

PROPOSED REDLINE - NOVEMBER 2022

Exhibit A

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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. Army~~ Corps of Engineers (~~USACE~~), 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.

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 PURCHASER; or (ii) the amount of water diverted by PURCHASER at the Point(s) of Availability. ~~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.

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. If PURCHASER has not obtained a contract for an increased MAQ and has a subsequent exceedance within the immediately following five (5) years PURCHASER shall pay to LCRA the Recurrent Excess Use Charge described in Section II.B.6. To the extent provided by the LCRA Water Contract Rules, LCRA may allow PURCHASER to take alternate actions in lieu of submitting an application for a new standard form contract. In such event, PURCHASER shall not be subject to the Recurrent Excess Use Charge in the immediately following year, and will only be subject to such fee in the event of subsequent exceedances in two (2) out of any four (4) consecutive years.

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 ~~L~~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 ~~TCEQ 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~~LCRA, 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 from LCRA's website, and as of the date of execution of the contract, were specifically available~~ at the following internet web-site address:

~~<http://www.lcra.org/water/contracts.html>~~<https://www.lcra.org/water/permits-contracts/water-supply-contracts/agricultural-irrigation-use/>

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 ~~in the LCRA Water Contract Rules or~~ 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." ~~In no event shall water supplied under this Contract be available to any area outside of LCRA's statutory water service area. Further, water supplied under this Contract shall not be available to any area outside the Colorado River basin unless such interbasin transfer is authorized by one or more water rights.~~

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" or "WCP") 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 WCP. 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 on or before May 1, 2014, and every five years thereafter, 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" or "DCP") 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~~ DCP.

~~2.3.~~ PURCHASER shall review and update its WCP and DCP as provided in the Water Contract Rules, with such updates to be required among other things, on a periodic basis and in response to changes in the rules of LCRA or state laws or regulations.

[NOTE: DETAILS OF THE UPDATE REQUIREMENT ARE NOW ADDRESSED IN THE RULES.] ~~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.~~

~~3.4.~~ If PURCHASER fails to submit an updated WCP or DCP, or fails to implement its WCP or DCP, after thirty (30) days following notice by LCRA of an ongoing failure to comply with the requirements, PURCHASER shall pay LCRA a one-hundred dollar (\$100) administrative fee each month until an updated WCP and/or DCP is submitted or the WCP and/or DCP is implemented. The Contract is further subject to termination for failure of PURCHASER to update its WCP and/or DCP as specified in Section II.D.4.

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 applicable Drought Contingency Plan(s), as such Plans and any amendments thereto have been approved and may be approved in the future by ~~the~~ TCEQ.

In the event the Point(s) of Availability are upstream of Lake Buchanan and/or on a tributary to the Colorado River, water supplied under this Contract is water that otherwise would have flowed into the Colorado River and/or lakes Buchanan and Travis and is a commitment against LCRA's firm water supply, as defined in LCRA's Water Contract Rules, subject to diversion and use rights of all senior right holders upstream and downstream of the Point(s) of Availability. Diversions and/or impoundment at such upstream Point(s) of Availability require a water right permit issued by TCEQ. In addition to the interruptions or curtailments mentioned above, availability of water is further subject to factors associated with the Point(s) of Availability, including but not limited to the flow of the river or tributary, diversions of water by senior and superior water rights, and conditions in the upstream water right permit.

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 projected water usage, and any increases of usage over time (at intervals no greater than every five (5) years and more frequent as requested by LCRA staff), of the water to be made available by LCRA under this Contract, consistent with LCRA's Water Contract Rules. The Demand Schedule shall include any plans for direct reuse of water made available under this Contract. 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.~~ [NOTE: THIS PROVISION MOVED TO PARAGRAPH II. D AND EDITED.]

~~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.

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 and authorized by a water right issued by TCEQ. ~~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)~~ninety (90) 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~~costs and fees related to such application, including, but not limited to filing and notice fees, legal fees and expert fees, after LCRA bills PURCHASER for such costs and fees in accordance with this Contract.

Q. REQUIRED NOTICES.

PURCHASER shall provide notice to LCRA of certain activities specified in the Water Contract Rules throughout the term of this Contract. Such notice requirements may apply to, among other things, intent to divert, plans for and implementation of reuse, activities related to a water right permit, agreement to supply a Secondary Purchaser, and change of ownership.

[NOTE: CIRCUMSTANCES REQUIRING NOTICE ARE NOW SPECIFIED IN THE RULES.]

- ~~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 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. Reuse. 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.~~
- ~~6.1. Secondary Purchaser. 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 [LCRA](#) 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 LCRA 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~~ MAQ.

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 the LCRA's Board of Directors, and that the Board may change all rates, fees and charges under the Contract from time to time.

3. Reservation Charge. *[NOTE: RESERVATION CHARGE PARAGRAPHS MOVED UP FROM BELOW AND EDITED FOR CLARITY, WITH OPTION ADDED FOR SEMI-ANNUAL BILLING.]*

a) PURCHASER agrees and covenants to pay – on a monthly basis – an amount of money equal to the Reservation Rate multiplied by one-twelfth (1/12) of the MAQ (the “Monthly Reservation Charge”) which shall be for the preceding billing period. However, in the event the MAQ is 250 acre-feet per year or more and PURCHASER is not an existing customer in good standing nor a governmental entity exercising taxing authority, for the period until the later of the fifth full calendar year since the Effective Date or the year in which PURCHASER’s water use equals at least twenty percent (20%) of the MAQ, PURCHASER shall pre-pay on a non-refundable basis for the reservation of water as follows: PURCHASER agrees to and covenants to pay LCRA – on the first billing period after the Effective Date of this Agreement – an amount equal to the Reservation Rate multiplied by the MAQ (“Prepaid Annual Reservation Charge”), which amount shall be prorated to the end of the calendar year in which this Contract becomes effective; and thereafter, PURCHASER agrees and covenants to pay LCRA the Prepaid Reservation Charge on the first billing period of each calendar year. Following the later of the fifth full calendar year since the Effective Date or the year in which PURCHASER’s water use equals at least twenty percent (20%) of the MAQ, PURCHASER shall pay the Monthly Reservation Charge described above.

b) In the event this Contract is for recreational or irrigation use with a MAQ not exceeding 30 acre-feet per year and specifies semi-annual billing, in lieu of subparagraph a, above, PURCHASER agrees and covenants to pay – on a semi-annual basis – an amount of money equal to the Reservation Rate multiplied by one-half of the MAQ (the “Prepaid Semi-annual Reservation Charge”) which shall be for the upcoming semi-annual billing period.

4. Use Charge.

a) 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 the PURCHASER during the previous monthly billing period (“Monthly Use”).

b) In the event this Contract is for recreational or irrigation use with a MAQ not exceeding 30 acre-feet per year and specifies semi-annual billing, in lieu of subparagraph a, above, PURCHASER agrees and covenants to pay LCRA – on a semi-annual basis – an amount of money (the “Semi-annual Use Charge”) equal

to the Water Rate less the Reservation Rate multiplied by the amount of water made available to the PURCHASER during the previous semi-annual billing period.

a)c) For purposes of this section, the term “made available” refers to the greatest of: (i) the amount of water released from LCRA firm water supplies to allow for diversions by PURCHASER; or (ii) the amount of water diverted by PURCHASER.

~~3. [ANNUAL PRE-PAYMENT OF RESERVATION FEES FOR CONTRACTS OF 250 AFY OR MORE, EXCEPT FOR EXISTING CUSTOMERS IN GOOD STANDING OR GOVERNMENTAL AUTHORITIES THAT ARE EXERCISING TAXING AUTHORITY.] On the first billing period after the Effective Date of this Agreement, PURCHASER agrees to and covenants to pay LCRA an amount equal to the Reservation Rate multiplied by the MAQ (“Prepaid Reservation Charge”), which amount shall be prorated to the end of the Calendar year in which the contract becomes effective. Thereafter, PURCHASER also agrees and covenants to pay LCRA the Prepaid Reservation Charge on the first billing period of each calendar year. Such obligation shall terminate the later of the fifth full calendar year after the Effective Date or when PURCHASER’s water use equals at least twenty percent (20%) of the MAQ. Any funds deposited by PURCHASER as part of the application pursuant to LCRA’s Raw Water Contract Rule 5.8(a) for this Contract shall be used as a credit towards amount owed under this section. Amounts paid pursuant to this section shall be nonrefundable in the event this contract is terminated.~~

~~4. Upon termination of PURCHASER’s obligation to pay a Prepaid Reservation Charge, if any, 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~~ MAQ during the previous calendar year, less any amount PURCHASER has previously paid for the same water through ~~the Use Charge and/or Reservation Charge.~~ use and/or reservation charges. In the event the amount of water made available to PURCHASER exceeds the MAQ on a recurrent basis as described in Section I.C., PURCHASER further agrees and covenants to pay LCRA – on a calendar year basis – an amount of money (the “Recurrent Excess Use Charge”) equal to the Inverted Block Rate multiplied by any amount of water made available to PURCHASER in excess of the MAQ during the previous calendar year. Such Recurrent Excess Use Charge shall be in addition to the Excess Use 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 ~~the 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~~ meter(s), which readings typically are performed on a monthly basis or semi-annual basis, and may be taken around the middle, rather than then end, of each month. 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. If this Contract is specifies semi-annual billing, the initial billing period will be pro-rated to end in either mid-June or mid-December.

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 Pre-paid Reservation Charge, Monthly Reservation Charge and/or Use Charge and any late payment charges, as specified herein. In the event this Contract is for recreational or irrigation use with a MAQ not exceeding 30 acre-feet per year and specifies semi-annual billing, in lieu of monthly invoices, invoices will occur on a semi-annual basis and shall show the Semi-annual Use, the Prepaid Semi-annual Reservation Charge, the Semi-annual Use Charge, and any late payment charges.
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 ~~paragraph 8 the Pre-paid Reservation Charge, 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 MAQ during the previous calendar year, as well as the corresponding Excess Use Charge and the Recurrent Excess Use Charge, if applicable.
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 may also be made by other means that may be specified on the invoice. -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 and provide access to such measuring and recording devices or methods as specified by the Rules 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.
2. Meter readings shall be taken on or about the 15th day of each month. If Contract is for

recreational or irrigation use with a MAQ not exceeding 30 acre-feet per year and specifies semi-annual billing, readings shall be taken on or about June 15 and Dec. 15. PURCHASER agrees to read meter and submit meter reading to LCRA via electronic mail, online portal, or other format as specified by LCRA.

~~a) 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.~~

2.3. 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 30 acre-feet per year, and at intervals of approximately twenty-four (24) months if the MAQ does not exceed 30 acre-feet per year.

a) PURCHASER shall furnish to LCRA a report of such test results. Readings within five percent (5%) of accuracy shall be considered correct.

~~b) In the event PURCHASER fails to test the Meter for a period of fifteen (15) consecutive months, 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. In the event PURCHASER fails to timely test the Meter and report the results to LCRA, the following shall take effect:~~

(1) Following a period of fifteen (15) months from the prior test, or a period of 27 months if the MAQ does not exceed 30 acre-feet per year, for each month that such failure to test and/or report results continues, PURCHASER shall pay a \$100 administrative fee.

(2) Following a period of eighteen (18) months from the prior test, or a period of thirty (30) months if the MAQ does not exceed 30 acre-feet per year, for each billing period that such failure to test and/or report continues, PURCHASER's Monthly Water Use for purposes of determining the Water Charge will be deemed to be the greater of one-twelfth of the MAQ or the prior year's water use for the given month. If the Contract is for semi-annual billing, PURCHASER'S Semi-annual Water Use for purposes of determining the Semi-annual Water Charge will be deemed to be the greater of one-half of the MAQ or the prior year's Semi-annual Water Use for the given semi-annual period.

(3) Following a period of twenty-one (21) months from the prior test, or a period of thirty-three (33) months if the MAQ does not exceed 30 acre-feet per year, for each billing period that such failure to test and/or report continues, PURCHASER shall be subject to a twenty five percent (25%) surcharge on all reservation charges and use charges.

~~b)c) 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.~~

~~e)~~d) 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.

~~d)~~e) 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.

~~e)~~f) 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.

~~3.4.~~ 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 or the MAQ may be reduced as follows:

1. PURCHASER shall provide one year's notice of its intent to terminate this Contract or reduce the MAQ, and must be current on all payments due at the time of such notice and the time of such termination or reduction. If PURCHASER is current on all payments due to LCRA under this Contract and if 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 reduce the MAQ by no more than the greater of 250 acre-feet or twenty-five percent (25%) of the original MAQ once every 12 months.: ~~(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. PURCHASER may pre-pay outstanding reservation fees as determined by LCRA that would be due over the projected remaining duration of the contract and terminate this Contract in lieu of maintaining the Contract in effect for the period of notice and/or stepped reductions in MAQ. In the event the Rules provide alternative provisions for early termination or reduction in MAQ, PURCHASER also may terminate or reduce consistent with the Rules.~~

2. 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.
- 2.3. 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."
- 3.4. LCRA at its sole option, may terminate this Contract if: (a) ~~if~~ PURCHASER fails to comply with its Water Conservation Plan, or its Drought Contingency Plan, ~~or any applicable LCRA nonpoint source water pollution abatement ordinance,~~ or (b) ~~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 shall provide notice of default prior to terminating under this section and PURCHASER shall have ninety (90) days to cure such default ~~, 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 ninety (90) 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).
- 4.5. 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; ~~R~~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.~~
- 5.6. 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.
- 6.7. 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.

~~7.8.~~ 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 terminate this Contract ~~terminate~~ on or after the denial or termination of any permit required by this Contract is final and non-appealable.

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.

LCRA shall have no obligation to continue to make water available after the expiration of the Contract term, or the early termination of the Contract.

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~~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~~NON-PAYMENT~~."

G. NOTICE.

Any notice to LCRA shall be provided in the manner specified in the Rules and~~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; and vi) PURCHASER or assignee make payment of all amounts due that have, or will have, accrued through the date of assignment. In the event the Contract is not consistent with the then-current standard form contract, LCRA, at its sole option, may authorize an assignment with a requirement for a subsequent replacement contract following procedures in the Water Contract Rules.~~

I. COMPLIANCE WITH FILING REQUIREMENTS.

LCRA agrees to file a copy of this Contract with the TCEQ 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 ~~1.Q.1.Q.1.P.1.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 ~~s~~Service ~~a~~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, ~~USACE 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 that are not resulting from or in any way connected with any and all actions and activities (or failure to act) of PURCHASER 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 or Mediation.

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~~ non-binding mediation. The Parties shall make a good-faith effort to agree on the appointment of a mediator. If the Parties cannot agree on a mediator within thirty (30) calendar days of delivery of written notice, the Parties shall promptly select a mutually acceptable mediation provider entity, which entity shall, as soon as practicable following such entity's selection, designate a mediator, who is a licensed attorney with general knowledge of law relevant to the dispute and has no ongoing business relationship with either party. ~~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. Choice of Law, Venue, and Waiver of Jury Trial.

This contract shall be governed in all respects by the internal laws of the State of Texas, excluding its rules regarding conflicts of law, and the jurisdiction and venue for any proceeding arising out of or relating to this Contract shall be solely in Travis County, Texas. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS CONTRACT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.

~~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.IV.IV.IV.IV.I~~ SHALL HAVE NO EFFECT ON THE PARTY'S INDEMNITY OBLIGATIONS UNDER SECTION ~~IV.CIV.CIV.CIV.CIV.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 ~~the 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.

DRAFT



WATER CONTRACT RULES
 (~~October 2015~~) Proposed Redline November 2022
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WATER CONTRACT RULES

ARTICLE 1. PURPOSE

The ~~purpose of these Water Contract R~~ules ~~is to~~ provide guidance and establish procedures for the administration of the Lower Colorado River Authority's ~~(LCRA's)~~ water contracts and related activities, consistent with LCRA Board Policy and ~~s~~State law. These rules include the Water Conservation Plan Rules, Drought Contingency Plan Rules, and Firm Water Curtailment Rules attached as Appendices A, B, and C, respectively. -The LCRA Board of Directors may amend these rules from time to time. -These rules apply to LCRA's various water contracts, as well as resolutions passed by the LCRA Board ~~of Directors~~ for the supply of water under water rights and from water supplies owned or otherwise controlled by LCRA. ~~-Except as set forth in Article 9 of these Rules, t~~hese rules do not apply to LCRA's Agricultural Interruptible Water Service Contracts, ~~as-~~ the LCRA Board has promulgated separate rules specifically for those contracts. -Sales of water by LCRA are subject to, among other things, water availability, the policies and directives of LCRA, including the Water Management Plan, and the requirements of the Texas Water Code and Texas Commission on Environmental Quality (TCEQ) ~~rules of TCEQ.~~

ARTICLE 2. AUTHORITY

These rules are promulgated in accordance with state law, including the LCRA enabling legislation and the Texas Water Code, LCRA's existing water rights, LCRA's Water Management Plan, and LCRA policies and rules.

