

DROUGHT CONTINGENCY PLAN
FOR
SHARON WATER SUPPLY CORPORATION
6175 N. State Hwy. 37, Winnsboro 75494
CCN #10476
PWS ID 2500020
March 27, 2006

Section I: Declaration of Policy, Purpose, and Intent

In cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit nonessential water usage. The purpose of the Drought Contingency Plan (Plan) is to encourage customer conservation in order to maintain supply, storage, or pressure or to comply with the requirements of a court, government agency or other authority.

Please note: Water restriction is not a legitimate alternative if a water system does not meet the Texas Commission on Environmental Quality (TCEQ) capacity requirements under normal conditions or if the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

Section II: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the SHARON WATER SUPPLY CORPORATION by means of solicitation of input from a cross-section of members representing homes, school, industrial & commercial members. Twenty-four (24) members were mailed copies of the draft plan on March 2, 2006 and were asked to provide their input for plan approval/disapproval and/or ideas to improve the draft plan. These ideas were considered to adjust the plan and all were presented to the board for the final approval.

The following members were solicited for their critique of the new plan & the replies are as noted beside the respondent's name:

1. Schiller, Jim comments - *faxed comments saying looks like a good plan providing all the criteria is adhered to and the guidelines are enforced to all the members equally. Recommends all stages of DCP be communicated to each member on their inception via mail or other means. 3/20/06.*
2. Painter, Bob comments - *called 3/17/06 and said he doesn't see anything wrong with the DCP – 903-725-3940*
3. Fite, Paul no comment
4. Allen, James no comment
5. Davis, Carl no comment
6. Cross, Hazel no comment
7. Taylor, Tommy no comment
8. Duncan, James no comment
9. Hackler, Jimmy no comment
10. Hamm, Jimmy no comment
11. Russell, Bill comments - *mailed return response – all positive with plan as delivered – 3/6/06.*
12. Jackson, Carla/Bobby no comment

13. Hamm, Hardy comments - 3/20/06 – recommends having drought stage on bill mail-outs to keep customers informed & have email on same for better communication.
14. Miranda, Ron/Denise called 3/20/06 and said they thought DCP was good plan.
15. Petty, Linda no comment
16. Shaw, Bobby no comment
17. Gearner, Sam no comment
18. Lee, Ronnie comments - well thought-out, agreed with completely – 3/13/06.
19. Ellenburg, Ed no comment
20. Banks, Mike no comment
21. Tinney, Chance no comment
22. Ditto Group no comment
23. Airborne no comment
24. Union Hill ISD no comment

Section III: Public Education

The SHARON WATER SUPPLY CORPORATION will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of direct mailings or by press releases.

Section IV: Coordination with Regional Water Planning Group

The service area of the SHARON WATER SUPPLY CORPORATION is located within the North East Texas Regional Water Planning Group Region D. SHARON WATER SUPPLY CORPORATION has less than 3,300 meters so there is not a requirement for copies to be sent to the Regional Water Planning Group Region D.

Section V: Notice Requirements

Written notice will be provided to each customer **prior to implementation or termination of each stage of the water restriction program**. Mailed notice must be given to each customer 72 hours prior to the start of water restriction. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided. The written notice to customers will contain the following information:

1. the date restrictions will begin,
2. the circumstances that triggered the restrictions,
3. the stages of response and explanation of the restrictions to be implemented, and,
4. an explanation of the consequences for violations.

The utility must notify the TCEQ by telephone at (512) 239-4691, or electronic mail at watermon@tceq.state.tx.us prior to implementing Stage III and **must notify in writing the Public Drinking Water Section at MC-155, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days** of implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions (i.e., Stages III and IV).

Section VI: Violations

1. **First violation** - The customer will be notified by written notice of their specific violation. The notice will show the amount of penalty to be assessed for continued violations.
2. **Second Violation:** The Corporation will assess a penalty of \$ 50.00.
3. **Subsequent violations:**
 - a. After written notice, the Corporation will assess an additional penalty of \$ 50.00 for violations continuing after the Second Violation. The utility may install flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed \$50.00.
4. **Termination:** After written notice, the utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. Service will remain off until any delinquent penalty or other assessment is fully paid including a charge for the service call to restore service.

Section VII: Exemptions or Variances

The utility may grant any customer an exemption or variance from the drought contingency plan for good cause **upon written request**. A customer who is refused an exemption or variance may appeal such action of the utility in writing to the Texas Commission on Environmental Quality. The utility will treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances. No exemption or variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance. The written request should include:

- Name and address of the petitioner(s)
- Purpose of water use
- Specific provision(s) of the Plan from which the petitioner is requesting relief.
- Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan.
- Description of the relief requested.
- Period of time for which the variance is sought.
- Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.

- Other pertinent information, as requested by the Committee.

Variations granted by the SWC shall be subject to the following conditions, unless specifically waived or modified by the Board of Directors:

- Variations granted shall include a timetable for compliance
- Variations granted shall expire when the applicable Stage is no longer in effect, unless the petitioner has failed to meet specified requirements. No variance allowed for a condition requiring water demand reduction measures will continue beyond the termination of the stage under Section H. Any variance for a subsequent water reduction measure must be petitioned again. The fact that a variance has been granted in response to a petition will have no relevance to the Committee's decision on any subsequent petition.

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

Section VIII: Response Stages

Unless there is an immediate and extreme reduction in water production, or other absolute necessity to declare an emergency or severe condition, the utility will initially declare Stage I restrictions. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, reduce the risk of outages, or comply with restrictions required by a court, government agency or other authority, Stage II may be implemented with Stage III to follow if necessary.

