

ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY
PLAN; PROVIDING FOR IMPLEMENTATION AND ENFORCEMENT THEREOF;
PROVIDING PENALTIES FOR VIOLATIONS; AND CONTAINING OTHER
PROVISIONS RELATED TO THE SUBJECT

WHEREAS, the Board of Directors (the "Board") of Harris County Municipal Utility District No. 500 (the "District"), has carefully considered the current water conditions in the District and area-wide and has determined that the adoption of this Amended and Restated Drought Contingency Plan (the "Plan") by the District is necessary to ensure that an adequate supply of water is maintained and to provide for the possibility of a natural disaster or equipment failure; and

WHEREAS, the District is a participant in a regional water supply system pursuant to a Contract for Financing, Operation, and Maintenance of Regional Facilities, as amended (the "Master District Contract") between the District and Harris County Municipal Utility District No. 500, as Master District (the "Master District"); and

WHEREAS, the District desires to coordinate its Plan with the Master District and other participants in the Master District Contract; and

WHEREAS, the Board has previously adopted a Drought Contingency Plan (the "Prior Plan"), and wishes to rescind the Prior Plan; and

WHEREAS, the Board desires to evidence its approval of this Plan and to adopt such Plan as the official policy of the District; NOW, THEREFORE,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE DISTRICT THAT:

Section 1: Approval of the Plan. The Board hereby approves and adopts this Plan as set forth in this Order, and the provisions of such Plan shall be implemented immediately and enforced as a rule of the District.

Section 2: Definitions. For the purposes of this Plan, the following definitions shall apply:

The term "Landscape Irrigation Use" shall mean water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, parks, and rights-of-way and medians.

The term "Non-essential Water Use" shall mean water uses that are not essential or required for the protection of public health, safety, and welfare, including, but not limited to:

- (a) Landscape Irrigation Use;
- (b) Washing motor vehicles, motorbikes, boats, trailers, golf carts, or any other vehicle;

- (c) Washing driveways, decks, sidewalks, walkways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) Washing the exterior of buildings or structures for purposes other than immediate fire protection;
- (e) Flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) Filling or adding water to swimming pools or hot tubs;
- (g) Filling or adding water to fountains, ponds, or other aesthetic water features other than the minimal amount to support aquatic life;
- (h) Failing to repair a controllable leak within a reasonable period after notice is received; and
- (i) Using water from hydrants for construction purposes or any other purposes other than firefighting.

The term "Users" shall mean District residents and other users of water within the District, and all wholesale water customers of the District, if any

Section 3: Public Education. The District will periodically provide or make available to the public information about this Plan, including information about the conditions under which each stage of this Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by various methods, as the Board deems appropriate from time to time, including, but not limited to, posts on the District's website, inserts in monthly water utility billings, and by means of public meetings.

Section 4: Coordination with Regional Water Planning Groups. The water service area of the District is located within the Region H Regional Water Planning Group and the District has provided a copy of the Plan to the Region H Regional Water Planning Group.

Section 5: Permanent Water Use Restrictions. The following restrictions shall apply to all Users on a year-round basis, regardless of water supply or water treatment plant production conditions. According to the restrictions, a User must not:

1. Fail to repair a controllable leak, including:
 - a. a broken sprinkler head;
 - b. a leaking valve;
 - c. leaking or broken pipes; or
 - d. a leaking faucet.
2. Operate an irrigation system with:
 - a. a broken head;
 - b. a head that is out of adjustment and the arc of the spray head is over a street or parking area; or

- c. a head that is fogging or misting because of excessive water pressure.
3. During irrigation, allow water:
 - a. to run off a property and form a stream of water in a street for a distance of 150 feet or greater; or
 - b. to pool in a street or parking lot to a depth greater than one-quarter of an inch.

Section 6: The Drought Contingency Plan.

A. Public Involvement. The District has informed the public and wholesale water customers, if any, and affirmatively provided opportunity for input from the public and from wholesale water customers, if any, regarding the Plan. Such provision included notifying the public and wholesale water customers, if any, of the District's public meeting regarding the proposed Plan, notice of which was given pursuant to the Open Meetings Act.

B. Trigger Conditions. For the purpose of this Plan, the District hereby adopts the trigger conditions (the "Trigger Conditions") set forth below, which are based on a study and/or statistical analysis of the vulnerability of water sources under drought of record conditions. These Trigger Conditions are for the purpose of responding to, but not limited to, the following situations: (a) reduction in available water supply up to a repeat of the drought of record; (b) water production or distribution system limitations; (c) supply source contamination; or (d) water system outage due to the failure or damage of major water system components (e.g., pumps).

