

Drought Contingency Plan

for

**San Jacinto River Authority
GRP Division**

Prepared by

San Jacinto River Authority

Adopted: March 27, 2014

This page intentionally left blank.

Table of Contents

<u>Section</u>	<u>Page</u>
Section 1. Introduction.....	1-1
Section 2. Utility and Service Area Description	2-1
2.1 Utility Description	2-1
2.2 Service Area Description	2-2
Section 3. Drought Contingency Plan.....	3-1
3.1 Drought Contingency Plan – GRP Division	3-1
3.2 Trigger Conditions – Initiation and Termination.....	3-1
3.3 Notification of Initiation and Termination.....	3-4
3.4 Drought Response Stages.....	3-5
3.5 Pro Rata Water Allocation	3-6
3.6 Compliance Metrics	3-6
3.7 Public Involvement	3-7
3.8 Procedures for Granting Variances	3-7
3.9 Implementation and Enforcement.....	3-8
3.10 Coordination with Regional Water Planning Group.....	3-8
3.11 Updating of the Plan	3-8
 <u>Tables</u>	
Table 2-1. Projected Year 2016 GRP Participant Water Demand.....	2-7
 <u>Figures</u>	
Figure 1-1. Watershed Area and Facility Locations	1-3
Figure 2-1. GRP Division Customers	2-5
 <u>Appendices</u>	
Appendix A – Resolutions Passed by SJRA, Transmittal Letter to Region H RWPG	

This page intentionally left blank.

Section 1. Introduction

In 1996, severe drought conditions affected every region of the State. Water systems throughout the State were forced to cope with water shortages or system capacity problems. In response to the 1996 drought, the 75th Texas Legislature enacted Senate Bill 1, which directed the State to take a regional approach to water planning. One of the provisions of the legislation required the Texas Commission on Environmental Quality (TCEQ) to adopt rules requiring wholesale and retail public water suppliers to develop water conservation and drought contingency plans.¹

Water conservation and drought contingency plans work together to help Texans manage short-term and long-term water shortages. The goal of a water conservation plan is to achieve lasting, long-term improvements in water use efficiencies using strategies to reduce the amount of water withdrawn from a particular source, and to ensure that the water withdrawn is used in an efficient manner. Drought contingency plans are short-term in nature, using temporary supply and demand management measures in response to temporary and potentially recurring water shortages and other emergencies.

The San Jacinto River Authority (SJRA), as a water right holder and wholesale water supplier, is required to submit a Water Conservation and Drought Contingency Plan to the TCEQ and Texas Water Development Board (TWDB). SJRA was created by the Texas Legislature in 1937 to:

“Provide water for domestic, municipal, commercial, industrial and mining purposes within and without the watershed of [the San Jacinto River], including water supplies for cities, towns and industries, and in connection therewith to construct or otherwise acquire water transportation, treatment and distribution facilities and supplemental sources of water.”²

The SJRA watershed includes all of Montgomery County and portions of Waller, Grimes, Walker, San Jacinto, and Liberty Counties (Figure 1-1). The SJRA also serves customers in the Houston area and is authorized to operate in east Harris County through an agreement with the City of Houston.

SJRA provides both surface water and groundwater to its customers. In 2001, the Texas Legislature created the Lone Star Groundwater Conservation District (LSGCD) to conserve, protect, and enhance the groundwater resources of Montgomery County. Scientific studies conducted by the LSCGD confirmed that the demand for groundwater in many places within the county was exceeding what the

¹ Senate Bill 1, 75th Legislature, Section 12.1272 of the Texas Water Code.

² House Bill No. 832, 45th Legislature, Regular Session, Austin, TX, 1937.

aquifers could sustainably yield, and water levels were declining. Modeling of future population and water demand showed that the projected impacts of continued reliance on groundwater would soon create significant water-level declines and severe problems for water suppliers in Montgomery County. As a result of this study, the LSGCD has developed groundwater reduction goals for users in Montgomery County. The SJRA is committed to meeting these goals as it converts from primarily groundwater use to more surface water use.

The following is provided as the Drought Contingency Plan (including utility description, service area description, and drought measures) for the GRP Division (the Division). The Division's Water Conservation Plan is provided under separate cover.