STAGE I - CUSTOMER AWARENESS

Stage I will begin:

Every April 1st, the utility will mail a public announcement to its customers on the monthly bill. No notice to TCEQ required.

Stage I will end:

Every September 30th, the utility will mail a public announcement to its customers on the monthly bill. No notice to TCEQ required.

Utility Measures:

This announcement will be designed to increase customer awareness of water conservation and encourage the most efficient use of water. A copy of the current public announcement on water conservation awareness shall be kept on file available for inspection by the TCEQ.

Voluntary Water Use Restrictions:

- Water customers are requested to voluntarily limit the use of water for nonessential purposes and to practice water conservation.

STAGE II - VOLUNTARY WATER CONSERVATION:

Target: Achieve consumption of less than 70 percent of maximum daily water production capabilities.

The water utility will implement Stage II when the following triggers are reached:

- Consumption has reached 70 percent (1.537 mgd) of daily maximum supply (2.196 mgd) for three (3) consecutive days.
- There is an extended period (at least four (4) weeks) of low rainfall.

Upon initiation and termination of Stage II, the utility will mail a public announcement to its customers. No notice to TCEQ required.

Requirements for Termination:

Stage II of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage II, Stage I becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a daily basis. Monthly review of customer use records and follow-up on any that have unusually high usage. Reduce flushing of water mains.

Voluntary Water Use Restrictions:

1. **Restricted Hours:** Outside watering is allowed daily, but only during periods specifically described in the customer notice; between 10:00 p.m. and 5:00 a.m.;
2. **Restricted Days/Hours:** Water customers are requested to voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems. Irrigation of landscaped areas is further limited to the hours

of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system; or

3. Other uses that waste water such as water running down the gutter.

STAGE III - MANDATORY WATER USE RESTRICTIONS:

Target: Achieve consumption of less than 80 percent of maximum daily water production capabilities.

The water utility will implement Stage III when one or more of the following triggers are reached:

- Consumption has reached 80 percent (1.757 mgd) of daily maximum supply (2.196 mgd) for three (3) consecutive days.
- The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days.
- Daily use has risen 25% above the use for the same period during the previous year.

Upon initiation and termination of Stage III, the utility will mail a public announcement to its customers. Notice to TCEQ required.

Requirements for Termination:

Stage III of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage III, Stage II becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a daily basis. Monthly review of customer use records and follow-up on any that have unusually high usage. Flushing is prohibited except for dead-end mains. Activate alternate supply of water from the City of Winnsboro (if available) to help alleviate water shortage.

Mandatory Water Use Restrictions:

1. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems **shall be limited to** the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
3. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or jacuzzi-type pools is prohibited except between 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.
4. 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.
5. Use of water from hydrants or flush valves shall be limited to maintaining public health, safety, and welfare.
6. Use of water for the irrigation of golf courses, parks, and green belt area is prohibited except by hand-held hose and only between the hours 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.
7. The following uses of water are defined as non-essential and are prohibited:
 - a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, 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(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
 - f. any waste of water.

STAGE IV - CRITICAL WATER USE RESTRICTIONS:

Target: Achieve consumption of less than 90 percent of maximum daily water production capabilities.

The water utility will implement Stage IV when one or more of the following triggers are reached:

- Consumption has reached 90 percent (1.976 mgd) of daily maximum supply (2.196 mgd) for three (3) consecutive days.
- The water level in any of the water storage tanks cannot be replenished for six (6) consecutive days.

Upon initiation and termination of Stage IV, the utility will mail a public announcement to its customers. Notice to TCEQ required.

Requirements for Termination:

Stage IV of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage IV, Stage III becomes operative.

Operational Measures:

The utility shall visually inspect lines and repair leaks on a daily basis. Flushing is prohibited except for dead end mains and only between the hours of 9:00 p.m. and 3:00 a.m. Emergency interconnects (City of Winnsboro) or alternative supply arrangements shall be initiated. All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers.

Mandatory Water Use Restrictions. (all outdoor use of water is prohibited)

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

STAGE VI - SYSTEM OUTAGE or SUPPLY CONTAMINATION

Notify TCEQ Regional Office immediately.

RESOLUTION NO. II

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SHARON WATER SUPPLY CORPORATION ADOPTING THE ATTACHED DROUGHT CONTINGENCY PLAN.

WHEREAS, the Board recognizes that the amount of water available to the Sharon Water Supply Corporation and its water utility customers are limited and subject to depletion during periods of extended drought;

WHEREAS, the Board recognizes that natural limitations due to drought conditions and other acts of God cannot guarantee an uninterrupted water supply for all purposes.

WHEREAS, Section 11.1272 of the Texas Water Code and applicable rules of the Texas Commission on Environmental Quality require all public water supply systems in Texas to prepare a drought contingency plan; and

WHEREAS, as authorized under law, and in the best interest of the customers of the Sharon Water Supply Corporation, the Board deems it expedient and necessary to establish certain rules and policies for the orderly and efficient management of limited water supplies during drought and other water supply emergencies;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SHARON WATER SUPPLY CORPORATION:

SECTION 1. That the Drought Contingency Plan attached hereto as Exhibit "A" and made part hereof for all purposes be, and the same is hereby, adopted as the official policy of the Sharon Water Supply Corporation.

SECTION 2. That the General Manager is hereby directed to implement, administer, and enforce the Drought Contingency Plan.

SECTION 3. That this resolution shall take effect immediately upon its passage.

DULY PASSED BY THE BOARD OF DIRECTORS OF THE SHARON WATER SUPPLY CORPORATION, ON THIS 26 day of January, 2009.

President, Board of Directors

ATTESTED TO:

Secretary, Board of Directors