1. Normal. This condition (herein, "Normal Conditions") exists when demand on the District's water supply facilities is less than 80% of the production capacity of such facilities, as determined by the Master District's operator.

2. Moderate. This condition (herein, "Moderate Drought Conditions") exists when demand on the District's water supply facilities reaches or exceeds 80% of the production capacity of such facilities for 5 consecutive days, as determined by the Master District's operator.

3. Severe. This condition (herein, "Severe Drought Conditions") exists when demand on the District's water supply facilities reaches or exceeds 90% of the production capacity of such facilities for 3 consecutive days, as determined by the Master District's operator.

4. Extreme. This condition (herein, "Extreme Drought Conditions") exists when demand on the District's water supply facilities

reaches or exceeds 95% of the production capacity of such facilities for 3 consecutive days, as determined by the Master District's operator.

5. Exceptional. This condition (herein, "Exceptional Drought Conditions") exists when demand on the District's water supply facilities reaches or exceeds 100% of the production capacity of such facilities for 24 hours, as determined by the Master District's operator.

C. Notice. Once one of the above Trigger Conditions has occurred, Users will be notified that such Trigger Condition has occurred and of the Drought Response Measures (as defined below) to be taken. The process for notifying Users may include any of the following:

1. E-mail notification;
2. Posting of signs at the entrances to the District;
3. Posting of notices at public places in the District;
4. Posting of notices and information on the District's website;
5. Dissemination of electronic alerts, including text message alerts and automated phone calls; and
6. Dissemination of press releases to the local news media.
7. For wholesale water customers, if any, the Master District's operator and the District's operator shall contact their respective wholesale water customers by written notice, and/or by other means, prior to commencement of the required Drought Response Measure.

Any notice issued shall contain (i) the date the Drought Response Measures will begin, (ii) the date the Drought Response Measures will terminate, if known, (iii) a list of Drought Response Measures to be implemented, and (iv) an explanation of penalties for violations of such Drought Response Measures.

D. Emergency Management Program. The District hereby establishes and adopts the following measures ("Drought Response Measures") for the respective Trigger Conditions. The Drought Response Measures related to each Trigger Condition shall automatically become effective and shall be implemented by the District when such Trigger Condition occurs.

1. Normal. During Normal Conditions, Users will be asked to adhere to the Permanent Water Restrictions set forth above.

2. Moderate. In the event of Moderate Drought Conditions, the District's targeted reduction in daily water demand shall be 5% as of the date of the Trigger Condition, and the following Drought Response Measures shall be in effect:

a. Users will be asked to voluntarily reduce Non-essential Water Use and will be informed of specific steps that can be taken to reduce water use, including the following:

(1) recommending that Non-essential Water Use, including, but not limited to, Landscape Irrigation Use, be limited to three (3) days per week and run times be reduced by 5%; and

(2) recommending that outdoor water use be avoided between the hours of 6:00 a.m. and 9:00 a.m. and between the hours of 6:00 p.m. and 12:00 a.m. (midnight).

3. Severe. In the event of Severe Drought Conditions, the District's targeted reduction in daily water demand shall be 10% as of the date of the Trigger Condition, and the following Drought Response Measures shall be taken:

a. The Drought Response Measures established for Moderate Drought Conditions shall continue to be implemented.

b. Non-essential Water Use, including, but not limited to, Landscape Irrigation Use, shall be limited to two (2) days per week as follows and run times shall be reduced by 10%:

(1) Sundays and Thursdays for District residents and other users of water within the District with even-numbered addresses;

(2) Wednesdays and Saturdays for District residents and other users of water within the District with odd-numbered addresses; and

(3) Tuesdays and Fridays for all other Users of water within the District, including those without a street address.

c. All outdoor water use shall be prohibited between the hours of 6:00 a.m. and 9:00 a.m. and between the hours of 6:00 p.m. and 12:00 a.m. (midnight).

d. Filling of swimming pools and hot tubs shall require a variance. Replenishing to maintenance level is permitted.