As a Texas conservation and reclamation district and owner of major water rights in the lower Colorado River watershed, LCRA makes water available from its water rights to purchasers in accordance with ~~s~~State laws, rules and permits, and applicable LCRA policies and rules on terms that are just, reasonable and without discrimination to the extent that water is available based on LCRA's water rights.

ARTICLE 3. DEFINITIONS

The following definitions ~~shall~~ apply to terms used in these administrative rules and in LCRA's water contracts, unless such terms are otherwise defined in the water contracts.

- 3.1 **Acre-foot of water:** A quantity of water equal to 325,851 U.S. gallons. -Such quantity of water would cover ~~one-1~~ acre of land to a depth of ~~one-1~~ foot.
- 3.2 **Agriculture or ~~agricultural~~ Agricultural:** -These terms mean any of the following activities:
 - a) Cultivating the soil to produce crops for human food, animal feed, or planting seed or for the production of fibers;
 - b) The practice of floriculture, viticulture, silviculture, and horticulture, including the cultivation of plants in containers or non-soil media by a nursery grower;
 - c) Raising, feeding, or keeping animals for breeding purposes or for the production of food or fiber, leather, pelts, or other tangible products having a commercial value;
 - d) Raising or keeping equine animals;
 - e) Wildlife management;

- f) Planting cover crops, including cover crops cultivated for transplantation, or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure, and
- g) Aquaculture, as defined by Section 134.001 of the Texas Agriculture Code.
- 3.3 **Agricultural Interruptible Water Service Contract:** Contracts issued typically on a seasonal term for water diverted and delivered to Purchasers by LCRA's ~~irrigation agricultural~~ operations. ~~Except for Article 9 of these rules,~~ these rules do not apply to Agricultural ~~Irrigation-Interruptible Water~~ Service Contracts.
- 3.4 **Agricultural Use:** Any use or activity involving Agriculture, including Irrigation.
- 3.5 **Applicant:** A person, association of persons, or other entity who has ~~submitted an application~~ applied for a contract to purchase water from LCRA, and who has provided all information required under these rules.
- 3.6 **Beneficial Use:** Use of that amount of water that is economically necessary for the purpose authorized in the contract, when reasonable intelligence and reasonable diligence are used in applying the water to the purpose.
- 3.7 **Certificate of Adjudication:** An instrument evidencing a water right issued to each person adjudicated a water right in conformity with the provisions of the Texas Water Code.
- 3.8 **Conveyance, Delivery or System Loss:** That amount of additional water needed to transport water downstream using the bed and banks of a stream or watercourse, ~~and/or~~ through a canal system or other similar conveyance system to meet the requested or ordered amount of water at the point or location of delivery under the contract; or that amount of water that is reasonably expected to be lost due to evaporation, transpiration, recharge, seepage, leakage or other similar losses in the transportation of the water from the source of supply to the Point of Delivery or Point(s) of Availability under the contract
- 3.9 **Customer:** A person, association of persons, or other entity to whom a water contract has been issued (see Purchaser).
- 3.10 **Demand Schedule:** -A demand or use schedule that reflects ~~an~~ Applicant's best estimate of the scheduled initiation of diversions, initial usage, annual ~~projected~~ water usage, and any increases to it over time (at ~~5, 10, and 20 year~~ intervals ~~at least as frequent as every five years~~). Such schedule shall also include Applicant's anticipated diversion rate(s) over this period, including the Applicant's maximum diversion rate. ~~Upon request by LCRA, the schedule shall also include annual projections regarding effluent arising under the contract, including the projected amounts of return flows, direct reuse or other means of disposal.~~
- 3.11 **Domestic Use:** Use of water by an individual or a household to support domestic activity. -Such use may include water for drinking, washing, or culinary purposes; for irrigation of lawns, or of a family garden and/or orchard; for watering of domestic animals; and for water recreation including aquatic and wildlife enjoyment. -If the water is diverted, it may be diverted solely through the efforts of the user or may be diverted using facilities that are shared by other domestic users, so long as the water that is diverted does not receive any treatment prior to receipt by individual users or households. Domestic use does not include water used to support activities for which consideration is given or received or for which the product of the activity is sold.
- 3.12 **Drought Contingency Plan:** A plan prepared by an Applicant or Purchaser, in accordance with LCRA's Drought Contingency Plan Rules (included in these Water Contract Rules as Appendix B), which includes a strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and ~~other~~ water supply emergencies.
- 3.13 **Firm ~~w~~Water ~~s~~Supply:** A supply of water available for Beneficial Uses including domestic, municipal, agricultural, industrial, mining, aquifer storage and recovery, wildlife management, livestock use, instream flows, and bays/estuaries inflows that could be provided during a repetition of: -i) the historical drought for the lower Colorado River specified in the Water Management Plan or other written determination of Highland Lakes firm water supply approved by TCEQ; or, ii) the most severe historical drought – according to TCEQ, the Texas Water Development Board or applicable

groundwater conservation district permit, water management plan and/or rules and regulations for any other source of supply from which LCRA makes water available.

~~3.133.14~~ [General Manager: The general manager of LCRA or his/her designee.](#)

~~3.143.15~~ **Highland Lakes:** Lakes Austin, Travis, Marble Falls, LBJ, Inks, and Buchanan.

~~3.153.16~~ **Industrial Use:** The use of water in processes designed to convert materials of a lower order of value into forms having greater usability and commercial value, and the development of power by means other than hydroelectric. ~~This, but~~ does not include agricultural use.

~~3.163.17~~ **Interruptible ~~w~~Water ~~s~~Supply:** A supply of water available for ~~irrigation~~[agricultural use](#), instream flows, bays/estuaries inflows, and other non-firm water supply uses that is subject to interruption or curtailment pursuant to published policies and procedures as established in LCRA's Water Management Plan.

~~3.173.18~~ **Irrigation Use:** The use of nonpotable water, not including reclaimed water or sewage effluent distributed through a municipal distribution system, for the irrigation of crops, trees, and pasture-land including, but not limited to, golf courses and parks.

~~3.183.19~~ **Livestock ~~u~~Use:** The use of water for the open-range watering of livestock, exotic livestock, game animals, or fur-bearing animals. -For purposes of this definition, the terms "livestock" and "exotic livestock" are to be used as defined in §142.001 of the Agriculture Code, and the terms "game animals" and "fur-bearing animals" are to be used as defined in §63.001 and §71.001, respectively, of the Parks and Wildlife Code.

~~3.193.20~~ **Maximum Annual Quantity (MAQ):** The maximum amount of water to be made available from LCRA supplies to a Purchaser in any year under a water contract.

~~3.203.21~~ **Mining Use:** The use of water for mining processes including hydraulic use, drilling, washing sand and gravel, and oil field repressuring.

~~3.213.22~~ **Municipal Use:** The use of potable water within a community or municipality and its environs for domestic, residential (including multi-family), recreational, institutional, commercial or industrial purposes or for the watering of golf courses, parks and parkways. Such use also includes all non-revenue uses and the volume lost during the conveyance, treatment or transmission of the water. Such use further includes the use of reclaimed water in lieu of potable water for the preceding purposes or the application of municipal sewage effluent on land, under a Texas Water Code, Chapter 26, permit where: a) the application site is land owned or leased by the Chapter 26 permit holder; or b) the application site is within an area for which ~~the~~-TCEQ has adopted a no-discharge rule.

~~3.223.23~~ **Point(s) of Delivery:** The point or points where the Secondary Purchaser's water conveyance system is connected to a Primary Purchaser's water conveyance system.

~~3.233.24~~ **Point(s) of Availability:** The point or points from which water is diverted, pumped, impounded or otherwise withdrawn, from a reservoir, watercourse, stream or other water source.

~~3.243.25~~ **Potable Water:** -Water that is suitable for direct human consumption.

~~3.253.26~~ **Primary Purchaser:** A Purchaser who receives water directly from LCRA's firm water supply and delivers all or a part of that water to a Secondary Purchaser.

~~3.263.27~~ **Purchaser:** A person, association of persons, or other entity to whom a water contract has been issued (see Customer).

~~3.28~~ **Recreational Use:** The use of water impounded in or diverted or released from a reservoir or watercourse for fishing, swimming, water skiing, boating, hunting, and other forms of water recreation, including aquatic and wildlife enjoyment, and aesthetic land enhancement of a subdivision, golf course or similar development by addition of water features such as amenity ponds or water traps from which no water is withdrawn for other purposes.

~~3.273.29~~ [Replacement Contract: A contract that is entered into with an existing Purchaser for a service area and purpose of use that were already under contract; upon execution of the Replacement Contract, the prior contract is terminated. A Replacement Contract can have a larger service area and/or MAQ than the contract it replaces.](#)

~~3.283.30~~ **Return Water or Return Flow:** That portion of water diverted from a source of water supply and put to Beneficial Use, which ~~portion~~-is not consumed as a consequence of that use and is returned to the source of supply. -Return flow includes sewage effluent.

- ~~3.293.31~~ **Reuse or Direct Reuse:** -The authorized use of water obtained pursuant to a water contract, for the Beneficial Use identified in and within the service area of the water contract, which ~~water~~ remains unconsumed after the water is used for the original purpose of use but before that water is either disposed of or discharged or otherwise allowed to flow into a stream, watercourse, lake or other body of state-owned water.
- ~~3.303.32~~ **Secondary Purchaser:** A Purchaser who receives firm water under contract with LCRA through delivery from a Primary Purchaser.
- ~~3.313.33~~ **Standard Contract:** -A contract that may be issued by the General Manager ~~or his/her designee~~ without specific approval of the ~~LCRA Board of Directors~~ in accordance with these rules. The General Manager may, at his or her discretion, recommend that any request for a Standard Contract be considered by the Board if the General Manager determines there are extenuating circumstances.
- ~~3.323.34~~ **Surplus Water:** -Water taken from any source in excess of the initial or continued Beneficial Use of the appropriator for the purpose or purposes authorized by law. -Water that is recirculated within a reservoir for cooling purposes shall not be considered to be surplus water.
- ~~3.333.35~~ **Temporary ~~w~~Water ~~e~~Contract:** A contract issued for any of the various Beneficial Uses of water authorized in LCRA's Certificates of Adjudication or any other water right associated with water under LCRA's control when a small volume of water is needed for a short period of time.
- ~~3.343.36~~ **TCEQ:** The Texas Commission on Environmental Quality or any of its predecessor or successor agencies.
- ~~3.353.37~~ **Water Conservation:** -Water conservation includes, but is not limited to, those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve efficiency in the use of water, and increase the recycling and reuse of water so that a water supply is made available for future or alternative uses.
- ~~3.363.38~~ **Water Conservation Plan:** A plan prepared by an Applicant or Purchaser, in accordance with LCRA's Water Conservation Plan Rules (attached hereto as Appendix A), which is intended to, among other things, promote efficiency in a Purchaser's use of water.
- ~~3.373.39~~ **Water Contract Rules:** -The rules promulgated by ~~the LCRA's Board of Directors~~ which provide guidance and establish procedures for the administration of LCRA's water contracts and related activities, including LCRA's Water Conservation Plan Rules, ~~and~~ LCRA's Drought Contingency Plan Rules ~~and LCRA's Firm Customer Pro Rata Curtailment Rules~~.
- ~~3.383.40~~ **Water Management Plan:** A plan required in specific water rights held by LCRA and approved by ~~the~~ TCEQ that defines LCRA's reservoir operations, water management program and policies under those water rights.
- ~~3.393.41~~ **Water ~~R~~Right:** A right acquired under the laws of the State of Texas to impound, divert, or use state water.
- ~~3.403.42~~ **Water Contract or Water Sale Contract ~~or Contract~~:** A contractual agreement between LCRA and a Purchaser for the sale of water from the source of supply as specified in ~~Section 6.3 of~~ these rules.

ARTICLE 4. APPLICATION PROCEDURES

- 4.1 Application ~~s~~Submittal.
- (a) The Applicant shall submit to LCRA for review and approval a water contract application and associated materials as described in Article 5 of these rules. -Prior to submittal of the application, the Applicant (or the Applicant's representative) may request a meeting with LCRA staff to discuss the application procedure and various requirements.
 - (b) An application for a single contract for multiple purposes of use may be submitted unless the General Manager ~~or his/her designee~~ finds that a separate application and contract for each category of use is required for accounting, reporting, or consistency with any underlying LCRA water right.
 - (c) The timelines in these rules for LCRA staff to conduct its administrative and technical review of an application are intended as guidance to be followed in good faith and are not enforceable by

the Applicant or any other party against LCRA. -Failure by LCRA to complete review within the timelines provided in these rules shall not constitute a waiver by LCRA of any of its rights. -The timelines in these rules are not applicable to review of an application that requires a non-standard contract.

- (d) An application is considered filed on the date the Applicant delivers the application to LCRA or deposits the Application with the U.~~nited States~~. Postal Service by certified mail addressed to LCRA at ~~the following address~~: Lower Colorado River Authority, c/o Firm Raw Water Sales, 3700 Lake Austin Blvd., Austin, ~~-TX -78767~~.

4.2 Administrative ~~R~~Review.

- (a) LCRA staff shall use reasonable efforts to conduct a review of the application for administrative completeness and provide written notice to the Applicant within ~~ten (10) business~~ ~~fifteen (15)~~ days after the date the application is filed that specifies the necessary documents or other information needed to consider the application administratively complete. -Such notice shall also specify the date on which the application will expire if the documents or other information is not provided. To be determined administratively complete, ~~the~~ Applicant must submit all information required under Article 5 of these rules.
- (b) If the application is determined to be administratively incomplete ~~on its face~~, LCRA staff shall notify the Applicant in writing of the deficiencies. -After receipt of such notice from LCRA, the Applicant shall have ~~fifteen (15) business~~ days to file additional information as requested to correct such deficiencies.
- (c) If the information subsequently provided by ~~the~~ Applicant does not allow LCRA staff to determine that the application is administratively complete, or if ~~the~~ Applicant does not provide additional information, ~~then the application will be returned in accordance with Section 4.8~~ ~~LCRA staff shall return the application to Applicant as administratively incomplete.~~
- (d) In the event ~~that~~ LCRA determines that its ~~has insufficient supplies of~~ firm water ~~supplies are inadequate~~ to meet the requested needs of competing contract applications for firm water, LCRA shall use the order of preferred uses contained in Texas Water Code (currently, section 11.024) in determining the preference in contracting to assign to requests that are deemed administratively complete on the same date.

4.3 Technical ~~R~~Review.

- (a) Once the application has been declared administratively complete, LCRA staff shall use reasonable efforts to conduct a technical review of the application material within ~~sixty (60) forty-five (45) business~~ days of the declaration ~~of administrative completeness~~.
- (b) If additional information is needed to complete the technical review of the application, LCRA shall notify the Applicant in writing and the Applicant shall have ~~thirty (30) business~~ days from receipt of such notification to submit the additional information to LCRA. If the Applicant fails to submit the requested information within the requested timeframe, the application will be returned ~~in accordance with Section 4.8~~.
- (c) The review of the Applicant's proposed water conservation plan and any applicable drought contingency plan shall be conducted as part of the technical review in accordance with the procedures published in LCRA's Water Conservation Plan Rules, attached hereto as Appendix A; LCRA's Drought Contingency Plan Rules, attached hereto as Appendix B; and TCEQ rules governing water conservation plans and drought contingency plans. -Contracts will not be presented to the LCRA Board ~~of Directors~~ and/or approved by LCRA staff without LCRA staff ~~accepting~~ ~~approving~~ Applicant's water conservation and drought contingency (if applicable) plans.
- (d) If necessary, an extended technical review period shall be provided to determine: (i) the source of supply, infrastructure, water right permits or other authorizations needed to supply water under the contract; (ii) the time frames in which water may be developed under the contract; and, (iii) the appropriate share of the costs to be contributed by the ~~-Purchaser~~ ~~Applicant~~, or charged to the ~~Purchaser~~ ~~Applicant~~ through surcharges, in addition to the rates, fees and charges under a Standard Contract. -Such extended technical review shall be necessary for: (i) any contract

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request for an amount of 1,500 acre-feet of water or greater; (ii) any contract request for which the water supply would be inconsistent with the most recently approved Lower Colorado Regional Water Plan; or, (iii) any contract request for which LCRA staff determines that the request seeks a supply for which water may not be immediately available from existing supplies without additional water right permits, infrastructure, or firm water supplies. -Technical review of all other aspects of the application material will be conducted in accordance with the procedures herein.