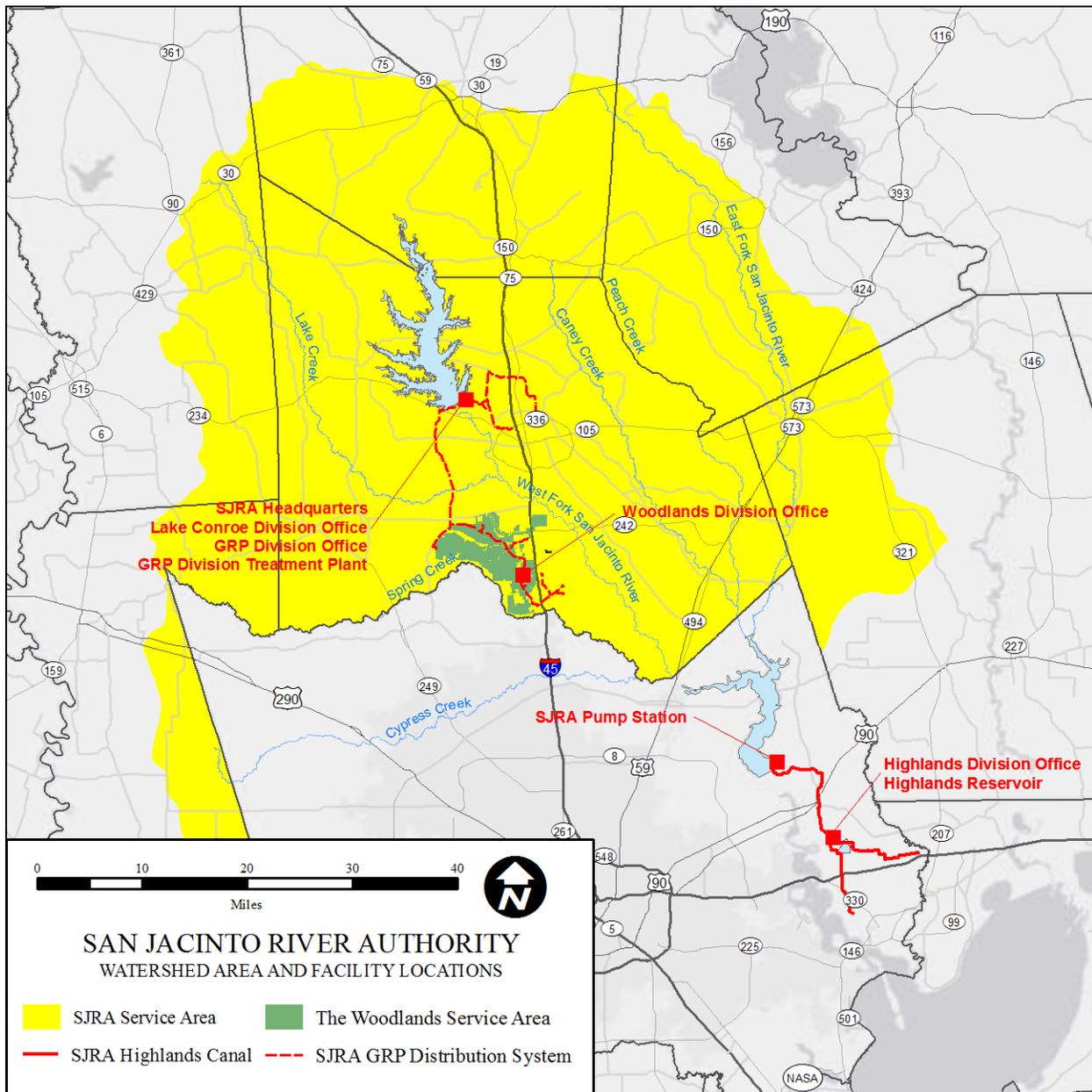


Figure 1-1. Watershed Area and Facility Locations

This page intentionally left blank.

Section 2. Utility and Service Area Description

2.1 Utility Description

The Division's goal is to provide treated surface water to its GRP Participants in such a way that allows the participants to meet the groundwater reduction requirements mandated by Phase II(B) of the Lone Star Groundwater Conservation District (LSGCD) District Regulatory Plan (DRP). Through their research and permitting efforts, LSGCD determined that groundwater production in Montgomery County exceeded the sustainable recharge rate and in response established certain requirements to reduce groundwater use. Phase I of the LSGCD DRP, which was adopted in 2006, established a target for sustainable production. DRP Phase II(A) was adopted in 2008 and required entities or groups of entities permitted to produce 10,000,000 gallons per year of groundwater (Large Volume Groundwater Users, or LVGUs) to assess future water needs and potential alternative supplies. Phase II(B) of the DRP requires that all LVGUs either individually or in conjunction with others reduce their groundwater production to not more than 70% of their year 2009 permitted production (Total Qualifying Demand) no later than January, 2016. This drought contingency plan will be applied equally to the entirety of the Division service area, including participants that will be receiving surface water and those that will remain on groundwater.

