prior to termination of this Contract. For purposes of metering and billing, the "calendar year" may be based upon the 12-month period from the December meter reading date to the next December reading date.

7. Each month, LCRA will mail an invoice to PURCHASER showing the Monthly Use. Such invoice shall also show the amount of money owed by PURCHASER to LCRA in accordance with the Monthly Reservation Charge and/or Use Charge and any late payment charges, as specified herein.
8. The invoice mailed by LCRA to PURCHASER in the month of January each year, in addition to showing the amount of money owed by PURCHASER to LCRA in accordance with the Monthly Reservation Charge, and/or Use Charge, shall also show any amount of water that PURCHASER had made available to it in excess of the Maximum Annual Quantity during the previous calendar year, as well as the corresponding Excess Use Charge.
9. PURCHASER shall pay LCRA for water provided under this Contract in the amount of each invoice submitted to PURCHASER by LCRA on or before thirty (30) days from the date of the invoice. PURCHASER shall mail checks for payments to the address indicated on the invoice. PURCHASER may pay by hand-delivery of checks or cash to LCRA's headquarters in Austin, Travis County, Texas, or by bank-wire if PURCHASER obtains LCRA's approval and makes arrangements for doing so prior to the due date. Payment must be received at the address provided on the invoice, or, if approved, at LCRA's headquarters or bank, not later than thirty (30) days from the invoice date in order not to be considered past due or late. In the event PURCHASER fails to make payment of that invoice within thirty (30) days of the invoice date, PURCHASER shall then pay a late payment charge of five percent (5%) of the unpaid amount of the invoice. For each calendar month or fraction thereof that the invoice remains unpaid, PURCHASER shall pay interest at the rate of one and one-half percent (1.5%) per month on the unpaid portion of the invoice. In the event PURCHASER attempts to pay LCRA by check, draft, credit card or any other similar instrument and the instrument is returned or refused by the bank or other similar institution as insufficient or non-negotiable for any reason, PURCHASER shall be assessed and must pay to LCRA, per each returned instrument, the LCRA's current returned instrument fee. If the invoice has not been paid within thirty (30) days of the invoice date, PURCHASER further agrees to pay all costs of collection and reasonable attorney's fees, regardless of whether suit is filed, as authorized by Chapter 271, Texas Local Government Code.

C. MEASURING WATER.

1. To measure the amount of water diverted by PURCHASER hereunder, PURCHASER agrees at PURCHASER's expense to install such measuring and recording devices or methods as are approved by LCRA (the "Meter"), such Meter to permit, within five percent (5%) accuracy, determination of quantities of raw water diverted from the reservoir or stream hereunder in units of 1,000 gallons. LCRA shall have the right to approve both the design of the meter as well as the location of its installation. PURCHASER must repair, replace or make necessary improvements to a meter that is not in compliance with this Contract or LCRA's Water Contract Rules promptly after PURCHASER becomes aware of the deficiency that causes the meter to not comply with this Contract or LCRA's Water Contract Rules.
 - a) PURCHASER agrees to read Meter and submit meter readings to LCRA via electronic mail, online portal or other format as specified by LCRA, on a monthly

basis, on or about the 15th day of each month or on such date as specified by LCRA.

- b) PURCHASER agrees to provide LCRA's representatives access across PURCHASER's property for inspection, testing and reading of the Meter. PURCHASER shall locate the meter in a manner that provides LCRA with reasonably safe access to the Meter for the purpose of making meter readings, testing, and/or periodic inspections.
- c) PURCHASER agrees that the Meter shall be tested for accuracy by qualified personnel as approved by LCRA and at the expense of PURCHASER once each calendar year at intervals of approximately twelve (12) months if the MAQ is greater than 20 acre-feet per year and at intervals of approximately (24) months if the MAQ is less than or equal to 20 acre-feet per year.
- d) PURCHASER shall furnish to LCRA a report of such test results. Readings within five percent (5%) of accuracy shall be considered correct.
- e) In the event PURCHASER fails to test the Meter for a period of fifteen (15) consecutive months for contracts with a MAQ greater than 20 acre-feet per year or fails to test the Meter for a period of 25 consecutive months for contracts with a MAQ of 20 acre-feet per year or less, PURCHASER agrees to pay LCRA for the actual cost of testing the Meter plus a fifty dollar (\$50) administrative fee. LCRA will provide PURCHASER a written invoice of the cost of testing the Meter, and said invoice will be subject to the payment terms provided in section II.B of this Contract.
- f) If, at any time, LCRA provides PURCHASER a written notice that questions the accuracy of the Meter, PURCHASER promptly shall test the Meter and, in this event, the expense of such test will be paid by LCRA if the Meter is found to be correct and by PURCHASER if it is found to be incorrect.
- g) Any party that tests the Meter shall provide written notice of the test to the other party at least five (5) business days in advance of the test and shall allow the other party to observe the test.
- h) PURCHASER shall be required to take necessary steps to correct any inaccuracy in the Meter discovered during any test. LCRA may install, at its expense, check meters in or to any of PURCHASER's Meters at any time and may leave such check meters installed for such periods as is reasonably necessary to determine the accuracy of PURCHASER's Meters.
- i) If, as a result of any test, the Meter is found to be registering inaccurately (i.e., in excess of five percent (5%) of accuracy), the readings of the Meter shall be corrected at the rate of its inaccuracy for any period which is definitely known and agreed upon or, if no such period is known and agreed upon, the shorter of the following periods shall be used as the basis for correction:
 - (1) a period extended back either sixty (60) days from the date of demand for the test or, if no demand for the test was made, sixty (60) days from the date of the test; or
 - (2) a period extending back half of the time elapsed since the last previous test; and the records of reading shall be adjusted accordingly.

2. In the event PURCHASER is charged based on water released from LCRA firm water supplies under this Contract rather than the actual amount withdrawn from the reservoir or stream by PURCHASER, LCRA shall include the amount of such releases in the monthly invoice provided to PURCHASER. LCRA shall make available information regarding its calculation of the amount of water released attributable to PURCHASER's actual diversions under this Contract within a reasonable period following PURCHASER's written request.

D. TERMINATION OF CONTRACT OR REDUCTION IN MAXIMUM ANNUAL QUANTITY.

This Contract may be terminated as follows:

1. If PURCHASER is current on all payments due to LCRA under this Contract and the MAQ is less than 500 acre-feet, PURCHASER may terminate this Contract or reduce the MAQ as set forth in this section at any time following the expiration of five (5) years, measured from the Effective Date, by providing at least one year's prior written notice to LCRA. If the MAQ is 500 acre-feet or more, Purchaser's ability to terminate or reduce the MAQ is limited as follows: beginning with the five-year anniversary of the Effective Date of the contract, Purchaser may: (a) reduce its MAQ by up to 25 percent of the original contract quantity once every five years; or (b) if LCRA's other firm, non-temporary commitments have increased in an amount greater than projected under LCRA's Water Supply Resource Plan, Purchaser may terminate the contract or reduce the MAQ by a quantity greater than 25 percent.
2. LCRA at its sole option, in accordance with the terms and conditions set forth in Section II.E, "Non-Payment," may terminate this Contract without recourse should PURCHASER fail to comply with the terms and conditions of this Contract for the payment of moneys owed to LCRA pursuant to Section II.B. "Payment."
3. If PURCHASER fails to comply with its Water Conservation Plan, its Drought Contingency Plan, or any applicable LCRA nonpoint source water pollution abatement ordinance, or if PURCHASER fails to amend its Water Conservation Plan or its Drought Contingency Plan to reflect changes in LCRA's Water Conservation Plan Rules, LCRA's Drought Contingency Plan Rules, or state law or rules, LCRA may terminate, at its sole option, this Contract without recourse unless such default is cured within thirty (30) days of the date LCRA provides written notice to PURCHASER (or, if the nature of such default is not susceptible of being cured within such thirty (30) day period, such longer period of time during which PURCHASER diligently prosecutes the cure of such default, not to exceed one hundred eighty (180) days of PURCHASER's receipt of written notice of such default.
4. If PURCHASER fails to comply with the requirements of Sections III.A, "Nonpoint Source Pollution Abatement," III.B, "Sewage Regulations," or III.C, "Documentation of Compliance; right of Entry," LCRA may, at its sole option, terminate this Contract without recourse unless such default is cured within thirty (30) days of the date LCRA provides written notice to PURCHASER (or if the nature of such default is not susceptible of being cured within such thirty (30) day period, such longer period of time during which PURCHASER diligently prosecutes the cure of such default, not to exceed one hundred eighty (180) days of PURCHASER's receipt of written notice of such default. For purposes of this section, LCRA shall not deem PURCHASER to be in default for so long as PURCHASER is in compliance with any remedial or enforcement agreement authorized by an agency of appropriate jurisdiction.
5. If PURCHASER fails to comply with other requirements of this Contract not specifically stated above, LCRA may, at its sole option, terminate this Contract without recourse unless such default is cured within thirty (30) days (or, if the nature of such default is not susceptible of being cured within such thirty (30) day period, such longer period of time

during which PURCHASER diligently prosecutes the cure of such default, not to exceed one hundred eighty (180) days of PURCHASER's receipt of written notice of such default.

6. Subject to the requirements of applicable bankruptcy laws, including the rights of a trustee to assume contracts under applicable bankruptcy laws, this Contract may be terminated immediately by LCRA upon the declaration of bankruptcy by PURCHASER.
7. In the event TCEQ or any other local, state, or federal regulatory agency denies to PURCHASER, or terminates for any reason, a permit required by this Contract, PURCHASER shall notify LCRA within three (3) business days and immediately cease diversions under this Contract. LCRA, at its sole option, may this Contract terminate on or after the denial or termination of any permit required by this Contract..

PURCHASER shall remain liable for all fees and charges, including any non-refundable Pre-paid Reservation Charges, accruing under the Contract through the date the Contract is terminated, including but not limited to a pro-rated Reservation Charge, which shall be calculated based upon the excess of the Maximum Annual Quantity, pro-rated to the date of termination, over the amount of water made available to PURCHASER through the date of termination. In the event LCRA terminates this Contract as provided herein, PURCHASER shall suspend immediately upon such termination all withdrawal of water from the Colorado River, or any tributaries thereof, under this Contract. LCRA may exercise any rights that it may have at law or in equity to prevent unauthorized withdrawals by PURCHASER or enforce the requirements of PURCHASER's Water Permit, if any. In the event that the contract is terminated based upon the denial or termination of a permit required by this Contract, PURCHASER shall be required to pay an early termination fee equal to the Reservation Rate times the MAQ.

E. NON-PAYMENT.

1. If LCRA determines that PURCHASER has not paid the full amount owed for any payment due under Section II.B, "Payment", hereof within the time provided therefore, LCRA shall give written notice to PURCHASER stating the amount LCRA has determined is due and unpaid. If LCRA gives notice as provided herein and PURCHASER fails to pay within thirty (30) days the amounts claimed in such notice to be due and unpaid, LCRA may, at its sole option: (1) upon giving ten (10) days written notice to PURCHASER terminate this Contract without recourse; and/or, (2) request injunctive relief from a court of competent jurisdiction to prevent PURCHASER from impounding and/or diverting additional water pursuant to this Contract.
2. If PURCHASER should dispute PURCHASER's obligation to pay all or any part of the amount stated in any invoice or notice, PURCHASER may, in addition to all other rights that PURCHASER may have under law, pay such amount under protest in which case such amount shall be deposited by LCRA in an interest bearing account mutually acceptable to both LCRA and PURCHASER pending final resolution of such dispute in accordance with Section IV.H, "Dispute Resolution." LCRA may not terminate this Contract, or request injunctive relief to prevent additional impoundments and/or diversions, for failure to pay the amount stated in any invoice or notice if PURCHASER pays such amount under protest and until there is a final resolution of such dispute in accordance with Section IV.H, "Dispute Resolution," favorable to LCRA.

F. EQUITABLE REMEDIES.

PURCHASER agrees that diversions or impoundments of water by PURCHASER without the authorization provided by this Contract will result in damages to LCRA that cannot be adequately compensated by money alone. As a result, PURCHASER agrees that LCRA shall have available to it equitable remedies, including injunctive relief against additional diversions or impoundments by PURCHASER unless PURCHASER demonstrates that it is otherwise authorized to divert or impound water. In addition, PURCHASER agrees that the provisions of Section IV.H, "DISPUTE RESOLUTION," will not apply to any legal action brought by

LCRA seeking equitable remedies under this Contract except as expressly provided by Section II.E.2 regarding "NON-PAYMENT."

G. NOTICE.

Any notice under this Contract may be delivered by facsimile transmission or by certified mail, return receipt requested. If delivered by facsimile transmission, notice shall be deemed effective as of the facsimile send date, provided that any notice sent by facsimile must also be sent the same date by first-class mail. If delivered by certified mail, return receipt requested, notice shall be deemed effective five (5) days after the date on which the notice is post-marked.

All notices and invoices to PURCHASER shall be addressed as set forth in the General Terms of this Contract.

All notices and payments to LCRA shall be addressed as set forth in the General Terms of this Contract.

Either party may change its address by giving written notice of such change to the other party. PURCHASER is required to provide notice of change in address or contact person within ten (10) days of such change. PURCHASER shall maintain a physical address on file with LCRA.

H. ASSIGNMENT OF CONTRACT.

PURCHASER shall have the right to assign this Contract provided that: i) there is no change to the MAQ, source, type of use or Service Area provided in this Contract; ii) prior to such assignment, this Contract is amended to be consistent with all terms of LCRA's then-current standard form contract for purchase of firm water from Lake Travis and LCRA's then-current Water Contract Rules as determined by LCRA; iii) the Water Conservation Plan and Drought Contingency Plan are updated as may be necessary in accordance with this Contract as determined by LCRA; iv) PURCHASER provides LCRA at least sixty (60) days prior written notice of such assignment; and, v) PURCHASER is not in default under this Contract at the time of such assignment.

I. COMPLIANCE WITH FILING REQUIREMENTS.

LCRA agrees to file a copy of this Contract with the Executive Director of the TCEQ, P.O. Box 13087, Capitol Station, Austin, Texas 78711, it being fully recognized by PURCHASER hereunder that the effectiveness of this Contract is dependent upon compliance with the substantive rules and procedural rules for water rights of the TCEQ.

III. ENVIRONMENTAL, PERMITTING AND OTHER ISSUES RELATED TO WATER SUPPLY

A. NONPOINT SOURCE WATER POLLUTION ABATEMENT.

If PURCHASER will use water under this Contract to serve areas located within the jurisdictional area of LCRA Lake Travis Nonpoint Source Pollution Control Ordinance, the Upper Highland Lakes Nonpoint Source Pollution Control Ordinance, or any other LCRA water quality ordinance that has been adopted by the LCRA Board, PURCHASER agrees to comply with and shall comply with the provisions of that respective ordinance, which ordinance may require a permit and compliance with other applicable local, state, and federal rules and regulations pertaining to water quality protection. If PURCHASER will use water under this Contract to serve areas wholly outside the jurisdiction of an LCRA water quality ordinance, PURCHASER agrees to comply with and shall comply with any applicable local, state, and federal rules and regulations pertaining to water quality protection. PURCHASER further agrees to distribute to its customers in its service area water quality protection educational materials that LCRA provides to PURCHASER.

B. SEWAGE REGULATIONS.

PURCHASER agrees to obtain, or cause to be obtained, all approvals required by all applicable local, state or federal agencies for any sanitary sewage system or systems that collect sewage derived from water diverted herein or any sanitary sewage system whose effluent is discharged within the boundaries of LCRA's statutory district. Failure of PURCHASER to meet any standards imposed by such agencies for sanitary sewage systems, including on-site systems, shall subject PURCHASER under this Contract to all remedies allowed by law including, without limitation, termination or suspension of this Contract by LCRA. PURCHASER further agrees that if a sewage treatment plant is located within the Service Area, LCRA shall have reasonable access to such plant for the purpose of taking samples of sewage effluent from such plant for testing by LCRA to determine whether PURCHASER is in compliance with regulatory standards imposed by such agencies.