4. Extreme. In the event of Extreme Drought Conditions, the District's targeted reduction in daily water demand shall be 20% as of the date of the Trigger Condition, and the following Drought Response Measures shall be taken:

a. The Drought Response Measures established for Moderate and Severe Drought Conditions shall continue to be implemented.

b. Non-essential Water Use, including, but not limited to, Landscape Irrigation Use, shall be limited to one (1) day per week as follows and run times shall be reduced by 20%:

(1) Sundays for District residents and other Users of water within the District with even-numbered addresses;

(2) Saturdays for District residents and other Users of water within the District with odd-numbered addresses; and

(3) Tuesdays for all other Users of water within the District, including those without a street address.

c. Filling or replenishing of swimming pools and hot tubs shall be prohibited and shall require a variance.

d. The Master District's operator and the District's operator will initiate weekly contact with their respective wholesale water customers, if any, to discuss water supply and/or demand conditions and the possibility of pro rata curtailment of water supplies if drought conditions worsen.

5. Exceptional. In the event of Exceptional Drought Conditions, the District's targeted reduction in daily water demand shall be 30% as of the date of the Trigger Condition, and the following Drought Response Measures shall be taken:

a. The Drought Response Measures established for Moderate, Severe, and Extreme Drought Conditions shall continue to be implemented.

b. All Non-essential Water Use shall be prohibited.

c. A surcharge equal to 200% of the applicable rate for all water used in excess of 10,000 gallons/billing cycle, shall be imposed on all District residents and other users of water within the District, but will not be imposed on wholesale water customers, if any.

d. The Board may prohibit water use by certain industrial or commercial users which uses are not essential to the health and safety of the community so that remaining water is available for essential health and safety related uses.

e. The Board may utilize alternative water sources and/or alternative delivery mechanisms with the prior approval of the executive director of the Texas Commission on Environmental Quality as appropriate (e.g., interconnection with another water system, temporary use of a non-municipal water supply, use of reclaimed water for non-potable purposes, etc.).

f. The District is authorized to ration water to District residents and other users of water within the District on a pro rata basis, and to initiate allocation of water supplies to its wholesale water customers, if any, on a pro rata basis, in accordance with Texas Water Code, Section 11.039.

E. Termination of Trigger Conditions Notification. When a Trigger Condition occurs, the District shall enforce the Drought Response Measures applicable to such Trigger Condition for a minimum of five (5) days after the last day the demand on the District's water supply facilities reaches or exceeds the limits of such Trigger Condition. After such five (5) day period, the Board, in its discretion, may consider whether the targeted reduction in daily water demand has been met and may determine to continue any applicable Drought Response Measures for an additional five (5) day period, regardless of whether the targeted reduction has been achieved. After the expiration of ten (10) days, and assuming no other Trigger Conditions have occurred, the Drought Response Measures prescribed shall terminate and the District shall cease implementation and enforcement of such measures. The District will notify Users of the termination of the particular Drought Response Measures and may utilize the same manner of notification used to inform Users of the occurrence of the Trigger Condition and implementation of the Drought Response Measures.

Section 7: Emergency Contingency Plan. In the event of a fire, flood, hurricane, lightning strike, tornado, windstorm, or any other act of God, riot, terrorist act, or any other act of civil disobedience, or any other similar occurrence which results in the inability of the District to provide potable water to Users (or the likelihood thereof), the

Board, in its discretion, may, without prior notice, invoke all or any of the Drought Response Measures set forth in this Plan as "Emergency Response Measures". The Board may establish any of the penalties set forth in the "Penalties" Section of this Order, below, for violations of the Emergency Response Measures.

Section 8: Implementation. Without limitation to specific actions stated in this Plan to be taken by the Master District's operator or the District's operator, the District's operator will administer and enforce this Plan, and will oversee and be responsible for the execution and implementation of all elements of this Plan (or, if the District employs its own peace officers pursuant to Texas Water Code §49.216, such peace officers will be responsible for enforcement of this Plan). The operator shall keep adequate records for plan verification. The District's operator shall report to the Board, at meetings of the Board, regarding actions taken and which need to be taken under this Plan. Without limiting the foregoing, the District's operator shall advise the President of the Board (or if the President is unavailable to receive notification, another member of the Board) as soon as reasonably practicable when a particular Trigger Condition has been reached under this Plan and when a particular drought condition no longer exists.

Section 9: Penalties. The following penalties shall apply to anyone violating the terms of this Plan or the Drought Response Measures or Emergency Response Measures adopted pursuant hereto:

A. First Violation. Any person or entity who violates this Plan shall receive written notification of such violation, which notice shall set forth (i) the date of the violation, (ii) the nature of the violation, (iii) the Drought Response Measures then in effect, and (iv) the penalties applicable for any further violations of this Plan; provided, however, that if such person or entity has ever previously violated this Plan, the penalties set forth in Section (B) below, may, in the discretion of the Board, be imposed.