- (e) After the appropriate technical review has been completed, the Applicant shall be notified of the approval or rejection of the application. -In addition, LCRA staff shall provide to the Applicant proposed non-standard terms for inclusion in the contract.
- (f) ~~If Applicant provides the requested information and LCRA staff reviews it and approves,~~ LCRA shall provide the Applicant a final draft of the proposed contract. -If the Applicant accepts the terms of the final draft, then ~~Applicant shall provide~~ public notice will be provided in accordance with Section ~~4.44.44.44.44.54.~~
- (g) No reservation of water or other consideration shall be made for the requested water until execution of the contract.

4.4 Reasonableness of Requested Quantity.

LCRA shall determine the reasonableness of the MAQ requested by the Applicant by evaluating the availability of water, LCRA's current water commitments, the amount necessary for the Beneficial Use of the water without waste for the proposed use, ~~Purchaser's~~ Applicant's Water Conservation Plan, the amount of conveyance, delivery or system losses for the proposed contract, and any impact to LCRA's water rights. -Agency and industry standards shall be used in LCRA's assessment under this section including, but not limited to, the Water Conservation Implementation Task Force Report to the 79th Legislative (TWDB November 2004); -Texas Water Development Board Water Conservation Task Force Best Management Practices; and, other best management practices, standards and guidance commonly used by the same industries. -To the extent that ~~an Purchaser~~ Applicant proposes a MAQ that is based on standards other than those provided in this section, ~~the Purchaser~~ Applicant shall submit a written justification describing the reasons the standards were not employed in the calculation of the MAQ. -In addition, LCRA shall use the following criteria in determining the reasonableness of the MAQ:

- (a) Temporary Uses: ~~S~~ shall not exceed ~~ten (10)~~ acre-feet per year or any lower limitations provided by these rules for specific types of temporary uses.
- (b) Municipal Uses:
 - 1) Shall not be less than the average annual quantity required by ~~the~~ TCEQ under its ~~safe yield~~ requirements for public drinking water systems.
 - 2) Shall not result in an average per capita consumption greater than the lesser of: -(a) the average per capita consumption of adjacent and similar water users; or, (b) the average per capita consumption recommended in the current approved and applicable Regional Water Plan.
- (c) Irrigation Uses:
 - 1) Shall be determined by consideration of crop type, soil characteristics, topography, method of irrigation, average annual precipitation, and average annual evaporation.
 - 2) Shall not result in an average per acre water demand greater than the average per acre water demand of adjacent and similar water users.
- (d) Industrial Uses:
 - 1) Shall be justified, in a written report, by a registered professional engineer's estimate of the water demands of the specific industrial process being used.
 - 2) Shall not result in an average daily consumption greater than the average daily demand of similar water users in the same region.

~~(e) Firm or Interruptible. The Contract shall specify whether the contract is for a firm or interruptible supply of water.~~

Notwithstanding the above, for contract purposes, the MAQ shall be no less than 0.75 acre-feet per annum.

Commented [GG2]: Moved from section 6.1 of 2015 Rules

4.5 Notice of Application.

(a) LCRA staff shall post on the LCRA website a list of pending firm water contract applications with the exception of applications for temporary contracts, domestic use contracts, or landscape irrigation or recreation contracts for up to 30 acre-feet per year.

~~(a)(b)~~ Upon ~~notice by staff of the~~ completion of the technical review of an application for which Board approval is required and acceptance by Applicant of LCRA's proposed contract terms, including preparation of all necessary exhibits, LCRA staff shall post on the LCRA website ~~the Applicant shall cause to have published at its own expense in a newspaper of general circulation in the county or counties where the water will be impounded, diverted, or otherwise used~~ notice of the application and proposed Board action. LCRA staff shall maintain a list of persons requesting notice of such applications and provide email updates when notice is posted.

~~(b)(c)~~ Notice of the application and proposed Board action shall contain:

- 1) the name and address of the Applicant;
- 2) the date on which the application was received by LCRA;
- 3) the proposed amount, purpose of use and location of the requested water;
- 4) a description of the diversion works and impoundment(s) and their locations;
- 5) the ~~time date~~ and location where the Board will consider the application; and
- 6) information on where a person may obtain a copy of the application from the Applicant.

~~(e)(d)~~ The ~~date of publication of~~ notice of the application and scheduled Board action shall be posted not ~~be~~ less than 30 days prior to the date set for Board consideration of the application.

~~(d)~~ ~~An affidavit of publication from the publisher shall be submitted by the Applicant to the General Manager or his or her designee within five (5) business days of publication.~~

~~(e)~~ The Applicant also shall provide mailed notice by certified mail of the application and proposed Board action to the ~~Co~~ommissioner's ~~Co~~court of the county or counties in which the requested water is proposed for impoundment, diversion, or use. Such notice shall contain the information as provided ~~for publication in in subparagraph (c) of~~ this section and shall be received by the ~~Co~~ommissioner's ~~Co~~court not less than 30 days prior to the date set for Board consideration of the application. Receipt of delivery of certified mail shall be provided by the Applicant to the General Manager ~~or his/her designee~~ within five ~~(5)~~ business days of Applicant's receipt of the delivery receipt.

~~(f)~~ ~~LCRA shall not take action on an application for which notice is required until notice is given as required by this section and proof of publication and delivery is provided to LCRA in accordance with this section.~~

~~(g)(e)~~ If action on the application is delayed to a Board meeting held within 6 months of the date for which notice was provided, the Applicant shall not be required to renotece to commissioners court.

4.6 ~~Board~~ Approval Required.

(a) The following contracts and contract amendments are subject to approval by the LCRA Board of Directors:

- 1) Contracts with a MAQ of 500 acre-feet per year or more that are not Replacement Contracts
- 2) Replacement Contracts or amendments with a MAQ of 1,000 acre-feet per year or more or that reflect an increased commitment of 500 acre-feet per year or more.
- 3) Any non-standard water contracts or amendments to non-standard water contracts that modify non-standard terms.

~~4)~~

- ~~1) all proposed water contracts, whether a Standard Contract or not, with a Maximum Annual Quantity of at least 500 acre feet per annum;~~
- ~~2) amendments to existing contracts with a MAQ of at least 500 acre feet per annum that increase the term of the contract;~~
- ~~3) amendments to existing contracts that increase the MAQ to at least 500 acre feet; and,~~
- ~~4) any non standard water contracts or substantive amendments to non standard water contracts.~~

(b) All other contracts and contract amendments may be approved by LCRA's the General Manager ~~or his/her designee~~ in accordance with these rules.

4.7 Action on an Application by the General Manager or Board Designee.

(a) Upon completion of ~~staff~~ technical review, if LCRA staff determines that a contract (or contract amendment) can be approved by the General Manager ~~or his/her designee~~ as provided by these rules, LCRA staff will prepare the contract for execution and send such contract to the Applicant for signature.

~~(a)~~(b) If Board approval is required, following notice of application and proposed Board action in accordance with Section 4.5, LCRA staff shall schedule the proposed contract for consideration by the Board. If approved by the Board, LCRA staff will prepare the contract for execution and send such contract to the Applicant for signature.

~~(b)~~(c) Within ~~thirty (30)~~ days of receipt, the proposed contract(s) shall be signed by the Applicant or the Applicant's duly authorized representative, and returned to LCRA. If the Applicant is a corporation, partnership, public district, county, municipality, or other corporate entity, the contract shall be signed by a duly authorized official. ~~Written evidence in the form of bylaws, charters, resolutions or other written documentation that specifies the authority of the official to take such action shall be submitted with the signed contract. A corporation may file a corporate affidavit as evidence of the official's authority to sign.~~

~~(c)~~(d) Upon LCRA's receipt of the proposed contract signed by the Applicant or the Applicant's duly authorized representative and all other documentation requested as part of the application process, the proposed contracts will be delivered to LCRA's the General Manager ~~or his/her designee~~ for signature.

~~4.8~~ ~~Action on an Application by the Board~~

~~(a) Following public notice of the application provided in accordance with Section 4.4., LCRA staff shall schedule the proposed contract request for consideration by the Board. If approved by the LCRA Board, staff will prepare the contract for execution and send such contract to the Applicant for signature.~~

~~(b) Within thirty (30) days of receipt, the proposed contract(s) shall be signed by the Applicant or the Applicant's duly authorized representative, and returned to LCRA. If the Applicant is a corporation, partnership, public district, county, municipality, or other corporate entity, the contract shall be signed by a duly authorized official. Written evidence in the form of bylaws, charters, resolutions or other written documentation that specifies the authority of the official to take such action shall be submitted with the signed contract. A corporation may file a corporate affidavit as evidence of the official's authority to sign.~~

~~(c) Upon LCRA's receipt of the proposed contract signed by the Applicant or the Applicant's duly authorized representative and all other documentation requested as part of the application process, the proposed contracts will be delivered to LCRA's General Manager or his/her designee for signature.~~

~~4.04.8~~ ~~Expiration of Application~~ Return of Application.

~~An application shall expire without further action by LCRA forty five (45) days after it is filed if: (1) the Applicant fails to provide documents or other information necessary to comply with LCRA's technical requirements relating to the form and content of the application; (2) the LCRA provides notice to the Applicant as required by Rule 4.2; and (3) the Applicant fails to provide the specified documents or other information within the time provided in the notice. LCRA will return an application following notice by LCRA and the expiration of 30 days if the Applicant fails to:~~

Commented [GG3]: Note: The deleted language now addressed in Section 5.1(c).

Commented [GG4]: Note: The deleted language was merged into Section 4.7.

Commented [GG5]: Note: This section was moved from Section 4.6 of the 2015 Rules and now incorporates all provisions related to the return of an application that were previously various sections.

- (a) Provide documents or other information necessary to comply with LCRA's requirements relating to the form and content of the application for either administrative or technical review (including for a non-standard application) as provided in Sections 4.2, 4.3, and 4.4 and Article 5;
- (b) Provide application fees, including any funds for a non-standard application as provided in Section 5.8; or
- (c) Sign and return a contract approved for execution by LCRA as provided in Section 4.7.

4.104.9 Application Following Default.

LCRA reserves the right to reject an application for a water contract or renewal of a water contract by a person or entity that has defaulted on another water contract with LCRA, or for an ~~LCRA reserves the right to reject an application for a water contract by an~~ entity for which the majority interest is controlled by a person or entity that has defaulted on another water contract.

4.114.10 Retention in Central Records and Transmittal to Purchaser.

Following execution of the water contract by the ~~LCRA~~ General Manager, ~~or his/her designee~~ the contract will be incorporated into LCRA's ~~C~~central ~~R~~records, where an original executed contract will be retained as a public record. ~~Another original executed contract will be transmitted to the Purchaser for its records as soon as reasonably possible following the approval of the contract.~~

4.124.11 TCEQ ~~F~~iling ~~R~~requirements.

LCRA staff shall file with ~~the~~ TCEQ a copy of any newly executed water contracts ~~as may be if~~ required by TCEQ's substantive and procedural rules for water rights.

ARTICLE 5. APPLICATION CONTENT REQUIREMENTS

5.1 Elements of an ~~a~~Administratively ~~e~~Complete ~~a~~Application.

An application for a water contract shall be considered administratively complete upon the receipt by LCRA of the ~~following~~ information listed below: The number of copies of each required item will be specified in the application form and/or instructions.

- (a) The full name, physical address, mailing address (if different than physical address), telephone number, and ~~social security or~~ taxpayer identification number for each Applicant, as follows:
 - 1) A corporation shall be designated by the firm name followed by the words "corporation" or "Inc." ~~Corporate applications shall include a listing of all corporate executives, and titles, and social security numbers.~~ ~~Partnership applications shall include a listing of all partners, titles, and social security or taxpayer identification numbers.~~ ~~A joint venture shall be designated by the joint venture's name followed by the words "Joint Venture."~~ ~~Joint venture applications shall include a listing of all ventures, titles, and social security or taxpayer identification numbers.~~ ~~A trust shall be designated by the trust's name, the trustee's name, followed by the word "trustee."~~ ~~Trust applications shall include the taxpayer identification number and/or social security number of the trustee;~~
 - 2) If someone other than the named Applicant executes the application, the name, position, mailing address and telephone number of the person executing the application shall be given as well as documentation evidencing the authority of the person to sign the contract on behalf of the named Applicant.
- (b) Documentation describing the Applicant's organizational structure (e.g., if the Applicant is a corporation, provide a certificate from the Secretary of State);
- (c) ~~Written~~ ~~E~~vidence in the form of bylaws, charters, resolutions or other written documentation that specifies the authority of the official that will execute the ~~to take such action shall be submitted with the signed~~ contract. ~~A corporation may file a corporate affidavit as evidence of the official's authority to sign.~~

Commented [GG6]: Note: Moved from Section 4.7(b) of 2015 Rules.

~~(e)~~(d) All information requested by LCRA necessary to establish:

- 1) The Applicant's intended water use, including a Demand Schedule of the water to be made available by LCRA under the proposed contract;
- ~~2) whether the application is for a firm or interruptible supply of water;~~
- ~~3)~~2) The amount, or Maximum Annual Quantity, of water that Applicant requests LCRA to supply, including a detailed description of how Applicant determined the amount necessary for the proposed Beneficial Use without waste, considering the implementation of Applicant's Water Conservation Plan;
- ~~4)~~3) The appropriate water source and any necessary infrastructure or water rights amendments that may be required to supply the water requested (based on Applicant's proximity to water source, topographic, hydraulic, hydrologic and jurisdictional constraints);
- ~~5)~~4) The Applicant's intended method of wastewater disposal, and the estimated amount and location of Return Flow;
- ~~6)~~5) Whether the Applicant intends to request a renewal or amendment of the contract upon its termination and any related future long-term water supply requests by the Applicant to LCRA; and
- ~~7)~~6) The Applicant's compliance with any applicable rules of any regulatory agencies.

~~(d)~~(e) The application fee as provided in the amount described in Section 5.8 of these rules.;

~~(e)~~(f) Maps and GPS coordinates for showing the Point(s) of Availability, Point of Delivery (as appropriate), point of Return Flow (if any), and the legal description of the service area as further described in Section 5.2 in the manner required in these rules. (Applicants for domestic use contracts not to exceed 10 acre-feet per year need only supply such maps upon request by LCRA).;

~~(f)~~(g) A copy of any water rights or permits, or applications for water rights or permits, associated with the Point(s) of Availability or service area upon which the Applicant may rely.;

~~(g)~~(h) If the Applicant is a corporation, partnership or joint venture, documentation showing the Applicant's legal rights with regard to the property included in the service area (e.g., deed, lease).;

~~(h)~~—A draft or current Water Conservation Plan and Drought Contingency Plan, unless these rules, or LCRA's Water Conservation Plan Rules or LCRA's Drought Contingency Plan Rules do not require such a plan for the type of contract sought by the Applicant.;

(i) ~~An analysis of how the requested amount of water was determined by the Applicant to be necessary for the proposed use when considering the Beneficial Use of the water without waste and the full implementation of the Applicant's water conservation plan;~~

(j) If the Applicant has an alternate source of water supply that it also will ~~also~~ be diverting from using the same facilities used to divert water under the requested contract, the Applicant shall provide a proposed accounting plan setting forth how it intends to account for and report water used from the various sources of supply.;

(k) An estimate, ~~prepared and sealed by a Texas-registered professional engineer,~~ of conveyance, delivery or system losses that are expected to be incurred to make the amount of water requested available at the Point(s) of Availability under the contract. Such estimate shall be prepared by a professional engineer or other qualified professional approved by LCRA. -Upon approval by LCRA staff of appropriate estimates of, conveyance, delivery or system losses, such amounts shall be incorporated into the requested MAQ, as appropriate.;

(l) For a contract for water upstream of any of the Highland Lakes, or water from a tributary of the Colorado River downstream of the Highland Lakes, a technical analysis ~~performed and sealed by a Texas-registered professional engineer,~~ of the potential maximum impact of the proposed sale on LCRA's Combined Firm Yield of Lakes Buchanan and Travis or any other senior ~~downstream~~ water rights that ~~the~~ LCRA staff may designate. Such analysis shall be prepared by a professional engineer or other qualified professional approved by LCRA. -Upon acceptance and approval of appropriate estimates by LCRA, such analysis shall be used to establish the MAQ of the contract. -Applicant also shall include such estimates in its application for the Permit to Use State Water necessary to use the water sought in the contract request.;

Commented [GG7]: Note: The added language was previously addressed in subparagraph (i) in 2015 Rules.

Commented [GG8]: Note: The deleted language is moved to subparagraph (d)3, above.

- (m) Any other information required by the General Manager, these rules, the application form, or otherwise by law; ~~and,~~
- (n) The notarized signature of a representative authorized to sign the application on behalf of the Applicant.