C. DOCUMENTATION OF COMPLIANCE; RIGHT OF ENTRY.

1. In addition to notices required by Section I.Q of this Contract, PURCHASER shall provide LCRA copies of any approvals that PURCHASER has received from federal, state, or local agencies that relate to water reserved or purchased pursuant to PURCHASER's Contract or to facilities intended to impound, divert, transport, or use water provided under PURCHASER's Contract within a reasonable amount of time, not to exceed fifteen (15) business days, following a written request by LCRA staff.
2. PURCHASER agrees that LCRA employees and agents shall be entitled to enter any property where facilities impound or deliver water to the service area of PURCHASER at any reasonable time following a reasonable attempt at prior notification for the purpose of inspecting and investigating conditions relating to the quality of water; the compliance by PURCHASER with any rule, regulation, permit or other order of the state, its agencies, local regulatory authorities or LCRA; compliance by PURCHASER with the requirements of this Contract; or, inspection of any of PURCHASER's facilities related to the use, diversion or impoundment of water under this Contract. LCRA employees or agents acting under this Contract who enter PURCHASER's property shall observe rules and regulations concerning safety, internal security, and fire protection, and shall notify any occupant or management of their presence and shall exhibit proper credentials.

D. ANNUAL REPORTS OF DUE DILIGENCE; AS-BUILT PLANS.

1. PURCHASER shall report to LCRA, on a yearly basis, progress made toward obtaining any and all necessary authorizations (e.g. TCEQ permits, Army Corps of Engineers permits, etc.) as well as progress towards commencing and completing construction of facilities which will be used to divert, impound, and/or convey water under PURCHASER's Contract.
2. PURCHASER shall provide to LCRA "as-built" drawings and plans (including GPS coordinates of any intakes or impoundments) for facilities which will be used to divert, impound, and/or convey water under PURCHASER's Contract were actually built within thirty (30) days of completion of construction.

IV. GENERAL PROVISIONS

A. EFFECTIVE DATE.

"Effective Date" means the last date of execution of this Contract by the Parties; provided all of the Parties must execute this Contract for it to be effective.

B. PREVIOUS CONTRACT.

In the event of a previous contract between the Parties related to the Service Area of this Contract prior to the Effective Date, this Contract replaces such prior contract unless specified otherwise hereunder.

C. INDEMNIFICATION.

PURCHASER will indemnify and hold LCRA harmless from any and all claims and demands whatsoever to which LCRA may be subjected by reason of any injury to any person or damage to any property resulting from any and all actions and activities (or failure to act) of PURCHASER under this Contract except to the extent caused by LCRA's gross negligence or willful misconduct. PURCHASER's pumping and related facilities shall be installed, operated and maintained by PURCHASER at PURCHASER's sole risk. Nothing in this Contract shall be construed as authorizing PURCHASER, or recognizing that PURCHASER has any right, to install any equipment or improvements on property owned by LCRA or third parties.

LCRA will hold PURCHASER harmless from any and all claims or demands whatsoever to which LCRA may be subjected by reason of any injury to any person or damage to any property resulting from or in any way connected with any and all actions and activities (or failure to act) of LCRA under this Contract.

D. FORCE MAJEURE.

The term "Force Majeure" as used herein, shall mean those situations or conditions that are beyond the control of LCRA or PURCHASER and that, after the exercise of due diligence to remedy such situation or condition, render LCRA or PURCHASER unable, wholly or in part, to carry out the covenants contained herein. Such force majeure includes, but is not limited to acts of God, strikes, lockouts, acts of the public enemy, orders of any kind of the government or agencies of the United States or of the State of Texas, excluding LCRA, or any civil or military authority, insurrections, riots epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, civil disturbances, explosions, breakage or accidents to machinery, pipelines, canals, or dams, partial or entire failure of water supply insofar as each of the foregoing are beyond the reasonable control of the party in question. LCRA shall not be held liable or responsible for any damage that may be caused by its inability, after the exercise of due diligence, to make the supply of water available to PURCHASER due to any force majeure. LCRA shall use reasonable and timely diligence to repair or recondition LCRA's machinery, canals, or dams in the event such machinery, canals or dams are damaged or made unserviceable from any force majeure.

E. NO THIRD-PARTY BENEFICIARY.

The Parties hereto are entering into this Contract solely for the benefit of themselves and agree that nothing herein shall be construed to confer any right, privilege or benefit on any person or entity other than the Parties hereto.

F. NO RIGHTS OR TITLE ACQUIRED.

PURCHASER agrees and acknowledges that it acquires by this Contract no rights or title to the water that is the subject of this Contract other than those rights explicitly set forth herein.

G. REPRESENTATIONS AND WARRANTIES.

Each of LCRA and PURCHASER represents and warrants to the other that this Contract has been duly executed by an authorized officer and constitutes a valid and binding Contract, enforceable against it in accordance with its terms (except as such enforceability may be limited by bankruptcy laws or other similar laws relating to the enforcement of creditors' rights generally and by general equitable principles).

H. DISPUTE RESOLUTION.

1. Settlement by Mutual Agreement.

In the event any dispute, controversy or claim between or among the Parties arises under this Contract or is connected with or related in any way to this Contract or any right, duty or obligation arising hereunder or the relationship of the Parties hereunder (a "Dispute or Controversy"), including, but not limited to, a Dispute or Controversy relating to the effectiveness, validity, interpretation, implementation, termination, cancellation, or enforcement of this Contract, the Parties shall first attempt in good faith to settle and resolve such Dispute or Controversy by mutual agreement in accordance with the terms of this subsection (1). In the event a Dispute or Controversy arises, any party shall have the right to notify the other party to such Dispute or Controversy that it has elected to implement the procedures set forth in this subsection (1). Within thirty (30) days after delivery of any such notice by one party to the other regarding a Dispute or Controversy, the designated representatives of the Parties shall meet at a mutually agreed time and place to attempt, with diligence and good faith, to resolve and settle such Dispute or Controversy. Should a mutual resolution and settlement not be obtained at the meeting of the Parties' designated representatives for such purpose or should no such meeting take place within such thirty (30) day period, then any party may by notice to the other party, as the case may be, refer the Dispute or Controversy to senior management of the Parties for resolution. Within thirty (30) days after delivery of any such notice by one party to the other referring such Dispute or Controversy to senior management of the Parties for resolution, representatives of senior management of each of the Parties shall meet at a mutually agreed upon time and place to attempt, with diligence and good faith, to resolve and settle such Dispute or Controversy. Should mutual resolution and settlement not be obtained at the meeting of representatives of senior management of each of the Parties for such purposes or should no such meeting take place within such thirty (30) day period (unless extended by mutual agreement), then any party may by notice to the other party, as the case may be, submit the Dispute or Controversy to binding arbitration in accordance with the provisions of subsection (2) and Exhibit H. Upon the receipt of notice of referral to arbitration hereunder, and except as otherwise expressly provided by this Contract, the Parties shall be compelled to arbitrate the Dispute or Controversy in accordance with the terms of this Section IV.H and Exhibit H without regard to the justiciable character or executory nature of such Dispute or Controversy.

2. Arbitration.

Except as otherwise expressly provided by this Contract, each party hereby agrees that any Dispute or Controversy that is not resolved pursuant to the provisions of subsection (1) may be submitted to binding arbitration hereunder and, if submitted timely according to this Contract, shall be resolved exclusively and finally through such binding arbitration. Except as otherwise expressly provided by this Contract, this Section IV.H and Exhibit H constitute a written agreement by the Parties to submit to arbitration any Dispute or Controversy arising under or in connection with this Contract within the meaning of Section 171.001 of the Texas Civil Practice and Remedies Code.

3. Emergency Relief.

Notwithstanding the Parties' agreement to arbitrate Dispute and Controversies, either party may seek injunctive relief or other form of emergency relief at any time from any state court of competent jurisdiction in Austin, Texas, the federal court for such district, or any state or federal regulatory agency of competent jurisdiction.

4. Survival.

The provisions of this Section IV.H shall survive expiration or earlier termination of this Contract.

I. ACTUAL DAMAGES.

NEITHER PARTY SHALL BE LIABLE OR HAVE ANY RESPONSIBILITY TO THE OTHER FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, PUNITIVE OR DELAY-RELATED OR PERFORMANCE-RELATED DAMAGES INCLUDING, WITHOUT LIMITATION, LOST EARNINGS OR PROFITS. SUCH LIMITATION ON LIABILITY SHALL APPLY TO ANY CLAIM OR ACTION, WHETHER IT IS BASED IN WHOLE OR IN PART ON CONTRACT, NEGLIGENCE, STRICT LIABILITY, TORT, STATUTE OR ANY OTHER THEORY OF LIABILITY. THE PROVISIONS OF THIS SECTION IV.I SHALL HAVE NO EFFECT ON THE PARTY'S INDEMNITY OBLIGATIONS UNDER SECTION IV.C.

J. AMENDMENT.

This Contract may not be modified or amended except by an instrument in writing signed by authorized representatives of the Parties.

K. BINDING EFFECT.

The terms of this Contract shall be binding upon, and inure to the benefit of, the Parties and their permitted successors and assigns.

L. COMPLETE CONTRACT.

This Contract, together with all Exhibits attached hereto, constitutes the entire agreement of the Parties relating to the subject matter of this Contract and supersedes all prior contracts, agreements or understandings with respect to the subject matter hereof, both oral or written.

Each party agrees that the other party (and its agents and representatives) has not made, and has not relied upon, any representation, warranty, covenant or agreement relating to the transactions contemplated hereunder other than those expressly set forth herein.

M. COUNTERPARTS.

This Contract may be executed by the Parties in any number of separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts shall together constitute one and the same agreement. All signatures need not be on the same counterpart.

N. FURTHER ASSURANCES.

Each party agrees to do all acts and things and to execute and deliver such further written instruments, as may be from time to time reasonably required to carry out the terms and provisions of this Contract.

O. GOVERNING LAW.

This Contract and the rights and duties of the Parties arising out of this Contract shall be governed by, and construed in accordance with, the laws of the State of Texas, without reference to the conflict of laws rules thereof.

P. HEADINGS; TABLE OF CONTENTS.

The headings of the Articles and Sections of this Contract and the Table of Contents are included for convenience only and shall not be deemed to constitute a part of this Contract.

Q. INCORPORATION OF WATER CONTRACT RULES.

PURCHASER acknowledges receipt of LCRA's Water Contract Rules ("Rules"), and further acknowledges that, unless expressly stated otherwise in this Contract, such Rules, as may be amended by LCRA's Board of Directors from time to time, are incorporated herein by reference in their entirety and made a part hereof for all purposes.

R. INTERPRETATION AND RELIANCE.

No presumption will apply in favor of any party in the interpretation of this Contract or in the resolution of any ambiguity of any provisions thereof.

S. RELATIONSHIP OF PARTIES.

This Contract and the transactions contemplated hereunder are based upon the active participation of all Parties.

Neither the execution nor delivery of this Contract, nor the consummation of the transactions contemplated hereunder, shall create or constitute a partnership, joint venture, or any other form of business organization or arrangement between the Parties, except for the contractual arrangements specifically set forth in this Contract. Except as is expressly agreed to in writing in this Contract, no party (or any of its agents, officers or employees) shall be an agent or employee of the other party, nor shall a party (or any of its agents, officers or employees) have any power to assume or create any obligation on behalf of the other party. Nothing contained in this Contract shall create or constitute a partnership, joint venture, or any other form of business organization or arrangement among LCRA on the one hand and the PURCHASER on the other hand, except for the contractual arrangements specifically set forth herein.

T. SEVERABILITY.

In the event that any provision of this Contract is held to be unenforceable or invalid by any court of competent jurisdiction, the Parties shall negotiate an equitable adjustment to the provisions of this Contract with the view to effecting, to the extent possible, the original purpose and intent of this Contract, and the validity and enforceability of the remaining provisions shall not be affected thereby.

U. NO ADDITIONAL WAIVER IMPLIED.

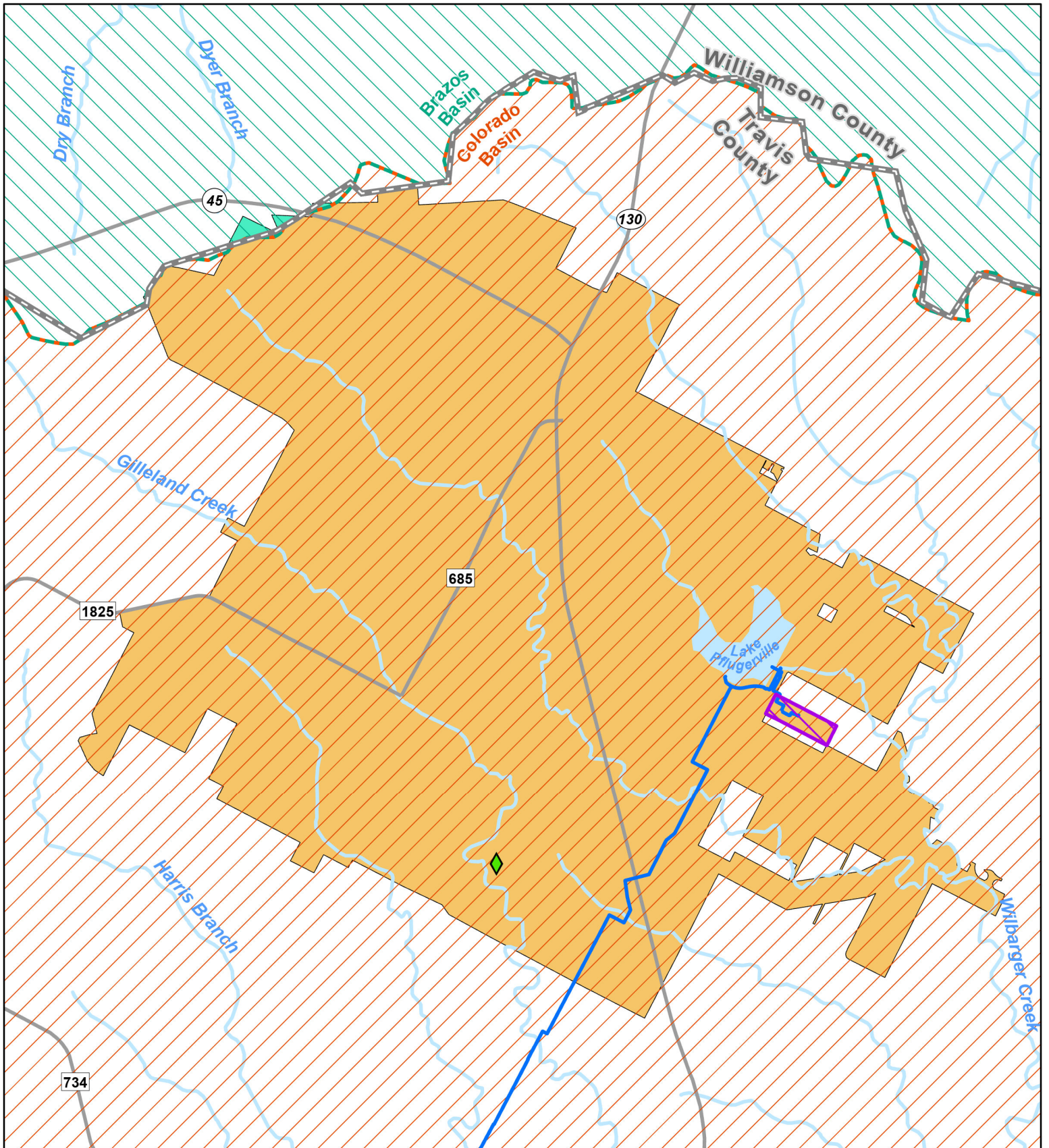
No waiver or waivers of any breach or default (or any breaches or defaults) of any term, covenant, condition or liability under this Contract, or of performance by the other party of any duty or obligation under this Contract, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstances.









