

# **Water Conservation & Drought Contingency Plan**

**For**

**FORT GRIFFIN SPECIAL UTILITY DISTRICT**

May 2025

Prepared by



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## ATTACHMENTS

<i>Attachment 1</i>	CCN Map
<i>Attachment 2</i>	Public Water Supply Utility Profile, Water Loss Audits, Water Use Survey
<i>Attachment 3</i>	Resolution Adopting Water Conservation and Drought Contingency Plan
<i>Attachment 4</i>	Goals Table
<i>Attachment 5</i>	Letter to Regional Water Planning Group
<i>Attachment 6</i>	Water Agreement

## **WATER CONSERVATION PLAN**

### **1.1 General**

This Conservation Plan has been developed to meet the requirements of 30 TAC §288.2 for Fort Griffin Special Utility District which is a retail and wholesale public water supplier of treated water to residents and commercial businesses located in Shackelford County.

### **1.2 Utility Profile**

Fort Griffin SUD obtains surface water from the City of Albany. The SUD currently provides water to a retail population of approximately 3070 and 999 residential connections with 128 wholesale connections. The wholesale connections provides to a population of 270 and the residential connections provides to a population of 2800 residents.

### **1.3 Water Conservation Goals**

Five year (2025-2030) per capita water usage figures are shown in the table below for residential usage and overall usage. Five and ten-year reductions are also shown for both types. These 5- and 10-year goals are in line with the overall water conservation goals outlined by both the State of Texas and the Region G Planning Group.

	<i>5-yr. avg</i>	<i>5-year (2030) goal</i>	<i>10-year {2035}goal</i>
Residential (gpcd)	47	44	41
Total (gpcd)	84	81	78
Water Loss (gpcd)	21	18	15

### **1.4 Schedule for Implementing Plan to Achieve Targets and Goals**

Fort Griffin SUD will adhere to the following schedule, to achieve the targets and goals for water conservation:

- Production meters shall be tested annually
- The SUD has a meter replacement program includes the monitoring of the accuracy of existing meters annually and replacing meters as needed
- Water audits shall be conducted annually
  - Real water losses shall be identified and corrected
  - Real water losses shall be minimized by replacement of deteriorating water mains and appurtenances by the staff on an on-going basis
- This will be available for viewing at Ft. Griffin SUD Office, the water conservation materials developed

by the staff, materials obtained from the Texas Water Development Board, Texas Commission on Environmental Quality or other sources.

## **1.5 Tracking Targets and Goals**

Ft. Griffin SUD staff shall track targets and goals by utilizing the following procedures:

- Logs shall be maintained for meter calibration, meter testing, and meter replacement programs
- Annual water audits shall be documented and kept in the Utility Department files
- Rates shall be tracked by means of resolutions adopted

## **1.6 Metering Devices**

Purchased water from City of Albany meters the water delivered to Fort Griffin SUD. Production meters are tested regularly and replaced as needed.

## **1.7 Water Use/ Water Loss**

Fort Griffin SUD utilizes a record management program which includes water purchased, water sold, and water loss. In addition, water users and sales are separated into categories of residential and commercial. 99% of the service connections in the water distribution system are metered. Staff visually inspects distribution lines for leaks daily and repairs reported and visually detected leaks in a timely manner. Which together result in an accurate accounting of delivery of water.

## **1.8 Continuing Public Education & Information**

The SUD has available at their main office posted information, pre-printed brochures, etc. pertaining to water conservation, which water customers can view and pickup at their convenience. Fort Griffin SUD also holds monthly board meetings open to the public where questions and comments can be discussed pertaining to water conservation.

## **1.9 Non-Promotional Water Rate Structure**

Fort Griffin SUD has adopted a non-promotional water rate structure as outlined below. With a water rate structure which includes a per thousand-gallon charge, the SUD shifts the cost of supplying water to those customers who use water the most. The rates contained in this plan are subject to change from time to time as deemed appropriate and necessary by the Board.

### **Water Rate Structure:**

#### **Residential Customers**

<u>Monthly Minimum</u>	– \$59.85
0-2,000 Gallons	\$11.00 (per thousand)
2,000-10,000 Gallons	\$14.25 (per thousand)

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10,001-50,000 Gallons \$17.50 (per thousand)  
50,001- and up \$20.00 (per thousand)

**Wholesale Customers**

Monthly Minimum – \$59.85  
Per 1,000 Gallons \$14.00

**1.10 Enforcement Procedure & Plan Adoption**

This water conservation and drought contingency plan has been adopted by the Board on \_\_\_\_\_ and a copy of the resolution adopting the Plan is included in Attachment #2. The adopted Plan will be enforced by Fort Griffin SUD by providing water service only to customers complying with the Plan and discontinuing service to customers who do not pay their water bills or refuse to comply with the Plan.

**1.11 Coordination with Region G Planning Group**

The service area of Fort Griffin SUD is located within the Region G water planning area and the SUD has provided a copy of this water conservation plan to Region G Planning Group. A copy of the cover letter is provided in Attachment #3.

**1.12 Plan Review and Update**

Fort Griffin SUD will review and update this water conservation and drought contingency plan, as needed, based on new or updated information, such as adoption or revision of the regional water plan. The water conservation plan will be updated again before May 1, 2030 and every five (5) years thereafter.

## **2.0 DROUGHT CONTINGENCY PLAN**

### **2.1 Declaration of Policy, Purpose, and Intent**

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, Fort Griffin SUD hereby adopts the following regulations and restrictions on the delivery and consumption of water through a resolution(see Attachment 4).

Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section 2.11 of this Plan.

### **2.2 Threshold Conditions**

Threshold conditions have been established for the critical situations listed above. They correspond to mild, moderate, and severe occurrences. Fort Griffin SUD will utilize the threshold conditions when determining the degree of urgency for initiation of the Drought Contingency plan. The threshold conditions may be created by one or more of the problems described below or by other conditions which may arise.

The SUD will implement the drought contingency measures, to the degree determined by the triggering conditions when drought, contamination, or disaster conditions occur.

### **2.3 Public Involvement**

Fort Griffin SUD will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of fliers distributed with water bills and by posting information at the District Office in Public View, and by public announcements on our website <https://www.fortgriffinsud.net/> and via our Alert System accessible by phone or email for customer who have signed up for that featured function. Opportunity for the public and our wholesale water customer to provide input into the preparation of the Plan was provided by scheduling and providing public notice of a public meeting to accept input on the Plan.

### **2.4 Water Customer Education**

Fort Griffin SUD will periodically provide the public and wholesale water customers with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by these methods including, but are not limited to public events, press

releases or utility bill inserts, on our website <https://www.fortgriffinsud.net/> , posting notices at nearby City Offices, the Post Office, Bank, and other businesses as deemed necessary. As well as telephoning major water users. Opportunity for the public and our wholesale water customer to provide input into the preparation of the Plan was provided by scheduling and providing public notice of a public meeting to accept input on the Plan.

## **2.5 Coordination with Regional Water Planning Group**

The service area of Fort Griffin SUD is located within the Region G Planning Group and the SUD has provided a copy of this Plan to the Region G Planning Group.

## **2.6 Authorization**

The Vote of the Board, Manager, or his designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Vote of the Board, Manager, or his designee, shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

## **2.7 Application**

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by Fort Griffin SUD. The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

All future wholesale customer contracts or contract extensions to existing wholesale contracts shall include the following provision:

"In the case of a shortage of water resulting from drought, water to be distributed shall be divided in accordance with Texas Water Code §11.039."

## **2.8 Definitions**

For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water,

reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by Fort Griffin SUD.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- (a) Irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (c) Use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) Use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (e) Flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) Use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (g) Use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) Failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- (i) Use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

## **2.9 Criteria for Initiation and Termination of Drought Response Stages**

The Vote of the Board, General Manager, or his designee, shall monitor water supply and/or demand



conditions on a monthly basis and shall determine when conditions warrant initiation or termination of each stage of the Plan. Customer notification of the initiation or termination of drought response stages will be made.

### ***Stage 1 – MILD Water Shortage Conditions***

**Requirements for initiation** – Customers shall be required to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses, as defined in Section 2.8, when:

1. **General Manager or his designee of Fort Griffin SUD recognizes that a mild water shortage condition exists when treated water storage remains between 39-60% capacity for more than 72 continuous hours.**

**Requirements for termination** – Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 24 hours. Fort Griffin SUD will notify its wholesale customers and the media of the termination of Stage 1 in the same manner as the notification of initiation of Stage 1 of the Plan.

### ***Stage 2 - MODERATE Water Shortage Conditions***

**Requirements for initiation** - Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses provided in Section 2.8 of this Plan when:

1. **The General Manager or his designee of Fort Griffin SUD recognizes that a moderate water shortage condition exists when treated water storage remains between 30-38% capacity for more than 48 continuous hours.**

**Requirements for termination** - Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 24 hours. Upon termination of Stage 2, Stage 1 becomes operative. Fort Griffin SUD will notify its wholesale customers and the media of the termination of Stage 2 in the same manner as the notification of initiation of Stage 2 of the Plan.

### ***Stage 3 - SEVERE Water Shortage Conditions***

**Requirements for initiation** - Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan when:

1. **The General Manager or his designee of Fort Griffin SUD recognizes that a severe water shortage condition exists when treated water storage remains between 18-29% capacity for more than 24 continuous hours.**

**Requirements for termination** - Stage 3 of the Plan may be rescinded when all of the conditions listed

as triggering events have ceased to exist for a period of 24 hours. Upon termination of Stage 3, Stage 2 becomes operative. Fort Griffin SUD will notify its wholesale customers and the media of the termination of Stage 3 in the same manner as the notification of initiation of Stage 3 of the Plan.

#### ***Stage 4 - CRITICAL Water Shortage Conditions***

**Requirements for initiation** – Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan when

1. **the General Manager or his designee of Fort Griffin SUD recognizes that a critical water shortage condition exists when treated water storage remains below 18% capacity for more than 24 continuous hours,**

**Requirements for termination** – Stage 4 of the plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 24 hours. Upon termination of Stage 4, Stage 3 of the Plan becomes operative. Fort Griffin SUD will notify its wholesale customers and the media of the termination of Stage 4.

#### ***Stage 5 - EMERGENCY Water Shortage Conditions***

**Requirements for initiation** – Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan when the General Manager or his designee recognizes that a water supply emergency exists based on:

- **Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service; or**
- **Natural or man-made contamination of the water supply source(s).**

**Requirements for termination** – Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 24 hours.

#### ***Stage 6 - WATER ALLOCATION***

**Requirements for initiation** – Customers shall be required to comply with the water allocation plan described in Section IX of this Plan and comply with the requirements and restrictions for Stage 5 of this Plan when

1. **the General Manager or his designee recognizes that a mild water shortage condition exists or when treated water storage remains between 39-60% of capacity for more than 72 continuous hours.**

**Requirements for termination** – Water allocation may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 24 hours.

### **2.10 Drought Response Stages**

The Vote of the Board, General Manager, or his designee, shall monitor water supply and/or demand conditions and, in accordance with the triggering criteria set forth in Section 2.9 of the Plan, shall determine that a Stage 1, 2 or 3 condition exists and shall implement the following actions:

### **Notification**

Notification of the Public: The General Manager or his designee shall notify the public by means of publication in a newspaper of general circulation, direct mail to each customer, on our website <https://www.fortgriffinsud.net/>, and public service announcements.

Additional Notification: The General Manager or his designee shall notify directly, or cause to be notified directly, the following individuals and entities:

1. The Mayor of the City of Moran
2. Stasney and Sons Ranch
3. Fort Griffin State Park
4. Enbridge

### ***Stage 1 Response – MILD Water Shortage Conditions***

Goal: The goal for water use reduction under this drought stage is to limit total treated water use by all system users to less than 0.35 MGD.

Supply Management Measures: Fort Griffin SUD will reduce or discontinue flushing of water mains.

#### Voluntary Water Use Restrictions:

- (a) Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address, box number, or rural postal route number ending in an even number, and Saturdays and Wednesdays for water customers with a street address, box number, or rural postal route number ending in an odd number, and to irrigate landscapes only between the hours of midnight and 10:00 a.m. and 8:00 p.m. to midnight on designated watering days.
- (b) All operations of the Fort Griffin SUD shall adhere to water use restrictions prescribed for Stage 2 of the Plan.
- (c) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

### ***Stage 2 Response – MODERATE Water Shortage Conditions***

Goal: The goal for water use reduction under this drought stage is to limit total treated water use by all system users to less than 0.3 MGD.

Supply Management Measures: Fort Griffin SUD will reduce or discontinue flushing of water mains.