In order to achieve this goal, the Division will treat and distribute water to over-convert certain selected GRP Participants to surface water in order to achieve the overall target reduction for the GRP service area while other GRP Participants will continue to utilize groundwater to meet the entirety of their water needs. This approach ensures the most cost-effective solution to the problem of groundwater reduction. Infrastructure required to serve selected GRP Participants, including a surface water treatment plant and distribution pipeline system, is currently in development. The Division is scheduled to begin actively providing surface water on a wholesale basis before January 1, 2016 in order to meet LSGCD requirements. Although not all GRP Participants will receive surface water from the Division, this drought contingency plan will be applied equally all GRP Participants.

SJRA operates Lake Conroe, one of two major surface water supply reservoirs located in the San Jacinto River Basin. Completed in 1973, Lake Conroe is owned by SJRA and the City of Houston. SJRA owns one-third and the City of Houston owns two-thirds of the total 100,000 acft/yr permitted water rights from the lake under Certificate of Adjudication (COA) 10-4963. Lake Houston, which is owned by the City of Houston, is the other surface water supply reservoir in the basin.

SJRA's portion of the Lake Conroe water right plus a long-term water supply contract with the City of Houston for its water in Lake Conroe will be used by the Division to meet the needs of its GRP Participants. The SJRA's water right for Lake Conroe (33,333 ac-ft/yr) is permitted for multiple uses. The Division will serve municipal customers when it begins actively supplying wholesale surface water.

2.2 Service Area Description

The approximately 2,314-square mile SJRA watershed area of the San Jacinto River Basin is bounded on the north and the east by the Trinity River Basin and the Trinity-San Jacinto Coastal Basin, on the west by the Brazos River Basin, and on the south by Harris County. However, the GRP Participants are located in Montgomery County. A map of the Division, showing the location of the Participants, is provided below (Figure 2-1). Prior to the LSGCD conversion deadline of January 1, 2016 the Division will begin to supply select GRP Participants with water from Lake Conroe, with additional GRP Participants served with Lake Conroe supplies for subsequent conversion phases of implementation. Other GRP Participants will continue to utilize their current groundwater sources. Some GRP Participants may potentially also utilize other alternative water sources (Catahoula Formation groundwater, reuse, etc.) in conjunction with existing groundwater supplies or treated surface water. The Division does not own or operate wastewater infrastructure.

Prior to the surface water conversion, SJRA does not actively provide treated surface water to GRP Participants and thus in 2013 there was no actual usage of contract supplies. Table 2-1 summarizes estimated GRP Participant water use by source for 2016, when SJRA will begin to actively supply treated surface water to selected GRP Participants. It is anticipated that total GRP Participant water demand at that time will be 63.20 MGD, of which 23.95 MGD is expected to be met by SJRA treated surface water.

The Division's service area is distributed across an extensive portion of Montgomery County, encompassing a large number of the communities south and east of Lake Conroe. The Division's infrastructure will reach GRP Participants through a phased development process, with the first phase of water distribution pipelines installed and operational prior to the LSGCD conversion deadline of January 1, 2016. The first phase will provide treated Lake Conroe water supplies to the City of Conroe, The Woodlands, and several adjacent entities. Additional GRP Participants will be served in future phases by expansion of the transmission system. As of 2013, the Division included 141 GRP Participants. The largest participants are The Woodlands and the City of Conroe.

The Woodlands is a master-planned community located in southern Montgomery County and is made up of 11 individual Municipal Utility Districts (MUDs) that operate as a single entity through The Woodlands Joint Powers Agency (WJPA), in addition to a twelfth MUD that is not a part of the WJPA. The WJPA provides retail water and wastewater service to The Woodlands and purchases wholesale groundwater and Wastewater treatment services from SJRA through the SJRA Woodlands Division. While The Woodlands will receive treated surface water from the GRP Division by the LSGCD conversion deadline of 2016, The Woodlands MUDs will continue to be wholesale groundwater customers of the SJRA Woodlands Division.