V. SHORT TERM SALES OF FIRM WATER TO THIRD PARTIES.

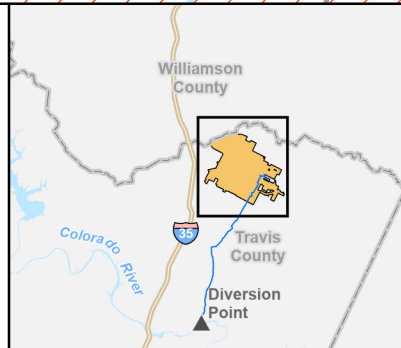
In accordance with LCRA Board Policy 501, Water Resources Management, LCRA and PURCHASER agree that LCRA may market and re-sell any portion of PURCHASER's Reserved Water to third parties on a limited term basis for a management fee and under terms mutually acceptable to LCRA and PURCHASER and in accordance with LCRA Board Policies.

Exhibit B

Description of Point(s) of Availability



-  Pflugerville Service Area – Colorado Basin
-  Pflugerville Service Area – Brazos Basin
-  Brazos basin
-  Colorado basin
-  Diversion Point
-  Discharge Point of Return
-  Raw Water Pipeline
-  Surface Water Treatment Plant



City of Pflugerville

Service Area

Exhibit B

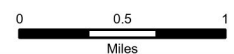
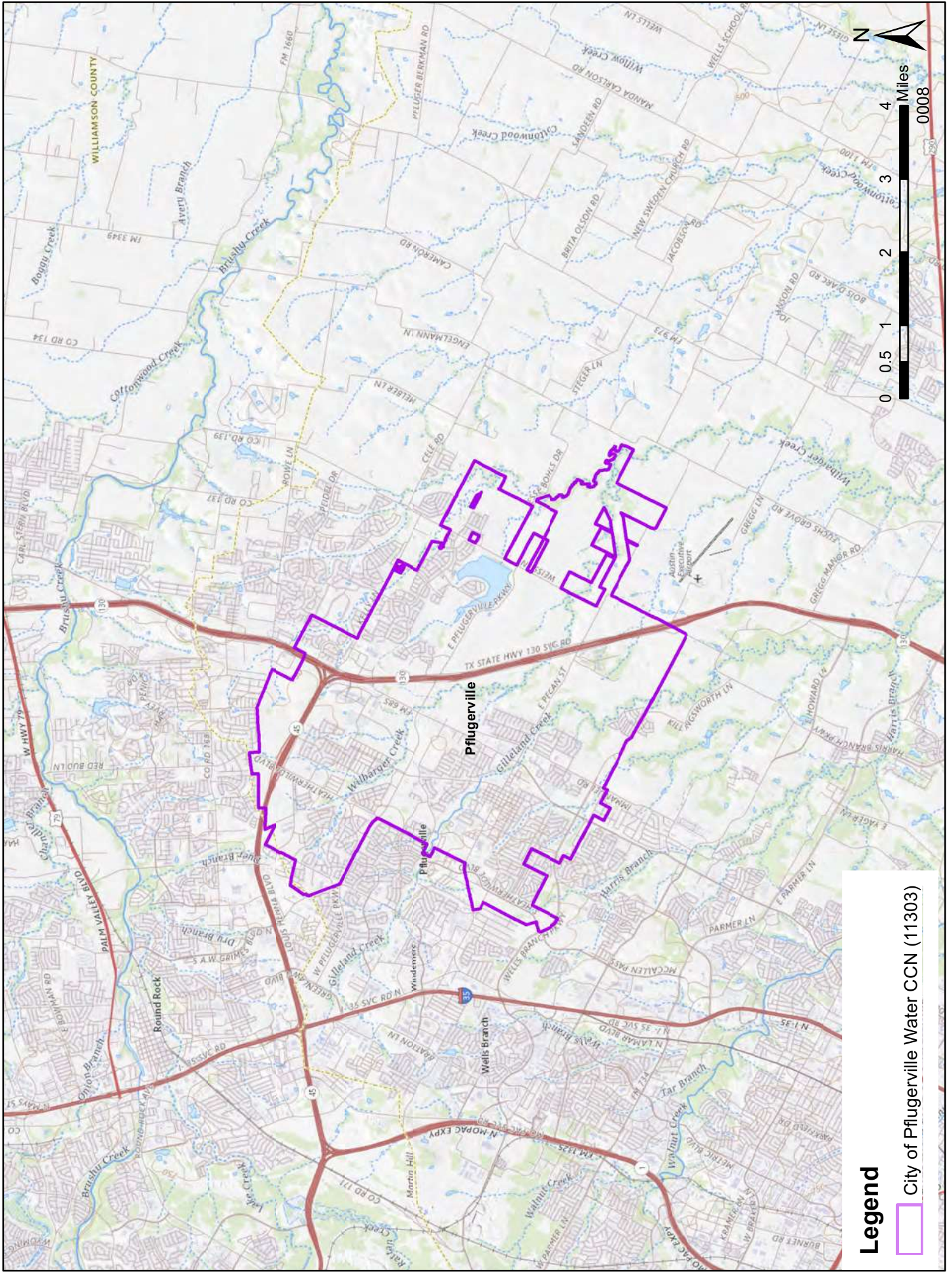


Exhibit C

Description of Service Area

EXHIBIT C



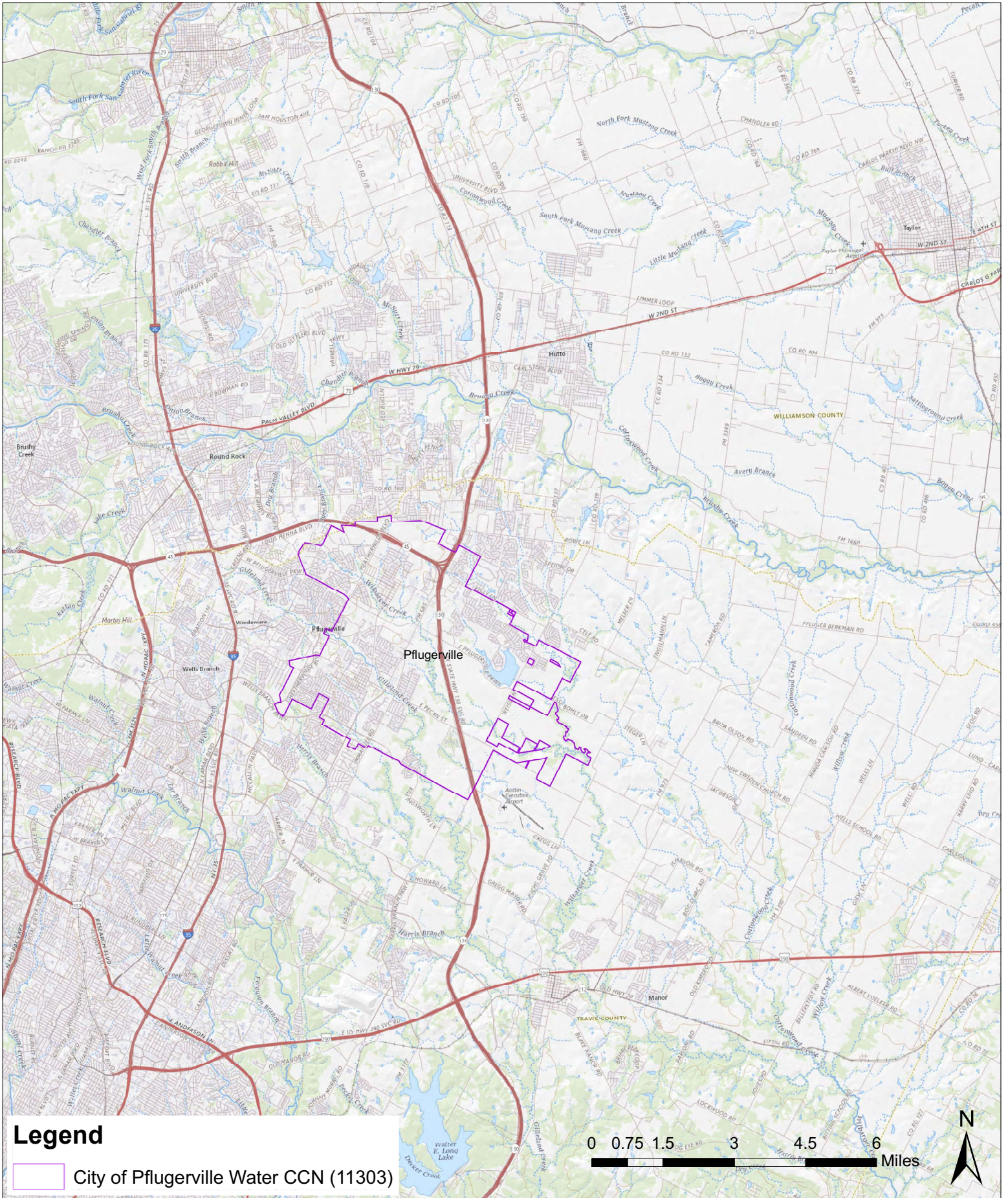
Legend

 City of Pflugerville Water CCA (11303)

Exhibit D

Depiction of Service Area

EXHIBIT D



Legend

 City of Pflugerville Water CCN (11303)

0 0.75 1.5 3 4.5 6 Miles



Exhibit E

Water Conservation Plan

EXHIBIT E - WATER CONSERVATION PLAN

RESOLUTION NO. 1864-21-04-13-0852

RESOLUTION OF THE CITY OF PFLUGERVILLE, TEXAS AMENDING THE CITY'S ADOPTED WATER CONSERVATION PLAN

WHEREAS, the City of Pflugerville established a written plan to provide for the conservation of the City's water resources adopted by Resolution No. 191-02-02-12-3D on February 12, 2002; Resolution No. 270-02-09-10-4J adopted on September 10, 2002; Resolution No. 912-06-09-12-8K adopted on September 12, 2006; and by Resolution No. 1280-11-04-12-0030 adopted on April 12, 2011; and by Resolution No. 1494-16-05-24-0315 adopted on May 24, 2016; and

WHEREAS, conservation of water will extend available water supplies, reduce the risk of water shortages, reduce water and wastewater utility operating costs, reduce customer costs for water service, reduce wastewater flows, and enhance water quality and the environment; and

WHEREAS, the City Council of the City of Pflugerville now wishes to amend the City's water conservation plan to reflect new five and ten-year goals for water conservation.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PFLUGERVILLE, TEXAS:

Section 1. That the City Council hereby approves and adopts the attached amended City of Pflugerville Water Conservation Plan, Exhibit "A".

Section 2. This resolution shall take effect immediately from and after its passage, and it is duly resolved.

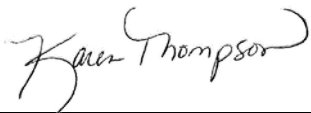
APPROVED this 13th day of April, 2021.

CITY OF PFLUGERVILLE, TEXAS



Victor Gonzalez, Mayor

ATTEST:



Karen Thompson, City Secretary

Water Conservation Plan

CITY OF PFLUGERVILLE

April 13, 2021

1. Introduction

The City of Pflugerville (the "City") has developed this Water Conservation Plan (the "Plan") for its wholesale and retail treated water utility systems to effectively manage public water resources and to plan appropriate responses to emergency and drought conditions. The Plan recognizes that conservation is a valuable tool in managing water and wastewater utility systems. Benefits of water conservation include: extending available water supplies; reducing the risk of shortage during periods of extreme drought; reducing water and wastewater utility operating costs; improving the reliability and quality of water utility service; reducing customer costs for water service; reducing wastewater flows; improving the performance of wastewater treatment systems; and enhancing water quality and the environment.

This Plan applies to all of the City of Pflugerville's retail and wholesale treated water customers. This plan was adopted on September 10, 2002, last amended on May 10, 2016, updated on this date of April 13, 2021 and will be updated at least every five years to account for changes in water usage due to water supply issues and/or growth in the customer base.

2. Authorization, Implementation and Enforcement

The City Manager, or his/her designee, of the City of Pflugerville is hereby authorized and directed to implement the applicable provisions of this Plan. The City Manager, or his/her designee, will act as Administrator of the Water Conservation Program. He/she will oversee the execution and implementation of the program and will be responsible for keeping adequate records for program verification.

This Amended Plan was presented to the Pflugerville City Council for approval on April 13, 2021.

This Amended Plan will be enforced by the following methods:

- a. City Council adopting this plan by ordinance. The ordinance adopting this plan is included as Exhibit F.
- b. The water rate structure will be enforced; water service will be discontinued for any customers not paying the monthly bill; and
- c. The Building Official, or his/her designee, will not certify new construction unless it meets adopted building and plumbing codes.

3. Utility Profile--Baseline Evaluation of Water and Wastewater Utility System and Customer Use

- a. Population and Service Area: The City of Pflugerville's currently bills 14,755 water service connections with an estimated water service population of 41,824. The City experienced a population boom in the 1990's, growing from a population of 4,444 in 1990 to a population of 16,335 in 2000. Since 2000 growth has continued and projections show that the City's population will continue to grow, with the water service population estimated to be at 60,146 by the year 2030 and 86,495 by year 2040. The water service area has grown as well. The City's current water service area is presented in Exhibit A.
- b. Water Produced and Treated by Pflugerville: The City of Pflugerville's water system serves 14,755 connections with an estimated water service population of 41,824. Residential customers comprise nearly 96% of total connections and nearly 80% of total yearly consumption. The peak-to-average ratio of water use was 1.39. More detailed water and wastewater utility data is found in Exhibit C.

4. Water Conservation Plan Elements

- a. Water Conservation Goals. Based on calendar year 2020 data usage, the City's goal is to reduce water use by 5% by 2026. This percentage translates to daily use of 8.22 million gallons in 2026 excluding population growth. A summary of the City's baseline and future water conservation goals on a gallon per person per day are summarized in the table below.

	Historic 5yr Average	Baseline	5yr Goal	10yr Goal
Total GPCD	147	147	140	133
Residential GPCD	107	107	102	97
Water Loss GPCD	9	9	8	8
Water Loss %	6.0%	6.0%	6.0%	6.0%

The City will measure its progress on reduction in water use by comparing the current daily per resident use to per resident use multiplied by the population each year. Pflugerville's unaccounted water for 2020 was less than 2%. The City's goal is to maintain unaccounted for water at 10% or less.

i. Water Conservation Measures

1. Universal Metering and Meter Replacement and Repair. All utility customers shall be metered. A regularly scheduled maintenance program of meter repair and replacement will be performed in accordance with the following schedule:

Production (master) meters:	Test once a year
Meters larger than 1":	Test once a year
Meters 1" or smaller:	Tested if reading is unusual or if requested by homeowner. Replaced at one million gallons.

Zero consumption accounts: meters will be flow tested to see if water is being used and not recorded. In addition, the meters will be checked for proper sizing.

2. Distribution System Leak Detection and Repair. The City's unaccounted water loss is due to sections of the water distribution system being polybutylene pipe, which has a known history of leakage. The City has a year round leak detection and pipe replacement program in place to minimize this leakage. The city will expand on this in the coming years to more targeted areas by bringing in a third-party to identify areas of concern throughout the distribution system by taking the current data we collect via our SCADA system and compare that to historical usage to identify neighborhoods where leaks appear to be present. This will work in tandem with our Automatic Metering Infrastructure that is being implemented in calendar year 2021 and 2022 to be able to parse through that data to find areas of concern where we can proactively identify and fix leaks.