Water Use Restrictions: Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

(a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address, box number, or rural postal route ending in an even number, and Saturdays and Wednesdays for water customers with a street address, box number, or rural postal route number ending in an odd number, and irrigation of landscaped areas is further limited to the hours between midnight and 10:00 a.m. and between 8:00 p.m. and midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

(b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of midnight and 10:00 a.m. and between 8:00 p.m. and midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

(c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of midnight and 10:00 a.m. and between 8:00 p.m. and midnight.

(d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.

(e) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the Fort Griffin SUD.

(f) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours of midnight and 10:00 a.m. and between 8:00 p.m. and midnight. However, if the golf course utilizes a water source other than that provided by the Fort Griffin SUD, the facility shall not be subject to these regulations.

(g) All restaurants are prohibited from serving water to patrons except upon request of the patron.

- (h) The following uses of water are defined as non-essential and are prohibited.
1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
  2. wash down of any buildings or structures for purposes other than immediate fire protection;
  3. dust control;
  4. flushing gutters or permitting water to run or accumulate in any gutter or street; and
  5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

### ***Stage 3 - SEVERE Water Shortage Conditions***

Goal: The goal for water use reduction under this drought stage is to limit total treated water use by all system users to less than 0.25 MGD.

Supply Management Measures: Fort Griffin SUD will reduce or discontinue flushing of water mains.

Water Use Restrictions: All requirements of Stage 2 shall remain in effect during Stage 3 except:

- (a) Irrigations of landscaped areas shall be limited to designated watering days between the hours of midnight and 10:00 a.m. and between 8:00 p.m. and midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.
- (b) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the Fort Griffin SUD.
- (c) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

### ***Stage 4 - CRITICAL Water Shortage Conditions***

Goal: The goal for water use reduction under this drought stage is to limit total treated water use by all system users to less than 0.2 MGD.

Supply Management Measures: Fort Griffin SUD will reduce or discontinue flushing of water mains.

Water Use Restrictions: All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except:

- (a) Irrigations of landscaped areas shall be limited to designated watering days between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.

- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10:00 p.m.
- (c) The filling, refilling, or adding of water to swimming pools, wading pools, and Jacuzzi-type pools is prohibited.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

### ***Stage 5 Response – EMERGENCY Water Shortage Conditions***

Goal: The goal for water use reduction under this drought stage is to limit total treated water use by all system users to less than 0.2 MGD.

Supply Management Measures: Fort Griffin SUD shall reduce or discontinue flushing of water mains.

Water Use Restrictions: All requirements of Stage 2, 3, and 4 shall remain in effect during Stage 5 except:

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

### **2.11 Pro Rata Water Allocation**

In the event that the triggering criteria specified in Section 2.8 of the Plan for Stage 3 - Severe Water Shortage Conditions have been met, the Vote of the Board, General Manager, or his designee, are hereby authorized initiate allocation of water supplies on a pro rata basis in accordance with Texas Water Code Section 11.039 and according to the following water allocation policies and procedures:

- (a) A wholesale customer's monthly allocation shall be a percentage of the customer's water usage baseline. The percentage will be set by Resolution of the Vote of the Board, General Manager, or

his designee, assessment of the severity of the water shortage condition and the need to curtail water diversions and/or deliveries and may be adjusted periodically by Resolution of Fort Griffin SUD as conditions warrant. Once pro rata allocation is in effect, water diversions by or deliveries to each wholesale customer shall be limited to the allocation established for each month.

- (b) The Vote of the Board, General Manager, or his designee, shall provide notice, by certified mail, to each wholesale customer informing them of their monthly water usage allocations and shall notify the news media and the executive director of the Texas Commission on Environmental Quality upon initiation of pro rata water allocation and any implementation of any mandatory provision.
- (c) Upon request of the customer or at the initiative of the Vote of the Board, the allocation may be reduced or increased if, (1) the designated period does not accurately reflect the wholesale customer's normal water usage; (2) the customer agrees to transfer part of its allocation to another wholesale customer; or (3) other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to Fort Griffin SUD Board.

#### **Alternative water sources**

Fort Griffin SUD will investigate alternative water supplies and possible emergency supply sources.

### **2.12 Enforcement**

(a) No person shall knowingly or intentionally allow the use of water from Fort Griffin SUD for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the Vote of the Board, General Manager, or his designee, in accordance with provisions of this Plan.

(b) Any person who violates this Plan shall be punished by a fine of fifty dollars (\$50). Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Vote of the Board, General Manager, or his designee shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, hereby established at one hundred dollars (\$100), per day for each day non-compliance. In addition, suitable assurance must be given to the Vote of the Board, General Manager, or his designee, that the same action shall not be repeated while the Plan is in effect. Compliance with this Plan may also be sought through injunctive relief in the district court.

## **2.13 Variances**

The Vote of the Board, General Manager, or his designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

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

**Persons requesting an exemption from the provisions of this Resolution shall file a petition for variance with Fort Griffin SUD within 10 days after the Plan or 10 days after pro rata allocation has been invoked. All petitions for variances shall be reviewed by the Vote of the Board, General Manager, or his designee, and shall include the following:**

- (a) Name and address of the petitioner(s).
- (b) Purpose of water use.
- (c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- (d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Resolution.
- (e) Detailed statement with supporting data and information as to how the pro rata allocation of water under the policies and procedures established in the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Resolution.
- (f) Description of the relief requested.
- (g) Period of time for which the variance is sought.
- (h) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- (i) Other pertinent information.

**Variances granted by Fort Griffin SUD shall be subject to the following conditions, unless waived or modified by the Vote of the Board, General Manager, or his designee:**

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

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



## **2.14 Wholesale Contracts**

All future wholesale customer contracts or contract extensions to existing wholesale contracts shall include the following provision:

"In the case of a shortage of water resulting from drought, water to be distributed shall be divided in accordance with Texas Water Code§11.039."

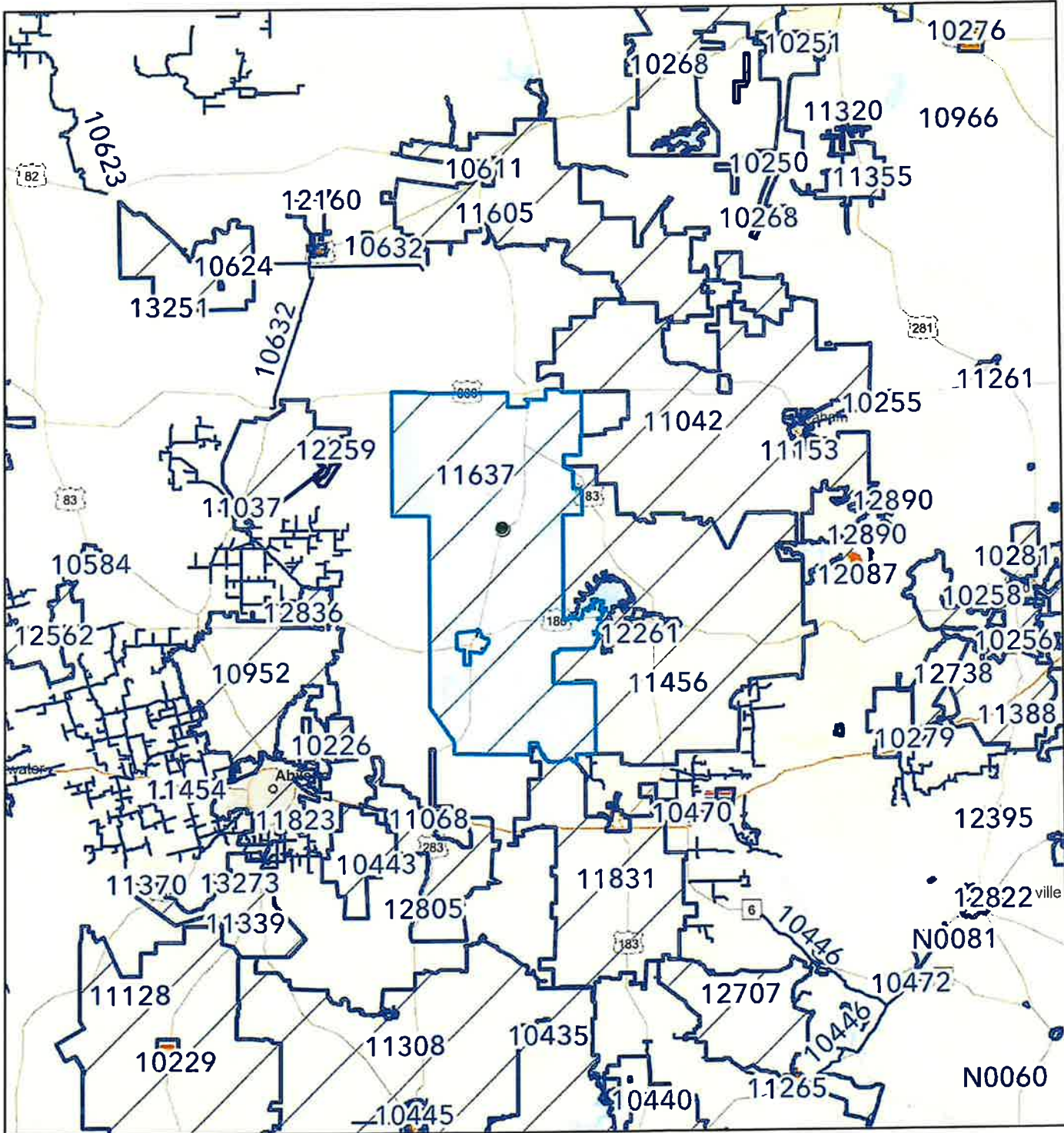
## **2.15 Severability**

It is hereby declared to be the intention of the Fort Griffin SUD Board that the sections, paragraphs, sentences, clauses, and phrases of this Plan are severable and, if any phrase, clause, sentence, paragraph, or section of this Plan shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Plan, since the same would not have been enacted by the Fort Griffin SUD Board without the incorporation into this Plan of any such unconstitutional phrase, clause, sentence, paragraph, or section.

ATTACHMENT #1

Fort Griffin SUD CCN & System Map

## ArcGIS Web Map

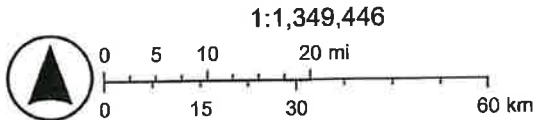


3/20/2025, 3:54:24 PM

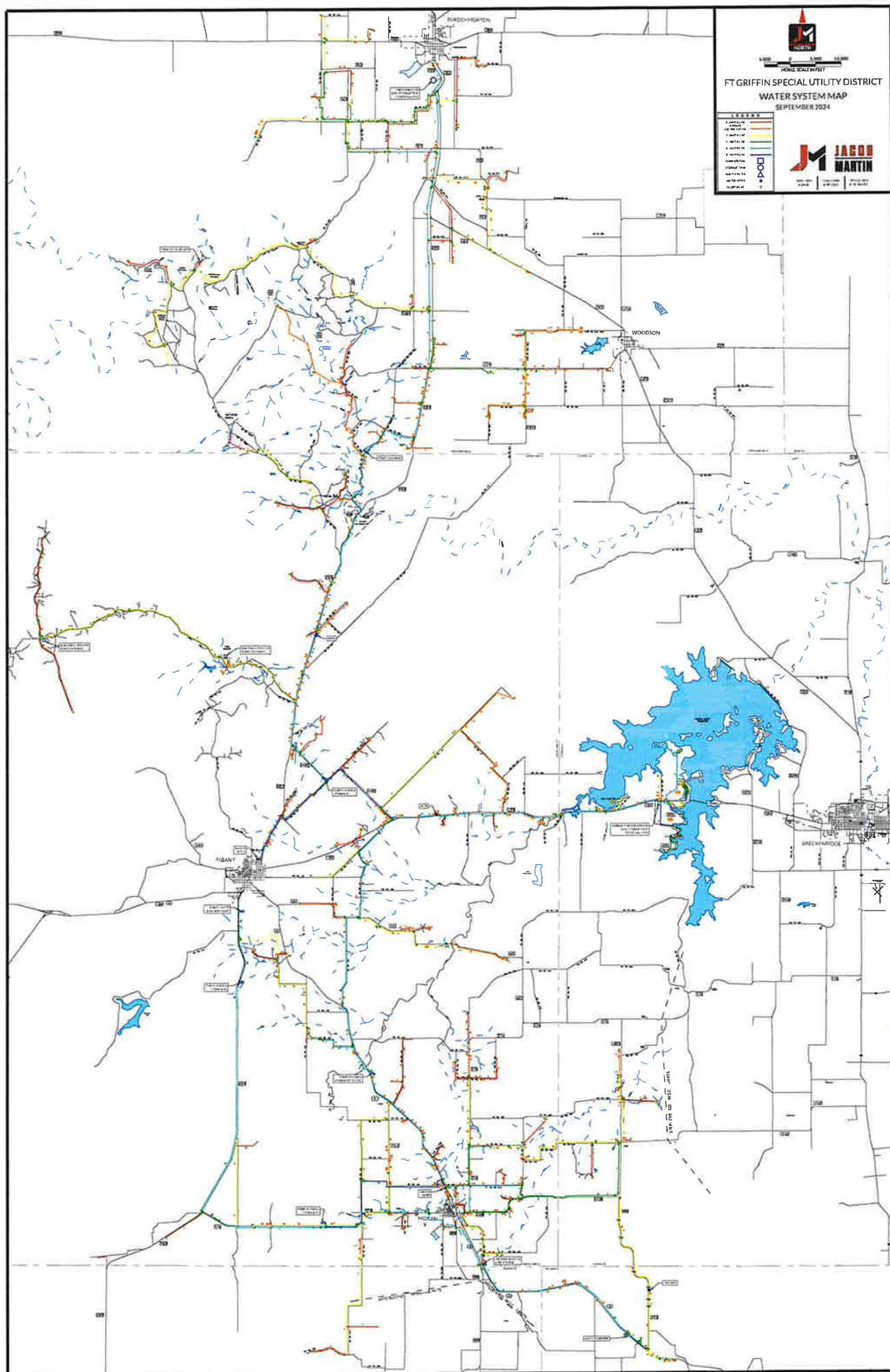
— Water CCN Facility Lines

 Water CCN Service Areas

 Sewer CCN Facility Lines

 Sewer CCN Service Areas

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community



ATTACHMENT #2  
TWDB Utility Profile (TWDB-1965)  
&  
2024 FY TWDB Submissions (05/01/2025)



## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### CONTACT INFORMATION

Name of Utility:	FORT GRIFFIN SUD				
Public Water Supply Identification Number (PWS ID):	TX2090005				
Certificate of Convenience and Necessity (CCN) Number:	11637				
Surface Water Right ID Number:					
Wastewater ID Number:					
Contact:	First Name:	Sarah	Last Name:	Fernandez	
	Title:				
Address:	3465 Curry Lane	City:	Abilene	State:	TX
Zip Code:	79606	Zip+4:		Email:	sfernandez@jacobmartin.com
Telephone Number:	3256951070	Date:	7/11/2024		
Is this person the designated Conservation Coordinator?		<input checked="" type="radio"/> Yes <input type="radio"/> No			

Regional Water Planning Group:	G
Groundwater Conservation District:	

Our records indicate that you:

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

#### A. Population and Service Area Data

1. Current service area size in square miles: 909

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

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

Year	Historical Population Served By Retail Water Service	Historical Population Served By Wholesale Water Service	Historical Population Served By Wastewater Water Service
2023	3,070	270	0
2022	3,033	270	0
2021	3,020	267	0
2020	2,700	450	0
2019	2,082	450	0

3. Projected service area population for the following decades.

Year	Projected Population Served By Retail Water Service	Projected Population Served By Wholesale Water Service	Projected Population Served By Wastewater Water Service
2030	3,331	292	0
2040	3,322	297	0
2050	3,332	292	0
2060	3,332	292	0
2070	3,332	292	0

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

Interpopulated data from TWDB projections and US Census Data based on current percentage of Shackelford County Population served. Wholesale projection based on current population of the City of Moran and adjusted projected growth percentage of Shackelford County.

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### B. System Input

System input data for the previous five years.

Total System Input = Self-supplied + Imported – Exported

Year	Water Produced in Gallons	Purchased/Imported Water in Gallons	Exported Water in Gallons	Total System Input	Total GPCD
2023	0	97,198,889	7,746,667	89,452,222	80
2022	0	84,250,000	7,156,667	77,093,333	70
2021	0	85,156,000	6,972,000	78,184,000	71
2020	0	72,841,000	6,173,469	66,667,531	68
2019	0	69,199,000	6,533,333	62,665,667	82
Historic Average	0	81,728,978	6,916,427	74,812,551	74

### C. Water Supply System

1. Designed daily capacity of system in gallons	421,240
2. Storage Capacity	
2a. Elevated storage in gallons:	407,276
2b. Ground storage in gallons:	246,693



## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### D. Projected Demands

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

Year	Population	Water Demand (gallons)
2025	2,614	85,156,000
2026	2,627	87,479,000
2027	2,640	88,000,000
2028	2,653	88,000,000
2029	2,654	88,000,000
2030	2,700	88,000,000
2031	2,712	88,000,000
2032	2,720	88,000,000
2033	3,070	88,000,000
2034	3,070	88,000,000

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

projection based on current population of the City of Moran and adjusted projected growth percentage of Shackelford County.

### E. High Volume Customers

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

Customer	Water Use Category	Annual Water Use	Treated or Raw
Targa Midstream	Residential	662,000	Treated
Randall Knobb	Residential	655,000	Treated
HR Stasney and Sons	Commercial	614,000	Treated
Mathews Land and Cattle	Residential	594,000	Treated
Patrick McGee	Residential	578,000	Treated

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

Customer	Water Use Category	Annual Water Use	Treated or Raw
City of Moran	Municipal	6,972,000	Treated

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### F. Utility Data Comment Section

Additional comments about utility data.

### Section II: System Data

#### A. Retail Water Supplier Connections

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

Water Use Category Type	Total Retail Connections (Active + Inactive)	Percent of Total Connections
Residential - Single Family	984	89.70 %
Residential - Multi-Family	48	4.38 %
Industrial	0	0.00 %
Commercial	65	5.93 %
Institutional	0	0.00 %
Agricultural	0	0.00 %
<b>Total</b>	<b>1,097</b>	<b>100.00 %</b>

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

Year	Net Number of New Retail Connections						
	Residential - Single Family	Residential - Multi-Family	Industrial	Commercial	Institutional	Agricultural	Total
2023							
2022							
2021							
2020							
2019							

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### B. Accounting Data

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

Year	Residential - Single Family	Residential - Multi-Family	Industrial	Commercial	Institutional	Agricultural	Total
2023	4,880,400	697,200	0	1,394,400	0	0	6,972,000
2022	52,085,000	117,600	0	3,992,000	0	0	56,194,600
2021	5,100,900	351,200	0	1,300,000	0	0	6,752,100
2020	4,840,000	251,200	0	1,100,000	0	0	6,191,200
2019	4,951,700	137,570	0	1,000,000	0	0	6,089,270

### C. Residential Water Use

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

Year	Total Residential GPCD
2023	5
2022	47
2021	
2020	
2019	
Historic Average	26

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### D. Annual and Seasonal Water Use

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

Month	Total Gallons of Treated Water				
	2023	2022	2021	2020	2019
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total					

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

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

Month	Total Gallons of Raw Water				
	2023	2022	2021	2020	2019
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total					

3. Summary of seasonal and annual water use.

	Summer RETAIL (Treated + Raw)	Total RETAIL (Treated + Raw)
2023	0	
2022	0	
2021	0	
2020	0	
2019	0	
Average in Gallons	0.00	0.00

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### E. Water Loss

Water Loss data for the previous five years.

Year	Total Water Loss in Gallons	Water Loss in GPCD	Water Loss as a Percentage
2023	75,939,567	68	0.00 %
2022	11,036,171	10	0.00 %
2021			0.00 %
2020	18,849,187	19	0.00 %
2019			0.00 %
Average	35,274,975	32	0.00 %

### F. Peak Day Use

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

Year	Average Daily Use (gal)	Peak Day Use (gal)	Ratio (peak/avg)
2023	0	0	0.0000
2022	0	0	0.0000
2021	0	0	0.0000
2020	0	0	0.0000
2019	0	0	0.0000

### G. Summary of Historic Water Use

Water Use Category	Historic Average	Percent of Connections	Percent of Water Use
Residential - Single Family	14,371,600	89.70 %	87.42 %
Residential - Multi-Family	310,954	4.38 %	1.89 %
Industrial	0	0.00 %	0.00 %
Commercial	1,757,280	5.93 %	10.69 %
Institutional	0	0.00 %	0.00 %
Agricultural	0	0.00 %	0.00 %

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### H. System Data Comment Section

### Section III: Wastewater System Data

#### A. Wastewater System Data

- Design capacity of wastewater treatment plant(s) in gallons per day:
- List of active wastewater connections by major water use category.

Water Use Category	Metered	Unmetered	Total Connections	Percent of Total Connections
Municipal			0	0.00 %
Industrial			0	0.00 %
Commercial			0	0.00 %
Institutional			0	0.00 %
Agricultural			0	0.00 %
<b>Total</b>			0	100.00 %

- Percentage of water serviced by the wastewater system: 

%

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

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

Month	Total Gallons of Treated Water				
	2023	2022	2021	2020	2019
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total					

5. Could treated wastewater be substituted for potable water?

☐ Yes ☐ No

### B. Reuse Data

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

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



## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### C. Wastewater System Data Comment

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

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TEXAS WATER DEVELOPMENT BOARD  
WATER USE SURVEY

WATER USE IN CALENDAR YEAR: 2024

SYSTEM NAME:

OPERATOR NAME:

MULTIPLE SURVEY ORG:

MAILING ADDRESS 1:

MAILING ADDRESS 2:

CITY/STATE/ZIP:

PWS NAME:

FORT GRIFFIN SPECIAL UTILITY DISTRICT

1180 CR 109

ALBANYTX76430-

FORT GRIFFIN SUD

SURVEY NUMBER:

PRIMARY USED COUNTY:

PRIMARY USED RIVER BASIN:

ORGANIZATION MAIN PHONE:

MAIN EMAIL:

WEB:

PWS CODE:

0778048

SHACKELFORD

BRAZOS

325-695-1070

sfernandez@jacobmartin.com

www.fortgriffinsud.net

2090005

INTAKE:

Water Type		County	Basin	Seller Name and/or Seller System		River / Reservoir	Metered or Estimated	Brackish / Saline (Y or N)	% Treated Prior to Intake	Total Volume (gallons)	
SURFACE WATER PURCHASED		SHACKELFORD	BRAZOS	CITY OF ALBANY		HUBBARD CREEK LAKE/RESERVOIR	M	N	100.00	91,056,000	
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
6,671,666	8,201,666	6,531,666	6,801,666	7,251,666	6,881,666	7,681,666	8,471,666	9,201,666	7,901,666	8,521,666	6,937,674

SALES:

BUYER	SALE TYPE (MUNICIPAL or INDUSTRIAL)	COUNTY NAME	BASIN NAME	WATER TYPE	AQUIFER NAME (if GW)	SURFACE WATER Name (if SW)	RAW or TREATED	TOTAL VOLUME (GALLONS)
CITY OF MORAN	M			SURFACE WATER			Treated	5,319,000
FORT GRIFFIN STATE HISTORIC PARK	M			SURFACE WATER			Treated	787,000

COUNTY CONNECTIONS:

COUNTY NAME	TOTAL CONNECTIONS
EASTLAND	27
SHACKELFORD	416
STEPHENS	418
THROCKMORTON	172

CONNECTIONS & USAGE:	CONNECTIONS	VOLUME (GALLONS)
TOTAL METERED RETAIL:	1,129	64,683,000
Residential - Single Family	984	48,804,000
Residential - Multi Family	55	4,386,000
Institutional	0	0
Commercial	90	11,493,000
Industrial	0	0
Agriculture	0	0
Reuse	0	0
TOTAL UNMETERED:	0	0

WATER SYSTEM INFORMATION:

Estimated full-time residential population served directly by this system	3,070
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**TEXAS WATER DEVELOPMENT BOARD**

P.O. BOX 13231, CAPITOL STATION

AUSTIN, TX 78711-3231

**2024 WATER AUDIT REPORT****A. Water Utility General Information**

1. Water Utility Name	FORT GRIFFIN SUD		
1a. Regional Water Planning Area	G		
1b. Address	1180 COUNTY ROAD 109		
	ALBANY, TX 76430-4141		
2. Contact Information			
2a. Name	Sarah Fernandez	Have you completed Water Loss Auditor Training?	
2b. Telephone Number	(325) 695-1070	<input checked="" type="radio"/> Yes	
2c. Email Address	sfernandez@jacobmartin.com	<input type="radio"/> No	
3. Reporting Period			
3a. Start Date	01/01/2024		
3b. End Date	12/31/2024		
4. Source Water Utilization			
4a. Surface Water	100.00	%	
4b. Ground Water	0.00	%	
5. Population Served			
5a. Retail Population Served	3,070		Assessment Scale
5b. Wholesale Population Served	270		
6. Utility's Length of Main Lines	96.00	miles	3
7. Total Retail Metered Connections - Active and Inactive	1,129		
7b. Service Connections	1,033		3
8. Number of Wholesale Connections Served	128		
9. Service Connection Density	10.76	connections per mile	
10. Average Yearly System Operating Pressure	50.00	psi	3
11. Volume Units of Measure	Gallons		