The City of Conroe is the county Seat of Montgomery County and is located southeast of Lake

Conroe near the intersection of IH-45 and Hwy 105. Conroe has grown rapidly in recent years, increasing in population from 36,811 in Year 2000 to 56,207 by Year 2010. Other GRP Participants include the cities of Cut and Shoot, Magnolia, Oak Ridge North, Splendora, Willis, and Woodbranch, as well as numerous MUDs, water utilities, and communities.

This page intentionally left blank.

This page intentionally left blank.

Table 2-1. Projected Year 2016 GRP Participant Water Demand

Use Type	Treated Surface Water (MGD)	Groundwater (MGD)	Brackish Groundwater (MGD)	Reuse (MGD)	Total
Municipal	23.95	38.46	0.43	0.35	63.20
Industrial	0.00	0.00	0.00	0.00	0.00
Agricultural	0.00	0.00	0.00	0.00	0.00
Total	23.95	38.46	0.43	0.35	63.20

A full description of the Division's customer information can be found under separate cover in the Division's Water Conservation Plan.

This page intentionally left blank.

Section 3. Drought Contingency Plan

Drought, or a number of other uncontrollable circumstances, can disrupt the normal availability of water supply. Even though an area may have an adequate water supply, the supply can become contaminated, or a disaster can disrupt or destroy the supply. During drought periods, consumer demand is often significantly higher than normal. The failure or inadequacy of the treated water delivery system also can present a utility with an emergency demand management situation.

It is important to distinguish between drought contingency planning and water conservation planning. As detailed in the Division's Water Conservation Plan, water conservation involves implementing permanent water use efficiencies or reuse practices. Drought contingency planning establishes temporary methods or techniques to be used only as drought and/or emergency conditions persist.

The SJRA has developed a drought contingency plan with regard to the wholesaling of treated surface water from Lake Conroe to the Participants of the GRP Division, whether the source of water is surface water from Lake Conroe, groundwater, reuse supplies, and any other supplies used by GRP Participants. The provisions and requirements of this plan apply to all GRP Participants, whether or not the Participants make direct use of the surface water provided from Lake Conroe.

3.1 Drought Contingency Plan – GRP Division

In order to conserve the available water supply and/or protect the integrity of water supply facilities during water supply shortages or other supply emergency conditions that can have adverse effects on its GRP Participants, SJRA has developed the following drought contingency plan elements.

3.2 Trigger Conditions – Initiation and Termination

SJRA provides treated surface water from Lake Conroe to Participants of the GRP Division. For this plan, the drought stage of the SJRA Lake Conroe Division is the indicator of drought conditions in the Division and will be used as the basis for initiating and terminating drought stages. Participants that are not receiving water from Lake Conroe will also abide by these drought triggers in order to continue to meet the groundwater reduction goals.

As discussed in Section 2 of this drought contingency plan, SJRA's portion of the Lake Conroe water right plus a long-term water supply contract with the City of Houston for its water in Lake Conroe will be used by the Division to meet the needs of its GRP Participants. The Division is currently anticipated to serve municipal customers when it begins actively supplying wholesale treated surface water. Until the Division begins actively supplying wholesale treated surface water, GRP Participants will

continue to use their existing supplies; those GRP Participants not scheduled to receive treated surface water will continue to use their current supplies after the conversion date.

The General Manager of the SJRA or a designated representative will monitor water supply and/or demand conditions on a monthly basis or more frequently as conditions warrant and will determine when conditions warrant initiation or termination of each drought stage. Because SJRA utilizes supplies from Lake Conroe, initiation of drought stages for the Division is based on the initiation of drought stages by the SJRA Lake Conroe Division, which is primarily driven by the water surface elevation of Lake Conroe. The trigger points utilized in the Lake Conroe Division Drought Contingency Plan and in turn by the GRP Division have been selected through a hydrologic modeling process to work conjunctively with the measures identified in Section 3.4 below to extend the availability of critical water supplies while simultaneously achieving the highest practicable level of efficiency in water use from a social and economic standpoint across customer classes. If deemed appropriate by the General Manager or a designated representative, termination of a drought stage is followed by initiation of a lower drought stage. An Emergency Water Supply Condition may be initiated or terminated without subsequent enactment of other stages. The various drought contingency stages may be initiated or terminated at the discretion of the General Manager or a designated representative. Otherwise, initiation and termination of the stages shall be as follows:

Stage 1: Voluntary Reduction

Initiation:

- The SJRA Lake Conroe Division initiates Stage 1 of its Drought Contingency Plan; or
- Termination of a more severe drought condition, if deemed appropriate by the General Manager or a designated representative; or
- Equipment, pipeline, or sample failure deemed by the General Manager or a designated representative to necessitate enacting Stage 1; or
- Monitoring of water demands/weather forecasts indicates that earlier initiation is necessary.