B. Subsequent Violations.

1. Disconnection for Noncompliance. If any person or entity violates any provision of this Plan more than one time (which violation shall constitute an unauthorized use of District services and/or facilities), then in addition to any other remedies, penalties, sanctions and enforcement procedures provided for herein, the District shall have the right to terminate water service to such person or entity after notice is provided and any other applicable procedural requirements in the District's rate order are satisfied.

2. Monetary Penalties for Noncompliance. If any person or entity violates any provision of this Plan more than one time (which violation shall constitute an unauthorized use of District services and/or facilities), then, in addition to disconnection as provided in Subsection (B1)

of this Section, the Board, after providing required notice, may impose a penalty of up to \$5,000.00 for each violation of this Plan. Each day that a breach of any provision of this Plan continues shall be considered a separate violation. This penalty shall be in addition to any other legal rights and remedies of the District as may be allowed by law.

Section 10: Variances. The District may, in writing, grant a temporary variance to rationing or pro rata water allocation policies adopted pursuant to this Plan, or a temporary variance to a provision in the Plan, if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the public health, welfare, or safety and if one or more of the following conditions are met:

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

Persons requesting an exemption from the provisions of this Plan shall file a petition for variance with the District within 5 days after pro rata allocation has been invoked. The Board hereby authorizes the District's Drought Contingency Plan Review Committee (the "DCP Review Committee") to review petitions for variances on the District's behalf. All petitions for variances shall be reviewed by either the Board or the DCP Review Committee and shall include the following:

- (a) Name and address of the petitioner(s).
- (b) For District residents and other users of water within the District, a 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 or rationing of water adopted by the District pursuant to this Plan.
- (c) For wholesale water customers, if any, a detailed statement with supporting data and information as to how the pro rata allocation of water under the policies and procedures established in the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan.
- (d) Description of the relief requested.
- (e) Period of time for which the variance is sought.
- (f) Alternative measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- (g) Other pertinent information.

Variances granted by the Board or the DCP Review Committee shall be subject to the following conditions unless waived or modified by the District or its designee:

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

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

Section 11: Receiving Water from Wholesale Public Water Supplier. In case the District receives water from another water supplier, then the District shall consult with that water supplier in order to respond appropriately to the water supplier's drought contingency plan for reductions in water supply. Also in such case, if the other water supplier implements drought response stages pursuant to its drought contingency plan, the District will evaluate implementing its drought response stages and evaluate the need to discourage excessive use of water in an effort to reduce the use of water.

Section 12: Remedies Cumulative. All rights, remedies, sanctions, penalties and enforcement procedures provided for in this Order are cumulative. In addition, the District shall have and may exercise and enforce any and all rights and remedies provided by law or in equity.

Section 13: Notice to Texas Commission on Environmental Quality. The District's operator shall notify the executive director of the Texas Commission on Environmental Quality within five (5) business days of the implementation of any mandatory provisions of this Plan.

Section 14: Wholesale Customer Contracts. If the District enters into or renews any wholesale water contracts after adoption of the Plan, said contracts shall include a provision that in case of a shortage of water resulting from drought, the water to be distributed shall be divided in accordance with Texas Water Code, Section 11.039.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 12th day of March, 2024.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(SEAL)



CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of Harris County Municipal Utility District No. 500, hereby certify as follows:

1. The Board of Directors of Harris County Municipal Utility District No. 500 convened in regular session on March 12, 2024, outside the boundaries of the District, and the roll was called of the members of the Board:

- Jeffrey D. Ottmann President
Joanne E. Quintero Vice President
Jeff P. Collins Secretary
James Spackman Assistant Secretary
Alan Steinberg Assistant Vice President

and all of said persons were present except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

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was introduced for the consideration of the Board. It was then duly moved and seconded that the order be adopted, and, after due discussion, the motion, carrying with it the adoption of the order, prevailed and carried unanimously.

2. A true, full, and correct copy of the aforesaid order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; the action approving the order has been duly recorded in the Board's minutes of the meeting; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that the order would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; the meeting was open to the public as required by law; and public notice of the time, place, and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED on March 12, 2024.

Handwritten signature of Jeffrey P. Collins, Secretary, Board of Directors

(SEAL)