**B. System Input Volume**

12. Volume of Water Intake	0	gallons	
13. Produced Water	0	gallons	N/A
13a. Production Meter Accuracy	0.00	%	N/A
13b. Corrected Input Volume	0	gallons	
14. Total Treated Purchased Water	91,056,000	gallons	2.5
14a. Treated Purchased Water Meter Accuracy	90.00	%	2.5

**TEXAS WATER DEVELOPMENT BOARD**

P.O. BOX 13231, CAPITOL STATION

AUSTIN, TX 78711-3231

**2024 WATER AUDIT REPORT**

14b. Corrected Treated Purchased Water Volume	101,173,333	gallons	
15. Total Treated Wholesale Water Sales	6,106,000	gallons	2.5
15a. Treated Wholesale Water Meter Accuracy	90.00	%	2.5
15b. Corrected Treated Wholesale Water Sales Volume	6,784,444	gallons	
<b>16. Total System Input Volume</b> Line 13b + Line 14b - Line 15b	94,388,889	gallons	
<b>C. Authorized Consumption</b>			Assessment Scale
17. Billed Metered	64,683,000	gallons	2.5
18. Billed Unmetered	0	gallons	3
19. Unbilled Metered	5,893,000	gallons	3
20. Unbilled Unmetered	161,708	gallons	3
<b>21. Total Authorized Consumption</b>	70,737,708	gallons	
<b>D. Water Losses</b>			
<b>22. Water Losses</b> Line 16 - Line 21	23,651,181	gallons	
<b>E. Apparent Losses</b>			
23. Average Customer Meter Accuracy	90.00	%	2.5
24. Customer Meter Accuracy Loss	7,187,000	gallons	
25. Systematic Data Handling Discrepancy	161,708	gallons	3
26. Unauthorized Consumption	161,708	gallons	3
<b>27. Total Apparent Losses</b>	7,510,416	gallons	
<b>F. Real Losses</b>			
28. Reported Breaks and Leaks	3,324,181	gallons	3
29. Unreported Loss	12,816,584	gallons	2
<b>30. Total Real Losses</b> Line 28 + Line 29	16,140,765	gallons	
<b>31. Total Water Losses</b> Line 27 + Line 30	23,651,181	gallons	
32. Non-Revenue Water Line 31 + Line 19 + Line 20	29,705,889	gallons	
<b>G. Technical Performance Indicator for Apparent Loss</b>			
33. Apparent Losses Normalized Line 27 / Line 7b / 365	19.92	gallons lost per connection per day	

**TEXAS WATER DEVELOPMENT BOARD**

P.O. BOX 13231, CAPITOL STATION

AUSTIN, TX 78711-3231

**2024 WATER AUDIT REPORT**

**H. Technical Performance Indicators for Real Loss**

34. Real Loss Volume	16,140,765	gallons
Line 30		
35. Unavoidable Annual Real Losses Volume	0	gallons
(5.41 * Line 6 + (Line 7b * 0.15 )) * 365 * Line 10		
36. Infrastructure Leakage Index	0.00	I.L.I
Line 34 / Line 35		
37. Real Losses Normalized - Service Connections	42.81	gallons lost per connection per day
Line 34 / Line 7b / 365		
38. Real Losses Normalized - Main Lines	460.64	gallons lost per mile per day
Line 34 / Line 6 / 365		

**I. Financial Performance Indicators**

39. Total Apparent Losses	7,510,416	gallons	
Line 27			
40. Retail Price of Water	0.01400	\$/gallons	3
41. Cost of Apparent Losses	\$105,146		
Line 39 x Line 40			
42. Total Real Losses	16,140,765	gallons	
Line 30			
43. Variable Production Cost of Water	0.008000	\$/gallons	3
44. Cost of Real Losses	\$129,126		
Line 42 x Line 43			
45. Total Cost Impact of Apparent and Real Losses	\$234,272		
Line 41 + Line 44			
46. Total Assessment Score	60		

**J. System Losses and Gallons Per Capita per Day (GPCD)**

47. Total Water Loss per Connection per Day	62.73	gallons
Line 22 / Line 7b / 365	84	
48. GPCD Input		
Line 16 / Line 5a / 365	21	
49. GPCD Loss		
Line 31 / Line 5a / 365		

**K. Wholesale Factor Adjustments**

50. Percent of Treated Wholesale Water Traveling through General Distribution System	100.00	%
--	--------	---

**TEXAS WATER DEVELOPMENT BOARD**

P.O. BOX 13231, CAPITOL STATION

AUSTIN, TX 78711-3231

**2024 WATER AUDIT REPORT**

51. Volume of Treated Wholesale Water Traveling through General Distribution System (Line 50/100) * Line 15b	6,784,444	gallons
52. Wholesale Factor Line 15b / (Line 13b + Line 14b)	0.07	
53. Adjusted Real Loss Volume ((1 - Line 52) x (Line 30 * Line 50 / 100)) + (Line 30 - (Line 30 * Line 50/100))	15,010,911	gallons
54. Adjusted Cost of Real Losses ((1 - Line 52) x (Line 44 * Line 50 / 100)) + (Line 44 - (Line 44 * Line 50/100))	\$120,087	
55. Adjusted Total Water Loss Volume ((1 - Line 52) x (Line 31 * Line 50 / 100)) + (Line 31 - (Line 31 * Line 50/100))	21,995,598	gallons
56. Adjusted Total Cost Impact of Apparent and Real Losses ((1 - Line 52) x (Line 45 * Line 50 / 100)) + (Line 45 - (Line 45 * Line 50/100))	\$217,873	
57. Adjusted Real Loss Per Connection ((1 - Line 52) x (Line 37 * Line 50 / 100)) + (Line 37 - (Line 37 * Line 50/100))	39.81	gallons lost per connection per day
58. Adjusted Real Loss Per Mile ((1 - Line 52) x (Line 38 * Line 50 / 100)) + (Line 38 - (Line 38 * Line 50/100))	428.40	gallons lost per mile per day
59. Adjusted Infrastructure Leakage Index ((1 - Line 52) x (Line 36 * Line 50 / 100)) + (Line 36 - (Line 36 * Line 50/100))	0.00	I.L.I
60. Adjusted Total Water Loss Per Connection Per Day (((1 - Line 52) x (Line 37 * Line 50 / 100)) + (Line 37 - (Line 37 * Line 50/100))) + Line 33	59.73	gallons
61. Adjusted GPCD Loss ((1 - Line 52) x (Line 49 * Line 50 / 100)) + (Line 49 - (Line 49 * Line 50/100))	20	

**Comments**

Utility's Length of Main Lines the Systems runs linear which is more accurate to 220.00 miles at 4.61 connections per mile please see System Map on Attachment 1 of the Water Conservation Plan.

## Water Conservation Plan Annual Report Retail Water Supplier

### CONTACT INFORMATION

Name of Utility: FORT GRIFFIN SUD

Public Water Supply Identification Number (PWS ID): TX2090005

Certification of Convenience and Necessity (CCN) Number: 11637

Surface Water Right ID Number:

Wastewater ID Number:

Check all that apply:

- ☒ Retail Water Supplier  
☒ Wholesale Water Supplier  
☐ Wastewater Treatment Utility

Address: 3465 Curry Lane City: Abilene Zip Code: 79606

Email: sfernandez@jacobmartin.com Telephone Number: 3252762241

Regional Water Planning Group: G

Groundwater Conservation District:

Contact: First Name: Fernandez Last Name: Sarah

Title: Environmental Coordinator

Is this person the designated Conservation Coordinator? ☐ Yes ☒ No

Coordinator: First Name: Mark Last Name: Gardenhire

Title: General Manager

Address: PO BOX 2098 City: Albany Zip Code: 76430

Email: markfsgud@gmail.com Telephone Number: 325-762-2575

Regional Water Planning Group: G

Groundwater Conservation District:

Reporting Period (Calendar year):

Period Begin (mm/yyyy): 01/2024 Period End (mm/yyyy): 12/2024



Check all that apply:

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

## SYSTEM DATA

1. For this reporting period, select the category(s) used to classify customer water usage:

	Retail Customer Water Usage Categories
<input checked="" type="checkbox"/>	Residential - Single Family
<input checked="" type="checkbox"/>	Residential - Multi-family
<input type="checkbox"/>	Industrial
<input checked="" type="checkbox"/>	Commercial
<input type="checkbox"/>	Institutional
<input type="checkbox"/>	Agricultural

### Retail Customers Categories\*

- Residential Single Family
- Residential Multi-Family
- Industrial
- Commercial
- Institutional
- Agricultural

*\*Recommended Customer Categories for classifying customer water use. For definitions, refer to [Guidance and Methodology on Water Conservation and Water Use](#).*

2. For this reporting period, enter the number of connections for and the gallons of metered retail water used by each category. If the Customer Category does not apply, enter zero or leave blank. These numbers should be the same as those reported on the Water Use Survey.

Retail Customer Category	Number of Connections	Gallons Metered
Residential - Single Family	984	48,804,000
Residential - Multi-family	55	4,386,000
Industrial	0	0
Commercial	90	11,493,000
Institutional	0	0
Agricultural	0	0
<b>Total Retail Water Metered<sup>1</sup></b>	<b>1,129</b>	<b>64,683,000</b>

<sup>1</sup>Residential + Industrial + Commercial + Institutional + Agricultural = Total Retail Water Metered

## Water Use Accounting

	Total Gallons During the Reporting Period
<b>1. Corrected Input Volume:</b> The volume of treated water input to the distribution system from own production facilities. Same as line 13b of the Water Loss Audit for reporting periods $\geq 2015$ . Same as line 14 of the Water Loss Audit for reporting periods $\leq 2014$ .	0
<b>2. Corrected Treated Purchased Water Volume:</b> The amount of treated purchased wholesale water transferred into the utility's distribution system from other water suppliers system. Same as line 14b of the Water Loss Audit for reporting periods $\geq 2015$ . Same as line 15 of the Water Loss Audit for reporting periods $\leq 2014$ .	101,173,333
<b>3. Corrected Treated Wholesale Water Sales Volume:</b> The amount of treated wholesale water transferred out of the utility's distribution system, although it may be in the system for a brief time for conveyance reasons. Same as line 15b of the Water Loss Audit for reporting periods $\geq 2015$ . Same as line 16 of the Water Loss Audit for reporting periods $\leq 2014$ .	6,784,444
<b>4. Total System Input Volume:</b> This is the sum of the corrected input volume plus corrected treated purchased water volume minus corrected treated wholesale water sales volume. Same as line 16 of the Water Loss Audit for reporting periods $\geq 2015$ . Same as line 17 of the Water Loss Audit for reporting periods $\leq 2014$ . Produced + Imported - Exported = Total System Input Volume	94,388,889
<b>5. Billed Metered:</b> All retail water sold and metered. Same as line 17 of the Water Loss Audit for reporting periods $\geq 2015$ . Same as line 18 of the Water Loss Audit for reporting periods $\leq 2014$ .	64,683,000
<b>6. Other Authorized Consumption:</b> Water that is authorized for other uses such as back flushing, line flushing, storage tank cleaning, fire department use, municipal government offices or municipal golf courses/parks. This water may be metered or unmetered. Same as lines 18, 19, and 20 of the Water Loss Audit for reporting periods $\geq 2015$ . Same as lines 19, 20, and 21 of the Water Loss Audit for reporting periods $\leq 2014$ .	6,054,708
<b>7. Total Authorized Consumption:</b> All water that has been authorized for use. Same as Line 21 of the Water Loss Audit for reporting periods $\geq 2015$ . Same as line 22 of the Water Loss Audit for reporting periods $\leq 2014$ . Total Billed and Metered Retail Water + Other Authorized Consumption = Total Authorized Consumption	70,737,708

<b>8. Total Apparent Losses:</b> Water that has been consumed but not properly measured or billed (losses due to customer meter inaccuracy, systematic data handling discrepancy and/or unauthorized consumption such as theft). Same as line 27 of the Water Loss Audit for reporting periods >= 2015. Same as line 28 of the Water Loss Audit for reporting periods <= 2014.	7,510,416
<b>9. Total Real Loss:</b> Physical losses from the distribution system prior to reaching the customer destination (losses due to reported breaks and leaks, physical losses from the system or mains and/or storage overflow). Same as line 30 of the Water Loss Audit for reporting periods >= 2015. Same as line 31 of the Water Loss Audit for reporting periods <= 2014.	16,140,765
<b>10. Total Water Loss:</b> Apparent + Real = Total Water Loss	23,651,181

## Programs and Activities

- What year did your entity adopt or revise their most recent Water Conservation Plan? 2024
- Does The Plan incorporate [Best Management Practices](#)? ☒ Yes ☐ No
- Using the table below select the types of Best Management Practices or water conservation and reuse strategies actively administered during this reporting period and estimate the savings incurred in implementing water conservation and reuse activities and programs. Leave fields blank if unknown. **Please separate reuse volumes from gallons saved.**

Methods and techniques for determining gallons saved are unique to each utility as they conduct internal cost analyses and long-term financial planning. Texas Best Management Practice can be found at TWDB's Water Conservation Best Management Practices [webpage](#). The [Alliance for Efficiency Water Conservation Tracking Tool](#) may offer guidance on determining and calculating savings for individual BMPs.