5.2 Maps and ~~D~~descriptions ~~R~~required.

The Applicant shall submit ~~four (4) multiple~~ copies of the items listed below, except that an Applicant for a domestic use contract not to exceed 10 acre-feet per year shall only submit such items upon request by LCRA. -All maps should be of reasonable size and scale to permit attachment to the contract as exhibits and must be legible and readable when reduced to 8.5" x 11" size. -The items below will be attached to the water contract and incorporated by reference.

- (a) Point(s) of Availability map. -The Applicant shall provide a map identifying the location of all Points of Availability (points of diversion and/or impoundment) and points for discharge of Return Flow, if any. -The map shall be a 7-~~1/2~~.5-minute United States Geological Survey topographic map indicating the bearing and distance from an original county survey, or from abstracts or surveys in the State of Texas Stream Adjudication Map, to the Points of Availability or its latitude and longitude. LCRA may, at its option, accept an alternate map providing necessary detail to establish the Points of Availability. -The Applicant shall also provide GPS coordinates of any intakes or impoundments.
- (b) Legal description. -The Applicant shall provide the legal description of the service area. -A complete metes and bounds survey of the service area, or other legal documentation filed with county, state, or federal agencies (e.g., a plat filed in county public records; a Certificate of Convenience and Necessity map filed with ~~h the~~ TCEQ) will be accepted. -The Applicant may submit as a service area only that area for which it has a legal right and requisite authority to serve. -The service area for a city shall not extend outside of the city's extraterritorial jurisdiction absent documentation showing the city's authority to serve the area. -~~A S~~service area as defined in a Certificate of Convenience and Necessity (CCN) or ~~a service areas~~ of an officially recognized political subdivisions should appear exactly as ~~they it appears~~ in the documentation of any applicable regulating authority. If an Applicant has applied for but not yet been granted a CCN or similar right to serve a particular area, the service area proposed in the contract shall be that area that is included in the filing for a certified service area. -If no CCN or other right to serve is required, the service area shall be the area where the Applicant intends to provide water.
- (c) Service area map. -The Applicant shall provide a map delineating the service area in relation to the surrounding landmarks, established cities, and major thoroughfares. -This map should reflect the legal description provided above.

5.3 Water Conservation, Drought Contingency Plans.

- (a) The Applicant shall submit for review and acceptance approval ~~four (4) multiple~~ copies each of a water conservation plan and a drought contingency plan (where applicable) in accordance with the LCRA Water Conservation Plan Rules (attached hereto as Appendix A), LCRA Drought Contingency Plan Rules (attached hereto as Appendix B) and any applicable TCEQ regulations for drought contingency plans. -The plans must address the requirements of the rules in regard to conservation and drought contingency.
- (b) LCRA staff will review each plan to determine whether it is consistent with the LCRA Water Conservation Plan Rules, LCRA Drought Contingency Plan Rules and applicable state law or rules. -Any required plans ~~approved~~ accepted by LCRA staff will be attached to the proposed contract and will be incorporated into the contract by reference.

5.4 Purchasers with ~~M~~multiple ~~C~~contracts.

~~In the event that~~ if the Applicant has a pre-existing water supply contract with LCRA for a different use or service area than the proposed contract, and the Applicant desires to designate some or all of the same Point(s) of Availability for its proposed contract, the Applicant must provide ~~four (4) multiple~~ copies of the following additional information:

- (a) A map of reasonable size and scale, showing the Point(s) of Availability to be shared and the

Points of Delivery on the Purchaser's water conveyance system for Purchaser's existing and proposed contracts. -Such map will be incorporated into the proposed contract(s) by reference.

- (b) At the Points of Delivery, Purchaser shall install appropriate water measuring devices in order to determine the amount of water being supplied under each contract. -The map submitted pursuant to subsection (a) shall show the location of such measuring devices.

5.5 Secondary ~~W~~water ~~S~~cales.

In the event the Applicant, as a Secondary Purchaser, desires to procure a contract for water from LCRA but have another of LCRA's water sale customers, the Primary Purchaser, divert, and deliver that water from LCRA's firm supply, or the Applicant is a Primary Purchaser that will divert and deliver water to a Secondary Purchaser, the Applicant must provide ~~four (4)~~ multiple copies of the following additional information:

- (a) A map of reasonable size and scale, showing the point where the Secondary Purchaser's water conveyance system is connected to the Primary Purchaser's water conveyance system. -Such map will be incorporated into the proposed contract by reference. -At the Point of Delivery, the Secondary Purchaser shall install an appropriate water measuring device in order to determine the amount of water being supplied to the Secondary Purchaser such that the Primary Purchaser is not charged for that water.
- (b) A summary of the ~~A written~~ agreement between the Secondary Purchaser and the Primary Purchaser for the supply of water documenting the quantity of water expected to be delivered and the demand schedule.

5.6 Non-Standard Application.

Any ~~application~~ applicant for a contract that, in ~~the General Manager's staff's~~ determination, would require terms in addition to, or a variance from, the Standard Contract terms shall provide the information and fees requested in this Article and shall provide any additional technical information or data that the General Manager ~~or his/her designee~~ determines is necessary for the evaluation of the contract application, including, but not limited to, any information related to the infrastructure, water right or other authorizations, and estimated costs and schedules that may be needed for LCRA to supply the water sought by the application. -The General Manager ~~or his/her designee~~ will work with the Applicant to develop a proposed schedule for having the Applicant or a third party (on which third party Applicant and the General Manager ~~or his/her designee~~ must agree) develop any additional technical or other information needed for LCRA to evaluate the contract application. ~~In the event that~~ if the Applicant does not provide the requested additional technical or other information within a reasonable timeframe as outlined in the proposed schedule, then said application shall be returned to ~~the~~ Applicant as administratively incomplete with the deficiencies ~~duly~~ noted.

5.7 Application Forms.

LCRA staff shall furnish, upon ~~written~~ request, an application form(s) and instructions for preparing such application. The use of the application form is not mandatory; however, the Applicant must submit all the information required by these rules and requested in the application form. Should an Applicant choose not to use the form provided by LCRA, the Applicant shall provide all data requested in the application form and by these rules in such a manner that the information is separated into paragraphs numbered to correspond with those on the printed form. All applications shall be typewritten or printed legibly in ink. Illegible applications will be returned to the Applicant.

5.8 Application ~~F~~ees and Deposit.

- (a) Deposit. -Except as set forth in this section, any Applicant seeking a contract for 500 acre-feet per year or more shall provide a deposit equal to the Reservation Rate in effect on the date the application is submitted multiplied by the ~~Maximum Annual Quantity~~ MAQ. Upon approval and execution of any proposed contract, LCRA shall use funds on deposit as a credit towards ~~the customer's~~ Applicant's Reservation Fees. If no contract is issued, LCRA shall refund the deposit within ~~three (3)~~ 30 business days of any final LCRA action regarding such contract request, less any additional expenses incurred by LCRA in reviewing such application, if the Application Fees were insufficient to cover such expenses. A deposit is not required for applications submitted by

existing customers in good standing or governmental authorities that are exercising taxing authority (including contract tax pledges in support of the raw water contract).

- (b) Application Fees. -A non-refundable application fee shall be charged for all applications for firm ~~and interruptible water contracts (except those governed by Article 9)~~, including contract renewals, as described below. The fee must be submitted with the application. Applicants requesting more than one water contract must submit the appropriate application fee for each application. The LCRA Board of ~~Directors~~ reserves the right to from time to time modify the fees associated with water contract applications.

(1) Contract for domestic use ≤10 acre-feet per year (a-f/year)	No charge
(2) Temporary contract	\$100
(3) Landscape irrigation or recreational use contract ≤ 20 30 acre-feet/year following standard water conservation and drought contingency plans	
(i) Contract	\$500
(ii) Amendment	\$100
(4) Standard contracts other than (1), (2) or (3), above	
(i) Application for a Standard Contract (New or Replacement) or Substantive Amendment <500 acre-feet/year	\$2,000
(ii) Application for a Replacement Standard Contract or Substantive Amendment ≥500 acre-feet/year or a New Contract ≥500 acre-feet/year and <5,000 acre-feet/year	
Base fee	\$2,000
Additional fee per acre-foot per year (AFY)-of additional water above 500 acre-feet/year	\$1.00 per a-f/yearAFY
(iii) Application for a New Contract ≥5,000 acre-feet/year	
Base fee	\$10,000
Additional fee per acre-foot per year (AFY)-of additional water above 5,000 acre-feet/year	\$1.00 per a-f/yearAFY
(iv) Application for a Nonsubstantive Amendment to a Standard Contract or a Substantive Amendment not a) increasing the MAQ or duration; b) requiring a R Replacement C Contract; or c) requiring an update to the water conservation or drought contingency plan	\$500

Commented [GG9]: Note: Fee table rearranged and edited for clarity. No changes were made to the fees, except as shown in redline.

In the event that the General Manager ~~or his/her designee~~ determines ~~that~~ the application fee filed with an application for a non-standard contract is not sufficient to cover the costs of LCRA staff evaluating the technical information provided by the Applicant, the General Manager ~~or his/her designee~~ may, at his/her sole discretion, require the Applicant to: (1) provide additional funds to LCRA in advance of LCRA conducting further evaluation of the application, or (2) reimburse LCRA for any such costs. -LCRA may also negotiate an agreement with the Applicant to allow for such evaluation to take place by a third party chosen by the General Manager ~~or his/her designee~~ at the expense of the Applicant. -Applicant's refusal to provide additional funds necessary for LCRA to complete its technical evaluation within ~~thirty (30)~~ days of receiving a request from LCRA for such funds shall be grounds for ~~rejecting~~ returning the application.

ARTICLE 6. STANDARD CONTRACT PROVISIONS

- 6.1 Required Standard Contract ~~Terms~~ Elements Regarding Water Use.
The proposed contract must address the following elements regarding the Applicant's proposed use of the water:

- (a) Purpose. -Classification of the purpose for which the water will be used shall be determined in accordance with the definitions in Article 3. ~~The General Manager or his/her designee may issue contracts for multiple purposes provided the Maximum Annual Quantity is less than 500 acre-feet per annum. A proposed contract for multiple purposes with a Maximum Annual Quantity of 500 acre-feet per annum or more must be approved by the LCRA Board of Directors.~~
- (b) Amount. -The contract shall specify the ~~Maximum Annual Quantity~~ MAQ of water to be supplied by LCRA.

Commented [GG10]: Note: Deleted language is addressed in Section 4.6.

Commented [GG11]: Note: the remaining portion of this paragraph from the 2015 Rules was moved to Section 4.4.

6.2 Source of Supply.

- (a) Unless specifically provided otherwise in the contract, LCRA may make available water under a contract from any existing or future source of firm water supply available to LCRA.
- (b) It is the Purchaser's sole responsibility to obtain access to the source of supply. -A contract does not convey any express or implied easements.

6.3 Terms of ~~C~~e contracts.

- (a) The standard terms for firm water contracts are as follows:

	Minimum	Maximum
(i) -Temporary Contracts	30 days	3 years
(ii) Domestic Use Contracts (≤ 10 acre-feet (a-f))	1 year	10 years
(iii) Landscape Irrigation and Recreational Contracts ≤ 2030 ac-ft	3 years	10 years
(iv) Municipal or Industrial Contracts	5 years	40 years
(v) Industrial Contracts (< 500 acre-feet)	1 year	40 years
(vi) Other Firm Contracts >=500 acre-feet	5 years	10 years
(vii) Other Firm Contracts <500 acre-feet	1 year	10 years

~~The standard terms for interruptible water contracts are a minimum of 1 year and a maximum duration through year 2018.~~

- (b) ~~LCRA's~~ ~~The General Manager, or his/her designee~~, in his/her discretion, may approve a term ~~up to ten (10) years~~ in excess of the maximum term provided in this rule if a Purchaser requests a longer term that coincides with the terms of loans, bonds, or other financial instruments, as required by governmental entity or financial institution or for other good cause. The Purchaser, to justify the longer term, must provide, in writing, a letter from that governmental entity or financial institution requesting such extension or other special circumstances or compelling reasons in support of the request for an extended term for good cause. In determining whether to grant a longer term, the General Manager ~~or his/her designee~~ shall consider the priority for firm water for municipal and domestic use provided in these rules.

Commented [GG12]: Note: Language moved from Section 6.4(d) in 2015 Rules.

- (c) ~~Purchaser may terminate its contract or reduce the MAQ in its contract under the terms and conditions specified in Purchaser's contract. However, if the terms and conditions specified in Purchaser's contract are more restrictive than the provisions of this Rule 6.3(c), under the following circumstances, if Purchaser first provides at least 365 days' prior written notice to LCRA of its intent to terminate its contract or reduce the MAQ in its contract (the "Purchaser's Notice"), subject to the payment of all amounts due to LCRA, the contract will be deemed to have been terminated or the MAQ reduced by mutual consent (as applicable), effective when described in this Rule notwithstanding different or conflicting provisions in a Purchaser's contract:~~

- 1) ~~Temporary Contracts – Purchaser may terminate or reduce the MAQ of a temporary contract or interruptible water supply contract, to be effective after the completion of the minimum term defined in Section 6.34(a), subject to a minimum of one year's written notice. For firm contracts of less than 500 acre-feet,~~

- 2) ~~Contracts with MAQs less than 500 acre-feet per year – Purchaser may terminate or reduce the MAQ only after the five-year anniversary of the Effective Date of the contract,~~

and after providing a minimum of one year's written notice to LCRA of its intent to terminate the contract or reduce its MAQ.

- 4)3) Contracts with MAQs of 500 acre-feet per year or more – Purchaser may terminate or reduce the MAQ of a contract with a MAQ of 500 acre-feet per year or more after the five-year anniversary of the Effective Date of the contract, provided however, ~~subject to a limitation to reduce~~ the MAQ may not be reduced by ~~no~~ more than the greater of 250 acre-foot or 25% percent of the original MAQ ~~once~~ every 12 months.

Purchaser may request a waiver from LCRA staff of any of the prerequisites, limitations, or restrictions set forth in this Rule 6.3(c) or the contract. In considering waiver requests, in addition to any information provided by Purchaser, LCRA shall consider, among other things, LCRA's then-existing contractual commitments to its then-existing firm water customers and LCRA's ability to meet the needs of its then-existing firm water customers, as well as the factors relevant under the most current Water Management Plan.

During the period between the date of the Purchaser's Notice and the effective date of the contract termination or MAQ reduction (as applicable), the contract shall remain in full force and effect, except that when a MAQ reaches zero and all amounts payable have been received in full by LCRA, the contract shall be deemed to have been terminated by mutual agreement of the parties.

~~2) For firm, non-temporary contracts of 500 acre-foot 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.~~

- ~~(c) — A Purchaser pursuant to a municipal or industrial use contract based on LCRA's standard form executed on or after January 1, 2001 or a contract that results from an application filed before November 16, 2011, may: i) reduce the MAQ provided under the contract after the first anniversary of the date the contract takes effect by an amount up to, but not to exceed a total of, twenty-five percent (25%) of the contract's original MAQ; or, ii) terminate the contract after the third anniversary of the date the contract takes effect provided that LCRA has received administratively complete applications for a total amount that exceeds the MAQ of the contract to be terminated. Any such reduction or termination shall be made by a written amendment to the contract or termination instrument on a form approved by LCRA staff and shall be subject to the minimum notice requirements defined in Section 6.4(b).~~

- (d) If customer has not used at least ten (10) percent of its contract quantity on an annual basis within the first ten (10) years, LCRA may require that customer demonstrate that water will be put to use within the next two years. If customer does not demonstrate such progress, or if at least 10 percent of the contract quantity is not put to use on an annual basis within the two year period, LCRA may terminate the contract or reduce the contract quantity to an amount LCRA deems reasonable under its water contract rules in effect at the time.

- (e) No continuation of the service obligation under any contract after the expiration of the contract term shall be expressed or implied. The terms of a contract may expressly provide that the Purchaser is required to develop alternative or replacement supplies prior to the expiration of the contract and may further provide for the enforcement of such terms by penalties, fees, or other such provision. ~~LCRA, however, in its sole discretion, may extend the term of an existing contract for a specified period of time pending issuance of a new contract to the same customer provided that the customer has submitted an application for renewal contract prior to the expiration of the existing contract.~~

6.4 Modifications Amendments to Standard Contract Terms.

When it is necessary to ~~amend~~ modify the Standard Contract terms to more accurately define specific circumstances related to the Applicant's particular location, intended use, etc., ~~LCRA's~~ the General Manager ~~or his/her designee~~ may ~~amend~~ modify the standard form water contract, unless the

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~~amendment~~ modification is a substantive amendment requiring other actions or approval as provided herein.