3. Plumbing Retrofit Program. State and federal laws require that homes built after 1992 have low-flow (less than 3 gallons per minute) showerheads, faucet aerators and ultra-low flush (less than 1.6 gallons per flush) toilets installed. Most homes in Pflugerville were built after that time and would have the water efficient fixture. The City offers low-flow showerheads, faucet aerators, toilet leak detection dye tablets, and other conservation materials to our utility customers upon request as well as provide more information on the City's web site.
4. Water Pricing Incentives. The City charges a volumetric increasing block rate to all customers. A copy of the city's current rate structure is found in Exhibit B.
5. Continuing education program on water conservation.
 - a. As part of a continuing public education and information campaign based on this Plan, the city will:
 - i. Develop and provide water conservation brochures and handouts to water customers;
 - ii. Staff local events to provide water customers with water saving tip, low flow shower heads, faucet aerators and others water saving information;
 - iii. The City will continue to promote landscape water management information program;
 - iv. Assist wholesale water customers in their public education efforts.
 - v. The City provides information and instructions on its website so that residents can perform evaluations for irrigation systems to ensure they are properly functioning. This helps educate the water customers on how to operate their irrigation system more efficiently and helps reduce water waste;
 - vi. As part of the Drop-by-Drop program, the City provides information and instructions on its website so that residents can become more knowledgeable about native plant choices and watering tips. This program has now been adopted as an ongoing water conservation program;
 - vii. The City will continue to offer rain barrels to its citizens to help reduce watering cost and to encourage water conservation through rainwater harvesting. The city will also educate customers on their use.

- b. Coordination with Regional Planning Group. The City of Pflugerville has sent a copy of this plan to the Lower Colorado Regional Water Planning Group for their review. A copy of the letter transmitting this plan to the Regional Water Planning Group is included as Exhibit E.
- c. Wholesale Customers. For every wholesale water supply contract entered or renewed after official adoption of this water conservation plan, including any contract extensions, the wholesale water customer must develop and implement a water conservation plan or water conservation measures according the TCEQ guidelines. If the customer intends to resell the water, then the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with LCRA and TCEQ guidelines.
- d. Measures to determine and control unaccounted-for uses of water and for universal metering of customer and public uses of water. The City is using INCODE Utility Billing software meter reading reports. Monthly readings are done using Neptune drive-by unit or hand-held devices and software. City staff conducts visual inspections, when necessary, to determine if the system is distributing to illegal connections or connections where service has been abandoned. The City is currently undergoing the implementation of Automated Metering Infrastructure (AMI) to better account for any water losses that can occur as well as better inform our customers and staff when a leak is flagged within their residences. This will greatly aid in reducing our average GPCD as it will allow for better control for residents and allow for near real-time water consumption data. It will also allow City of Pflugerville staff to set flags on customer accounts when consumption usage is abnormally high so we can better assist customers to conserve water.
- e. Other Conservation Strategies. The city will also pursue adopting codes or ordinances that promote the use of water conserving technologies, promote water efficiency, or avoid water waste. In addition, the city provides recycled wastewater to Travis County to irrigate numerous soccer and baseball fields in the Travis County Northeast Metropolitan Park. This volume equates to approximately 21,177,000 million gallons annually which results in a potable water savings of 58,019 gallons daily. The City also partners with LCRA to encourage customer participation in the various rebate programs they offer.

EXHIBIT A

WATER SERVICE AREA MAP

Pflugerville Water CCN

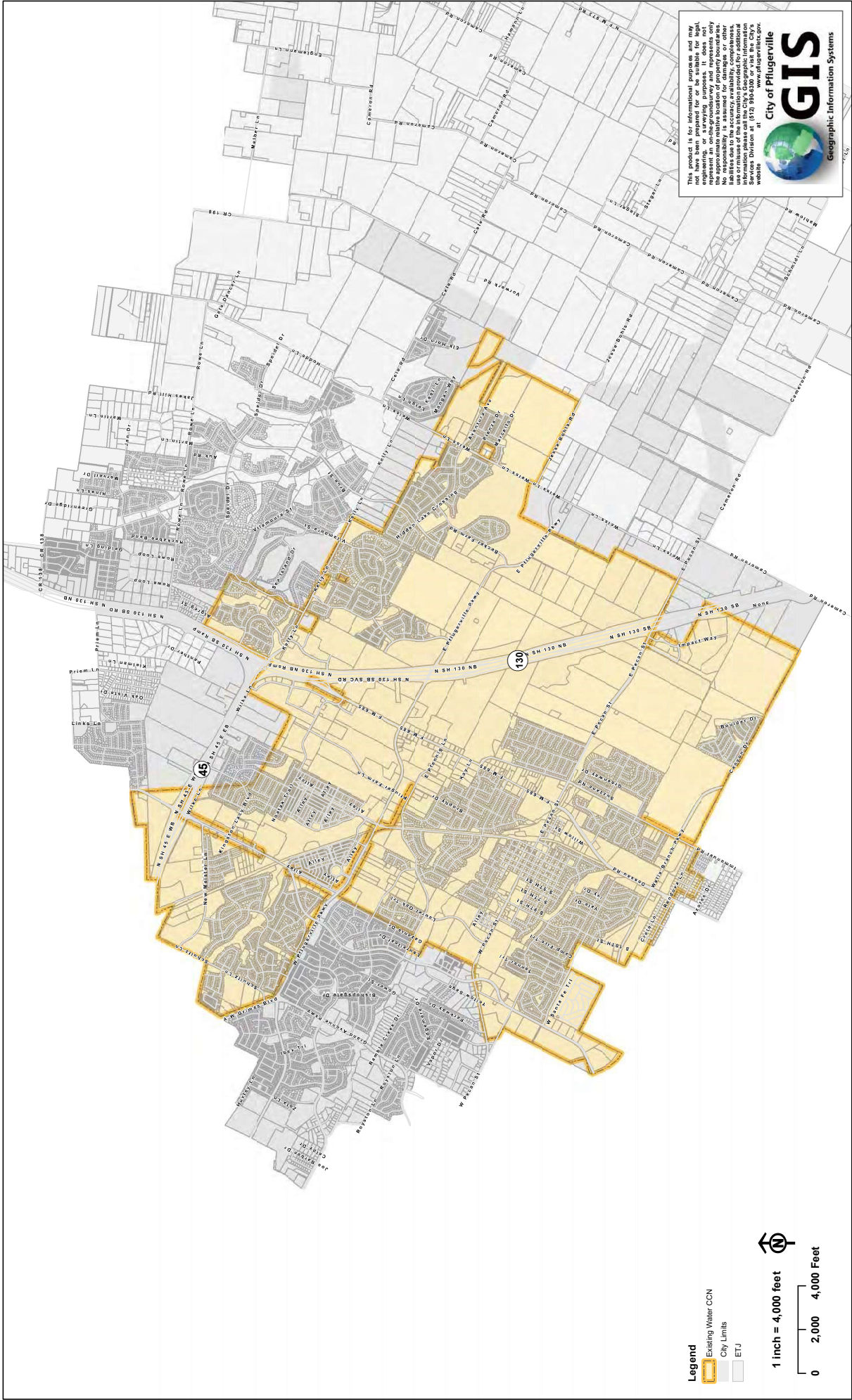


EXHIBIT B

UTILITY RATE STRUCTURE

AN ORDINANCE OF THE CITY OF PFLUGERVILLE, TEXAS, AMENDING RATES, CHARGES AND FEES FOR WATER AND WASTEWATER UTILITY SERVICE; REPEALING ALL ORDINANCES TO THE EXTENT THEY ARE IN CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Finance and Budget Committee has reviewed the 2020 Water & Wastewater Cost of Service and Rate Design Study and has recommended that the water and wastewater rates should be amended as presented; and

WHEREAS, the City Council finds municipal water and wastewater rates should be amended to reflect recommendations as determined by the 2020 Water & Wastewater Cost of Service and Rate Design Study; and

WHEREAS, the City Council finds the rates provided in this Ordinance should take effect November 1, 2020 and continue until modified by Ordinance.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PFLUGERVILLE, TEXAS:

Section 1. Retail Water Rates.

The City will charge every retail utility customer of the city water rates that include the Monthly Base Charge and the Volume Charge, set forth in (A) and (B) in this Section.

(A) The Monthly Base Charge is as follows:

Meter Size		Customer Costs
5/8"		\$17.00
3/4"		\$26.18
1"		\$43.22
1 1/2"		\$79.22
2"		\$131.58
3"		\$290.02
4"		\$453.22
6"		\$906.78
8"		\$1,994.78

Rates for larger size meter subject to separate agreement with the city.

(B) The Volume Charge for all meter sizes is:

Gallons		Charge per 1,000 gallons
0 – 3,000		\$3.80
3,001 – 10,000		\$4.80
10,001 – 25,000		\$6.00
25,001 +		\$7.50

(C) The Volume Charge for Construction/FireHydrant meters or Bulk water is \$10.00 per 1,000gallons.

Section2. Catastrophic Water Leaks.

In the event of a catastrophic water leak by a residential water customer the City may allow a credit to the customer's bill under the following circumstances. A minimum usage of 40,000 gallons more than the previous month's usage will make the customer eligible for consideration of a credit to the customer's account. The average of the past twelve months of usage will be used as a base for crediting 100% of the excess usage billed (amount of credit will be based on the highest rate per 1,000 gallons). The City would require the customer to submit a written request for a credit with a copy of the bill from a licensed plumber certifying that the leak has been repaired and a copy of a valid City of Pflugerville Building Permit for the repair. The request must detail location and dates of the leak. Customers who have been notified of a leak, but have not repaired it within 15 days of notification, will not qualify for the credit. Customers are eligible for only one credit per account location.

Section3. Retail Wastewater Rates.

The City will charge every retail utility customer served by the City wastewater rates that include the Monthly Base Charge and the Volume Charge set forth in (A) and (B) in this section.

(A) The Monthly Base Charge is as follows;

(1) In-City Customers.

Water Meter Size	Monthly Base Charge
All Meter Sizes	\$28.50

(2) Out-of-City Customers.

Water Meter Size	Monthly Base Charge
All Meter Sizes	\$33.50

(B) The Volume Charge for all meter sizes is \$4.20 per 1,000 gallons.

(C) The quantity of wastewater used to calculate the Volume Charge for wastewater will be determined as follows:

(1) Residential Customers. Each March, the City will determine each customer's water usage during the preceding November, December, January and February and calculate the average of the three (3) lowest water usage months during that period. The average will be used to calculate the customer's Volume Charges until the next March, when the average will be recalculated. For customers that do not receive water service from the City, the quantity of wastewater used to calculate the monthly bill will be determined by calculating the city average usage for residential customers during the preceding November, December, January and February.

(2) Non-Residential Customers. The City will determine each customer's water usage during the month and that amount will be used to calculate the customer's Volume Charges. For customers that do not receive water service from the City, the quantity of wastewater used to calculate the monthly bill will be determined by calculating the city average usage for residential customers during the preceding November, December, January and February.

Section 4. Wholesale Wastewater Rates

Wilke Lane Treatment Plant: The City will charge a rate of \$26.50 per LUE per month to all wholesale customers served by the Wilke Lane wastewater treatment plant.

Section 5. Special Charges.

The City will charge each of the following special charges:

- (A) Returned payment fee - \$30.00;
- (B) Any customer account that is delinquent will incur a 10% per month penalty charge on all accrued and unpaid charges.

Section 6. Deposits.

Each customer must pay the deposit set forth in this Section, or replenish the deposit if the City draws upon it, when the customer initially applies for the service or when the customer applies to reinstate service that has been disconnected for nonpayment of a bill. The amount of the deposit is as follows:

Service	Deposit Amount
Solid Waste Only	\$25.00
Wastewater Only	\$50.00
Water Only	\$125.00
Any Combination	\$125.00
Construction/Fire Hydrant	\$1,200.00

The customer's deposit will be returned in full if the customer's account has not been delinquent for 12 consecutive months. The customer's deposit will be returned, less any outstanding balance, within 30 days from the day the customer's account is closed if the amount due is \$2.00 or more. Construction/Fire Hydrant meter deposits will be returned, less any outstanding balance, upon receipt of meter.

If the difference between the amount of the deposit and the outstanding balance is less than \$2.00, the difference will be refunded only at the customer's request. An application for a refund of less than \$2.00 must be made within 90 days after the date the customer's account is closed or the customer forfeits the right to the refund.

Section 7. Severability.

If any provision of this Ordinance is illegal, invalid, or unenforceable under present or future laws, the remainder of this Ordinance will not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision as similar in terms to the illegal, invalid, or unenforceable provision as is possible and is legal, valid, and enforceable will be added to this Ordinance.

Section 8. Conflicting Ordinances.

All prior ordinances of the City dealing with or applicable to this Ordinance are hereby amended to the extent of any conflict herewith, and all ordinances or parts thereof conflicting or inconsistent with the provisions of this Ordinance as adopted and amended herein, are hereby amended to the extent of such conflict. In the event of a conflict or inconsistency between this Ordinance and any other ordinance of the City, the terms and provisions of this Ordinance shall govern.

Section 9. Effective Date.

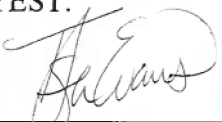
This Ordinance will be effective on November 1, 2020, and services will be billed based on the rates contained herein beginning on that date.

PASSED AND APPROVED THIS 13 DAY OF October 2020.

CITY OF PFLUGERVILLE, TEXAS

By: 
Victor Gonzales, Mayor

ATTEST:


Trista Evans, Deputy City Secretary

APPROVED AS TO FORM:

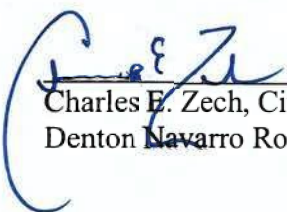

Charles E. Zech, City Attorney
Denton Navarro Rocha Bernal & Zech PC

EXHIBIT C

WATER AND WASTEWATER UTILITY DATA

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

CONTACT INFORMATION

Name of Utility:

Public Water Supply Identification Number (PWS ID):

Certificate of Convenience and Necessity (CCN) Number:

Surface Water Right ID Number:

Wastewater ID Number:

Contact: First Name: Last Name:

Title:

Address: City: State:

Zip Code: Zip+4: Email:

Telephone Number: Date:

Is this person the designated Conservation Coordinator? Yes No

Regional Water Planning Group:

Groundwater Conservation District:

Our records indicate that you:

- Received financial assistance of \$500,000 or more from TWDB
- Have 3,300 or more retail connections
- Have a surface water right with TCEQ

A. Population and Service Area Data

1. Current service area size in square miles:

Attached file(s):

File Name	File Description
Pf Water System w PF CCN Only.pdf	

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

2. Historical service area population for the previous five years, starting with the most current year.

Year	Historical Population Served By Retail Water Service	Historical Population Served By Wholesale Water Service	Historical Population Served By Wastewater Water Service
2020	41,824	0	46,472
2019	45,627	0	47,229
2018	29,679	0	42,191
2017	28,275	0	40,821
2016	23,147	0	39,743

3. Projected service area population for the following decades.

Year	Projected Population Served By Retail Water Service	Projected Population Served By Wholesale Water Service	Projected Population Served By Wastewater Water Service
2020	41,824	0	46,472
2030	60,146	0	66,831
2040	86,495	0	96,109
2050	124,388	0	138,213
2060	178,881	0	198,763

4. Described source(s)/method(s) for estimating current and projected populations.

3. Projected population based on 3.7% annual increase.

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

B. System Input

System input data for the previous five years.

Total System Input = Self-supplied + Imported – Exported

Year	Water Produced in Gallons	Purchased/Imported Water in Gallons	Exported Water in Gallons	Total System Input	Total GPCD
2020	2,547,193,172	14,706,929	561,365,667	2,000,534,434	131
2019	2,733,266,603	0	628,652,975	2,104,613,628	126
2018	2,119,126,143	0	710,747,949	1,408,378,194	130
2017	2,512,458,002	0	620,246,366	1,892,211,636	183
2016	2,277,939,596	0	864,565,579	1,413,374,017	167
Historic Average	2,437,996,703	2,941,386	677,115,707	1,763,822,382	148

C. Water Supply System

Attached file(s):

File Name	File Description
Pflugerville Water Distribution System Schematic.pdf	

1. Designed daily capacity of system in gallons 23,010,000
2. Storage Capacity
 - 2a. Elevated storage in gallons: 4,600,000
 - 2b. Ground storage in gallons: 5,000,000

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

D. Projected Demands

1. The estimated water supply requirements for the next ten years using population trends, historical water use, economic growth, etc.