Best Management Practice	Check if Implemented	Estimated Gallons Saved	Estimated Gallons Reused
<b>Conservation Analysis and Planning</b>			
Conservation Coordinator	<input checked="" type="checkbox"/>	50,000	0
Cost Effective Analysis	<input checked="" type="checkbox"/>	0	0
Water Survey for Single Family and Multi-family Customers	<input type="checkbox"/>		
Customer Characterization	<input type="checkbox"/>		
<b>Financial</b>			
Wholesale Agency Assistance Programs	<input type="checkbox"/>		
Water Conservation Pricing	<input checked="" type="checkbox"/>	0	0
<b>System Operations</b>			
Metering New Connections and Retrofitting Existing Connections	<input type="checkbox"/>		

Utility Water Audit and Water Loss	<input checked="" type="checkbox"/>	0	0
<b>Landscaping</b>			
Landscape Irrigation Conservation and Incentives	<input type="checkbox"/>		
Athletic Fields Conservation	<input type="checkbox"/>		
Golf Course Conservation	<input type="checkbox"/>		
Park Conservation	<input type="checkbox"/>		
Residential Landscape Irrigation Evaluation	<input type="checkbox"/>		
Outdoor Watering Schedule	<input type="checkbox"/>		
<b>Education and Public Awareness</b>			
School Education	<input type="checkbox"/>		
Public Information	<input type="checkbox"/>		
Public Outreach and Education	<input checked="" type="checkbox"/>	0	0
Partnerships with Nonprofit Organizations	<input type="checkbox"/>		
<b>Rebate, Retrofit, and Incentive Programs</b>			
Conservation Programs for ICI Accounts	<input type="checkbox"/>		
Residential Clothes Washer Incentive Program	<input type="checkbox"/>		
Water Wise Landscape Design and Conversion Programs	<input type="checkbox"/>		
Showerhead, Aerator, and Toilet Flapper Retrofit	<input type="checkbox"/>		
Residential Toilet Replacement Programs	<input type="checkbox"/>		
Custom Conservation Rebates	<input type="checkbox"/>		
Plumbing Assistance for Economically Disadvantaged Customers	<input type="checkbox"/>		
<b>Conservation Technology &amp; Reuse</b>			
New Construction Graywater	<input type="checkbox"/>		
Rainwater Harvesting and Condensate Reuse	<input type="checkbox"/>		
<b>Water Reuse BMP Categories</b>			
Reuse for On-site Irrigation	<input type="checkbox"/>		
Reuse for Plant Washdown	<input type="checkbox"/>		
Reuse for Chlorination/Dechlorination	<input type="checkbox"/>		
Reuse for Industry	<input type="checkbox"/>		
Reuse for Agriculture	<input type="checkbox"/>		
<b>Regulatory and Enforcement</b>			
Prohibition on Wasting Water	<input type="checkbox"/>		
Conservation Ordinance Planning and Development	<input type="checkbox"/>		
Enforcement of Irrigation Standards	<input type="checkbox"/>		
<b>Retail</b>			
Other	<input type="checkbox"/>		
<b>Totals</b>		<b>50,000</b>	<b>0</b>

4. For this reporting period, estimate the savings from water conservation activities and programs.

Gallons Saved/Conserved	Gallons Recycled/Reused	Total Volume of Water Saved <sup>1</sup>	Dollar Value of Water Saved <sup>2</sup>
50,000	0	50,000	

<sup>1</sup>Estimated Gallons Saved + Estimated Gallons Recycled/Reused = Total Volume Saved

<sup>2</sup>Estimated this value by taking into account water savings, the cost of treatment or purchase of water, and deferred capital cost due to conservation.

5. Comments or Explanations Regarding Data Entered in Sections Above.  
 Files to support or explain this may be attached below.

The Water Conservation and Drought Contingency Plan was proposed in 2024 and was requested to have further edits added, resulting in a WCP/DCP to be added to the agenda for May 2025. Due to this delay in an active plan there is not an accurate value to demonstrate the amount of water or dollar amount saved.

6. During this reporting period, did your rates or rate structure change? ☒ Yes ☐ No

Select the type of rate pricing structure used. Check all that apply.

<input type="checkbox"/>	
<input type="checkbox"/>	Uniform Rates
<input type="checkbox"/>	Flat Rates
<input type="checkbox"/>	Inclining/Inverted Block Rates
<input type="checkbox"/>	Declining Block Rates
<input type="checkbox"/>	Seasonal Rates
<input checked="" type="checkbox"/>	Water Budget Based Rates
<input type="checkbox"/>	Excess Use Rates
<input type="checkbox"/>	Drought Demand Rates
<input type="checkbox"/>	Tailored Rates
<input type="checkbox"/>	Surcharge - usage demand
<input type="checkbox"/>	Surcharge - seasonal
<input type="checkbox"/>	Surcharge - drought
<input type="checkbox"/>	Other

7. For this reporting period, select the public awareness or educational activities used.

Name	Implemented This Year	Number Of Times This Year	Total Population Reached this Year
Brochures Distributed	<input type="checkbox"/>		
Messages Provided on Utility Bills	<input checked="" type="checkbox"/>	12	3,070
Press Releases	<input type="checkbox"/>		
TV Public Service Announcements	<input type="checkbox"/>		
Radio Public Service Announcements	<input type="checkbox"/>		
Educational School Programs	<input type="checkbox"/>		
Displays, Exhibits, and Presentations	<input checked="" type="checkbox"/>	3	3,070
Community Events	<input type="checkbox"/>		
Social Media campaign - Facebook	<input type="checkbox"/>		
Social Media campaign - Twitter	<input type="checkbox"/>		
Social Media campaign - Instagram	<input type="checkbox"/>		
Social Media campaign - YouTube	<input type="checkbox"/>		
Facility Tours	<input type="checkbox"/>		
Other	<input type="checkbox"/>		
<b>Total</b>		15	6,140

### Leak Detection and Water Loss

1. During this reporting period, how many leaks were repaired in the system or at service connections? 9

2. Select the main cause(s) of water loss in your system.

	Water Loss Causes
<input checked="" type="checkbox"/>	Distribution line leaks and breaks
<input type="checkbox"/>	Unauthorized use and theft

<input type="checkbox"/>	Master meter problems
<input type="checkbox"/>	Customer meter problems
<input type="checkbox"/>	Record and data problems
<input type="checkbox"/>	Other

3. For this reporting period, provide the following information on your distribution lines.

Total Length of Main Lines (miles)	Total Length Repaired (feet)	Total Length Replaced (feet)
96	15	0

4. For this reporting period, provide the following information regarding your meters:

Type of Meter	Total Number	Total Tested	Total Repaired	Total Replaced
Production Meters	1	1	0	0
Meters larger than 1 1/2 inches	250	1	0	0
Meters 1 1/2 inches or smaller	1500	33	0	0

5. Does your system have automated meter reading? ☒ Yes ☐ No

### Program Effectiveness

1. Program Effectiveness

In your opinion, how would you rank the overall effectiveness of your conservation programs and activities?

Customer Classification	Less Than Effective	Somewhat Effective	Highly Effective	Does Not Apply
Residential Customers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industrial Customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Institutional Customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Commercial Customers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Agricultural Customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

2. During the reporting period, did you implement your Drought Contingency Plan? ☒ Yes ☐ No

3. Select the areas for which you would like to receive more technical assistance:

	Technical Assistance Areas
<input checked="" type="checkbox"/>	Best Management Practices
<input type="checkbox"/>	Drought Contingency Plans
<input type="checkbox"/>	Landscape Irrigation
<input type="checkbox"/>	Leak Detection and Equipment
<input type="checkbox"/>	Rainwater Harvesting
<input checked="" type="checkbox"/>	Rate Structures
<input type="checkbox"/>	Educational Resources
<input type="checkbox"/>	Water Conservation Annual Reports
<input type="checkbox"/>	Water Conservation Plans
<input type="checkbox"/>	Water IQ: Know Your Water
<input checked="" type="checkbox"/>	Water Loss Audits
<input type="checkbox"/>	Recycling and Reuse



## Target and Goals

### Total, Residential, and Water Loss in Gallons per Capita per Day (GPCD)

The tables below display your current GPCDs.

<b>Total System Input in Gallons Water Produced + Wholesale Imported - Wholesale Exported</b>	<b>Retail Population<sup>1</sup></b>	<b>Total GPCD (System Input / Retail Population) / 365</b>
94,388,889	3,070	84

<sup>1</sup>Retail Population is the total permanent population of the service area, including single family, multi-family, and group quarter populations

<b>Residential Use in Gallons (Single Family + Multi-family)</b>	<b>Residential Population<sup>2</sup></b>	<b>Residential GPCD (Residential Use / Residential Population) / 365</b>
53,190,000	3,070	47

<sup>2</sup>Residential Population is the total residential population of the service area, including only single family and multi-family populations

<b>Total Water Loss in Gallons Apparent + Real = Total Water Loss</b>	<b>Retail Population</b>	<b>Water Loss GPCD<sup>3</sup></b>
23,651,181	3,070	21

<sup>3</sup>Water Loss GPCD is a conservation planning indicator and target best used in conjunction with Total GPCD and Residential GPCD.

The table below displays the specific and quantified five-year and ten-year goals listed in your current Water Conservation Plan alongside the current GPCD totals.

<b>Achieve Date</b>	<b>Target for Total GPCD</b>	<b>Current Total GPCD</b>	<b>Target for Residential GPCD</b>	<b>Current Residential GPCD</b>	<b>Target for Water Loss GPCD</b>	<b>Current Water Loss GPCD</b>
Five-year Target Date 2029	53	84	40	47	10	21
Ten-year Target Date 2034	43	84	35	47	8	21

**Attachment # 3**  
**Resolution Adopting Water Conservation  
and Drought Contingency Plan**

**RESOLUTION FOR THE ADOPTION  
OF A PUBLIC WATER SUPPLIERS  
WATER CONSERVATION AND  
DROUGHT CONTINGENCY PLAN**

**RESOLUTION NO.**

WHEREAS, the Board recognizes that the amount of water available to Fort Griffin Special Utility District and to its retail and wholesale water customers is limited and subject to depletion during periods of extended drought;

WHEREAS, Fort Griffin Special Utility District recognizes that natural limitations due to drought conditions and other acts of God cannot guarantee an uninterrupted water supply for all purposes;

WHEREAS, Section 12.1272 of the Texas Water Code and applicable rules of the Texas Commission on Environmental Quality require all public water supply systems in Texas to prepare a water conservation and drought contingency plan; and

WHEREAS, as authorized under law, and in the best interests of the customers of the Fort Griffin Special Utility District, the Board of Directors deems it expedient and necessary to establish certain rules and policies for the orderly and efficient management of limited water supplies during drought and other water supply emergencies;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
THE FORT GRIFFIN SPECIAL UTILITY DISTRICT:

SECTION 1. That the Water Conservation and Drought Contingency Plan attached hereto as Exhibit "A" and made part hereof for all purposes be, and the same is hereby, adopted as the official policy of Fort Griffin Special Utility District.

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

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

DULY PASSED BY THE BOARD OF DIRECTORS OF FORT GRIFFIN SPECIAL  
UTILITY DISTRICT, on this the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

APPROVED:

\_\_\_\_\_  
*President, Board of Director*

ATTESTED TO:

\_\_\_\_\_  
*Secretary, Board  
of Directors*

## ATTACHMENT #4

### Water Conservation Plan Goal Table



# WATER CONSERVATION PLAN

## 5- AND 10-YR GOALS FOR WATER SAVINGS

Facility Name: Fort Griffin Sud

Water Conservation Plan Year: 2025

	Historic 5yr Average	Baseline	5-yr Goal for year <u>2030</u>	10-yr Goal for year <u>2035</u>
Total GPCD <sup>1</sup>	47	47	44	41
Residential GPCD <sup>2</sup>	84	84	81	78
Water Loss (GPCD) <sup>3</sup>	21	21	18	15

- 1. Total GPCD = (Total Gallons in System ÷ Permanent Population) ÷ 365
- 2. Residential GPCD = (Gallons Used for Residential Use ÷ Residential Population) ÷ 365
- 3. Water Loss GPCD = (Total Water Loss ÷ Permanent Population) ÷ 365

**Attachment # 5**  
**Letter to Regional Water Planning Group**

**Date**

**Mr. Wayne Wilson  
Chair Region G Water Planning Group  
7026 East OSR  
Bryan, TX 77808**

**Dear Mr. Wilson:**

**This letter is to notify you that the Fort Griffin SUD recently adopted a water conservation and drought contingency plan. This notice is in accordance with Texas Water Development Board and Texas Commission on Environmental Quality rules.**

**The plan is available upon request.**

**Sincerely,**

**Mark Gardenhire  
Fort Griffin SUD Manager**

Attachment # 6  
Water Agreement



Fifth Amendment to  
2003 Water Purchase Agreement

This Fifth Amendment to 2003 Water Purchase Agreement is made and entered into this 12<sup>th</sup> day of May, 2022, by and between the City of Albany, Texas (the "City") and Fort Griffin Special Utility District (the "District").