ARTICLE 7. REQUIREMENTS FOR PURCHASERS

~~6.57.1~~ Ongoing Requirements of Purchasers. Purchasers of water from LCRA have ongoing obligations as defined in the Contract and these rules, including, but not limited to the provisions of this Article, the Water Conservation Plan Rules, and the Drought Contingency Plan Rules.

~~6.67.2~~ Upstream or Downstream Tributary Contracts.

A Purchaser for the use of water upstream of any of the Highland Lakes or for use of water from a tributary downstream of the Highland Lakes must also obtain a term or temporary permit from ~~the~~ TCEQ as required by TCEQ's substantive and procedural rules for water rights.

~~6.77.3~~ Surplus Water and Return Flows.

~~In accordance with state law and Board Policy 501, w~~Water that a Purchaser diverts but does not use for Beneficial Use in accordance with the contract shall be returned to the Colorado River or a tributary of the Colorado River unless otherwise provided in a Board-approved non-standard contract.

~~6.87.4~~ Implementation of Water Conservation Plan and Drought Contingency Plan and Demand Schedule.

~~A~~ Purchaser shall adopt and implement ~~the~~ its approved Water Conservation Plan and Drought Contingency Plan for the duration of the water contract and update such plans as specified in section 7.6. In addition, the Purchaser must periodically report on progress made in implementation of its water conservation plan according to LCRA's Water Conservation Plan Rules.

~~6.97.5~~ Water Audit and Unaccounted-for Water Loss.

~~The~~ Purchaser shall conduct water loss audits in accordance with the ~~TWDB~~ exas Water Development Board rules (Texas Administrative Code, Title 31, Chapter 358).

~~7.6~~ Update to Demand Schedule, Water Conservation Plan and Drought Contingency Plan

At least once every five (5) years, a Purchaser must submit an updated Demand Schedule to LCRA. The Purchaser shall review and update its Water Conservation Plan (WCP) and Drought Contingency Plan (DCP) not less than once every five years or following written request by LCRA consistent with any other schedule required by LCRA's Water Contract Rules. The Purchaser further agrees to submit any amended WCP or DCP 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 water conservation and drought contingency measures, including LCRA's Water Management Plan. The Purchaser agrees to amend its WCP and/or DCP, as necessary, to reflect amendments in state law or regulations, or LCRA's rules and regulations. The Purchaser further agrees to do so within 180 days of the effective date of such amendments. Revisions to the Purchaser's WCP or DCP are not required under this section if the Purchaser has not initiated diversions; however, the Purchaser shall update its WCP and DCP to be consistent with LCRA's rules and regulations related to water conservation and drought contingency and provide LCRA a copy of such updated plans at least sixty (60) days prior to initiating diversions under this Contract. In the event that the 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, the Purchaser agrees to include in its agreement with the third party provisions that obligate the third party to: a) develop and implement water conservation and drought contingency programs consistent with the Purchaser's WCP and DCP; and b) amend its water conservation and drought contingency programs to reflect amendments in state law, regulations, or LCRA's rules, regulations, or Water Management Plan within the same timelines that apply to the Purchaser. At least once every five (5) years, a Purchaser must submit an updated Water Conservation Plan and Drought Contingency Plan to LCRA, provided that any amended plan shall not be effective until reviewed and approved in writing by LCRA. At least once every five (5) years, a Purchaser must submit an updated Demand Schedule to LCRA. LCRA, through written notice to Purchaser, may require a Purchaser from time to time 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

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~~law or rules.~~ If ~~the~~ Purchaser ~~subsequently~~ fails to amend its plans ~~in accordance with such amended rules or changes in applicable state law,~~ or fails to implement its ~~WCP or DCP~~ conservation water conservation or drought contingency plan, LCRA may terminate the water contract following written notice to Purchaser and opportunity to cure of ~~ninety (90) not more than thirty (30)~~ days.

~~6.107.7~~ Use of LCRA Property.

Purchasers are required to secure from LCRA, separate from a Purchaser's water contract, any leases, easements, or permits necessary to construct and/or operate any facility on, over, or under any LCRA-owned property, including, but not limited to, the water surface of all ~~of~~ LCRA-owned reservoirs.

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~~6.117.8~~ Water Intakes, Diversion Works, and Impoundments.

- (a) All intakes should be designed by a registered professional engineer using standard engineering practices and should be able to facilitate the diversion of water at various water surface elevations. Intake structures or their appurtenances must not pose a threat to public safety or navigability of the Colorado River or ~~LCRA's~~ the Highland Lakes. Municipal use intakes should be designed in accordance with ~~the~~ TCEQ rules for public water systems. Any and all markers, buoys, floating intake structures or appurtenances must be approved by LCRA. Information relating to the elevations and depth of the intake shall be submitted with the application if the Highland Lakes are the source of supply.
- (b) LCRA representatives shall be provided with reasonable access to any impoundment, storage facility, intake or diversion works for the purpose of inspection and monitoring for compliance with the contract. The diversion works, impoundments, or intake structures shall be equipped or designed in a manner that allows LCRA to access and lock or otherwise prevent Purchasers' continued diversion or other use of water as a result of a default under the contract and after notice to the Purchaser as provided in the contract.
- (c) It shall be the Purchaser's responsibility to have the capability to take the water at the Point(s) of Availability. No implied easement to access the source of supply is provided by the contract.
- (d) Table 1 provides reference elevations for designing intakes on the Highland Lakes. However, these elevations should not be construed as a guarantee of any minimum lake elevation.

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~~6.127.9~~ Water Measurement.

- (a) If the water purchased under a contract is to be diverted from a source of supply, ~~the~~ Purchaser must measure water diverted with a measuring device approved by LCRA unless otherwise provided in the contract. ~~The For all contracts executed on or after January 1, 2016, Purchaser shall be required to~~ measure water use and self-report such use to LCRA on a monthly basis or at such other frequency that may be specified in ~~the~~ Purchaser's contract. Measurement of water purchased under contract that does not solely involve the diversion of water from the source of supply (e.g., impoundment of water for recreation or livestock watering) may be accomplished through an alternative method approved by LCRA and included in the contract.
- (b) Meters and measuring devices acceptable to LCRA include the following types: displacement, venturi, multi-jet, turbine (various), propeller, proportional, compound, or other appropriate water meters as recognized by the American Water Works Association. Other measuring devices that may be proposed by a Purchaser must be approved in writing by LCRA. All acceptable meters or measuring devices must, unless otherwise approved in writing by LCRA:
 - 1) Be designed and installed by a licensed engineer, plumber or irrigator, or other qualified personnel approved by LCRA.
 - ~~4)2)~~ Be installed on ~~the~~ Purchaser's system as near to the water source as practical and upstream of any connections, taps, faucets or other appurtenances where water may be withdrawn.
 - ~~2)3)~~ Be installed in a location that provides LCRA (including its representatives) with reasonably safe access to the meter for the purpose of making meter readings, testing, and/or periodic inspections and that does not disrupt the periodic reading of LCRA's other customers' meters. ~~The A-Purchaser must provide LCRA's representatives access to the across~~ Purchaser's property for inspection, testing and reading of the meter. ~~The A-Purchaser~~

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must provide an all-weather road to facilitate access to meter. LCRA shall have the right to approve both the design of the meter as well as the location of its installation.

- ~~3)4)~~ Be accurate within ~~±~~ plus or minus 5% of the indicated flow over the range of possible flows. In the case of a contract issued for an on-channel impoundment, an alternative measuring device or methodology with a 5% accuracy may be used with prior approval from LCRA.
- ~~4)5)~~ Be able to measure and register quantities of water in increments of 1,000 gallons or less.
- ~~6)6)~~ Be capable of measuring volumetric flow rates and registering total volumetric quantity.
- ~~6)7)~~ Be installed in accordance with the manufacturer's specifications and consistent with standard engineering practices.
- ~~7)8)~~ Be properly screened to prevent debris from causing meter malfunctions.
- ~~8)9)~~ Be of suitable material and of proper construction to withstand a surface water environment.
- ~~9)10)~~ Have serial number easily visible in its installed location.
- ~~10)11)~~ When installed outdoors be in a covered vault or other solid enclosure.
- ~~11)12)~~ Have hermetically sealed registers or other means to prevent the occurrence of condensation on register glass.
- ~~12)13)~~ Be installed in a manner to prevent flooding of the meter enclosure.

- (c) ~~The~~ A-Purchaser must repair, replace or make necessary improvements to a meter or other approved measuring device that is not in compliance with these rules promptly after the Purchaser becomes aware of the deficiency that causes the measuring device to not comply with these rules. Prior to or immediately following the time that a meter or other approved measuring device goes out of service, the Purchaser and LCRA shall agree on an alternative method for determining the amount of water diverted and/or used.
- (d) LCRA, in its sole discretion, may rely on measurements reported to LCRA by the a-Purchaser but doing so shall not relieve the Purchaser from any requirements in these rules relating to meters or measuring devices.
- (e) LCRA, in calculating fees due under a firm water contract, may base fees on a measurement of the amount of water made available from the December meter reading date to the next December meter reading date.

~~6.137.10~~ Testing of Measuring Device.

Periodic testing as required under the terms of a water contract must be performed in accordance with testing specifications as published by the American Water Works Association.

~~—Where and when possible, such testing is to be performed *in situ* (in place). Measuring device testing should be accomplished for those contracts that require periodic testing every 12 months for contracts with a MAQ of greater than 20 acre-feet per year or every 24 months for contracts with a MAQ up to 20 acre-feet per year. —All testing should be performed by qualified personnel familiar with American Water Works Association testing procedures and with a background in such procedures.~~

~~(a) —All contracts or contract amendments approved following the effective date of these rules must include the following, or a substantially similar, paragraph:~~

~~"In the event PURCHASER fails to test the meter for a period of fifteen (15) consecutive months, [for contracts with a MAQ up to 20 acre-feet per year, substitute "25 consecutive months"] PURCHASER agrees: (1) to provide LCRA reasonable access to the meter so that LCRA may test the meter; and, (2) to pay LCRA for the actual cost of testing the meter plus a fifty dollar (\$50) administrative fee. LCRA will provide PURCHASER a written statement of the cost of testing the — meter, and said statement will subject to the payment terms of this contract."~~

~~6.147.11~~ Exceedance of MAQ.

If the amount of water made available for ~~a~~ a-Purchaser for any reason exceeds the ~~Maximum Annual Quantity~~ MAQ stated in the Purchaser's contract during two ~~(2)~~ consecutive years, or in two ~~(2)~~ out of any four ~~(4)~~ consecutive years, the the-Purchaser will be required to submit an n ~~new~~ application for a

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~~Replacement~~ ~~Contract~~, including applicable fees, and negotiate a new standard contract for an adjusted MAQ, the reasonableness of which shall be determined consistent with these rules, to the extent LCRA has additional water supplies available. [The General Manager may waive the requirement that an Applicant submit an application for a Replacement Contract if: \(a\) the Purchaser adopts and implements as part of its Water Conservation Plan additional specific water conservation measures consistent with those measures identified as recommended measures in the Water Conservation Plan Rules \(in addition to all required measures\); and \(b\) such measures are reasonably likely to result in future water use not exceeding the MAQ. The Purchaser shall remain subject to excess use charges consistent with the contract, regardless of whether the Purchaser obtains or has obtained a waiver from the requirement to submit an application for a Replacement Contract.](#)

~~6.457.12~~ ~~Pro Rata~~ ~~Reduction~~ ~~During~~ ~~Water~~ ~~Shortage~~.

- (a) During a water shortage, the water supply provided by LCRA under a water contract is subject to curtailment in accordance with section 11.039 of the Texas Water Code, LCRA's water rights, LCRA's Drought Contingency Plan, and any curtailment plan developed with customers as required by LCRA's Water Management Plan. [LCRA has developed Firm Customer Pro Rata Curtailment Rules, which are a part of LCRA's Water Contract Rules, and attached as Appendix C.](#)
- (b) Consistent with state law and these plans, and to effectively address the water shortage, the curtailment shall be based on the customers' reasonable water needs during the curtailment period, and not the contracted amount, after consideration of the customers' implementation of their water conservation and drought contingency plans.
- (c) In the event the supply of water provided to ~~the a~~-Purchaser is limited because of a curtailment imposed by LCRA or state law in accordance with these rules to an amount less than ~~the the~~ Purchaser's MAQ, then ~~the the~~ Purchaser shall pay a surcharge, in excess of the firm water rate, to be set by the LCRA Board ~~of Directors~~ multiplied by any amount of water diverted by ~~the~~ Purchaser in excess of the amount ~~the~~ Purchaser is authorized to divert during the curtailment. Unless otherwise specifically provided under the contract, a curtailment of water under this provision shall not result in a reduction or suspension of the Reservation Charge for the unused portion of the full ~~Maximum Annual Quantity~~ [MAQ](#) under the contract.

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~~6.467.13~~ ~~Returned~~ Instrument Fee.

In the event ~~a a~~-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, ~~the~~ Purchaser shall be assessed and must pay to LCRA, per each returned instrument, LCRA's current returned instrument fee. The LCRA returned instrument fee is currently \$25.00 per returned instrument.

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~~6.477.14~~ ~~Notices~~ Required

A Purchaser shall notify LCRA in writing of certain activities throughout the term of ~~the a~~ Purchaser's contract, which notice requirements shall include those listed below, unless otherwise required by law, in addition to those listed in the contract: [Notice to LCRA shall be satisfied by i\) certified mail with return receipt; or ii\) electronic mail to firmwater@lcra.org with a reply email from LCRA staff acknowledging receipt.](#)

- (a) Related water rights permit [and annual reports](#). -In the event ~~a 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, ~~the~~ Purchaser shall provide LCRA ~~both~~-(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 within five \(5\) business days of receipt from TCEQ](#); 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. [The Purchaser shall incorporate LCRA's reasonable comments into the application notice provided that: \(i\) LCRA provides its comments to the Purchaser within 10](#)

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business days of LCRA's receipt of the draft notice, unless a shorter response period is required by TCEQ; and (ii) TCEQ accepts LCRA's comments in the final version of the notice. The Purchaser also shall provide LCRA ~~a copy~~~~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 ~~the Purchaser Applicant~~ receiving notice from TCEQ. By March 15th of each year, ~~the~~ Purchaser shall also provide LCRA a copy of its annual water use reports filed with TCEQ.

- (b) ~~Provision of R~~egulatory ~~A~~pprovals. Except for water rights permits governed by Section ~~7.146-5~~ (a) of these rules, ~~the a~~-Purchaser shall provide LCRA copies of any approvals received from federal, state or local agencies that relate to water reserved or purchased pursuant to ~~a~~ Purchaser's contract or to facilities intended to divert, transport or use water provided under ~~a~~ Purchaser's contract within a reasonable amount of time following a written request by LCRA staff.
- (c) Notice of intent to divert ~~or impound~~. ~~The A~~-Purchaser shall notify LCRA ~~in writing~~ of its intentions to initiate diversions ~~or impoundment~~ of water under ~~the the~~-Purchaser's contract not more than eight ~~(8)~~ weeks, nor less than four ~~(4)~~ weeks, prior to ~~the~~ Purchaser's initiation of diversions ~~or impoundment~~. ~~Such notice shall include the~~ Purchaser's anticipated diversion rate, not to exceed the Maximum Diversion Rate. ~~If 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. The~~ 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. ~~If Purchaser's Point(s) of Availability are located downstream of Lake Travis or on a tributary which flows into the Colorado River downstream of Lake Travis, the 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; or (2) notify the ROC prior to making any impoundment and/or each diversion or change in diversion in accordance with any requirements set forth in the Special Conditions in the Contract.~~
- (d) Reuse. ~~A A~~-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 for water that is reserved or purchased pursuant to an LCRA water contract. ~~The Purchaser will make available to LCRA non-privileged documents regarding the Purchaser's reuse program within a reasonable amount of time, not to exceed 20 days, following a 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.~~
- (e) Transfer to Secondary Purchaser. ~~A~~ Primary Purchaser shall notify LCRA ~~in writing~~ of any agreement it has made to divert or deliver water for a Secondary Purchaser. Such notice shall be provided at least ~~thirty (30)~~ days prior to any diversions or deliveries from the Primary Purchaser to the Secondary Purchaser and shall include the information required by Section 5.5 of these rules.
- (f) Termination of contract. A Purchaser shall notify LCRA pursuant to the Purchaser's contract of its desire to cancel said contract. ~~The A~~-Purchaser shall remain liable for all fees and charges accruing under the contract through the effective date of termination of the contract. Termination of the contract does not release ~~the a~~-Purchaser of its obligation to pay in full all fees and charges that have accrued prior to the contract being terminated. ~~(See also Section 6.3(c).)~~
- (g) Change of ownership. A Purchaser shall provide LCRA prior ~~written~~ notice of any change of ownership of Purchaser or the sale, conveyance, merger, or dissolution of the corporate entity

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- or Service Area identified in the Purchaser's contract. ~~Such notice does not constitute the assignment of the Purchaser's rights or duties under the Purchaser's contract.~~
- (h) Change of address or executive staff. A Purchaser shall notify LCRA of any change of address or change of executive staff that was provided in the Purchaser's application within ~~ten (30+)~~ days of the change.
 - (i) Annual reports of due diligence. ~~A~~ Purchaser is required to 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 toward ~~commencing and completing~~ construction of facilities which will be used to divert, impound, and/or convey water under the Purchaser's contract. ~~and~~
 - (j) As-built plans and location of facilities. ~~Upon request from LCRA, a~~ Purchaser shall provide to LCRA "as-built" drawings and plans (including GPS coordinates of any intakes or impoundments) for facilities which were actually built and will be used to divert, impound, and/or convey water under the Purchaser's contract within ~~thirty (30)~~ days of ~~completion of construction~~such request.