Year	Population	Water Demand (gallons)
2022	44,975	1,641,587,500
2023	46,640	1,702,360,000
2024	48,365	1,765,322,500
2025	50,155	1,830,657,500
2026	52,011	1,898,401,500
2027	53,935	1,968,627,500
2028	55,931	2,041,481,500
2029	58,000	2,117,000,000
2030	60,146	2,195,329,000
2031	62,372	2,276,578,000

2. Description of source data and how projected water demands were determined.

Population growth based on 3.7% annual increase. Water demands based on 100 gallons per person per day x 365 days.

E. High Volume Customers

1. The annual water use for the five highest volume **RETAIL** customers.

Customer	Water Use Category	Annual Water Use	Treated or Raw
Centennial Stone Hill LP	Commercial	24,152,300	Treated
Falcon Pointe Community Assoc	Commercial	23,186,700	Treated
Highland Park Res Comm Inc	Commercial	22,495,300	Treated
PISD	Institutional	16,203,700	Treated
Resident	Residential	713,600	Treated

2. The annual water use for the five highest volume **WHOLESALE** customers.

Customer	Water Use Category	Annual Water Use	Treated or Raw
Manville	Municipal	455,177,530	Treated
Windermere Utility Co.	Municipal	100,574,480	Treated

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

F. Utility Data Comment Section

Additional comments about utility data.

Section II: System Data

A. Retail Water Supplier Connections

1. List of active retail connections by major water use category.

Water Use Category Type	Total Retail Connections (Active + Inactive)	Percent of Total Connections
Residential - Single Family	14,061	95.30 %
Residential - Multi-Family	69	0.47 %
Industrial	0	0.00 %
Commercial	575	3.90 %
Institutional	49	0.33 %
Agricultural	0	0.00 %
Total	14,754	100.00 %

2. Net number of new retail connections by water use category for the previous five years.

Net Number of New Retail Connections							
Year	Residential - Single Family	Residential - Multi-Family	Industrial	Commercial	Institutional	Agricultural	Total
2020	588	12	0	9	0	0	609
2019	692	12	0	18	0	0	722
2018	354	1	0	45	0	0	400
2017	323	15	0	28	5	0	371
2016	412	20	0	0	6	0	438

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

B. Accounting Data

The previous five years' gallons of RETAIL water provided in each major water use category.

Year	Residential - Single Family	Residential - Multi-Family	Industrial	Commercial	Institutional	Agricultural	Total
2020	1,380,543,200	200,155,800	0	298,422,400	40,881,700	0	1,920,003,100
2019	1,401,597,800	164,477,300	0	358,023,800	68,221,700	0	1,992,320,600
2018	812,684,900	117,703,200	0	309,844,900	33,092,300	0	1,273,325,300
2017	1,260,800,300	89,585,400	0	317,766,800	42,206,500	0	1,710,359,000
2016	802,582,300	59,923,800	0	263,468,900	28,349,000	0	1,154,324,000

C. Residential Water Use

The previous five years residential GPCD for single family and multi-family units.

Year	Total Residential GPCD
2020	104
2019	100
2018	92
2017	139
2016	102
Historic Average	107

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

D. Annual and Seasonal Water Use

1. The previous five years' gallons of treated water provided to RETAIL customers.

Month	Total Gallons of Treated Water				
	2020	2019	2018	2017	2016
January	159,951,000	174,738,700	127,621,930	144,198,743	139,455,048
February	153,572,000	158,182,251	147,882,282	139,962,074	144,664,731
March	189,753,000	178,658,916	186,899,886	188,030,715	173,516,991
April	194,506,000	187,241,141	202,383,523	190,566,258	165,427,766
May	245,456,000	194,204,083	256,914,034	204,089,862	176,853,927
June	290,445,000	211,148,199	266,462,825	232,526,115	197,862,703
July	344,024,000	291,323,057	304,742,176	294,789,671	272,902,352
August	387,155,000	373,437,648	325,021,003	254,649,377	248,326,053
September	254,250,000	325,799,334	235,434,878	229,191,422	238,169,672
October	281,292,000	281,403,781	198,901,799	235,651,308	235,159,109
November	223,434,000	180,131,727	166,124,764	218,502,612	170,226,338
December	192,652,000	163,217,433	169,245,604	185,189,828	154,099,879
Total	2,916,490,000	2,719,486,270	2,587,634,704	2,517,347,985	2,316,664,569

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

2. The previous five years' gallons of raw water provided to RETAIL customers.

Month	Total Gallons of Raw Water				
	2020	2019	2018	2017	2016
January	0	0	0	0	0
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total	0	0	0	0	0

3. Summary of seasonal and annual water use.

	Summer RETAIL (Treated + Raw)	Total RETAIL (Treated + Raw)
2020	1,021,624,000	2,916,490,000
2019	875,908,904	2,719,486,270
2018	896,226,004	2,587,634,704
2017	781,965,163	2,517,347,985
2016	719,091,108	2,316,664,569
Average in Gallons	858,963,035.80	2,611,524,705.60

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

E. Water Loss

Water Loss data for the previous five years.

Year	Total Water Loss in Gallons	Water Loss in GPCD	Water Loss as a Percentage
2020	35,628,077	2	1.50 %
2019	41,193,736	2	2.50 %
2018	52,963,856	5	5.60 %
2017	83,233,718	8	5.80 %
2016	118,725,624	14	13.50 %
Average	66,349,002	6	5.78 %

F. Peak Day Use

Average Daily Water Use and Peak Day Water Use for the previous five years.

Year	Average Daily Use (gal)	Peak Day Use (gal)	Ratio (peak/avg)
2020	7,990,383	11104608	1.3897
2019	7,450,647	9520748	1.2778
2018	7,089,410	9741587	1.3741
2017	6,896,843	8499621	1.2324
2016	6,347,026	7816207	1.2315

G. Summary of Historic Water Use

Water Use Category	Historic Average	Percent of Connections	Percent of Water Use
Residential - Single Family	1,131,641,700	95.30 %	70.29 %
Residential - Multi-Family	126,369,100	0.47 %	7.85 %
Industrial	0	0.00 %	0.00 %
Commercial	309,505,360	3.90 %	19.22 %
Institutional	42,550,240	0.33 %	2.64 %
Agricultural	0	0.00 %	0.00 %

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

H. System Data Comment Section

Section III: Wastewater System Data

A. Wastewater System Data

Attached file(s):

File Name	File Description
Wastewater System 24x36.pdf	

1. Design capacity of wastewater treatment plant(s) in gallons per day: 5,300,000

2. List of active wastewater connections by major water use category.

Water Use Category	Metered	Unmetered	Total Connections	Percent of Total Connections
Municipal		21,478	21,478	98.39 %
Industrial		0	0	0.00 %
Commercial		330	330	1.51 %
Institutional		21	21	0.10 %
Agricultural		0	0	0.00 %
Total		21,829	21,829	100.00 %

3. Percentage of water serviced by the wastewater system: 100.00 %

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

4. Number of gallons of wastewater that was treated by the utility for the previous five years.

Month	Total Gallons of Treated Water				
	2020	2019	2018	2017	2016
January	159	187	128	139	127
February	164	130	115	120	111
March	186	136	138	136	143
April	187	159	133	123	146
May	187	180	132	124	161
June	177	143	131	118	145
July	189	143	133	119	116
August	197	161	139	144	137
September	181	153	143	126	120
October	178	154	178	128	120
November	170	156	152	119	124
December	180	158	173	137	131
Total	2,155	1,860	1,695	1,533	1,581

5. Could treated wastewater be substituted for potable water?

Yes
 No

B. Reuse Data

1. Data by type of recycling and reuse activities implemented during the current reporting period.

Type of Reuse	Total Annual Volume (in gallons)
On-site Irrigation	
Plant wash down	220,450,500
Chlorination/de-chlorination	
Industrial	
Landscape irrigation (park,golf courses)	0
Agricultural	21,137,000
Discharge to surface water	
Evaporation Pond	
Other	
Total	241,587,500

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

C. Wastewater System Data Comment

Additional comments and files to support or explain wastewater system data listed below.

EXHIBIT D

WATER CONSERVATION STRATEGIES

WATER CONSERVATION GOALS FOR RETAIL WATER SUPPLIER

CONTACT INFORMATION

Name of Utility:	City of Pflugerville				
Public Water Supply Identification Number (PWS ID):	TX2270014				
Certificate of Convenience and Necessity (CCN) Number:	11303				
Surface Water Right ID Number:	2414, 5790				
Wastewater ID Number:	20678				
Contact: First Name:	Matt	Last Name:	Woodard		
Title:	Regulatory Manager				
Address:	PO Box 589	City:	Pflugerville	State:	TX
Zip Code:	78691	Zip+4:		Email:	mattw@pflugervilletx.gov
Telephone Number:	5129906400	Date:			

Is this person the designated Conservation Coordinator? Yes No

Regional Water Planning Group:

Groundwater Conservation District:

Our records indicate that you:

- Received financial assistance of \$500,000 or more from TWDB
- Have 3,300 or more retail connections
- Have a surface water right with TCEQ

	Historic 5 Year Average	Baseline	5-Year Goal for Year 2026	10-Year Goal for Year 2031
Water Loss (GPCD)	147	147	140	133
Residential GPCD	107	107	102	97
Water Loss (GPCD)	9	9	8	8
Water Loss Percentage	6.00%	6.00%	6.00%	6.00%

1. Total GPCD = (Total Gallons in System ÷ Permanent Population) ÷ 365
2. Residential GPCD = (Gallons Used for Residential Use ÷ Residential Population) ÷ 365
3. Water Loss GPCD = (Total Water Loss ÷ Permanent Population) ÷ 365
4. Water Loss Percentage = (Total Water Loss ÷ Total Gallons in System) x 100; or (Water Loss GPCD ÷ Total GPCD) x 100

EXHIBIT E

LETTER TO REGIONAL WATER PLANNING GROUP



May 1, 2021

Lower Colorado River Authority
P.O. Box 220
Austin, Texas 78767-0220

Re: City of Pflugerville Water Conservation Plan Update 2021

Dear Sir or Madam

Please find enclosed a copy of the City of Pflugerville's 2021 Water Conservation Plan for the use and information of the Lower Colorado Regional Water Planning Group. We appreciate the efforts of the planning group and its consultants on behalf of the people of Texas. It is through your efforts; our area will be able to identify and develop the water resources required for continued growth and prosperity. Please contact me should you have any questions or require additional information.

Sincerely,

Matt Woodard
Regulatory Manager
City of Pflugerville

Enclosures

Cc: Erik Prinz, Manville W.S.C.
Tim Williford, Southwest Water Company
David Klein, Lloyd Gosselink Rochelle & Townsend, P.C.
Steven Minor, P.E., Gray Engineering, Inc.
Jaime Colmenero, Armbrust & BrownPublic

CITY OF PFLUGERVILLE
P.O. BOX 589
Pflugerville, TX 78691-0589

STREET ADDRESS
15500 Sun Light Near Way #B
Pflugerville, TX 78660

TEL: 512.990.6400
FAX: 512.989.1052
www.pflugervilletx.gov
0042

EXHIBIT F
ORDINANCE

AN ORDINANCE OF THE CITY OF PFLUGERVILLE, TEXAS, AMENDING RATES, CHARGES AND FEES FOR WATER AND WASTEWATER UTILITY SERVICE; REPEALING ALL ORDINANCES TO THE EXTENT THEY ARE IN CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Finance and Budget Committee has reviewed the 2020 Water & Wastewater Cost of Service and Rate Design Study and has recommended that the water and wastewater rates should be amended as presented; and

WHEREAS, the City Council finds municipal water and wastewater rates should be amended to reflect recommendations as determined by the 2020 Water & Wastewater Cost of Service and Rate Design Study; and

WHEREAS, the City Council finds the rates provided in this Ordinance should take effect November 1, 2020 and continue until modified by Ordinance.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PFLUGERVILLE, TEXAS:

Section 1. Retail Water Rates.

The City will charge every retail utility customer of the city water rates that include the Monthly Base Charge and the Volume Charge, set forth in (A) and (B) in this Section.

(A) The Monthly Base Charge is as follows:

Meter Size		Customer Costs
5/8"		\$17.00
3/4"		\$26.18
1"		\$43.22
1 1/2"		\$79.22
2"		\$131.58
3"		\$290.02
4"		\$453.22
6"		\$906.78
8"		\$1,994.78

Rates for larger size meter subject to separate agreement with the city.

(B) The Volume Charge for all meter sizes is:

Gallons		Charge per 1,000 gallons
0 – 3,000		\$3.80
3,001 – 10,000		\$4.80
10,001 – 25,000		\$6.00
25,001 +		\$7.50

(C) The Volume Charge for Construction/FireHydrant meters or Bulk water is \$10.00 per 1,000 gallons.

Section 2. Catastrophic Water Leaks.

In the event of a catastrophic water leak by a residential water customer the City may allow a credit to the customer's bill under the following circumstances. A minimum usage of 40,000 gallons more than the previous month's usage will make the customer eligible for consideration of a credit to the customer's account. The average of the past twelve months of usage will be used as a base for crediting 100% of the excess usage billed (amount of credit will be based on the highest rate per 1,000 gallons). The City would require the customer to submit a written request for a credit with a copy of the bill from a licensed plumber certifying that the leak has been repaired and a copy of a valid City of Pflugerville Building Permit for the repair. The request must detail location and dates of the leak. Customers who have been notified of a leak, but have not repaired it within 15 days of notification, will not qualify for the credit. Customers are eligible for only one credit per account location.

Section 3. Retail Wastewater Rates.

The City will charge every retail utility customer served by the City wastewater rates that include the Monthly Base Charge and the Volume Charge set forth in (A) and (B) in this section.

(A) The Monthly Base Charge is as follows;

(1) In-City Customers.

Water Meter Size	Monthly Base Charge
All Meter Sizes	\$28.50

(2) Out-of-City Customers.

Water Meter Size	Monthly Base Charge
All Meter Sizes	\$33.50

(B) The Volume Charge for all meter sizes is \$4.20 per 1,000 gallons.

(C) The quantity of wastewater used to calculate the Volume Charge for wastewater will be determined as follows:

(1) Residential Customers. Each March, the City will determine each customer's water usage during the preceding November, December, January and February and calculate the average of the three (3) lowest water usage months during that period. The average will be used to calculate the customer's Volume Charges until the next March, when the average will be recalculated. For customers that do not receive water service from the City, the quantity of wastewater used to calculate the monthly bill will be determined by calculating the city average usage for residential customers during the preceding November, December, January and February.

(2) Non-Residential Customers. The City will determine each customer's water usage during the month and that amount will be used to calculate the customer's Volume Charges. For customers that do not receive water service from the City, the quantity of wastewater used to calculate the monthly bill will be determined by calculating the city average usage for residential customers during the preceding November, December, January and February.

Section 4. Wholesale Wastewater Rates

Wilke Lane Treatment Plant: The City will charge a rate of \$26.50 per LUE per month to all wholesale customers served by the Wilke Lane wastewater treatment plant.

Section 5. Special Charges.

The City will charge each of the following special charges:

- (A) Returned payment fee - \$30.00;
- (B) Any customer account that is delinquent will incur a 10% per month penalty charge on all accrued and unpaid charges.

Section 6. Deposits.

Each customer must pay the deposit set forth in this Section, or replenish the deposit if the City draws upon it, when the customer initially applies for the service or when the customer applies to reinstate service that has been disconnected for nonpayment of a bill. The amount of the deposit is as follows:

Service	Deposit Amount
Solid Waste Only	\$25.00
Wastewater Only	\$50.00
Water Only	\$125.00
Any Combination	\$125.00
Construction/Fire Hydrant	\$1,200.00

The customer's deposit will be returned in full if the customer's account has not been delinquent for 12 consecutive months. The customer's deposit will be returned, less any outstanding balance, within 30 days from the day the customer's account is closed if the amount due is \$2.00 or more. Construction/Fire Hydrant meter deposits will be returned, less any outstanding balance, upon receipt of meter.