Termination:

- The SJRA Lake Conroe Division terminates Stage 1 of its Drought Contingency Plan; or
- Resolution of equipment, pipeline, or sample failure conditions; or
- Termination of Stage 1 due to indications from monitoring of water demands/weather forecasts.

Stage 2: Moderate Conditions

Initiation:

- The SJRA Lake Conroe Division initiates Stage 2 of its Drought Contingency Plan; or
- Termination of a more severe drought condition, if deemed appropriate by the General Manager or a designated representative; or
- Equipment, pipeline, or sample failure deemed by the General Manager or a designated representative to necessitate enacting Stage 2; or
- Monitoring of water demands/weather forecasts indicates earlier initiation is necessary.

Termination:

- The SJRA Lake Conroe Division terminates Stage 2 of its Drought Contingency Plan; or
- Resolution of equipment, pipeline, or sample failure conditions; or
- Termination of Stage 2 due to indications from monitoring of water demands/weather forecasts.

Stage 3: Advanced Conditions

Initiation:

- The SJRA Lake Conroe Division initiates Stage 3 of its Drought Contingency Plan; or
- Termination of a more severe drought condition, if deemed appropriate by the General Manager or a designated representative; or
- Equipment, pipeline, or sample failure deemed by the General Manager or a designated representative to necessitate enacting Stage 3; or
- Monitoring of water demands/weather forecasts indicates earlier initiation is necessary.

Termination:

- The SJRA Lake Conroe Division terminates Stage 3 of its Drought Contingency Plan; or
- Resolution of equipment, pipeline, or sample failure conditions; or
- Termination of Stage 3 due to indications from monitoring of water demands/weather forecasts.

Stage 4: Severe Conditions

Initiation:

- The SJRA Lake Conroe Division initiates Stage 4 of its Drought Contingency Plan; or
- Equipment, pipeline, or sample failure deemed by the General Manager or a designated representative to necessitate enacting Stage 4; or

- Monitoring of water demands/weather forecasts indicates earlier initiation is necessary.

Termination:

- The SJRA Lake Conroe Division terminates Stage 4 of its Drought Contingency Plan; or
- Resolution of equipment, pipeline, or sample failure conditions; or
- Termination of Stage 4 due to indications from monitoring of water demands/weather forecasts.

Emergency Water Supply Condition

Initiation:

- The SJRA Lake Conroe Division initiates an Emergency Water Supply Condition under its Drought Contingency Plan; or
- Anticipation of a drought condition beyond historical level of severity; or
- System failure in the GRP Division system; or
- Contamination of the water supply has occurred; or
- Equipment, pipeline, or sample failure deemed by the General Manager or a designated representative to necessitate enacting an Emergency Water Supply Condition ; or
- Enactment of Emergency Water Supply Condition initiation due to other factors at the discretion of the General Manager or a designated representative.

Termination:

- The SJRA Lake Conroe Division terminates an Emergency Water Supply Condition under its Drought Contingency Plan; or
- Restoration of the GRP Division system to operational status; or
- Containment or elimination of water supply contamination; or
- Resolution of equipment, pipeline, or sample failure conditions; or
- Termination of Emergency Water Supply Condition due to other factors at the discretion of the General Manager or a designated representative.

Each stage may also be initiated or terminated at the discretion of the General Manager or a designated representative.

3.3 Notification of Initiation and Termination

The General Manager of the SJRA or a designated representative will notify the GRP Participants in writing by electronic mail when a trigger condition has been met. When the trigger conditions that

initiated the drought measures have subsided, the General Manager or a designated representative will inform the GRP Participants in writing by electronic mail. Additionally, TCEQ will be notified within five business days of initiation or termination of drought stages beyond Stage 1. Notification of drought stage initiation or termination will also be posted on the SJRA website.

3.4 Drought Response Stages

The General Manager or a designated representative will monitor water supply and demand conditions, and in accordance with the triggering criteria set forth in Section 3.2 will determine that a water shortage exists, or when an emergency condition exists. The reductions listed below have been selected through a hydrologic modeling process to work conjunctively with the trigger points identified in Section 3.2 above to extend the availability of critical water supplies while simultaneously achieving the highest practicable level of efficiency in water use from a social and economic standpoint across customer classes. The following actions will be taken when a drought stage or Emergency Water Supply Condition is initiated:

Stage 1: Voluntary Reduction

Target: Achieve a voluntary 5% reduction in use

- Contact GRP Participants to discuss situation.
- Request that GRP Participants initiate voluntary measures to reduce water use.