ARTICLE 8. AMENDMENTS AND ASSIGNMENTS

8.1 Amendments to Existing Contracts.

- (a) If a Purchaser desires to amend an existing contract, the following conditions apply:
 - 1) No amendments will be made to contracts with unpaid account balances.
 - 2) Substantive amendments (as determined by the General Manager ~~or his/her designee~~ except as otherwise provided herein) may be made to existing contracts based on the most current LCRA standard form water contract. Substantive amendments shall include, at a minimum:
 - (i) Assignment of the contract;
 - (ii) Increasing the contract's term;
 - (iii) Increasing the MAQ; and,
 - (iv) Service area amendments that (regardless of the amount of the current service area that may be removed) add additional service area not within the current service area in the amount of ~~at least: -a) fifty (50) acres~~ or more; or, b) ~~ten percent (10%)~~ or more of the current service area.
 - 3) Substantive amendments shall require approval by either ~~LCRA's~~ the General Manager or the LCRA Board as specified in ~~Section 4.6~~ 5 of these rules.
- (b) Only contracts based on the most current LCRA Standard Contract terms may be amended for substantive amendments. If the contract sought to be substantively amended does not contain the most current LCRA Standard Contract terms, the Purchaser will be required to submit an application for a new water contract to replace the existing non-conforming water contract in accordance with these rules. In the event the non-conforming provisions are limited in quantity, the General Manager, in his/her sole discretion, may alternatively include updated provisions in a contract amendment.
- (c) Nonsubstantive corrections and amendments may be made by ~~LCRA's~~ the General Manager, ~~or his/her designee~~, without LCRA Board ~~of Directors~~ approval. Sufficient documentation shall be supplied by the Purchaser to justify such amendments.

8.2 Contract Assignments.

- (a) Water Contracts do not convey with the title of the property in the contract service area.
- (b) If a Purchaser desires to assign the rights and duties under its contract the following conditions apply:
 - 1) Water contracts may only be assigned as specified in the contract; and
 - 2) LCRA may reject any assignment not made with LCRA's consent, which consent must be obtained in advance of the sale, trade or transfer.
- (c) If a Purchaser desires to assign a contract and such assignment is permitted under the terms of that contract, the following conditions apply:
 - (1) LCRA will not authorize the assignment of any contract that has an unpaid account balance;
 - (2) LCRA will not authorize the assignment of any contract that is not based on the most current Standard Contract form. LCRA may, however, authorize the assignment of an existing contract if: [\(i\) that assignment incorporates all the language and policies reflected in the most current Standard Contract form; or \(ii\) the assignee submits a non-refundable application for a Replacement Contract prior to the assignment becoming effective and the assignment requires assignee to pursue the application and execute the Replacement Contract consistent with the timeframes in these rules;](#)
 - (3) the Purchaser must submit legal documentation validating the sale, trade, or transfer of the property covered by the contract's service area; and,
 - (4) both assignor and assignee must execute a written instrument of assignment that clearly discloses the assignee, or new Purchaser, and states that the assignee agrees to abide by all terms and conditions contained in the referenced contract.
- (d) If the property covered by the contract's service area is foreclosed upon, and the entity exercising its lien desires to continue to supply water to the property, LCRA may at its discretion allow a temporary assignment of rights and duties under the contract to the lien holder for a period not to exceed one year. Such assignment will allow the lien holder as the property owner to continue operation of the system until either: (1) it can negotiate a new water contract with LCRA on its behalf; or, (2) the property can be sold to a subsequent owner. In the event that the property is sold, the subsequent owner must negotiate a new water contract within ~~sixty (60)~~ calendar days of the close of the sale of the property if it desires to continue to purchase water from LCRA.

ARTICLE 8 SUPPLEMENTAL REQUIREMENTS

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Article 9. AGRICULTURAL INTERRUPTIBLE WATER SERVICE CONTRACTS

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- ~~9.1 — Applicability.
— Notwithstanding any other provision of these Rules, this Article 9 controls requests for contracts for Agricultural Interruptible Water Service.~~
- ~~9.2 — Deadline for Applications and Contracts.
— LCRA shall not enter in a contract if the request for a contract is received after March 1 in any year except where:

 - ~~(a) — a curtailment of interruptible supply has not been declared by the LCRA Board;~~
 - ~~(b) — provision of water under the requested contract would not appreciably increase LCRA's operation costs nor unreasonably interfere with LCRA operations;~~
 - ~~(c) — provision of water under the requested contract would not impair LCRA's ability to deliver water to other customers who made request for contracts on or before March 1; and,~~
 - ~~(d) — the request for a contract is caused by a failure of the customer's other water supply (i.e. groundwater pump failure) or other emergency need for water.~~~~
- ~~9.3 — Unpaid Account Balances.~~

~~LCRA shall not execute a Agricultural Interruptible Water Service Contract with a prospective customer if that customer has an unpaid account balance under a prior Agricultural Interruptible Water Service Contract.~~

~~Article 10.~~ **ARTICLE 9. VARIANCES**

Where special conditions or compelling circumstances exist, the LCRA Board ~~of Directors~~ may consider and approve requests for variances from the requirements of these rules on a case-by-~~base~~case basis upon recommendation by LCRA staff.

~~Article 11.~~ **PRO-RATA CURTAILMENT OF WATER USE BY FIRM WATER CUSTOMERS**

Commented [GG32]: Note: This Article moved to be Exhibit C, Firm Customer Pro Rata Curtailment Rules with no changes.

~~Article 12.~~ **ARTICLE 10. REQUIREMENTS FOR INTERBASIN WATER SALES TO WILLIAMSON COUNTY**

~~42-410.1~~ 42-410.1 Applicability.

This article sets forth additional requirements that apply to interbasin water sales to any person or entity within Williamson County that did not have a water sale contract with LCRA on or before May 1, 1997, consistent with the requirements of Section 8503.029, Texas Special District Local Laws Code. ~~In the event of a conflict between a requirement set forth in this Article 12 and any other requirement in these rules, the requirements in this Article 12 control.~~

~~42-210.2~~ 42-210.2 Definitions.

- (a) **Adverse Effects of the Transfer:** The reduction in availability of sufficient Surface Water to meet the needs of LCRA's interruptible ~~irrigation~~agricultural customers within Colorado, Wharton, and Matagorda counties resulting from water contracts entered into pursuant to Section 8503.029(a)(3)(B), Texas Special District Local Laws Code.
- (b) **Average Annual Volume:** The arithmetical average volume of water over a contiguous ~~three~~3-year period.
- (c) **Conserved Water:** The Average Annual Volume of water made available under Section 8503.029(a)(3)(B), Texas Special District Local Laws Code from conservation projects and demand reduction projects within the water service areas of LCRA's ~~irrigation~~agricultural operations within Colorado, Wharton, and Matagorda counties. ~~Conserved Water can be classified as firm, interruptible or any combination thereof.~~
- (d) **Developed Water:** The Average Annual Volume of additional water made available for use within the water service areas of LCRA's ~~irrigation~~agricultural operations within Colorado, Wharton, and Matagorda counties under Section 8503.029(a)(3)(B), Texas Special District Local Laws Code that may include: (1) groundwater, or (2) surface water resources that are not presently under the control of LCRA. ~~Such water may originate inside or outside the boundaries of the Colorado River basin and may be firm, interruptible or any combination thereof.~~
- (e) **No Net Loss:** A hydrologic condition where the volume of Transferred Water is equivalent to, or less than, the combined volume of Conserved Water, Developed Water, and Returned Water resulting in a reduced reliance on Surface Water for agricultural irrigation.

$$\text{Transferred Water} \leq \text{Conserved Water} + \text{Developed Water} + \text{Returned Water}$$

- (f) **Returned Water:** The Average Annual Volume of water that is imported to the lower Colorado River basin with the specific intent to meet the condition of Section 8503.029(a)(3)(B), Texas Special District Local Laws Code. ~~Such water may be firm, interruptible or any combination thereof.~~
- (g) **Surface Water:** Water from the Colorado River or Highland Lakes. ~~This water can be classified as either firm, interruptible water, or any combination thereof.~~

(h) **Transferred Water:** The Average Annual Volume of Surface Water exported from the lower Colorado River basin to Williamson County under Section 8503.029(a)(3)(B), Texas Special District Local Laws Code.

~~42-3~~10.3 Conservation Charge.

In addition to the standard rates and charges, any customer subject to the requirements of this Article shall pay a Conservation Charge, as set by the Board pursuant to Section 8503.029(c), Texas Special District Local Laws Code, which shall be sufficient to cover the costs of mitigating Adverse Effects of the Transfer.

~~42-4~~10.4 No Net Loss.

Prior to any diversion of water, the means to conserve, develop, or return water to satisfy the No Net Loss condition shall be identified that would be sufficient based on an Average Annual Volume to conserve, develop, or return the necessary volumes of water.

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TABLE 1

HIGHLAND LAKES

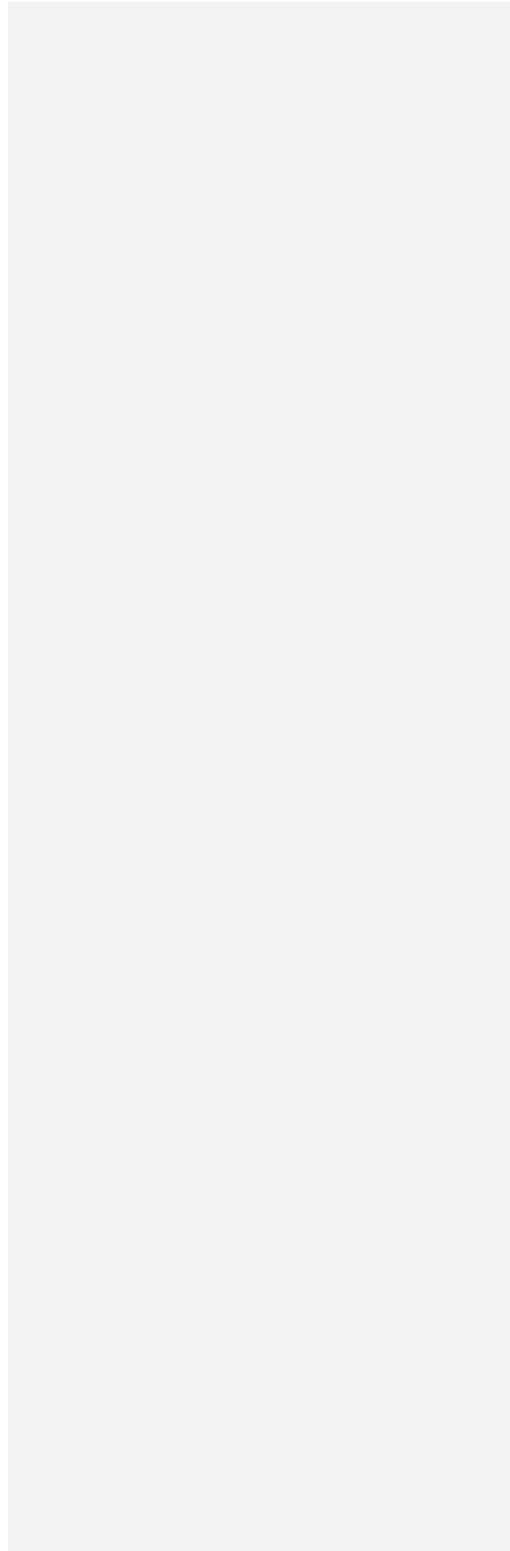
REFERENCE ELEVATIONS (updated)

(in feet above mean sea level, based on the 1988 North American Vertical Datum)

Lake Buchanan	Spillway	1,020.61
	Floodgate Sill at 15.5 foot	1,005.63
	Floodgate Sill at 25.5 foot	995.63
	Penstock Intake at bottom	937.26
Inks Lake	Spillway	888.63
	Penstock Intake at bottom	845.81
Lake LBJ	Top of Normal Operating Pool	825.68
	Floodgate Sill	795.64
	Penstock Intake at bottom	793.68
Lake Marble Falls	Top of Normal Operating Pool	737.69
	Floodgate Sill	726.23
	Penstock Intake at bottom	710.05
Lake Travis	Spillway	714.6
	Top of Conservation Pool	681.6
	Penstock Intake at bottom	552.6
	Floodgate Conduits at bottom	536.35
Lake Austin	Spillway	493.11
	Floodgate Sill at 12 foot	481.11
	Floodgate Sill at 18 foot	475.31
	Penstock Intake at bottom	462.31

**APPENDIX A
LCRA WATER CONSERVATION PLAN RULES**

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**APPENDIX B
LCRA DROUGHT CONTINGENCY PLAN RULES**

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APPENDIX C
LCRA FIRM WATER PRO RATA CURTAILMENT RULES

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APPENDIX A

LOWER COLORADO RIVER AUTHORITY WATER CONSERVATION PLAN RULES FOR WATER SALE CONTRACTS (~~October 2015~~) Redline August 2022

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FORWARD

The Texas Legislature created LCRA ~~was created by the Texas Legislature~~ in 1934 as a conservation and reclamation district. -One of LCRA's primary responsibilities is to conserve and protect the soil and water resources of the Colorado River basin within LCRA's statutory district. ~~The LCRA Board of Directors Policy 501.30 - on~~ Water Conservation directs LCRA staff and management to exercise leadership in promoting and, where appropriate, requiring the conservation of ground and surface waters within LCRA's water service area.

The water conservation rules are promulgated pursuant to LCRA policy and in compliance with the requirements of Texas Administrative Code, Title 30, Environmental Quality, ~~Chapter~~ 288, Subchapter A: Water Conservation Plans.

CHAPTER 1: PURPOSE AND AUTHORITY

1.1. Purpose. The purpose of these rules is to extend existing surface water supplies through water conservation ~~to and help to~~ assure an adequate supply of water within the LCRA water service area. -These rules apply to all LCRA water sale contracts except those expressly excluded below. -These rules do not apply to: i) water sale contracts for domestic use up to ~~ten (10)~~ acre-feet per year; ii) water sale contracts for uses other than municipal use that have a Maximum Annual Quantity of ~~ten (10)~~ acre-feet per year or less and a term of three ~~(3)~~ years or less; or iii) interruptible agricultural contracts for a term of one year or less.

1.2. Authority. These requirements are promulgated in accordance with Chapters 11, 152, and 222 of the Texas Water Code; Title 30, Chapter 288 of the Texas Administrative Code; and ~~the~~ LCRA Board ~~Policy~~ 501 - on Water Resources.

CHAPTER 2: DEFINITIONS

These definitions ~~herein~~ are in addition to the definitions found in LCRA Water Contract Rules, Article III.

2.1. Commercial Use. The use of water by a place of business, such as a hotel, restaurant, or office building. -This does not include multi-family residences or agricultural, industrial, or institutional users.

2.2. Institutional Use. The use of water by an establishment dedicated to public service, such as a school, university, church, hospital, nursing home, prison or government facility. -All facilities dedicated to public service are considered institutional regardless of ownership.

2.3. Regional Water Planning Group. A group established by the Texas Water Development Board to prepare a regional water plan under Texas Water Code, §16.053.

2.4. Residential Use. The use of water that is billed to single and multi-family residences, ~~including which applies to~~ indoor and outdoor water uses.

2.5. Residential Gallons Per Capita Per Day. The total gallons sold for residential use by a public water supplier divided by the residential population served, and then divided by the number of days in the year.

2.6. Retail Public Water Supplier. An individual or entity that, for compensation, supplies water to the public for human consumption. -The term does not include an individual or entity that supplies water to itself or its employees or tenants when ~~that~~ water is not resold to or used by

others.