RECITALS

WHEREAS, on July 24, 2003, the City and Shackleford Water Supply Corporation ("SWSC") entered into a Water Purchase Agreement (the "Original Agreement") whereby SWSC agreed to purchase, and the City agreed to sell, treated water;

WHEREAS, the Original Agreement has been amended four (4) times, the most recent amendment being effective on June 8, 2008, to extend the effective date of the Original Agreement to coincide with the closing of funding requested by the parties for construction of a water plant;

WHEREAS, pursuant to Paragraph 1 of the Original Agreement, the Effective Date was "the later of: a) the date the City closes on grants or loans from Rural Utilities Service to construct the Water Plant described in Paragraph 2, or b) the date Rural Utilities Services closes on a loan to SWSC";

WHEREAS, SWSC closed on its loan on August 10, 2009 and the City closed on its funding contract on August 27, 2009, and so the parties wish to clarify the actual Effective Date of the Original Agreement;

WHEREAS, by Act of the 80<sup>th</sup> Session of the Texas Legislature (2007), codified as Chapter 7210, Special District Local Laws Code (the "Act"), the Fort Griffin Special Utility District was created as a conservation and reclamation district authorized by the terms and conditions of Article XVI, Section 59 of the Texas Constitution and, except as limited by the Act, the District has all the rights, powers, privileges, authority, functions, and duties of a special utility district created under Chapters 49 and 65 of the Texas Water Code;

WHEREAS, on August 27, 2010, a Resolution of Shackleford Water Supply Corporation Authorizing Dissolution and Transfer of Assets and Liabilities to Fort Griffin Special Utility District was adopted by SWSC which, in part, directed the President and Vice-President to execute the necessary paperwork to assign the Original Agreement from SWSC to the District and to transfer CCN No. 11637 to the District;

WHEREAS, Paragraph 15 of the Original Agreement allowed SWSC to assign the Original Agreement "to any successor retail public utility in conjunction with the transfer of SWSC's CCN so long as (1) SWSC's thirty-five (35) percent share of construction costs are fully paid and (2) SWSC's entire certificated area is transferred";

WHEREAS, SWSC paid its thirty-five (35) percent share of construction costs and transferred CCN No. 11637 to the District;

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WHEREAS, it is believed that SWSC assigned the Original Agreement to the District but no paperwork can be located to reflect said assignment and the parties wish to clarify that assignment; and

WHEREAS, the District has requested, and the City has agreed, to extend the term of the Original Agreement to expire forty-five (45) years from the Effective Date of this Fifth Amendment.

NOW, THEREFORE, the City, acting through its duly authorized Mayor, and the District, acting through its duly authorized President, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby amend the Original Agreement and all amendments thereto, as follows:

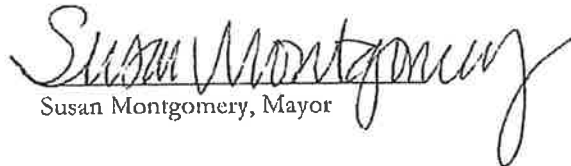
1. Assignment and Substitution. The Original Agreement and all amendments thereto are assigned from SWSC to the District and the District shall be substituted for SWSC in the Original Agreement and all amendments thereto. All references to "SWSC" in the Original Agreement and all amendments thereto shall be replaced with "the District".

2. Paragraph 1. Paragraph 1, Term, is hereby amended and modified so that it reads in its entirety as follows:

1. TERM. This Agreement shall be for an initial term beginning on August 27, 2009 (the "Effective Date") and ending on August 26, 2067. This Agreement may be renewed or extended for such term or terms as may be agreed upon by the CITY and the DISTRICT. As of the Effective Date of this Agreement, the 1992 Agreement is hereby terminated and shall be of no further force and effect. Upon the Effective Date, this Agreement replaces the 1992 Agreement.

3. Remaining Terms. Unless expressly modified or amended herein, the terms of the Original Agreement as previously amended remain in full force and effect.

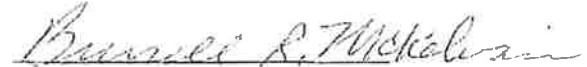
APPROVED BY THE CITY COUNCIL OF THE CITY OF ALBANY ON THE 9<sup>TH</sup> DAY OF MAY, 2022.

  
Susan Montgomery, Mayor

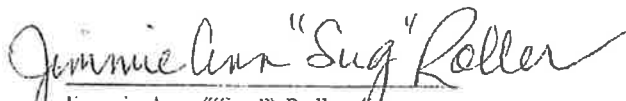
ATTEST:

  
Kertina Lucia, City Secretary

APPROVED BY THE BOARD OF DIRECTORS OF FORT GRIFFIN SPECIAL UTILITY  
DISTRICT ON THE 12<sup>TH</sup> DAY OF MAY, 2022.

  
Burrell McKelvain

ATTEST:

  
Jimmie Ann ("Sug") Roller, Secretary

**2003 WATER PURCHASE AGREEMENT**

**THE STATE OF TEXAS                   §**  
**§**  
**COUNTY OF SHACKELFORD         §**

This Agreement, is made and entered into as of the 24 day of July, 2003, by and between THE CITY OF ALBANY, TEXAS ("CITY"), a Municipal Corporation situated in Shackelford County, Texas, acting by and through its Mayor having been duly authorized to act by the City Council of the City of Albany, Texas, and SHACKELFORD WATER SUPPLY CORPORATION ("SWSC"), a Water Supply Corporation organized under Texas Water Code Chapter 67, as amended, supplemented by the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq., Vernon's Texas Civil Statutes, as amended, acting by and through its duly authorized officers, having been authorized to so act by the Board of Directors of said Corporation.

**RECITALS:**

**WHEREAS**, the CITY and SWSC ("the Parties") entered into a certain Water Purchase Agreement executed March 5, 1992, but made effective January 1, 1992 (the "1992 Agreement"), whereby CITY agreed to sell, and SWSC agreed to purchase, treated water under certain terms and conditions; and

**WHEREAS**, a dispute has arisen between the Parties as to the amount of water the CITY is obligated to furnish SWSC, and how many connections SWSC is permitted to serve under the 1992 Agreement; and

**WHEREAS**, SWSC has applied to the USDA Rural Development for a loan and grant funding to expand and upgrade its water system (the SWSC Loan Application) and SWSC has further applied to the Texas Natural Resource Conservation Commission (now the Texas Commission on Environmental Quality) to amend its Certificate of Convenience and Necessity to expand its water service territory and the CITY protested SWSC's application; and

**WHEREAS**, the CITY has applied to the USDA Rural Development ("Rural Development") for loan and grant funding to expand and upgrade the CITY's water treatment plant (the "Loan Application") and the Loan Application relies upon the demographics and income of the members of SWSC for a portion of the grant funds, and the parties desire to work jointly to secure such funding; and

**WHEREAS**, the Parties, both being represented by counsel, together have negotiated a settlement of their contractual dispute and their dispute regarding SWSC's CCN amendment; and

**WHEREAS**, the Parties together intend to expand CITY's water treatment capacity so as to provide for the water needs of both Parties, to no longer limit the number of SWSC meters, and to allow SWSC to pursue alternative water sources to meet its needs over 45,000,000 gallons of water per year; and

**WHEREAS**, the Parties, as part of their settlement agreement, desire to execute a settlement agreement, a new water purchase agreement, and to terminate the 1992 Agreement.

**NOW THEREFORE**, in consideration of the mutual promises, covenants, obligations and benefits described in this Agreement, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, CITY and SWSC agree as follows:

1. **Term.** This Agreement shall be for an initial term beginning on the later of: a) the

date the CITY receives grants or loans from Rural Development to construct the Water Plant described in Paragraph 2, or b) the date Rural Development grants the SWSC Loan; which ever date is later (the "Effective Date"), and ending on December 31, 2043. As of the Effective Date of this Agreement, the 1992 Agreement is hereby terminated and shall be of no further force and effect. Upon the Effective Date, this Agreement replaces the 1992 Agreement. If either CITY or SWSC fails to receive funding to finance the construction of the Water Plant described in Paragraph 2 by December 31, 2004, this Agreement is null and void and the 1992 Agreement remains in effect. 2. Water Plant. CITY and SWSC agree to share in the cost of constructing a 2.50 million gallon per day (MGD) water treatment plant. After the application of any grant money to the cost of construction of the Water Plant, CITY shall pay sixty-five (65) percent of the remaining costs of construction and SWSC shall pay thirty-five (35) percent of the remaining costs of construction. Payment of SWSC's thirty-five (35) percent shall be made in accordance with Paragraph 4. CITY will ensure that its sixty-five (65) percent share of the construction costs will not be paid through water rates charged to SWSC. The CITY may use any funding mechanism it deems appropriate to pay its sixty-five (65) percent share, which may include a surcharge on water rates to customers other than SWSC or tax revenues.

3. Maintenance and Repairs: If CITY's water system, including its water treatment facilities, pump stations, storage facilities, and water mains, require expansion, replacement, renovation, repair, or maintenance, the cost of such expansion, replacement, renovations, repairs, or maintenance shall be paid by CITY. However, CITY, through the Contract Rates as defined in Paragraph 10, may recover the costs for such replacement, renovations, repairs, or maintenance to maintain the Water Plant up to a capacity of 2.50 MGD, and the costs for replacement,

renovation, repairs, or maintenance of the distribution mains that supply water to SWSC. The City may not recover costs for expansion or capital improvements to expand the Water Plant to a capacity greater than 2.50 MGD through the rates the City charges SWSC. If the City is required to expand the Water Plant to a capacity of greater than 2.50 MGD to comply with Federal or State regulatory requirements, SWSC shall not receive any additional treated water supply from such expansion, unless SWSC pays its pro rata share (35%) of the increased capacity of the Water Plant.

4. Payment for Construction of Water Plant. SWSC shall pay its portion of the construction of the Water Plant directly to any contractor or subcontractor in accordance with the draw schedule established in construction contracts between the CITY and contractor, so long as such draw schedule is identical for CITY and SWSC (excepting only the difference in the share of costs as described by Paragraph 2) and such draw schedule is approved by Rural Development. City and SWSC shall pay the contractor or subcontractor the amount due in the invoice or bill sent by contractor or subcontractor, and shall pay the contractor or subcontractor on or before the due date of the payment. Failure of either City or SWSC to pay their share of the construction costs as provided by Paragraph 2 shall be a material breach of this Agreement, unless there is a legitimate dispute with the contractor or subcontractor regarding the quality, or timing of the work, or the contractor or subcontractor is otherwise in breach of its obligations as determined by CITY.

5. Quantity of Water and Supply and Purchase Obligations.

5.1 Actual Usage Equal to or Greater Than Water Allotment. SWSC agrees to purchase at least 45,000,000 gallons of treated water ("Water Allotment") annually from CITY if

SWSC's actual usage is equal to or greater than its Water Allotment in any year. Failure of SWSC to purchase at least 45,000,000 gallons of treated water from CITY when SWSC's actual water usage is equal to or greater than 45,000,000 gallons of water in any one year is a material breach of this Agreement. Failure of CITY to make available and supply at least 45,000,000 gallons of treated water to SWSC when SWSC's actual water usage is equal to or greater than 45,000,000 gallons of water in any one year is a material breach of this Agreement by CITY. Notwithstanding the foregoing, SWSC's purchase obligation and the CITY's supply obligation in any year during which the CITY reduces SWSC's supply, because of the conditions set forth in Paragraph 14, shall be governed by Paragraph 14.