Stage 2: Moderate Conditions

Target: Achieve a 5% reduction in use (October through March)

Achieve a 10% reduction in use (April through September)

- Contact GRP Participants to discuss situation.
- Require GRP Participants initiate mandatory measures to reduce water use by a seasonal 5% or 10%.

Stage 3: Advanced Conditions

Target: Achieve a 10% reduction in use (October through March)

Achieve a 20% reduction in use (April through September)

- Contact GRP Participants to discuss situation and continue to do so on a weekly basis until termination.
- Require GRP Participants initiate mandatory measures to reduce water use by a seasonal 10% or 20%.

Stage 4: Severe Conditions**Target: Achieve a 15% reduction in use (October through March)****Achieve a 30% reduction in use (April through September)**

- Contact GRP Participants to discuss situation and continue to do so on a weekly basis until termination.
- Require GRP Participants initiate mandatory measures to reduce water use by a seasonal 15% or 30%%.

Emergency Water Supply Condition**Target: Subject to scope and nature of emergency**

- If appropriate, notify city, county, and/or state emergency response officials for assistance.
- Assess the severity of the problem and identify actions needed and time required to solve the problem.
- Notify TCEQ within five days of initiation or termination of emergency conditions.
- Inform GRP Participants and discuss possible actions, including but not limited to initiation of actions available under Stages 1 through 4.
- If deemed necessary by the General Manager or a designated representative, impose mandatory water rationing per Texas Water Code (TWC) §11.039 to reduce water demand to a level determined by the General Manager or a designated representative and notify TCEQ.
- Undertake necessary actions, such as repair or cleanup, to resolve issue.

3.5 Pro Rata Water Allocation

If deemed necessary by the General Manager or a designated representative due to a drought or Emergency Water Supply condition, SJRA will initiate allocation of water supplies on a pro rata basis in accordance with TWC §11.039 and the force majeure clause and other relevant terms of the contract in place with each GRP Participant. TWC §11.039 directs that if a shortage occurs due to drought, accident, or other cause in a water supply covered by a TWDB-approved Water Conservation Plan, the entity controlling the supply shall divide the water to be distributed pro rata among all customers.

3.6 Compliance Metrics

The target of Stages 1 through 4 (and in some circumstances an Emergency Water Supply

Condition) is to reduce water use by a certain percentage. Because water demands for GRP Participants change over time and may be impacted by weather conditions or application of drought response measures, a standard approach to defining a Participant's demand must be applied. For the purposes of this drought contingency plan, each Participant's demand shall be determined as that Participant's water use for the preceding two years, averaged for each month. These demanded values will be provided to Participants at the beginning of each year. Participant requests for variances to the provided demand values will be considered at an administrative level through an appeals process as described in Section 3.8.

3.7 Public Involvement

Public involvement measures associated with this drought contingency plan shall include the following:

- Making proposed documents available to the public prior to adoption.
- Posting of notice of an SJRA Board of Directors meeting to include consideration of the plan for adoption.
- Consideration and adoption of the plan by the SJRA Board of Directors at a meeting to be open to the public.

Upon adoption of the plan, the completed drought contingency plan with relevant documentation reflecting adoption will be posted on the SJRA website.

3.8 Procedures for Granting Variances

The General Manager or a designated representative may grant a temporary variance to mandatory measures to reduce water use, to calculated GRP Participant demand as discussed in Section 3.6, or to pro rata water allocation policies if one or more of the following conditions are met:

- Failure to grant such variance would cause an emergency condition adversely affecting the public health, welfare, or safety.
- Compliance with this plan cannot be technically accomplished during the duration of the water supply shortage or other conditions for which the plan is in effect.
- Alternative methods can be implemented which will achieve the same level of reduction in water use.

The decision to grant or deny such a variance is at the discretion of the General Manager or a designated representative. Persons or entities requesting an exemption from the provisions of this plan shall file a written petition for variance with the General Manager within five business days after the mandatory measures to reduce water use or the pro rata allocation has been invoked. Once received, the General Manager or a designated representative will have five business days to respond, in writing, to a

petition for variance.