2.7. -Total Gallons Per Capita Per Day. The total amount of water diverted and/or pumped for potable use divided by the total permanent population, and then divided by the days of the year. Diversion volumes of reuse shall be credited against total diversion volumes for the purposes of calculating GPCD for targets and goals.

2.8. Wholesale Public Water Supplier. An individual or entity that, for compensation, supplies water to another for resale to the public for human consumption.- The term does not include an individual or entity that supplies water to itself, ~~or~~ its employees or tenants as an incident of that employee service or tenancy when the eat water is not resold to or used by others, or an individual or entity that conveys water to another individual or entity, but does not own the right to the water which is conveyed, whether or not for a delivery fee.

CHAPTER 3: MUNICIPAL USES BY RETAIL PUBLIC WATER SUPPLIERS AND WHOLESALE SUPPLIERS

~~[NOTE: SECTIONS OF PRIOR CHAPTER 4, MUNICIPAL USE BY WHOLESALE WATER SUPPLIES, WERE MERGED INTO THIS CHAPTER]~~

3.1. General. The water conservation plan (~~plan~~) shall effectively address all appropriate methods for reducing water consumption and water waste, ~~methods for~~ improving water use efficiency, and ~~methods for~~ increasing the beneficial reuse and recycling of water.- It is recommended that the ~~baseline~~ water utility profile be used to develop the components of the water conservation program. -A customer shall explain reasons for not including a required measure in the plan.- The required information may be given in either narrative or outline format.- Implementation of this plan must begin not later than the commencement of diversion of water pursuant to the water sale contract. ~~The required information may be given in either narrative or outline format.~~

3.2. Minimum Requirements. All municipal plans must include the following elements:

- (a) ~~A Utility profile.~~ A utility profile. ~~including,~~ but not limited to, information regarding population and customer data, water use data (including Total Gallons Per Capita Per Day (Total GPCD) and Residential GPCD), water supply system data, and wastewater system data. -The plan should include estimated population, number of connections, and average daily water use at build-out or the end of the contract term.
- (b) ~~Specification of conservation goals.~~ Specific, quantified five-year and ~~ten~~10-year targets for water savings, ~~including to include~~ goals for water loss programs and goals for municipal use, in Total GPCD and Residential GPCD. -The goals established by the customer are not enforceable.
- (c) ~~A records management system.~~ A records management system that ~~which~~ allows for the classification of water sales and uses into the most detailed level of water use data available to it, including, if possible, the following sectors: -residential single family, residential multi-family, commercial, institutional, industrial, agricultural, and wholesale. Any new billing system acquired by a public water supplier must be capable of reporting detailed water use data by these sectors.
- (d) Metering devices, within the accuracy of plus or minus 5%, ~~in order~~ to measure and account for the ~~amount of~~ water diverted from the source of supply.- The plan must provide for testing and calibration of the meter by the customer at ~~least periods not greater than~~ once a year.
- (e) ~~Universal Metering.~~ A program for universal metering of both customer and public uses of water, for meter testing and repair, and for periodic meter replacement. -Meter replacement should follow recommended meter manufacturer guidelines.
- (f) ~~Water loss.~~ Measures to determine and control water loss (for example, periodic visual

inspections along distribution lines, annual audit of the water system to determine illegal connections, use of forms, and accounting for loss due to flushing, fire-fighting, etc.)- The customer shall conduct water loss audits in accordance with Texas Water Development Board (TWDB) rules (Texas Administrative Code, Title 31, Chapter 358).

- (g) Education and public information programs. ~~A program of continuing public education and information.~~
- (h) Water rates.- A Retail Public Water Supplier that has not previously adopted a tariff or rates must provide those rates to LCRA within one year of adoption.- Water rate structures shall be cost-based and should discourage the excessive use of water. -Such a rate usually takes the form of an increasing block rate, a seasonal load rate, or an excess use rate.- Rate structures in which the unit cost of water decreases as consumption increases and flat rates are not acceptable.- It is recommended that rates be set so ~~that~~ they impact discretionary use.
- (i) ~~Reservoir systems operations plan.~~ If applicable, ~~customer shall include~~ a reservoir systems operations plan providing for the coordinated operation of reservoirs owned by the customer within a common watershed or river basin ~~in order~~ to optimize available water supplies.
- (j) ~~Implementation and Enforcement.~~ A means of implementation and enforcement, which shall be evidenced by:
 - (1) A copy of the ordinance, resolution, or tariff, indicating official adoption of the water conservation plan by the customer; and
 - (2) A description of the authority by which the customers will implement and enforce the water conservation plan.
- (k) ~~Alternative water supplies. Consideration~~ Customer shall consider the use of alternative water supplies, including wastewater reuse, to supplement water supply needs. A customer shall and state whether ~~or not it~~ the alternative supply is an appropriate water supply option.
- (l) ~~Regional planning group. D~~ Customer must documented that they are ~~coordinating~~ Document coordination with the utility's regional water planning group ~~in order to~~ help ensure consistency with the appropriate approved regional water plans.
- (m) A permanent landscape watering schedule for spray irrigation that limits water use to no more than twice per week and only between the hours of midnight to 10 a.m., and 7 p.m. to midnight.

3.3. Additional Minimum Requirements for Wholesale Suppliers. All plans for wholesale water suppliers for municipal use must include the following:

- (a) A description of the wholesaler's service area, including population and customer data, water use data, water supply system data, and wastewater data.;
- (b) In addition to the requirements of Section 3.2(b), specific, quantified five- and 10-year targets for water savings including, where appropriate, target goals for municipal use in GPCD for the wholesaler's service area, maximum acceptable water loss, and the basis for the development of said goals.
- (c) A description as to which practice(s) and/or device(s) will be used to measure and account for the water diverted from the source(s) of supply.
- (d) A monitoring and record management program for determining water deliveries, sales, and losses.;
- (e) A program of metering, leak detection, and repair for the wholesaler's water storage, delivery, and distribution system.;
- (f) A requirement in every wholesale water supply contract entered, extended, or renewed after official adoption of the water conservation plan, that each successive wholesale customer develop and implement a water conservation plan or water conservation measures using the applicable elements of the LCRA rules. If the customer intends to

resell the water, the contract between the initial supplier and customer must provide that the contract for the resale must have water conservation requirements such that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with LCRA rules.;

(i) In addition to the minimum requirements above, the water wholesaler shall select any combination of the following conservation strategies, if they are necessary to achieve the stated water conservation goals of the plan.

(1) Conservation-oriented water rates and water rate structures such as uniform or increasing block rate schedules, and/or seasonal rates, but not flat rate or decreasing block rates.

(2) A program for reuse and/or recycling of wastewater and/or gray water.

(3) Any other water conservation practice, method, or technique the wholesaler shows to be appropriate for achieving the stated goal(s) of the water conservation plan.

3.43. Additional Mandatory Requirements for Certain Utilities. -Water conservation plans must include the following additional elements if the customer serves, or plans to serve a population of 5,000 or greater in the next ~~ten (10)~~ years, ~~a population of 5,000 or greater~~:

(a) A program of leak detection, repair, and water loss accounting for the water transmission, delivery, and distribution system.;

(b) ~~Wholesale Water Customer Requirement. Customer shall include a~~ A provision in a their customer's water conservation plans that every wholesale water supply contract ~~entered into~~entered, extended, or renewed after official adoption of the customer's water conservation plan, shall require each successive wholesale customer to develop and implement a water conservation plan or water conservation measures using the applicable elements of the LCRA in these R rules. If the customer's wholesale customer intends to resell the water, ~~then~~ the contract between the initial supplier and wholesale customer must provide that the contract for the resale ~~of the water~~ must have water conservation requirements ~~such~~ that each successive customer in the resale ~~of the water~~ will be required to implement measures in accordance with LCRA~~these R~~ rules.

3.54. Additional Recommended Conservation Strategies. -Other measures recommended for adoption include, but are not limited, to:

~~_____~~ [Note: previous section (a) moved to Section 3.2(m) and (n) as required elements.]

(a) Adoption through ordinance, deed restriction, or covenant – where feasible and allowed by federal, state, and local law and regulations – those conservation measures that are contained in Attachment 1, “Landscape Conservation Standards.”

(b) Adoption through ordinance, deed restriction, or covenant – where feasible and allowed by federal, state, and local law and regulations – the following conservation measures:

(1) ~~The (i) _____~~ these conservation measures contained in Attachment 2, “Pool Construction Standards.”

(2) A requirement for submeters for irrigation at every residential property.

(3) TWDB Municipal Best Management Practice (BMP) 7.5 Water Wise Landscape Design and Conversion Programs. (See <https://www.twdb.texas.gov/conservation/BMPs/Mun/index.asp>)

(4) TWDB Municipal BMP 9.1 Prohibition on Wasting Water.

(5) TWDB Municipal BMP 9.2 Conservation Ordinance Planning and Development.

(6) TWDB Municipal BMP 9.3 Enforcement of Texas Irrigation Standards.

(7) TWDB Municipal BMP 2.3 Water Survey for Single-Family and Multifamily Customers.

(8) TWDB Municipal BMP 2.4 Customer Characterization: Analysis to Prioritize BMP Selection.

(9) TWDB Municipal BMP 4.2 Utility Water Audit & Water Loss.

- (10) TWDB Municipal BMP 5.3 Landscape Irrigation Conservation and Incentives or TCEQ irrigation and soil standards.
- (11) TWDB Municipal BMP 5.5 Residential Landscape Irrigation Evaluations offered and actively marketed individually to all customers using over 25,000 gallons per month during peak months.
- (12) TWDB Municipal BMP 7.5 Water Wise Landscape Design and Conversion Programs.
- (13) TWDB Municipal BMP 8.3 Water Reuse. If wastewater treatment is required on-site, a development design plan shall include a reuse system designed to deliver wastewater to irrigate common areas, golf courses, etc. once the wastewater volume is adequate.
- ~~(2)~~(14) Other measures that may be applicable, such as landscape irrigation evaluations, plumbing fixture replacement programs, and the use of on-site alternative water sources, such as graywater, air conditioning condensate or rainwater harvesting systems.

- ~~(b)~~(c) A method for monitoring and evaluating the effectiveness of the conservation measures, and
- ~~(c)~~ Other measures as may be applicable.

3.65. Other Approved Water Conservation Plans. –A water conservation plan prepared and approved in the last five ~~(5)~~ years by LCRA, the Texas Commission on Environmental Quality (TCEQ) or ~~the Texas Water Development Board~~ TWDB and substantially meeting the requirements of these rules as determined by LCRA may be substituted for development of a plan to meet LCRA rules.

3.76. Plan Update. –The customer shall review and update its water conservation plan, in accordance with these rules, including the specification of five ~~(5)~~ and ~~ten (10)~~ year GPCD and water loss goals.

CHAPTER 4:

MUNICIPAL USES BY WHOLESALE WATER SUPPLIERS

~~[NOTE: THIS CHAPTER HAS BEEN MERGED INTO CHAPTER 3.]~~

CHAPTER 54:

INDUSTRIAL OR MINING WATER USE

54.1. General. The water conservation plan ~~(plan)~~ shall effectively address all appropriate methods for reducing water consumption and water waste, ~~methods for~~ improving water use efficiency, and ~~methods for~~ increasing the beneficial reuse and recycling of water. A customer shall explain reasons for not including a required measure in the plan. The required information may be given in either narrative or outline format. Implementation of this plan must begin no later than the commencement of diversion of water pursuant to the water sale contract.

54.2. Minimum Requirements. –All plans must include the following:

- (a) ~~Description of Production Process.~~ –A baseline profile that includes a detailed description of the use of the water in the production process, including how the water is diverted and transported from the source(s) of supply, how the water is utilized in the production process, and the estimated quantity of water consumed in the production process and therefore unavailable for reuse, discharge, or other means of disposal.
- ~~(a)~~(b) To the extent water is used for landscape watering, a permanent schedule for spray

irrigation that limits water use to no more than twice per week and only between the hours of midnight to 10 a.m. and 7 p.m. to midnight, and adherence to the following to be applicable for new construction or major renovations no later than 12 months following Board approval of these rules:

- (1) No more than 50% of the landscape shall be planted with turf. -Longer leafed native grasses and wildflowers that use low amounts of water are not considered turf grass when determining how much turf grass is allowed.
- (2) Automatic spray irrigation shall be limited to 2.5 times the foundation footprint.
- ~~(b)(c)~~ Conservation Goals.—~~Specification of s~~Specific, quantified five-year and ~~ten~~10-year targets for water savings and the basis for the development of such goals. -The goals set by the customer are not enforceable;.
- ~~(e)(d)~~ Measuring Device.—A description of the device(s) and/or method(s), within an accuracy of plus or minus 5%. to be used ~~in order to~~to measure and account for the amount of water diverted from the source of supply. -The plan must provide for testing and calibration of the meter by the customer at ~~least periods not greater than~~once a year.;
- ~~(d)(e)~~ Leak Detection.—Leak -detection, repair, and water loss accounting for the water transmission, delivery, and distribution system;
- ~~(e)(f)~~ Alternative Water Supplies.—Customers must consider the use of alternative water supplies and/or wastewater reuse to supplement water supply needs and state ~~whether or not~~whether it the alternative supply is an appropriate water supply option.
- ~~(f)(g)~~ State-of-the-Art.—Application of state-of-the-art equipment and/or process modifications to improve water use efficiency;and.
- ~~(g)(h)~~ Other Practices.—Any other water conservation practice, method, or technique which the user shows to be appropriate for achieving the stated goal or goals of the water conservation plan, including employee education and awareness.

54.3. Other Approved Water Conservation Plans. A water conservation plan prepared and approved in the last five ~~(5)~~ years by LCRA, ~~the Texas Commission of Environmental Quality~~ or ~~the Texas Water Development Board~~TWDB and substantially meeting the requirements of these rules as determined by LCRA may be substituted for development of a plan to meet LCRA rules.

CHAPTER 65: AGRICULTURAL WATER USE

65.1. General. The requirements of this chapter apply to Agricultural Use by an individual customer. This chapter, however, does not apply to Recreation or Irrigation Use that is unrelated to Agricultural Use. -The water conservation plan (plan) shall effectively address all appropriate methods for reducing water consumption and water waste, methods for improving water use efficiency, and methods for increasing the beneficial reuse and recycling of water. A customer shall explain reasons for not including a required measure in the plan. The required information may be given in either narrative or outline format. Implementation of this plan must begin not later than the commencement of diversion of water pursuant to the water sale contract.

65.2. For Agricultural Water User Not Receiving Water from a System. (see Sec. 6.3 for provisions applicable to a customer supplying multiple end-users)

- (a) Minimum Requirements. All plans must include the following:
 - (1) Baseline Profile.—A description of the agricultural production process which shall include, but is not limited to: i) the types of crops or landscape use; ii) approximate acreage irrigated; iii) estimated annual water usage; iv) any seasonal or annual crop rotation; and v) soil types of the land to be irrigated. The description should include how the water is diverted and transported from the source(s) of supply, how

the water is utilized in the production process, and the estimated quantity of water consumed in the production process and therefore unavailable for reuse, discharge, or other means of disposal.

- (2) Goals. Specific, quantified ~~five-year~~ and 10~~ten~~-year targets for water savings and the basis for the development of such goals. The goals established by agricultural water users under this subparagraph are not enforceable.
- (3) A description of the device(s) and/or method(s) within an accuracy of plus or minus ~~5.0%~~ to be used ~~in order~~ to measure and account for the amount of water diverted from the source of supply.
- (4) Leak-detection, repair, and accounting for water loss in the water distribution system.
- (5) Application of state-of-the-art equipment and/or process modifications to improve water use efficiency; these may include: 1) land improvements for retaining or reducing runoff, and increasing the infiltration of rain and irrigation water including, but not limited to, land leveling, furrow diking, terracing, and weed control; and, 2) tailwater recovery and reuse.
- (6) Any other water conservation practice, method, or technique which the user shows to be appropriate for achieving the stated goal or goals of the water conservation plan.