If the difference between the amount of the deposit and the outstanding balance is less than \$2.00, the difference will be refunded only at the customer's request. An application for a refund of less than \$2.00 must be made within 90 days after the date the customer's account is closed or the customer forfeits the right to the refund.

Section 7. Severability.

If any provision of this Ordinance is illegal, invalid, or unenforceable under present or future laws, the remainder of this Ordinance will not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision as similar in terms to the illegal, invalid, or unenforceable provision as is possible and is legal, valid, and enforceable will be added to this Ordinance.

Section 8. Conflicting Ordinances.

All prior ordinances of the City dealing with or applicable to this Ordinance are hereby amended to the extent of any conflict herewith, and all ordinances or parts thereof conflicting or inconsistent with the provisions of this Ordinance as adopted and amended herein, are hereby amended to the extent of such conflict. In the event of a conflict or inconsistency between this Ordinance and any other ordinance of the City, the terms and provisions of this Ordinance shall govern.

Section 9. Effective Date.

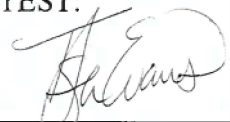
This Ordinance will be effective on November 1, 2020, and services will be billed based on the rates contained herein beginning on that date.

PASSED AND APPROVED THIS 13 DAY OF October 2020.

CITY OF PFLUGERVILLE, TEXAS

By: 
Victor Gonzales, Mayor

ATTEST:


Trista Evans, Deputy City Secretary

APPROVED AS TO FORM:

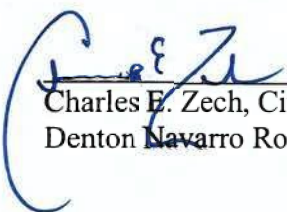

Charles E. Zech, City Attorney
Denton Navarro Rocha Bernal & Zech PC

Exhibit F

Drought Contingency Plan

EXHIBIT F - DROUGHT CONTINGENCY PLAN

DROUGHT CONTINGENCY PLAN

§ 53.200 SCOPE.

The requirements of this subchapter are established as the city's drought contingency plan (the "plan"). Copies of this plan will be available for inspection or reproduction in the office of the city secretary and on the city's website www.pflugervilletx.gov.

§ 53.201 DECLARATION OF POLICY, PURPOSE, AND INTENT.

(A) In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the city hereby adopts the regulations and restrictions on the delivery and consumption of potable water set forth in this subchapter.

(B) Water uses regulated or prohibited under this plan are considered to be nonessential and continuation of such uses during times of water shortage or other emergency water supply conditions are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in [§53.211](#) of this plan.

(C) The city operates a reuse irrigation system that utilizes wastewater effluent to provide water for irrigation. The use of effluent irrigation water will not be affected by this plan.

§ 53.202 PUBLIC INVOLVEMENT.

The public was able to provide input into the preparation of this plan during the public hearing that was held prior to city council consideration of the ordinance adopting this plan.

§ 53.203 PUBLIC EDUCATION.

The city will educate the public about conservation and drought conditions by information distributed from the Water Conservation Information Center located at the Public Works Department, 15500 Sun Light Near Way #B or call (512) 990-6400. As trigger conditions approach, the public will be notified through articles on the current conditions and water conservation methods on the city's internet website.

§ 53.204 COORDINATION WITH REGIONAL WATER PLANNING GROUPS AND COMPLIANCE WITH THE LCRA WATER MANAGEMENT PLAN.

The service area of the city is located within the Lower Colorado Regional Water Planning Area and the city will provide a copy of this plan to the regional water planning group. The city will comply with firm water drought response requirements as required in the Lower Colorado River Authority Water Management Plan.

§ 53.205 AUTHORIZATION.

The city manager is hereby authorized and directed to implement the applicable provisions of this plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The city manager may initiate or terminate drought or other water supply emergency response measures as described in this plan.

§ 53.206 APPLICATION.

The provisions of this plan apply to all persons, customers, and property utilizing water provided by the city. The terms "person" and "customer" as used in this plan includes individuals, corporations, partnerships, associations, and all other legal entities.

§ 53.207 DEFINITIONS.

For the purposes of this plan, the following definitions apply:

AESTHETIC WATER USE. Water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

COMMERCIAL AND INSTITUTIONAL WATER USE. Water use that is integral to the operations of commercial and nonprofit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

CONSERVATION. Those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so

that a supply is conserved and made available for future or alternative uses.

CUSTOMER. Any person, company, or organization using water supplied by the city.

DOMESTIC WATER USE. Water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

DRIP IRRIGATION SYSTEM. Small diameter pressurized lines directly buried in the soil to a nominal depth of six inches and containing pressure reducing emitters to restrict water flow to a very low rate.

HOUSEHOLD. The residential premises served by the customer's meter.

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, athletic fields, parks, and rights-of-way and medians.

NONESSENTIAL WATER USE: Water uses that are neither essential nor required for the protection of public health, safety, and welfare, including:

- (1) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (2) Use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (3) Use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (4) Flushing gutters or permitting water to run or accumulate in any gutter or street;
- (5) Use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (6) Use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (7) Failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- (8) Use of water from hydrants for construction purposes or any other purposes other than firefighting.

OUTDOOR WATER USE DAY FOR STAGE 1 AND STAGE 2. The day that a customer may use water outdoors for purposes permitted by this subchapter. Addresses, box numbers or rural postal route numbers ending in the following number are assigned the following days for outdoor water use:

- (1) Wednesday and Saturday: Residential homes with a street address ending in an odd number.
- (2) Thursday and Sunday: Residential homes with a street address ending in an even number.
- (3) Tuesday and Friday: Watering days for commercial facilities including apartments, condominiums, civic, commercial, industrial and institutional properties.
- (4) Monday: No watering.

PERSONS PER HOUSEHOLD. Includes only those persons currently physically residing at the premises and expected to reside there for the entire billing period.

§ 53.208 TRIGGERING CRITERIA FOR INITIATION AND TERMINATION OF DROUGHT RESPONSE STAGES.

The city will monitor water supply and/or demand conditions on a daily basis and will advise the mayor and the city council when conditions warrant initiation or termination of each stage of the plan. The city manager may order that the appropriate stage of water conservation be implemented or terminated in accordance with the applicable provisions of this subchapter by public notification. Public notification of the initiation or termination of drought response stages will be by means of posting notices on the city website and social media sites. The triggering criteria described below are based on the statistical analysis of the vulnerability of the city's water source under drought of record conditions.

The triggering criteria described below are based on the statistical analysis of the vulnerability of the city's water source under drought of record conditions.

(A) Stage 1 - mild water shortage conditions.

(1) Requirements for initiation. Customers will be requested to voluntarily conserve water and adhere to the prescribed restrictions on nonessential water uses, defined in [§53.209\(A\)](#) of this plan year round.

(B) Stage 2 - moderate water shortage conditions.

(1) Requirements for initiation. Customers must comply with the requirements and restrictions on certain nonessential water uses, defined in [§53.207](#) of this plan, from March 1st through October 31st or when the average daily water consumption reaches 80% of production distribution capacity for a period of three consecutive days, or the combined storage of the Highland Lakes falls to 900,000 acre-feet. At 900,000 acre-feet the city manager must implement our stage 2 water restrictions as mandated under the city's wholesale water purchase contract with the Lower Colorado River Authority.

(2) Requirements for termination. Stage 2 of this plan may be rescinded by the city manager when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days or by the city council if any of the conditions listed as triggering events, other than requirements imposed by the city's wholesale water contract with the Lower Colorado River Authority, have ceased to exist and the city council finds that termination of the drought response stage 2 will not adversely affect the public health, safety or welfare. Upon termination of stage 2, stage 1 becomes operative.

(C) Stage 3 - severe water shortage conditions.

(1) Requirements for initiation. Customers must comply with the requirements and restrictions on certain nonessential water uses for stage 3 of this plan when the average daily water consumption reaches 90% of production/distribution capacity for a period of 3 consecutive days; or the combined storage of the Highland Lakes falls to 700,000 acre-feet or the city manager determines that stage 3 implementation is necessary to protect the city's water supply for essential usages. No variances will be granted during stage 3 severe water shortage conditions.

(2) Requirements for termination. Stage 3 of this plan may be rescinded by the city manager when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days or by the city council if any of the conditions listed as triggering events, other than requirements imposed by the city's wholesale water contract with the Lower Colorado River Authority, have ceased to exist and the city council finds that termination of the drought response stage 3 will not adversely affect the public health, safety or welfare. Upon termination of stage 3, the city will determine what stage will become operative, based on current lake levels.

(D) Stage 4 - emergency water shortage conditions.

(1) Requirements for initiation. Customers must comply with the requirements and restrictions for stage 4 of this plan when the city manager determines that a water supply emergency exists based on:

(a) The combined storage of the Highland Lakes reaches 600,000 acre-feet or Lake Pflugerville is down to its 625 elevation;

(b) Major water line breaks, or pump or system failures occur, and cause unexpected loss of capability to provide water service;

(c) System demand exceeds available high service pump capacity;

(d) There is detection of accidental or intentional contamination of the water system;

(e) There is detection of water systems failure from acts of God (e.g., tornados, hurricanes, etc.) or man;

(f) A mechanical failure of pumping equipment occurs during a moderate drought and will require more than 12 hours to repair; or

(g) Implementation is necessary under the city's wholesale water contract with the Lower Colorado River Authority.

(2) Requirements for termination. Stage 4 of this plan may be rescinded by the city manager when all of the conditions listed as triggering events have ceased to exist for a period of 3 consecutive days or the emergency condition no longer exists or by the city council if any of the conditions listed as triggering events, other than requirements imposed by the city's wholesale water contract with the Lower Colorado River Authority, have ceased to exist and the city council finds that termination of the drought response stage 2 will not adversely affect the public health, safety or welfare.

(E) Water rationing.

(1) Requirements for initiation. Customers must comply with the water allocation plan prescribed in [§53.210](#) of this plan and comply with the requirements and restrictions for stage 4 of this plan when the city manager determines that water rationing is necessary.

(2) Requirements for termination. Water rationing may be rescinded when all of the conditions listed warranting water rationing have ceased to exist for a period of 3 consecutive days.

§ 53.209 DROUGHT RESPONSE STAGES.

The public works department will monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in [§53.208](#) of this plan, will recommend to the city manager the extent of the conservation required through the implementation or termination of particular conservation stages in order for the city to prudently plan for and supply water to its customers. The city manager may order the appropriate stage of water conservation implemented or terminated in accordance with the applicable provisions of this subchapter by public notification. The conservation stage will take effect immediately upon public notification:

(A) Stage 1 - mild water shortage conditions.

(1) Goal. Achieve a voluntary 5% reduction in average daily water use (e.g., total water use, daily water demand, etc.).

(2) Supply management measures. The city must comply with the voluntary water use restrictions year round.

(3) Required water use restrictions. Outdoor irrigation by a permanently installed automatic irrigation system is prohibited between the hours of 10:00 a.m. and 7:00 p.m. This prohibition does not apply to irrigation:

- (a) Using treated wastewater effluent or raw water; or
- (b) During repair or testing of a new or existing irrigation system; or
- (c) At a commercial plant nursery; or
- (d) Watering with a handheld hose with an automatic shutoff nozzle.

(4) Voluntary water use restrictions.

(a) Customers whose use is not restricted by stage 1, as referenced in subsection (A)(3) are requested to voluntarily comply with the restrictions in subsection (B) stage 2.

(b) All city operations will comply with the water use restrictions prescribed for stage 1 of this plan.

(c) Water customers are requested to practice water conservation and to minimize or discontinue water use for nonessential purposes.

(5) Prohibited waste of water. The following uses constitute a waste of water and are prohibited:

- (a) Failing to repair a controllable leak, including a broken sprinkler head, a leaking valve, or a leaking faucet;
- (b) Operating a permanently installed irrigation system with a broken head, with a head that is out of adjustment and spraying more than 10 percent of the spray on a street or parking lot, or that is misting;
- (c) During irrigation:
 - (i) Allowing a substantial amount of water to run off a property; or
 - (ii) Allowing water to pond in the street or parking lot to a depth greater than 1/4 of an inch.

(B) Stage 2 - moderate water shortage conditions.

(1) Goal. Achieve a 10 percent reduction in average daily water use (e.g., total water use, daily water demand, etc.).

(2) Supply management measures. The city will reduce or discontinue flushing of water mains; reduce or discontinue irrigation of public landscaped areas; use an alternative water supply source, where possible; and use reclaimed water for non-potable purposes, where possible. The city will comply with the water use restrictions for stage 2 when stage 2 is implemented.

(3) Water use restrictions. The water use and waste restrictions in stage 1, as referenced in subsection

(A) and the following water use restrictions will apply to all customers during stage 2:

- (a) Outdoor irrigation is permitted at any time if it is by means of a handheld hose equipped with a positive shutoff nozzle, a faucet-filled bucket or watering can of five gallons or less.
 - (b) Outdoor irrigation is permitted by a hose end sprinkler, a soaker hose, or drip irrigation, from 12:00 midnight to 10:00 a.m. and 7:00 p.m. to 12:00 midnight on an outdoor water use day as designated by the city.
 - (c) Outdoor irrigation is permitted by a permanently installed automatic irrigation system from 12:00 midnight to 10:00 a.m. and 7:00 p.m. to 12:00 midnight on an outdoor water use day as designated by the city.
 - (d) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days from 12:00 midnight to 10:00 a.m. and 7:00 p.m. to 12:00 midnight. Such washing, when allowed, must be done with a handheld bucket or a handheld hose equipped with a positive shutoff nozzle. This restriction does not apply to a commercial carwash or a commercial service station or if washing is necessary to protect the health, safety, and welfare of the public. Charity carwashes are prohibited without a permit approved by the city.
 - (e) Watering the ground around a foundation to prevent foundation cracking is prohibited except on a designated outdoor water use day from 12:00 midnight to 10:00 a.m. or 7:00 p.m. to 12:00 midnight.
 - (f) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is permitted.
 - (g) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited, except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
 - (h) Use of water from hydrants will be limited to firefighting and related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under a permit for construction water from the city.
 - (i) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours of 12:00 midnight to 10:00 a.m. and 7:00 p.m. to 12:00 midnight. However, if the golf course utilizes an irrigation water source other than potable water obtained from the utility provider's water distribution system, the facility will not be subject to these regulations.
 - (j) All restaurants are prohibited from serving water to their customers except upon the customer's request.
- (4) The following uses of water are nonessential and prohibited except to alleviate an immediate health or safety hazard:
- (a) Wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, patios or other hard-surfaced areas;
 - (b) Use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - (c) Use of water for dust control;
 - (d) Flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - (e) Failure to repair a controllable leak within a reasonable period after being given notice to repair such leak.
- (5) Notwithstanding the prohibitions in this section, irrigation of new landscape installation is permitted. In that event, irrigation may only occur during the hours permitted under subsection (A)(3) and in accordance with the following 30-day irrigation schedule:
- (a) For the first ten days after installation, once a day;
 - (b) For day 11 through 20 after installation, once every other day; and
 - (c) For day 21 through 30 after installation, once every third day.
- (6) The stage 2 restrictions do not apply to the following:

- (a) The necessary use of water other than for landscape irrigation, by a governmental entity in pursuit of a governmental function for the benefit of the public, including for a capital improvement construction project;
 - (b) the necessary use of water, other than for landscape irrigation, for land development including roadway base preparation, flushing utility lines, dust control, concrete or asphalt work and building construction;
 - (c) The necessary use of water for repair of a water distribution facility, residential and commercial plumbing, or a permanently installed landscape irrigation system;
 - (d) The use of water under a variance granted by the review board in accordance with [§53.212.](#); and
 - (e) Drip irrigation systems as long as any leaks are repaired in a timely manner, and there's no ponding or runoff do to over watering.
- (C) Stage 3 - severe water shortage conditions.
- (1) Goal. Achieve a 25 percent reduction in average daily water usage (e.g., total water use, daily water demand, etc.).
 - (2) Supply management measures. The city will reduce or discontinue flushing of water mains; reduce or discontinue irrigation of public landscaped areas; use an alternative water supply source, where possible; and use reclaimed water for non-potable purposes, where possible. The city must comply with the water use restrictions for stage 3 when stage 3 is implemented.
 - (3) Water use restrictions. All requirements of stage 2 will remain in effect during stage 3 except:
 - (a) Irrigation of landscaped areas by any means is limited to a once a week watering schedule on the designated watering day, during designated watering times 12:00 midnight to 10:00 a.m. and 7:00 p.m. to 12:00 midnight The last digit of your street address will determine your watering day.