3.9 Implementation and Enforcement

The SJRA General Manager or a designated representative will be responsible for implementation and enforcement of the drought contingency plan. During any period when pro rata allocation of available water supplies is in effect, the General Manager or a designated representative has the authority to discontinue service to any GRP Participant who fails to comply with the conditions of the allocation, declaring the customer in breach of contract. Prior to discontinuance of service, the General Manager or a designated representative will issue a warning to the GRP customer, and work with the Participant to ensure that they are complying with the restrictions. In the event the GRP customer fails to voluntarily comply, a court injunction will be obtained for violation of the Texas Water Code and for breach of contract.

Once notified of initiation of a drought stage with mandatory demand reduction, GRP Participants are required to reduce their water use in accordance with the appropriate stage as described above. In order to promote compliance with the drought contingency plan, the General Manager or a designated representative may enact a special temporary drought contingency rate structure with certain non-promotional rates for each drought stage. GRP Participants failing to comply with mandatory demand reductions may also be subject to disincentive fees and be required to reimburse SJRA for any costs, fines, or penalties incurred by SJRA as a result of the Participant's noncompliance. This includes, but is not limited to, penalties incurred due to failure to meet LSGCD groundwater reduction requirements caused by customer noncompliance with drought restrictions. Enforcement actions, including penalties, will not be put into place until 30 calendar days after a drought stage is initiated.

3.10 Coordination with Regional Water Planning Group

The Highlands Division is located within the Region H Regional Water Planning Area. In accordance with TCEQ rules, SJRA has provided a copy of the Highlands Division drought contingency plan to the Region H Regional Water Planning Group. A copy of the transmittal letter is included in Appendix A.

3.11 Updating of the Plan

No less than once a year, SJRA will examine the Division operations to determine if trigger conditions need to be re-established. Any updates will result in a revised drought contingency plan. The drought contingency plan for the Division has been adopted by a resolution of the Board of Directors of SJRA. A copy of the resolution is included in Appendix A.

Appendix A
Resolutions Passed by SJRA
Transmittal Letter to Region H RWPG

This page intentionally left blank.

RESOLUTION ADOPTING REVISED WATER CONSERVATION PLANS AND DROUGHT CONTINGENCY PLANS; AUTHORIZING THE IMPLEMENTATION OF SUCH REVISED PLANS; REPEALING AND RESCINDING ALL PRIOR PLANS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the San Jacinto River Authority (the "Authority") has water rights issued by the Texas Commission on Environmental Quality and its predecessor agencies (collectively, the "TCEQ") to divert water from the San Jacinto River and Trinity River basins; and

WHEREAS, the Authority, by and through its Highlands Division, owns and operates water supply and distribution systems and facilities, including the Lake Houston Pump Station, Highlands Reservoir, and Highlands Canal System, in order to sell and deliver water out of such rights to certain customers generally located in eastern Harris County; and

WHEREAS, the Authority also owns an interest in Lake Conroe Dam and Reservoir, located in Montgomery and Walker Counties ("Lake Conroe") upstream on the San Jacinto River from the Lake Houston Reservoir, and holds certain contract rights and water rights issued by the TCEQ to divert or release and use water from Lake Conroe; and

WHEREAS, the Authority, by and through its Lake Conroe Division, operates Lake Conroe and sells water out of such rights to customers located in Montgomery County, generally in close proximity to Lake Conroe; and

WHEREAS, the Authority, by and through its Woodlands Division, owns and operates an extensive water supply and distribution system and facilities for providing regional, wholesale services to customers in the area of The Woodlands; and

WHEREAS, the Authority, by and through its Groundwater Reduction Plan Division (the "GRP Division"), is presently in the process of constructing a surface water treatment facility and transmission system that will withdraw water from Lake Conroe for treatment, distribution and sale to its Woodlands Division and certain other customers; and

WHEREAS, in connection with the management of such facilities, systems and operations, the Authority has previously adopted a Water Conservation and Drought Contingency Plan (the "Plan") in accordance with the requirements of Chapter 11, Texas Water Code, as amended, and the rules of the TCEQ under Chapter 288 of Title 30, Texas Administrative Code, as amended; and

WHEREAS, the Board of Directors of the Authority has determined that it is in the public interest to revise and replace the Plan; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JACINTO RIVER AUTHORITY, THAT:

Section 1: The Plan, as previously adopted and amended by the Authority, is hereby repealed and rescinded in its entirety.