65.3. Agricultural Systems Serving Multiple Users.

- (a) The requirements of this section apply to Agricultural Use in a system providing agricultural water to more than one user. ~~The water conservation plan (plan) shall effectively address all appropriate methods for reducing water consumption and water waste, methods for improving water use efficiency and methods for increasing the beneficial reuse and recycling of water. A customer shall explain reasons for not including a required measure in the plan. The required information may be given in either narrative or outline format. Implementation of this plan must begin not later than the commencement of diversion of water pursuant to the water sale contract.~~
- (b) Minimum Requirements. All plans must include the following:
 - (1) A system inventory for the supplier's: (i) structural facilities including the supplier's water storage, conveyance, and delivery structures; (ii) management practices, including the supplier's operating rules and regulations, water pricing policy, and a description of practices and/or devices used to account for water deliveries; and (iii) a user profile including square miles of the service area, the number of customers taking delivery of water by the system, the types of crops, the types of irrigation systems, the types of drainage systems, and total acreage under irrigation, both historical and projected.
 - (2) Specific, quantified ~~five-year~~ and 10~~ten~~-year targets for water savings including maximum allowable losses for the storage and distribution system. The goals established by a system providing agricultural water to more than one user under this subparagraph are not enforceable.
 - (3) A description of the practice(s) and/or device(s) which will be utilized to measure and account for ~~the amount of~~ water diverted from the source(s) of supply.
 - (4) A monitoring and record management program of water deliveries, sales, and losses.
 - (5) A leak-detection, repair, and water loss control program.
 - (6) A program to assist customers in the development of on-farm water conservation and pollution prevention plans and/or measures.
 - (7) A requirement in every wholesale water supply contract entered ~~into~~, extended, or renewed after official adoption of the plan (by either ordinance, resolution, or tariff) that each successive wholesale customer develop and implement a water

conservation plan or water conservation measures using the applicable elements in LCRA rules. If the successive wholesale customer intends to resell the water, the contract between the LCRA customer (i.e., the initial supplier) and the successive 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 provisions of the LCRA rules.

- (8) Official adoption of the water conservation plan and goals, by ordinance, rule, resolution, or tariff, indicating that the plan reflects official policy of the supplier.
 - (9) Any other water conservation practice, method, or technique which the supplier shows to be appropriate for achieving conservation.
 - (10) Documentation of coordination with the regional water planning groups ~~in order to help~~ ensure consistency with appropriate approved regional water plans.
- (c) Plan update.- The customer (i.e., an Agricultural Use system providing water to more than one user) shall review and update its water conservation plan, in accordance with these rules, including the specification of five- ~~(5)~~ and ten- ~~(10)~~-year targets for water saving.

65.4. Other Approved Water Conservation Plans. A water conservation plan prepared and approved in the last five ~~(5)~~ years by LCRA, ~~the Texas Commission on Environmental Quality TCEQ~~ or ~~the Texas Water Development Board TWDB~~ and substantially meeting the requirements of these rules as determined by LCRA may be substituted for development of a plan to meet LCRA rules.

CHAPTER ~~76~~: **RECREATIONAL OR IRRIGATION WATER USE**

76.1. General. The requirements of this chapter apply to Recreational Use and Irrigation Use unrelated to Agricultural Use. -The water conservation plan (plan) shall effectively address all appropriate methods for reducing water consumption and water waste, methods for improving water use efficiency, and methods for increasing the beneficial reuse and recycling of water. A customer shall explain reasons for not including a required measure in the plan. The required information may be given in either narrative or outline format. -Implementation of this plan must begin not later than the commencement of diversion of water pursuant to the water sale contract.

76.2. Minimum Requirements. All plans must include the following:

- (a) A description of the recreational or irrigation use process, which shall include, but is not limited to:- i) specification of the amount of turf, landscape or crops to be irrigated; ii) monthly use diversions; iii) any seasonal or annual turf, landscape or crop rotation; and iv) soil types of the land to be irrigated.
- (b) A description of the irrigation method or system and equipment. This could include pumps, flow rates, plans, and/or sketches of the system layout.
- (c) A description of the device(s) and/or methods to be used ~~in order to~~ measure and account, within an accuracy of plus or minus ~~5.0~~%, for the amount of water diverted from the source of supply. -The plan must provide for testing and calibration of the measuring device by the customer at periods not greater than once a year for contracts of greater than 20 acre-feet per year and at periods not greater than once every two years for contracts up to 20 acre-feet per year.
- (d) To the extent water is used for landscape watering, a permanent schedule for spray irrigation that limits water use to no more than twice per week and only between the hours of midnight to 10 a.m. and 7 p.m. to midnight and adherence to the following to be applicable for new construction or major renovations no later than 12 months following Board approval of these rules:

(1) No more than 50% of the landscape shall be planted in turf. Longer leafed native grasses and wildflowers that use low amounts of water are not considered turf grass when determining how much turf grass is allowed.

(2) No more than 75% of the landscape shall be irrigated by automatic spray irrigation.

- ~~(e)~~(e) Specific, quantified five-~~year~~ and 10~~ten~~-year targets for water savings including, where appropriate, quantitative goals for recreational and/or irrigation water use efficiency and a pollution abatement and prevention plan. The goals established by a customer under this subparagraph are not enforceable.
- ~~(d)~~(f) Water conserving irrigation equipment and application systems or methods will be used. Examples include the use of controllers with water budget features, utilizing the appropriate spray heads, surge irrigation, low pressure sprinkler, drip irrigation, non-leaking pipe, etc.
- ~~(e)~~(g) Leak-detection, repair and water-loss control. Irrigation system inspections should be done periodically, and necessary adjustments/repairs made to eliminate leaks, overspray or clogging. The irrigation system should be tested for uniformity of spray as well as the application rate. –Irrigation testing should be conducted for each area capable of independent control.
- ~~(f)~~(h) Irrigation Testing and Scheduling. Maintenance zones shall be identified, and irrigation schedules including frequency and duration should be developed for these zones. Irrigation scheduling will be adjusted, at minimum, quarterly, to reflect changes in seasonal irrigation requirements.
- ~~(g)~~(i) Equipment Upgrades. Equipment upgrades should be implemented where technically and economically feasible. –Examples of upgrades include automatic controllers, rain shut-off devices, soil moisture monitors, and installation of water conserving irrigation equipment (e.g., drip systems, bubblers).
- ~~(h)~~(j) Future Conversions. Where feasible, landscape areas should be converted to low maintenance, low water use plantings. – In addition, customer should identify and evaluate opportunities for land improvements for retaining or reducing runoff, and increasing the infiltration of rain and irrigation water including, but not limited to, land leveling, terracing, and weed control.
- ~~(i)~~(k) Alternative Water Supplies. Customers must consider the use of alternative water supplies and/or wastewater reuse to supplement water supply needs and state whether ~~or not~~ it is an appropriate water supply option.
- ~~(j)~~(l) Water Direct Reuse and Recycling. Where appropriate, the customer should identify and evaluate opportunities for tailwater recovery and reuse.

76.3. Irrigation Water Use for Resale by Customer. This section applies to customers that sell water for irrigation use to ultimate consumers for compensation. –Customers shall develop a plan that includes water conservation measures using the applicable elements of these rules. –These measures include, but are not limited to, development of a baseline profile and implementing a non-promotional water use rate, a metering and leak detection program for the irrigation system, and a customer education program.

76.4. Other Approved Water Conservation Plans. A water conservation plan prepared and approved in the last five ~~(5)~~ years by LCRA, ~~the Texas Commission on Environmental Quality TCEQ~~ or ~~the Texas Water Development Board TWDB~~ and substantially meeting the requirements of these rules as determined by LCRA may be substituted for development of a plan to meet LCRA rules.

CHAPTER ~~87~~: **OTHER WATER USES**

87.1. General. A water conservation plan for any other purpose or use not covered in these rules

shall provide information where applicable about these practices, techniques, and technologies that will be used to reduce the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water.

CHAPTER 98: REPORTING REQUIREMENTS AND IMPLEMENTATION

98.1. Water Conservation Coordinator. All customers must designate a water conservation coordinator who will be responsible for implementing the customer's approved water conservation plan, completing progress reports, and coordinating conservation activities with LCRA.

98.2. Progress Report Schedule.

- (a) Progress Reports. All customers must complete progress forms distributed by ~~the~~ LCRA that will assess overall progress and success of customer conservation programs. ~~The surveys will be distributed in the first quarter of each year, and January. Customers must return the forms within 30 days.~~ ~~and~~ LCRA will use this information in its annual reports to the TCEQ.
- (b) Plan Updates and Amendments. Water Conservation Plans ~~should~~ shall be updated every five years, at a minimum, to reflect conditions associated with the use of water that have changed since the plan was first adopted or as otherwise required in the previous chapters. ~~Any amendments to these rules that occurred after the customer's plan was adopted shall be included in the updated plan.~~

98.3. Content of Progress Reports. LCRA will develop a report form for customers to complete. This report shall include the following:

- (a) Measures Implemented. ~~A description of specific measures implemented. These measures will match measures included in customer's water conservation plan.~~
- (b) Results of Conservation Measures. Customers should report on any observed change in water use and water demand, economic savings, and public response that occurred ~~as a result of~~ because of implementing these measures.

98.4. Implementation of Plans. The customer agrees to commence implementation of the water conservation programs listed in the water conservation plan not later than the commencement of diversion of water pursuant to the water sale contract. ~~The customer agrees to continue these programs for the duration of the contract, and/or utility service agreement, with LCRA. Failure of the customer to implement said water conservation plan may result in LCRA taking legal action to require compliance.~~

98.5. Amendment to Rules. LCRA may, from time to time, amend these rules to reflect advances in water conservation measures or changes in state or federal regulations. ~~LCRA will notify customers of proposed amendments to these rules, and customer input will be solicited for any and all proposed amendments. Any proposed amendments will be presented to the LCRA Board of Directors and will be subject to approval by the Board.~~

Attachment 1: Landscape Conservation Standards

These standards are similar to the Greater Austin Homebuilder “Sensible Landscaping for Central Texas” guidelines developed with significant input from the LCRA. -The standards are meant to provide builders and homeowners with a well_-designed, water_-efficient landscape. -The standards can be adopted through ordinance, deed restriction or covenant where economically feasible and allowed by federal, state and local law.

Design

- A. No more than 50% or up to 7,000 square feet of the landscape shall be planted in turf. Longer leaved native grasses and wildflowers that use low amounts of water are not considered turf grass when determining how much turf grass is allowed.
- B. Automatic spray irrigation for each home/business shall be limited to 2.5 times the foundation footprint, with a 12,000_-square-foot maximum. -The footprint may include both the house and the garage, but not the driveway or patio.

Soil

- A. There shall be no less than **6 inches** of high-quality topsoil in planted areas.
- B. Topsoil shall be native soil from the site, or fertile, friable, blended soil/compost blend. Topsoil shall not be of any admixture of subsoil or slag and shall be free of stones over 1-½ inches in diameter, lumps, refuse, plants or their roots, sticks, noxious weeds, salts, soil sterilants or other material that is detrimental to plant growth. If topsoil is delivered, it shall be obtained from a well-drained site that is free of flooding. Topsoil shall not be delivered or spread while in a muddy condition.
- C. Non-native topsoil shall contain not less than 25 percent organic matter (compost) that is blended through the soil.
- D. Topsoil that is added to the site shall be incorporated into the existing surface in a two_- to three-inch scarified transition layer to enable water to drain adequately through the different types of soil.- Do not scarify within the drip line of existing trees that are to be retained.

Irrigation

- A. Automated irrigation systems shall not be required in any new landscape. -However, if irrigation is installed it shall meet the guidelines outlined in this section.
- B. All irrigation systems shall be installed in accordance with state law, Title 2 Texas Water Code, Chapter 34, and Title 30 Texas Administrative Code, Chapter 344 rules, as regulated and enforced by [the Texas Commission on Environmental Quality \(TCEQ\)](#).- Irrigation contractors who install the irrigation systems must be TCEQ-~~L~~-Licensed ~~i~~rrigators.
- C. Drip irrigation shall be used for all irrigated landscaped areas, excluding turf. -Turf can be irrigated with drip, but drip irrigation is not required.
- D. Areas planted with turf shall be on separate zones from areas planted with shrubs, trees or perennials_.
- E. Hydrozoning of all areas that are irrigated automatically will be scheduled with plants with similar watering needs_.
- F. All automatic irrigation systems are required to have a rain sensor, a soil moisture sensor and/or a weather sensor connected to an irrigation controller ~~in order~~ to stop the irrigation

cycle during and after a rainfall event. Rain sensors are to be installed in a location where rainfall is unobstructed. -Rain sensors should be adjusted at the $\frac{1}{4}$ -inch setting.

- G. Sprinkler irrigation is prohibited in median strips, parking islands and all landscape areas less than 10 feet from curb to curb or 10 feet in width. Areas less than 10 feet curb-to-curb or 10 feet in width can be irrigated with low-volume irrigation. Low-volume irrigation (subsurface drip irrigation or drip irrigation) shall be installed in long landscape strips less than 10 feet in width to avoid runoff and overspray onto the hardscape.
- H. All new residential irrigation systems are required to have pressure regulation where static operating pressure exceeds the sprinkler manufacturer's recommended operating range to eliminate extensive misting. These may include in-line pressure regulators, flow control valves, or sprinkler devices equipped with pressure regulation stems or nozzles.
- I. Irrigation systems are to have a controller that features multiple start times, rain sensor capability, a water budget feature, and a non-volatile memory in case of power outage.
- J. Scheduling recommendations shall be posted inside or immediately near the controller enclosure box for easy reference.
- K. Homeowners shall be provided with a complete irrigation plan (or as-built drawing) that describes the location of each irrigation zone, control valves, and sprinkler devices.
- L. Sprinkler systems shall be designed with no overspray onto the hardscape.
- M. Sprinkler zones located at the bottom of sloped terrain along curbs, sidewalks, driveways, and other hardscapes should be equipped with devices that prevent low-head drainage after the sprinkler zone is turned off. -In-line check valves and sprinkler heads with check valves already installed will help prevent low-head drainage.

Plant Choice

- A. Plants used must be native and drought tolerant.
- B. Turf grasses should be limited to low water use turfs. -St. Augustine grasses should not be planted.
- C. Invasive ~~p~~Plants, ~~Invasive plants~~ shall not be used.

Plant Prepping

- A. A hole dug for the plant or tree should be two to three ~~2-3~~ times wider than the container or root ball in which ~~that~~ the plant is being stored in, ~~in,~~ ensuring water is able to be absorbed by the plant's roots.
- B. ~~Make sure that~~ the existing soil should be ~~has been~~ blended with compost before the sodding or seeding with the recommended turfgrass.

Plant Placement and Spacing

Proper plant placement and spacing is critical to plant health and long-term landscape quality. Placing pPlants placement too close to buildings can cause problems with plant disease, as well as insect and structural problems. -Proper plant spacing helps ~~ensures~~ good air flow and room for plants to mature without crowding.- Consider the mature height and width of plants before planting them.

Mulch

- A. All areas planted with trees, perennials and shrubs shall be finished with a ~~2 to 4 inch deep~~ **2- to 4-inch-deep** layer of high-quality 50/50 blend of organic mulch and compost blend.
- B. Wood chip mulch shall be clean wood chips free of man-made debris, shredded into coarse pieces ranging ~~from in size from 1 inch~~ to 3 inches.
- C. Rock mulch shall be used in planting beds only as temporary mulch until full plant coverage is achieved, or as permanent mulch in areas with native shrubs and perennials.

Maintenance

- A. Replenish mulch/compost blend in non-turf areas every two years at a minimum. Doing so during the fall and spring is recommended.
- B. Aerate turfgrass within the first year of construction and twice a year after that (~~about Oct. eber~~ **about** Oct. eber 1 and March 1).
- C. Topdress turfgrass areas with quality compost twice a year (~~about Oct. eber~~ **about** Oct. eber 1 and March 1) at a depth of ~~¼ - to ½ inch to 1/2~~ inch following the aeration and drag or rake it into the canopy and aeration holes.
- D. Set the automatic irrigation system back to a normal schedule after the establishment period.

Attachment 2: New Pool Construction Standards

- A. Private residential swimming pools shall not be installed with sand media filters.
- B. Pool water features installed with public swimming pools or private residential swimming pools must be designed so ~~that~~ the water feature can be turned off without affecting the filtering capabilities of the pool. Automatic pool fill features must be designed so ~~that~~ they ~~can~~~~may~~ be turned off ~~in~~~~(for~~ both public ~~swimming pools~~ and private residential swimming pools).
- C. Pools with shared water between the pool and spa shall be designed so ~~that~~ water can be shared without the necessity of an above-ground water feature that cannot be turned off. If a water feature between the spa and the pool exists, the default setting will be for it to be turned off.
- D. Automatic pool fill features must include an automatic pool shut-off feature.
- E. Vanishing or negative edge pools must be designed with catch basins large enough to prevent splashing that leads to increased water use.
- F. Backwash systems must be designed so they may be turned off.
- G. Pool skimmers should be managed in such a way as to minimize water consumption. The range of allowable water within the skimmer fill range should allow for several inches of evaporative loss prior to filling.
- H. All residential swimming pools shall have a hose end timer installed at the nearest hose bib location. In addition, a hose bib back-flow prevention device ~~must~~~~will~~ be connected to the hose bib fixtures nearest to the pool.
- I. All residential swimming pools shall be installed with a permanent automatic pool cover to minimize evaporative loss when not in use.