0 or 1 Monday

2 or 3 Tuesday

4 or 5 Wednesday

6 or 7 Thursday

8 or 9 Friday

- (b) Outdoor irrigation is permitted on all days, only during the designated watering times 12:00 midnight to 10:00 a.m. and 7:00 p.m. to 12:00 midnight, if it is by means of a handheld hose equipped with a positive shutoff nozzle, a faucet-filled bucket or watering can of five gallons or less.
- (c) The watering of golf course fairways is prohibited unless golf course utilizes an irrigation water source other than potable water obtained from the utility provider's distribution system.
- (d) The washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment not occurring on the immediate premises of a commercial carwash or a commercial service station and not necessary to protect the public health, safety, and welfare is prohibited.
- (e) Commercial plant nurseries may use only handheld hoses, handheld watering cans, or drip irrigation.
- (f) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is permitted.

(D) Stage 4 - emergency water shortage conditions.

- (1) Goal. Achieve a 30 percent reduction in average daily water use (e.g., total water use, daily water demand, etc.) from a rolling 12-month period.
- (2) Supply management measures. The city must reduce or discontinue flushing of water mains; reduce or discontinue irrigation of public landscaped areas; use an alternative water supply source, where possible; and use reclaimed water for non-potable purposes, where possible. The city must comply with the water use restrictions for stage 4 when the restrictions are implemented.
- (3) Water use restrictions. All requirements of stage 2 and 3 will remain in effect during stage 4 except:
 - (a) Outdoor irrigation is permitted on all days, only during the designated watering times 12:00 midnight to 10:00 a.m. and 7:00 p.m. to 12:00 midnight, if it is by means of a handheld hose equipped with a positive shutoff nozzle, a faucet-filled bucket or watering can of five gallons or less.
 - (b) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is permitted on all days, only during the designated watering times 12:00 midnight to 10:00 a.m. and 7:00 p.m. to 12:00 midnight.
 - (c) Irrigation other than drip irrigation of new landscape installation under subsection (B)(5) is prohibited.
- (4) No applications for building permits for new pools or irrigation facilities other than drip irrigation systems will be allowed or approved.

§ 53.210 WATER RATIONING.

If water shortage conditions threaten public health, safety, and welfare, the city manager may ration water according to the following water allocation plan:

(A) Single-family residential customers.

- (1) The allocation to residential water customers residing in a single-family dwelling will be as follows:

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

- (2) It will be assumed that a particular customer's household is comprised of two persons unless the customer notifies the city of a greater number of persons per household on a form prescribed by the city manager. The city manager will use best efforts to see that the forms are mailed, otherwise provided, or made available to every residential customer. If, however, a customer does not receive such a form, it will be the customer's responsibility to go to the city utility billing offices to complete and sign the form claiming more than two persons per household. New customers may claim more persons per household at the time of applying for water service on the form prescribed by the city manager. When the number

of persons per household increases so as to place the customer in a different allocation category, the customer may notify the city on such form and the change will be implemented in the next practicable billing period. If the number of persons in a household is reduced, the customer must notify the city in writing within two days.

(3) Any person who falsely reports the number of persons in a household or fails to timely notify the city of a reduction in the number of person in a household commits a class C misdemeanor offense and may be fined not less than \$50.00 and more than \$500.00. No culpable mental state is required to prove this offense. However, if it is shown on the trial of the offense that the offense was committed intentionally, knowingly, recklessly, or with criminal negligence then the person may be fined not more than \$2,000.00.

(4) Residential water customers who exceed their monthly allocation of water will pay the following surcharges:

(a) \$2.50 per 100 gallons for the first 1,000 gallons over allocation.

(b) \$5.00 per 100 gallons for the second 1,000 gallons over allocation.

(c) \$7.50 per 100 gallons for the third 1,000 gallons over allocation.

(d) \$10.00 per 100 gallons for any additional amount over allocation.

(5) Surcharges shall be cumulative, added to the monthly utility bill, and subject to late payment penalties including suspension of services.

(B) Master-metered multifamily residential customers.

(1) A customer billed from a master meter that jointly measures water to multiple permanent residential dwelling units (e.g., apartments, mobile homes) will be allocated 6,000 gallons per month for each dwelling unit. All master meter customers shall notify the city of the number of dwelling units served from the master meter on a form prescribed by the city manager. The city will use best efforts to see that the forms are mailed, otherwise provided, or made available to every customer. If, however, a customer does not receive a form, it will be the customer's responsibility to go to the city utility billing offices to complete and sign the form claiming the number of dwelling units. A dwelling unit may be claimed under this provision whether it is occupied or not. New customers may claim more dwelling units at the time of applying for water service on the form prescribed by the city manager. If the number of dwelling units served by a master meter is reduced, the customer must notify the city in writing within two days. In prescribing the method for claiming more than two dwelling units, the city manager will adopt methods to insure the accuracy of the claim.

(2) Any person who falsely reports the number of dwelling units served by a master meter or fails to timely notify the city of a reduction in the number of persons in a household commits a class C misdemeanor offense and may be fined not less than \$500.00. No culpable mental state is required to prove this offense. However, if it is shown on the trial of the offense that the offense was committed intentionally, knowingly, recklessly, or with criminal negligence then the person may be fined not more than \$2,000.00.

(3) Customers billed from a master meter under this provision who exceed their monthly allocations must pay the following monthly surcharges:

(a) \$2.50 per 100 gallons for the first 1,000 gallons over allocation up through 1,000 gallons for each dwelling unit.

(b) \$5.00 per 100 gallons, thereafter, for each additional 1,000 gallons over allocation up through a second 1,000 gallons for each dwelling unit.

(c) \$7.50 per 100 gallons, thereafter, for each additional 1,000 gallons over allocation up through a third 1,000 gallons for each dwelling unit.

(d) \$10.00 per 100 gallons, thereafter for each additional 1,000 gallons over allocation.

(4) Surcharges shall be cumulative, added to the monthly utility bill, and subject to late payment penalties including suspension of services.

(C) Commercial customers.

(1) A monthly water usage allocation will be established by the city for each nonresidential commercial customer other than an industrial customer who uses water for processing purposes. The

nonresidential customer's allocation will be 75% of the customer's usage for corresponding month's billing period for the immediately preceding 12 months. If the customer's billing history is shorter than 12 months, the monthly average for the period for which there is a record will be used for any monthly period for which no history exists. Provided, however, a customer, 75% of whose monthly usage is less than 6,000 gallons, will be allocated 6,000 gallons. The city will use best efforts to see that notice of each nonresidential customer's allocation is mailed to each customer. If, however, a customer does not receive the notice, it will be the customer's responsibility to contact the city utility billing offices to determine the allocation. Upon request of the customer or at the initiative of the city, the allocation may be reduced or increased if: (a) the designated period does not accurately reflect the customer's normal water usage; (b) one nonresidential customer agrees to transfer part of its allocation to another nonresidential customer in a binding agreement satisfactory to the city; or (c) other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal the request for allocation decision to the city manager.

(2) Nonresidential commercial customers who exceed monthly allocation must pay the following surcharges:

(a) Customers whose allocation is 0 gallons through 10,000 gallons per month:

(i) \$2.50 per 100 gallons for the first 1,000 gallons over allocation.

(ii) \$5.00 per 100 gallons for the second 1,000 gallons over allocation.

(iii) \$7.50 per 100 gallons for the third 1,000 gallons over allocation.

(iv) \$10.00 per 100 gallons for each additional 1,000 gallons over allocation.

(b) Customers whose allocation is 10,001 gallons per month or more:

(i) \$5.00 per 100 gallons for the first 1,000 gallons in excess of the allocation up through 5 percent above allocation.

(ii) \$10.00 per 100 gallons for the second 1,000 gallons from 5 percent through 10 percent above allocation.

(iii) \$15.00 per 100 gallons for the third 1,000 gallons from 10 percent through 15 percent above allocation.

(iv) \$20.00 per 100 gallons for each additional 1,000 gallons more than 15 percent above allocation.

(3) Surcharges shall be cumulative, added to the monthly utility bill, and subject to late payment penalties including suspension of services.

(D) Industrial customers.

(1) A monthly water usage allocation will be established by the city for each industrial customer. The industrial customer's allocation will be approximately 90% of the customer's water usage baseline as defined below. Ninety days after the initial imposition of the allocation for industrial customers, the industrial customer's allocation will be further reduced to 80% of the customer's water usage baseline. The industrial customer's water usage baseline will be computed on the average water usage for the immediately preceding 12-month period. If the industrial water customer's billing history is shorter than 12 months, the monthly average for the period for which there is a record will be used for any monthly period for which no billing history exists. The city will use best efforts to see that notice of each industrial customer's allocation is mailed to each customer. If, however, a customer does not receive the notice, it will be the customer's responsibility to contact the city utility billing offices to determine the allocation, and the allocation will be fully effective notwithstanding the lack of receipt of written notice. Upon request of the customer or at the initiative of the city, the allocation may be reduced or increased if: (a) the designated period does not accurately reflect the customer's normal water usage because the customer had shutdown a major processing unit for repair or overhaul during the period; (b) the customer has added or is in the process of adding significant additional processing capacity; (c) the customer has shutdown or significantly reduced the production of a major processing unit; (d) the customer has previously implemented significant permanent water conservation measures such that the ability to further reduce usage is limited; (e) the customer agrees to transfer part of its allocation to another industrial customer in a binding document satisfactory to the city; or (f) if other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the city manager.

- (2) Industrial customers who exceed monthly allocation must pay the following surcharges:
- (a) Customers whose allocation is 0 gallons through 20,000 gallons per month:
 - (i) \$2.50 per 100 gallons for the first 1,000 gallons over allocation.
 - (ii) \$5.00 per 100 gallons for the second 1,000 gallons over allocation.
 - (iii) \$7.50 per 100 gallons for the third 1,000 gallons over allocation.
 - (iv) \$10.00 per 100 gallons for each additional 1,000 gallons over allocation.
 - (b) Customers whose allocation is 20,001 gallons per month or more:
 - (i) \$5.00 per 100 for the first 1,000 gallons in excess of the allocation up through 5 percent above allocation.
 - (ii) \$10.00 per 100 for the second 1,000 gallons from 5 percent through 10 percent above allocation.
 - (iii) \$15.00 per 100 for the third 1,000 gallons from 10 percent through 15 percent above allocation.
 - (iv) \$20.00 per 100 for each additional 1,000 gallons more than 15 percent above allocation.
- (3) Surcharges shall be cumulative, added to the monthly utility bill, and subject to late payment penalties including suspension of services.

§ 53.211 ENFORCEMENT.

- (A) No person may allow the use of water from the city for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this plan, or in an amount in excess of that permitted by the drought response stage in effect at the time.
- (B) Proof of a culpable mental state is not required for a conviction of an offense established under [§53.210](#) or levy of an administrative fee under this section. Any person, including a person classified as a water customer of the city, in apparent control of the property where a violation occurs or originates, is presumed to be the violator. Each day that one or more of the provisions in this plan is violated is a separate offense. A person who violates any provision of this plan may be subject to the civil actions and administrative fees detailed below.
- (C) The city may take the following civil actions for water use violations in affect for stages 2, 3 and 4.
- (1) First notice. The customer will be given a YELLOW notice of the violation outlining the city's watering schedule and drought stage.
 - (2) Second notice. The customer will be given a RED notice of the violation along with a letter from the city outlining the watering violation. A visit will be made by the city to inform the homeowner about our water restrictions that are in place and ideas to conserve water.
 - (3) Third notice. The customer will receive a letter from the city informing them of the \$100.00 administrative fee being added to their water bill.
 - (4) Fourth notice. The customer will receive a certified letter or phone call informing them their water is being disconnected due to continuing violations of the current water restrictions set forth in this plan.
- (D) Any employee of the city designated by the city manager may issue an administrative notice and/or fee described above to a person reasonably believed to be in violation of this plan. The notice of administrative fee will be prepared in duplicate and will contain the name and address of the alleged violator, if known and will inform the person that the fee will be added to their water bill.

§ 53.212 VARIANCES.

- (A) A review board consisting of the city staff members appointed by the city manager will be established on May 1 of each year. The review board will review hardship and special cases that cannot strictly comply with this subchapter to determine whether the cases warrant a variance, permit, or compliance agreement (collectively, "variance").
- (B) All applications for a variance must be submitted to the review board on an "application for variance/permit/compliance agreement" form and must include a non-refundable fee of \$200.00 and the following:
- (1) Name and address of the petitioner(s);
 - (2) Purpose of water use;

- (3) Specific provision(s) of this plan from which the petitioner is requesting relief;
 - (4) Detailed statement as to how the specific provision of this plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this subchapter;
 - (5) Description of the relief requested;
 - (6) Period of time for which the variance is sought;
 - (7) 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
 - (8) Other pertinent information.
- (C) The review board will make a determination no later than the 5th working day after receipt of a properly completed “application for variance/permit/compliance agreement” form and the non-refundable administrative fee of \$200.00 is received by the review board.
- (D) Until the review board has acted on an application, the applicant must comply with all provisions of this subchapter. The review board may not approve a variance if the terms and conditions do not meet or exceed the purpose and intent of this subchapter.
- (E) A variance may be granted only for reasons of economic hardship or health conditions substantiated by a licensed physician. In this section, “economic hardship” means an imminent threat to a person’s or entities primary source of income. If the review board determines there is an economic hardship, it may authorize the implementation of alternative water use restrictions that further the purposes of this plan. The alternative water use restrictions must be set forth on the face of the variance and the customer must keep a copy of the variance in a location that is accessible by and visible to the public. Inconvenience or the potential for damage to landscaping does not constitute an economic hardship under this section. **NO VARIANCES MAY BE GRANTED WHILE THE CITY IS IN STAGE 3 OF THIS PLAN OR HIGHER.**
- (F) The review board may, in writing, grant a temporary variance for existing water uses otherwise prohibited under this plan if it determines that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if either 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 this plan is in effect; or
 - (2) Alternative methods can be implemented that will achieve the same level of reduction in water use.
- (G) Variances granted by the city are subject to the following conditions, unless waived or modified by the review board;
- (1) Variances must include a timetable for compliance; and
 - (2) Variances expire when this plan is no longer in effect, unless the petitioner has failed to meet specified requirements.
- (H) A variance may not be retroactive or otherwise justify any violation of this plan occurring before the variance is issued.

§ 53.213 WHOLESALE CUSTOMERS IMPLEMENTATION OF PLAN.

Each wholesale customer of the city must develop and implement a water conservation plan or water conservation measures using the applicable elements in this plan. If the wholesale customer intends to resell the water, then the contract between the city and the wholesale customer must provide that the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with applicable provision of this plan.

§ 53.214 PRO RATA WATER ALLOCATION (WHOLESALE CUSTOMERS).