5.2 Actual Usage Less than Water Allotment. If SWSC's actual annual water usage is less than its Water Allotment in any one year, SWSC shall purchase all of its water from CITY or pay the CITY the cost of SWSC's usage for the year as provided herein. SWSC will pay the CITY at the Contract Rate per 1000 gallons of water for the volume of water represented by the difference between the total annual volume of water used by SWSC and the total volume of water purchased from the CITY in any year that SWSC does not purchase all of its water from the CITY and SWSC's usage is less than the Water Allotment. Failure of SWSC to purchase all of its water from CITY when its actual annual water usage in any one year is less than its Water Allotment, or alternatively to pay CITY for such annual water usage as provided herein, is a material breach of this Agreement. Failure of CITY to supply, or make available, all of SWSC's water needs when SWSC's actual annual water usage in any one year is less than its Water Allotment is a material breach of this Agreement by CITY. Notwithstanding the foregoing, SWSC's purchase obligation and the CITY's supply obligation in any year during which the

2003 WATER PURCHASE AGREEMENT 5



CITY reduces SWSC's supply, because of the conditions set forth in Paragraph 14, shall be governed by Paragraph 14.

5.3 Purchase of Water from Other Sources. Further, notwithstanding the other terms of this Paragraph, SWSC shall have the right to interconnect and supply and receive treated water from neighboring utilities, so long as SWSC's Net Usage is supplied by CITY, and such water trading shall not be a breach of this Agreement. Net Usage shall mean at least 45,000,000 gallons of treated water when SWSC's actual usage is equal to or greater than 45,000,000 gallons in any one year.

6. Maximum Daily Amount: SWSC may only draft up to 576,000 gallons of water per day from CITY ("Maximum Daily Amount") until thirty (30) days after the certification of the completion of the Water Plant described in Paragraph 2 by all necessary state and federal regulatory agencies, or the date the CITY begins using the Water Plant to supply its customers, whichever date is earlier (the "Plant Completion Date"). The Maximum Daily Amount shall increase to 875,000 gallons per day of treated water on and after the Plant Completion Date. CITY shall not be obligated nor expected to supply treated water to SWSC at a volume higher than the Maximum Daily Amount. CITY may, at its own cost, install a flow regulation device to ensure the Maximum Daily Amount is not exceeded. However, in the event that SWSC desires to exceed the Maximum Daily Amount, and CITY has sufficient treated water available, CITY may elect, at its sole discretion, to provide such treated water in excess of the Maximum Daily Amount. An election by CITY to provide treated water in excess of the Maximum Daily Amount shall not be construed as an amendment to this Agreement or otherwise create an express or implied obligation on CITY to continue to provide treated water in excess of the Maximum Daily

Amount.

7. Quality. The quality of treated water to be supplied by CITY to SWSC shall be the same as supplied to customers of CITY within its corporate limits and shall be treated and filtered. CITY will use its best efforts to deliver to SWSC treated water of a quality that meets or exceeds the standards of the Texas Commission on Environmental Quality (the "TCEQ") or any other applicable regulatory agency for potable water.

8. Points of Delivery and Pressure. Treated water will be furnished to two meters, one located on the Northern City Limits adjacent to U.S. Highway No. 283 and the other to be located at a point to be negotiated by the parties on a transmission line from the Water Plant (herein sometimes called the "Metering Points" or "Points of Delivery"). CITY shall not be obligated to deliver treated water to SWSC at any time during any calendar year at a pressure in excess of TCEQ requirements. If a greater pressure than that normally available at the Points of Delivery is required by SWSC, the cost of providing such greater pressure shall be borne solely by SWSC.

9. Measurement. The unit of measurement for treated water to be delivered by CITY to SWSC shall be one thousand (1,000) gallons of water U.S. Standard Liquid Measure. SWSC shall furnish and install at its own expense at the Metering Points the necessary metering equipment, including a meter house or pit, and any required devices of standard type for properly measuring the quantity of treated water delivered to the SWSC. SWSC will own the metering equipment. CITY agrees to operate and maintain at its own expense the metering equipment installed by SWSC and to calibrate such metering equipment when requested by SWSC at CITY's expense, but not more frequently than once each twelve (12) months. A meter registering not

more than two percent (2%) above or below actual flow rate according to test results shall be deemed to be accurate. The previous reading of any meter disclosed by test to be inaccurate shall be corrected for the six (6) months previous, with such correction to be in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of treated water furnished during such period shall be deemed to be the amount of treated water delivered in the corresponding period immediately prior to the failure, unless CITY and SWSC shall agree upon a different amount. The metering equipment shall be read by the CITY on the first day of each calendar month, or if the first day of the month falls on a Sunday or holiday, the day immediately following the Sunday or holiday. An appropriate official of SWSC shall have access to the meters at all reasonable times for the purpose of verifying the readings.

10. Price and Payment.

10.1 SWSC agrees to pay CITY each month during any calendar year for its actual water usage for the preceding month. SWSC shall pay CITY a rate equal to the lowest rate charged by CITY for its residential customers located within the corporate city limits of the CITY and shall exclude any surcharge associated with the Water Plant construction (the "Contract Rate"), which residential rate may be amended from time to time by the City. In the event the CITY adopts a multi-tiered or conservation-oriented rate structure (for example, whereby a residential customer's rate would vary by amount of water usage) the Contract Rate to SWSC shall not exceed the lowest rate per thousand gallons paid by a residential customer located within the corporate city limits of the CITY (and shall further exclude any surcharge associated with the Water Plant construction) and the Contract Rate shall not change, vary or increase based upon volume of usage by SWSC.

10.2 So long as the Contract Rate does not exceed the rate charged by CITY (as described above) for its residential customers located within the corporate limits of the CITY, CITY may recover through the Contract Rate the cost for replacement, renovations, repairs, or maintenance of the CITY distribution mains that supply water to SWSC and its water treatment facilities that are reasonably necessary to maintain water treatment plant capacity of 2.50 MGD, but the Contract Rate shall not include the CITY's sixty-five (65) percent share of the construction costs of the water plant, and if the CITY imposes any surcharge on water rates to customers other than SWSC to recover the CITY's sixty-five (65) percent share of construction costs, then the Contract Rate shall exclude those surcharges.

10.3 CITY shall send a statement by the fifth day of each month or as soon as reasonably possible thereafter, of all amounts due to CITY. All amounts invoiced to SWSC shall be paid to CITY at its Municipal Office in Albany in Shackelford County, Texas, within ten (10) days after receipt by SWSC of a statement from CITY of the amounts due. If SWSC should fail to make payment to CITY of water usage charges due under this Agreement within the time specified hereunder, CITY shall have the right to institute suit for collection thereof and utilize such other remedies which may be available to CITY by law. Provided, however, CITY shall not invoke its remedies until at least thirty (30) days after receipt by SWSC of notice of the amount of unpaid and overdue charges. All amounts not paid by SWSC to CITY within the time specified hereunder shall bear interest compounded daily at the Prime Rate of interest as published in The Wall Street Journal as of the due date for said payment, plus two percent (2%), but not more than the highest non-usurious rate allowed by the Laws of the State of Texas.

10.4 On the date of execution of this Agreement, the Contract Rate is \$ 2.75 per

thousand gallons. Nothing in this Agreement shall limit the City's ability or authority to amend the rates the City charges its residential customers and the Contract Rate so long as the Contract Rate shall never exceed the lowest rate per thousand gallons paid by a residential customer located within the corporate city limits of the CITY (and shall further exclude any surcharge associated with the Water Plant construction) and the Contract Rate shall not change, vary or increase based upon the volume of usage by SWSC.

11. Resale of Treated Water. CITY agrees that SWSC shall be entitled to resale or transfer treated water delivered by CITY under this Agreement to the City of Moran. CITY agrees that, upon the Plant Completion Date, SWSC shall be entitled to resale or transfer treated water delivered by the CITY under this Agreement to the City of Throckmorton, and those adjacent non-profit water supply water corporations listed on Exhibit "A" (the "Wholesale Customers") to be resold by the Wholesale Customers to their own customers within the Wholesale Customer's CCN, city limits or within one mile thereof. Except as provided above, the resale of water on a wholesale basis to others for retail sale of the water is prohibited except with the express written permission of CITY. The CITY's permission for such additional resale shall not be unreasonably withheld. SWSC shall take steps to ensure that no treated water delivered under this agreement is taken outside of the Brazos River Basin.

12. CITY Requirements, Commitments and Obligations. CITY agrees to sell and deliver to SWSC, at the Points of Delivery, the amount of treated water but not to exceed the Maximum Daily Amount required by SWSC for servicing of its customers. CITY agrees, as necessary, to deliver daily to the CITY distribution lines and to SWSC, subject to the Maximum Daily Amount. CITY will at all times do its best to operate and maintain its Water Plant and its

entire system in an efficient manner, considering the plant's condition and capabilities, and will take such action as may be reasonable and necessary to furnish both to SWSC and to CITY's distribution lines quantities of treated water required for the customers of CITY and SWSC. Temporary or partial failure to deliver treated water as provided herein shall be remedied with all possible dispatch.

13. SWSC Requirements, Obligations and Rights. SWSC agrees that it shall purchase its Water Allotment or actual usage, as applicable, and as specified in Paragraphs 5.1 and 5.2, regardless of whether SWSC purchases water from some other party. Nothing in this Agreement shall preclude SWSC from seeking, using, or contracting for, other sources of treated water or raw water so long as SWSC purchases its Water Allotment as specified in Paragraphs 5.1 and 5.2.

14. Allocation of Water During Drought. In the event of an extended shortage of water, or if the supply of water available to CITY is otherwise diminished, the supply of treated water to SWSC shall be reduced or diminished in the same ratio or portion as the supply to the CITY'S customers is reduced or diminished. That is, the amount of treated water available to the customers of CITY and SWSC shall each be reduced proportionately in the event of a shortage of water. In any year ("Reduction Year") during which the City reduces the supply of water to SWSC under this Paragraph, CITY and SWSC shall not be bound by the Water Allotment or any of the obligations or limitations set forth in Paragraphs 5.1 and 5.2 during the Reduction Year, and further SWSC shall be entitled during the Reduction Year only to obtain and use such volumes of water from other sources as SWSC deems necessary, in its sole discretion, and such use of alternate water shall not constitute any breach of any provision of this Agreement.

15. Assignment. Neither CITY nor SWSC shall assign this Agreement in whole or in

2003 WATER PURCHASE AGREEMENT

part without the prior express written consent of the other party. Provided, however, this restriction shall not be construed to prohibit a Party from pledging its assets as security for any loan or to prohibit SWSC from assigning this agreement to any successor retail public utility in conjunction with the transfer of SWSC's CCN so long as (1) SWSC's thirty-five (35) percent share of construction costs are fully paid and (2) SWSC's entire certificated area is transferred. The Parties expressly agree and consent to either party pledging or assigning this Agreement to Rural Development.

16. Remedies. Nothing herein shall limit the remedies available by law to either party in the event of a breach of this Agreement. CITY and SWSC affirm that the construction of the 2.50 MGD Water Plant is a significant capital investment and that expansion of the CITY's water treatment capacity is being undertaken in part to meet the growing water needs of SWSC. If the CITY fails to complete the Water Plant due to the CITY's negligence, with a final rated capacity of 2.50 MGD, within five years of the Effective Date such failure shall be a material breach of this Agreement by CITY and CITY shall refund to SWSC all SWSC's payments made pursuant to Paragraph 4 herein and SWSC may draft only up to 576,000 gallons of water per day from CITY.

17. Force Majeure. In case by reason of force majeure either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, other than the obligation of the SWSC to make payments required under the terms hereof, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party filing such notice, so far as is affected by such force majeure, shall be suspended during the continuance

of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, war, orders of any kind of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, storms, floods, washouts, drought, arrests, restraints of government or people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, and inability on part of CITY to deliver treated water hereunder, or of SWSC to receive treated water hereunder, on account of any other causes not reasonably within the control of the party claiming the inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts as acceding to the demands of the opposing party or parties when such course is unfavorable in the judgment of the party having the difficulty.

18. Compliance with Laws and Regulations. The CITY and the SWSC mutually agree that each will abide by all the rules, regulations, and laws of the United States of America, the State of Texas and any other governmental body having jurisdiction over the subject matter of this Agreement.

19. Notices. All notices required to be given hereunder shall be given in writing, by U.S. Registered or Certified Mail, postage prepaid, return receipt requested addressed as follows:

CITY OF ALBANY  
P.O. Box 595  
Albany, Texas 76430



SHACKELFORD WATER SUPPLY CORPORATION  
1180 County Road 109  
Albany, Texas 76430

20. Special Provisions. SWSC shall have the privilege of installing a public vending meter to furnish treated water to its customers or members; provided, however, this privilege shall not be construed to mean that SWSC shall be entitled to a greater supply of treated water from CITY than set forth above.

In witness whereof, the parties hereto, acting under the authority of the respective governing bodies, have caused this Agreement to be duly executed in multiple counterparts, each of which shall constitute an original.