Section 2: The Board of Directors of the Authority hereby approves and adopts the revised water conservation and drought contingency plans, each dated as of the date hereof, titled as follows: *Water Conservation Plan for San Jacinto River Authority Highlands Division; Drought Contingency Plan for San Jacinto River Authority Highlands Division; Water Conservation Plan for San Jacinto River Authority Lake Conroe Division; Drought Contingency Plan for San Jacinto River Authority Lake Conroe Division; Water Conservation Plan for San Jacinto River Authority Woodlands Division; Drought Contingency Plan for San Jacinto River Authority Woodlands Division; Water Conservation Plan for San Jacinto River Authority GRP Division; and Drought Contingency Plan for San Jacinto River Authority GRP Division* (collectively, the "Revised Plans").

Section 3: The Revised Plans, together with any amendments thereto which may be made from time to time, shall be maintained on file in the official records of the Authority and filed, as appropriate, with the TCEQ, the Texas Water Development Board and any other agencies with jurisdiction.

Section 4: It shall be the policy of the Authority that the programs and procedures set forth in the Revised Plans be implemented immediately. The General Manager of the Authority shall report to the Board of Directors of the Authority and other interested agencies annually on the implementation and effectiveness of the Revised Plans in accordance with the procedures set forth in the Revised Plans.

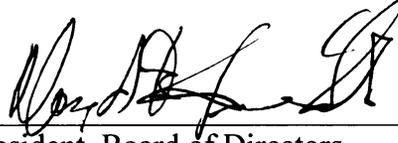
Section 5: The General Manager of the Authority is hereby designated as the official responsible for implementation of the Revised Plans in accordance with the guidelines set forth in the Revised Plans.

Section 6: It shall be the policy of the Authority to support and assist its wholesale and retail customers in (1) designating their pre-assigned officials as having the responsibility and authority to implement the Revised Plans, (2) allowing for enforcement of the Revised Plans, and (3) providing civil penalties for noncompliance with the Revised Plans.

Section 7: It shall be the policy of the Authority that the *Water Conservation Plan for San Jacinto River Authority GRP Division* and the *Drought Contingency Plan for San Jacinto River Authority GRP Division* establish minimum requirements which shall be adopted, respectively, in a water conservation plan and a drought contingency by each participant in the Authority's Groundwater Reduction Plan. The General Manager of the Authority and the GRP Administrator are hereby authorized and directed to take such actions as are deemed necessary and appropriate to ensure that the participants in the Authority's Groundwater Reduction Plan (the "Participants") adopt water conservation plans and drought contingency plans that are reasonably determined to meet or exceed such minimum requirements. Further, it shall be the policy of the Authority to support and assist the Participants in (1) adopting such water conservation plans and drought contingency plans, and (2) implementing and enforcing such water conservation plans and drought contingency plans.

Section 8: This Resolution shall be and remain in full force and effect from and after the date of its passage and approval.

PASSED AND APPROVED this 27th day of March, 2014.



President, Board of Directors



Secretary, Board of Directors

(SEAL)



San Jacinto River Authority

ADMINISTRATIVE OFFICE
P.O. Box 329 • Conroe, Texas 77305
(T) 936.588.3111 • (F) 936.588.3043

March 31, 2014

Region H Water Planning Group
c/o San Jacinto River Authority
P. O. Box 329
Conroe, Texas 77305

Re: Water Conservation and Drought Contingency Plans

Dear Region H;

Please find enclosed one (1) copy of the revised Water Conservation and Drought Contingency Plans for the Lake Conroe, GRP, Woodlands and Highlands Divisions of San Jacinto River Authority. The Woodlands Division is the wholesale provider of water to the eleven municipal utility districts (MUDs) that comprise The Woodlands. The Woodlands Joint Powers Agency is the retail provider of water to these MUDs and will submit its Water Conservation and Drought Contingency Plans separately. These revisions have been initiated to meet the regulatory requirement to update and submit the plans by May 1, 2014.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Ronald D. Kelling, P.E.
Deputy General Manager
San Jacinto River Authority

LAKE CONROE DIVISION
P.O. Box 329
Conroe, Texas 77305
(T) 936.588.1111
(F) 936.588.1114

GRP DIVISION
P.O. Box 329
Conroe, Texas 77305
(T) 936.588.1662
(F) 936.588.7182

WOODLANDS DIVISION
P.O. Box 7537
The Woodlands, Texas 77387
(T) 281.367.9511
(F) 281.362.4385

HIGHLANDS DIVISION
P.O. Box 861
Highlands, Texas 77562
(T) 281.843.3300
(F) 281.426.2877