(A) In the event that the triggering criteria specified in [§53.208](#) of this subchapter have been met, the city manager is hereby authorized initiate allocation of water supplies on a pro rata basis in accordance with Texas Water Code §11.039 and according to the following water allocation policies and procedures:

- (1) A wholesale customer’s monthly allocation shall be a percentage of the customer’s water usage

baseline. The percentage will be set by resolution of the city council based on the city manager's assessment of the severity of the water shortage condition and the need to curtail water diversions and/or deliveries and may be adjusted periodically by resolution of the city council as conditions warrant. Once pro rata allocation is in effect, water diversions by or deliveries to each wholesale customer shall be limited to the allocation established for each month.

(2) A monthly water usage allocation shall be established by the city manager, or his/her designee, for each wholesale customer. The wholesale customer's water usage baseline will be computed on the average water usage by month for the 36-month period immediately prior to the implementation of the computation. If the wholesale water customer's billing history is less than 36 months, the monthly average for the period for which there is a record shall be used for any monthly period for which no billing history exists.

(3) The city shall provide notice, by certified mail, to each wholesale customer informing them of their monthly water usage allocations and shall notify the news media and the executive director of the Texas Commission on Environmental Quality upon initiation of pro rata water allocation.

(4) Upon request of the customer or at the initiative of the city, the allocation may be reduced or increased if: (a) the designated period does not accurately reflect the wholesale customer's normal water usage; (b) the customer agrees to transfer part of its allocation to another wholesale customer; or (c) other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the city council.

(B) The requirements of this section must be included in any contract that is entered into, renewed or amended after the effective date of this section.

§ 53.215 SEVERABILITY.

If any provision of this plan is illegal, invalid, or unenforceable under present or future laws, the remainder of this plan will not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision as similar in terms to the illegal, invalid, or unenforceable provision as is possible and is legal, valid, and enforceable will be added to this plan.

(Ord. 558-99-09-14, passed 09-14-99; Ord. 579-00-03-14, passed 3-14-00; Ord. 588-00-06-27, passed 6-27-00; Ord. 603-00-10-10, passed 10-10-00; Ord. 664-02-03-12, passed 3-12-02; Ord. 677-02-09-10, passed 9-10-02; Ord. 681-02-10-22, passed 10-22-02; Ord. 909-07-09-25, passed 9-25-07; Ord. 1074-11-04-26, passed 4-26-11; Ord. 1147-13-06-25, passed 6-25-13; Ord. 1162-13-10-22, passed 10-22-13; Ord. 1393-19-04-23, passed 4-23-19)

§ 53.999 PENALTY.

(A) Any person, firm, or corporation who violates any provision of [§§ 53.001](#) or [53.104](#) shall be guilty of a misdemeanor and upon conviction shall be subject to a fine not to exceed \$2,000. Each day of such violation shall constitute a separate offense. Such penalty shall be cumulative and not exclusive of any other rights or remedies the city may have.

(B) Any person who violates any of the provisions of [§§ 53.015](#) through [53.026](#) is guilty of a misdemeanor, and upon conviction shall be punished by a fine of not exceeding \$2,000 for each offense. Each day of violation constitutes a separate offense. It shall be a valid affirmative defense to any prosecution hereunder if either of the following matters are shown to exist:

(1) That the facts constituting a violation are not known to the defendant and could not have been known by him by the exercise of reasonable diligence, or

(2) That despite good faith, reasonable and diligent effort on the part of the defendant to avoid and not commit or suffer the acts, conduct or conditions charged as constituting the violation, it was not reasonably possible for one in the defendant's position to in any way avoid committing or suffering the violation, and such impossibility did not arise from any wrongful or negligent conduct or inaction on the defendant's part. Provided further, that the mere inconvenience, effort or expense to defendant to avoid a violation will not constitute a defense.

(C) A person who continues prohibited discharges in violation of [§§ 53.040](#) through [53.061](#) is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than \$500 for each act of violation and for each day of violation. In addition to proceeding under authority of this division (B), the city is entitled to pursue all other criminal and civil remedies to which it is entitled under authority of statutes or other ordinances against a person continuing prohibited discharges.

(Ord. 54-7-15-74, passed 7-15-74; Am. Ord. 68-75-5-19, passed 5-19-75; Ord. 113-2-1-21-80, passed 1-21-80; Ord. 172-83-11-7, passed 11-7-83; Ord. 206-85-7-30, passed 7-30-85; Ord. 219-85-12-3, passed 12-3-85; Ord. 260-87-08-11, passed 8-11-87; Ord. 325-90-09-11, passed 9-11-90; Ord. 772-05-01-25, passed 1-25-05; Ord. 1074-11-04-26, passed 4-26-11)

Exhibit G

Demand Schedule

**Lower Colorado River Authority
Water Contract Application and General Information Form
City of Pflugerville
EXHIBIT G**

"Exhibit G" – Demand Schedule: A demand or use schedule that estimates your annual water usage, and any increases to it over time, of the water to be supplied under the proposed contract.

The City of Pflugerville’s 2020 Water Master Plan (Attachment 1) contains a detailed analysis of historical water demands and projected future water demands. In summary, the Plan projects that the average day demand will increase from 9.7 MGD in 2019 to 16.3 MGD in 2029, and ultimately 31.6 MGD at full buildout. Table 1 contains a summary of information contained within the 2020 Water Master Plan. Historical and projected water demands are shown in Figure 1.

Table 1: 2020 Water Master Plan Water Demand Forecast

Planning Year	No. Water Service Connections	Service Population	Average Day Demand (MGD)	Max Day Demand (MGD)	Total Water Demand (acre-feet per year)
2019	19,108	56,558	9.69	19.06	10,854
2024	25,570	75,687	12.53	24.75	14,035
2029	34,216	101,279	16.34	32.36	18,303
Buildout	67,812	200,724	31.56	62.81	35,352

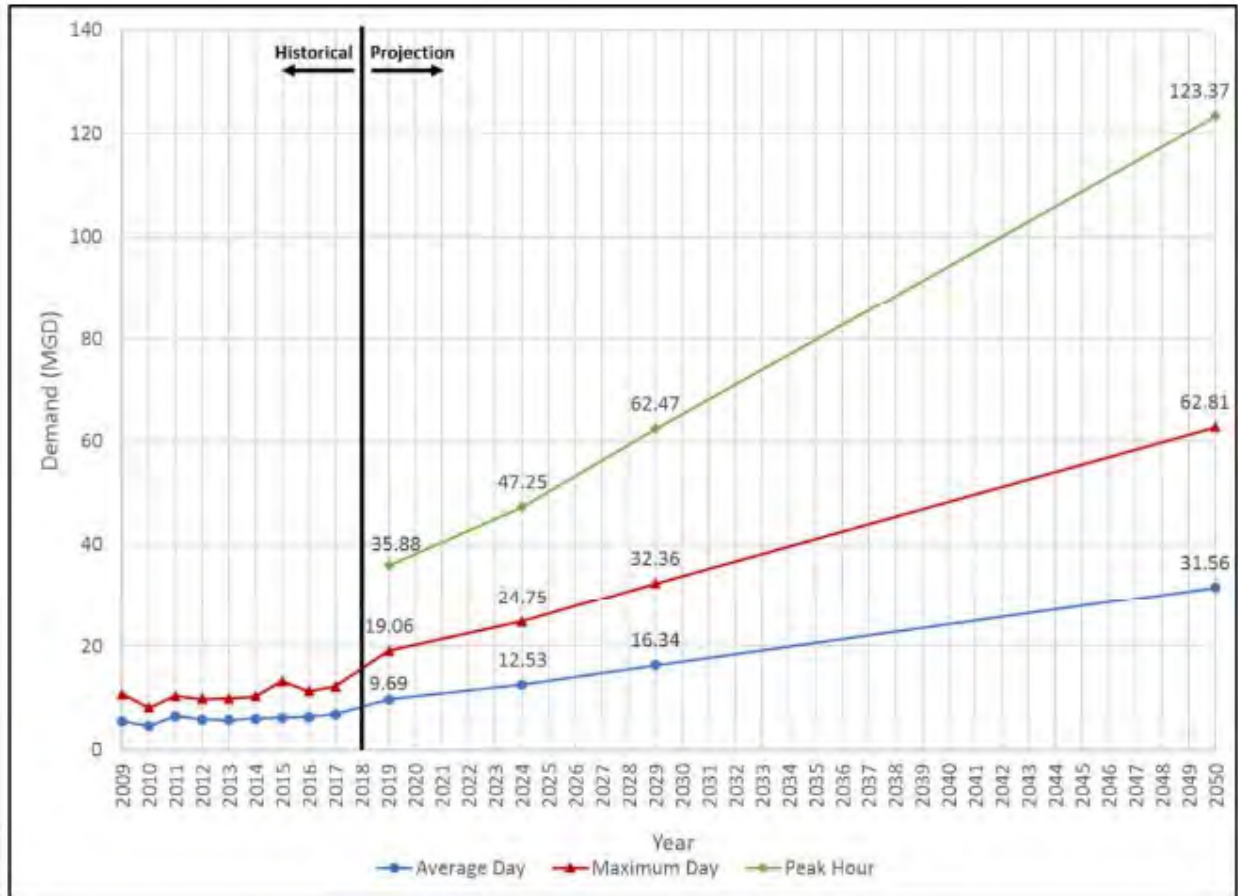


Figure 1: Historical and Projected Water Demands

Exhibit H

Arbitration Procedures

EXHIBIT H

ARBITRATION PROCEDURES

Section 1. Arbitration.

1.1. Binding Arbitration. Binding arbitration shall be conducted in accordance with the following procedures:

- (a) The party seeking arbitration hereunder shall request such arbitration in writing, which writing shall be delivered to the opposing party or parties and include a clear statement of the matter(s) in dispute. If a legal proceeding relating to the matter(s) in dispute has previously been filed in a court of competent jurisdiction (other than a proceeding for injunctive or ancillary relief) then such notice of election under this section shall be delivered within ninety (90) days of the date the electing party receives service of process in such legal proceeding. Otherwise, the legal proceeding shall be allowed to continue and binding arbitration shall not apply to the matter(s) in dispute in that legal proceeding.

- (b) Except to the extent provided in this Exhibit, the arbitration shall be conducted in accordance with the commercial rules of the American Arbitration Association by a single arbitrator to be appointed as follows: (i) upon the issuance and receipt of a request for arbitration, the requesting and receiving party each shall designate a representative for the sole purpose of selecting, by mutual agreement with the other party's designee, the individual who shall arbitrate the Dispute or Controversy referred to arbitration hereunder; (ii) within twenty (20) days of their appointment, the two representatives shall designate a third individual who shall be the arbitrator to conduct the arbitration of the Dispute or Controversy; (iii) said individual shall be qualified to arbitrate the Dispute or Controversy referred to arbitration hereunder and have a schedule that permits him or her to serve as arbitrator within the time periods set forth herein. In order to facilitate any such appointment, the party seeking arbitration shall submit a brief description (no longer than two (2) pages) of the Dispute or Controversy to the opposing party. In the event the parties' two representatives are unable to agree on a single arbitrator of the Dispute or Controversy within the twenty (20) day period, then the arbitrator shall be appointed by the then-serving chief administrative district judge of Travis County, Texas, or any successor thereto within the next ten (10) day period. The party seeking arbitration shall make the parties' request for appointment of an arbitrator and furnish a copy of the aforesaid description of the Dispute or Controversy to said judge. Each party may, but shall not be required to, submit to said judge a list of up to three (3) qualified individuals as candidates for appointment as the arbitrator whose schedules permit their service as arbitrator within the time periods set forth herein. The arbitrator appointed by the judge need not be from such lists.

- (c) Within thirty (30) days of the date the arbitrator is appointed, the arbitrator shall notify the parties in writing of the date of the arbitration hearing, which hearing date shall be not less than one-hundred twenty (120) days from the date of the arbitrator's appointment. The arbitration hearing shall be held in Austin, Texas. Except as otherwise provided

herein, the proceedings shall be conducted in accordance with the procedures of the Texas General Arbitration Act, Tex. Civ. Prac. & Remedies Code § 171.001 et seq. (the "Texas General Arbitration Act"). Depositions may be taken and other discovery may be made in accordance with the Texas Rules of Civil Procedure, provided that (i) depositions and other discovery shall be completed within ninety (90) days of the appointment of the arbitrator, (ii) there shall be no evidence by affidavit allowed, and (iii) each party shall disclose a list of all documentary evidence to be used and a list of all witnesses and experts to be called by the party in the arbitration hearing at least twenty (20) days prior to the arbitration hearing. The arbitrator shall issue a final ruling within thirty (30) days after the arbitration hearing. Any decision of the arbitrator shall state the basis of the award and shall include both findings of fact and conclusions of law. Any award rendered pursuant to the foregoing, which may include an award or decree of specific performance hereunder, shall be final and binding on, and not appealable by, the parties, and judgment thereon may be entered or enforcement thereof sought by either party in a court of competent jurisdiction. The foregoing deadlines shall be tolled during the period that no arbitrator is serving until a replacement is appointed in accordance with this Exhibit.

- (d) Notwithstanding the foregoing, nothing contained herein shall be deemed to give the arbitrator appointed hereunder any authority, power or right to alter, change, amend, modify, waive, add to or delete from any of the provisions of the contract.

Section 2. Further Qualifications of Arbitrators; Conduct. All arbitrators shall be and remain at all times wholly impartial and, upon written request by any party, shall provide the parties with a statement that they can and shall decide any Dispute or Controversy referred to them impartially. No arbitrator shall be employed by any party, the State of Texas, or have any material financial dependence upon a party, the State of Texas, nor shall any arbitrator have any material financial interest in the Dispute or Controversy.

Section 3. Applicable Law and Arbitration Act. The agreement to arbitrate set forth in this Exhibit shall be enforceable in either federal or state court. The enforcement of such agreement and all procedural aspects thereof, including the construction and interpretation of this agreement to arbitrate, the scope of the arbitrable issues, allegations of waiver, delay or defenses as to arbitrability and the rules (except as otherwise expressly provided herein) governing the conduct of the arbitration, shall be governed by and construed pursuant to the Texas General Arbitration Act. In deciding the substance of any such Dispute or Controversy, the arbitrator shall apply the substantive laws of the State of Texas. The arbitrator shall have authority, power and right to award damages and provide for other remedies as are available at law or in equity in accordance with the laws of the State of Texas, except that the arbitrator shall have no authority to award incidental or punitive damages under any circumstances (whether they be exemplary damages, treble damages or any other penalty or punitive type of damages) regardless of whether such damages may be available under the laws of the State of Texas. The parties hereby waive their right, if any, to recover punitive damages in connection with any arbitrated Dispute or Controversy.

Section 4. Consolidation. If the parties initiate multiple arbitration proceedings, the subject matters of which are related by common questions of law or fact and which could result in conflicting awards or obligations, then the parties hereby agree that all such proceedings may be consolidated into a single arbitration proceeding.

Section 5. Pendency of Dispute; Interim Measures. The existence of any Dispute or Controversy eligible for referral or referred to arbitration hereunder, or the pendency of the dispute settlement or resolution procedures set forth herein, shall not in and of themselves relieve or excuse either party from its ongoing duties and obligations under the contract or any right, duty or obligation arising therefrom; provided, however, that during the pendency of arbitration proceedings and prior to a final award, upon written request by a party, the arbitrator may issue interim measures for preservation or protection of the status quo.

Section 6. Complete Defense. The parties agree that compliance by a party with the provisions of this Exhibit shall be a complete defense to any Action or Proceeding instituted in any federal or state court, or before any administrative tribunal by any other party with respect to any Dispute or Controversy that is subject to arbitration as set forth herein, other than a suit or action alleging non-compliance with a final and binding arbitration award rendered hereunder.

Section 7. Costs. Each party shall bear the costs of its appointed representative to select the arbitrator of the Dispute or Controversy and its own attorneys' fees, while the costs of the arbitrator of the Dispute or Controversy incurred in accordance with the foregoing shall be shared equally by the parties. Additional incidental costs of arbitration shall be paid for by the nonprevailing party in the arbitration; provided, however, that where the final decision of the arbitrator is not clearly in favor of either party, such incidental costs shall be shared equally by the parties.