CITY OF ALBANY, TEXAS

By: \_\_\_\_\_

Mayor of the City of Albany, Texas

Date: \_\_\_\_\_

THE STATE OF TEXAS

COUNTY OF SHACKELFORD

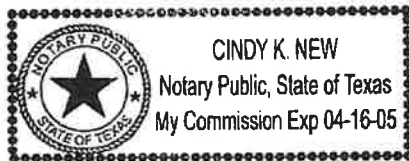
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BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Harold Cox, Mayor of the City of Albany, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of the City of Albany for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28 day of July, 2003.

Cindy New  
Notary Public – State of Texas

(Seal)



SHACKELFORD WATER SUPPLY  
CORPORATION

By: E.D. Fincher  
President of Shackelford WSC  
Date: 7-24-03

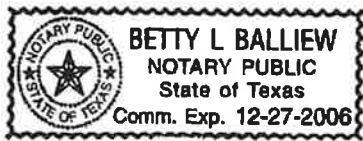
THE STATE OF TEXAS

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COUNTY OF SHACKELFORD

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared E.D. Fincher, President of Shackelford Water Supply Corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24<sup>th</sup> day of July, 2003.



Betty L. Balliew  
Notary Public – State of Texas

REVIEWED AND CONSENTED TO BY:

UNITED STATES OF AMERICA

BY \_\_\_\_\_  
\_\_\_\_\_ (name)

State Director for Rural Development, acting on behalf of the Rural Utilities Service,  
(successor in interest to the Farmers Home Administration and/or Rural Development  
Administration) United States Department of Agriculture

THE STATE OF TEXAS

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2001,  
by \_\_\_\_\_, the State Director of USDA Rural Utility Service  
Administration, on behalf of said administration.

\_\_\_\_\_  
Notary Public, State of Texas

EXHIBIT "A"

Ft. Belknap WSC

Stephens County Rural WSC

Westbound WSC

Hamby WSC

Paint Creek WSC

City of Moran

City of Throckmorton

Callahan County WSC

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## SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") is made and entered into on this the 24<sup>th</sup> day of July 2003 (the "Effective Date") by and between the City of Albany, Texas (hereinafter the "City"), a political subdivision of the State of Texas, and Shackelford Water Supply Corporation, a Texas non-profit water supply corporation incorporated and operating under the provisions of Chapter 67, Texas Water Code (hereinafter "Shackelford"). Together the City and Shackelford are sometimes referred to herein as the Parties.

### RECITALS

WHEREAS, Shackelford has filed an Application with the Texas Natural Resource Conservation Commission (now known as the Texas Commission on Environmental Quality, which agency is hereafter referred to as "TCEQ") requesting an amendment to Certificate of Convenience and Necessity ("CCN") No. 11637 (the "Application"); and

WHEREAS, the City filed a protest and request for hearing related to the Application; and

WHEREAS, the Application and related proceedings have been docketed with the TCEQ and the State Office of Administrative Hearings as TCEQ Docket No. 2001-1249-UCR and SOAH Docket No. 582-02-1638, respectively; and

WHEREAS, Shackelford and the City also have a dispute over the terms of a wholesale water supply agreement (the "1992 Water Purchase Contract") whereby the City has supplied Shackelford treated surface water for use in supplying Shackelford's retail customers;

WHEREAS, certain disputes exist as to the Parties' respective obligations under the 1992 Water Purchase Contract and the City and Shackelford desire and find a settlement of such disputes to be beneficial so as to avoid both a contested case hearing involving the Application and litigation of the 1992 Water Purchase Contract.

NOW, THEREFORE, it is the intent of the City and Shackelford to effectuate a full and complete settlement and resolution of their disputes regarding the Application and the 1992 Water Purchase Contract through the execution of this Agreement. This Agreement neither confirms nor denies the merits of either the City's or Shackelford's objections or concerns, but, rather, is executed solely to buy peace between the parties. By their representatives affixing signatures below, the City and Shackelford agree as follows:

### TERMS OF AGREEMENT

IN CONSIDERATION of the mutual promises and covenants contained in this Agreement, including the recitals set forth above, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Amended Water Purchase Contract. In resolution of the dispute involving the 1992 Water Purchase Contract, the City agrees to sell and Shackelford agrees to purchase potable, treated

water under the terms and conditions described in the *2003 Water Purchase Agreement*, attached hereto as Exhibit "A". The *2003 Water Purchase Agreement* is incorporated within and made a part of the Agreement.

2. Backwash Invoice. Shackelford shall pay the City \$25,000 in full satisfaction of the charges associated with the backwash invoice. Such payment shall occur not later than ten days after the Effective Date of this Agreement.

3. Withdrawal of Protest and Remand. Not later than ten days after the Effective Date of this Agreement, the City shall notify the TCEQ and SOAH in writing of the withdrawal of its opposition to the Application. The Parties shall cooperate in drafting and filing a motion with SOAH providing notice of the Agreement and the withdrawal of the City's protest, and requesting that the Application be remanded to the TCEQ Executive Director for issuance of the amended CCN as an uncontested matter.

4. Mutual Release. In consideration of the terms, obligations, and covenants set forth herein, as of the Effective Date of the *2003 Water Purchase Agreement* (as defined in Exhibit "A" hereto) the Parties hereby waive, release, and forever discharge each other and their respective officers, directors, council members, employees, agents, representatives and attorneys from any and all claims or demands, of any kind whatsoever, that have arisen from or which relate to the 1992 Water Purchase Contract (the "Claims"). This Mutual Release and the Claims cover all claims for damages, expenses, cash, costs, or fees, and claims for any other payment, expense or detriment relating to or arising from the dispute involving the 1992 Water Purchase Contract. Notwithstanding the foregoing, this mutual release does not release the obligations created by this Agreement and any resulting claims due to the breach of such obligations.

5. Cooperation of the Parties. The Parties agree to cooperate to implement the terms of this Agreement. The Parties further agree to cooperate in any pending loan or grant application related to water service involving the City or Shackelford, and each Party shall refrain from participating in any proceeding before any agency or court for the purpose of opposing, protesting or impeding the progress of any such loan or grant application. The City shall refrain from participating in, directly or indirectly, any proceeding before the TCEQ or any other agency or court for the purpose of opposing, protesting, or objecting to the Application.

5.1 Mutual Support. The Parties agree to author and send to USDA Rural Development letters of support for each others loan application and urging prompt granting of such loans by Rural Development.

5.2 Emergency Interconnection. Shackelford agrees to provide an emergency interconnection at the Point of Delivery for the provision of temporary water service to City in the event of an emergency. The cost of such water shall be not less than twenty-five percent above Shackelford's wholesale cost of such temporary water supply. Shackelford shall have no obligation to supply emergency water to City during any period when Shackelford has insufficient water supply to serve the needs of Shackelford's own customers.

5.3 No Waiver. In the event the *2003 Water Purchase Agreement* does not become effective and the 1992 Water Purchase Contract remains in effect, Shackelford agrees that the City's execution of this Agreement shall not constitute a waiver by the City of the City's right to enforce the terms of the 1992 Water Purchase Contract. Notwithstanding the foregoing, Shackelford is not admitting to the enforceability or legality of the 1992 Water Purchase Contract, and not waiving any other claims it may have with respect to the 1992 Water Purchase Contract.

6. Covenant of Authority. The persons executing the Agreement covenant that they are fully authorized to sign under the name and in the capacity in which they sign.

7. Joint Drafting. This Agreement shall be deemed drafted equally by the Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against either Party shall not apply.

8. Successor and Assigns. This Agreement shall be binding upon the parties hereto and their respective successors, representatives, and assigns.

9. Entire Agreement. The Agreement embodies the entire agreement with respect to the respective rights and obligations of the Parties as to the subject matter of this Agreement and supersedes all prior agreements and understandings, whether oral or in writing, related to this Agreement. The Agreement cannot be changed or terminated orally.

10. Partial Invalidity. Should any provision of this Agreement be declared void by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.

11. Execution. The Agreement will be executed using duplicate originals, each of which when fully executed shall be deemed an original for all purposes.


12. Texas Law. The Agreement shall be governed by, enforced, and construed in accordance with, and subject to, the laws of the State of Texas.

13. Time of the Essence. It is acknowledged and agreed by the parties that time is of the essence in the performance of the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto, acting under the authority of the respective governing bodies, have caused this Agreement to be duly executed in multiple counterparts, each of which shall constitute an original.




**CITY OF ALBANY**

  
\_\_\_\_\_, Mayor

Date: 7/28/08

**ATTEST:**

  
\_\_\_\_\_  
City Secretary

**SHACKELFORD WATER SUPPLY  
CORPORATION**



Date: 7-24-03

ATTEST:

  
Secretary

3298536v5

**FIRST AMENDMENT TO  
2003 WATER PURCHASE AGREEMENT**

**WHEREAS**, the City of Albany (City) and Shackelford Water Supply Corporation (SWSC) entered into a 2003 Water Purchase Agreement on July 24, 2003 (2003 Agreement);

**WHEREAS**, the 2003 Agreement requires the review and consent of the State Director for Rural Development acting on behalf of the Rural Utilities Service of the United States Department of Agriculture (RUS);

**WHEREAS**, RUS reviewed and commented on the 2003 Agreement and required the City and SWSC to amend the 2003 Agreement before providing RUS approval;

**WHEREAS**, the 2003 Agreement contains numerous references to "USDA Rural Development" which the City and SWSC agree to change to "Rural Utilities Services;

**WHEREAS**, the 2003 Agreement requires clarification that the City will construct and own its Water Plant;

**WHEREAS**, the 2003 Agreement requires clarification to provide that payments made by SWSC, other than for the cost of water, constitute a connection fee for which SWSC may receive up to 875,000 gallons of water per day upon completion of Water Plant;

**WHEREAS**, the 2003 Agreement should be amended to provide for a 40 year term commencing upon the Effective Date as defined in the 2003 Agreement; and

**WHEREAS**, the 2003 Agreement should be amended to contain a renewal provision.

**NOW, THEREFORE**, in consideration of the mutual promises and agreements expressed herein, the City and SWSC agree to amend the 2003 Agreement as follows:

1. All references to "USDA Rural Development" or "Rural Development" are

replaced with "Rural Utilities Service".

2. Paragraph 1 of the 2003 Agreement is amended and replaced as follows:

1. Term. This Agreement shall be for an initial term beginning on the later of: a) the date the CITY receives grants or loans from Rural Utilities Service to construct the Water Plant described in Paragraph 2, or b) the date Rural Utilities Service grants the SWSC Loan; whichever date is later (the "Effective Date"), and ending 40 years from the Effective Date. This Agreement may be renewed or extended for such term or terms as may be agreed upon by the CITY and SWSC. As of the Effective Date of this Agreement, the 1992 Agreement is hereby terminated and shall be of no further force and effect. Upon the Effective Date, this Agreement replaces the 1992 Agreement. If either the CITY or SWSC fails to receive funding to finance the construction of the Water Plant described in Paragraph 2 by December 31, 2004, this Agreement is null and void and the 1992 Agreement remains in effect.

3. Paragraph 2 of the 2003 Agreement is amended to add a new sentence that provides:

The CITY , not SWSC, will own the Water Plant. SWSC's payment of 35% of the remaining cost of construction constitutes a Water Connection Fee. In exchange for payment of the Water Connection Fee, SWSC is entitled to receive up to 875,000 gallons per day of treated water as provided in paragraph

6.

4. All other provisions to the 2003 Agreement are unchanged.

IN WITNESS WHEREOF, the CITY and SWSC have caused this instrument to be signed by the duly authorized representative in duplicate originals on this 24<sup>th</sup> day of November, 2003.

CITY OF ALBANY, TEXAS

By: *Harold Cox*

Mayor of the City of Albany, Texas

Date: 11/24/03

THE STATE OF TEXAS

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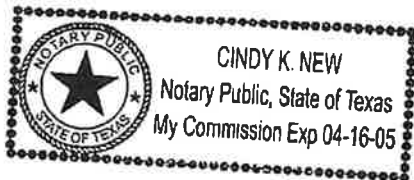
COUNTY OF SHACKELFORD

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BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Harold Cox, Mayor of the City of Albany, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of the City of Albany for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24 day of November, 2003.



*Cindy New*  
Notary Public - State of Texas

SHACKELFORD WATER SUPPLY  
CORPORATION

By: *E. D. Fincher*  
President of Shackelford WSC  
Date: 11-24-2003

THE STATE OF TEXAS

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COUNTY OF SHACKELFORD

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared E. D. Fincher, President of Shackelford Water Supply Corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24<sup>th</sup> day of November, 2003.

*Betty L. Balliew*  
Notary Public -- State of Texas



**SECOND AMENDMENT TO  
2003 WATER PURCHASE AGREEMENT**

**WHEREAS**, on or about July 24, 2003 the City of Albany (City) and Shackelford Water Supply Corporation (SWSC) entered into a 2003 Water Purchase Agreement (2003 Agreement);

**WHEREAS**, on or about November 24, 2003 the City and SWSC executed the "First Amendment to 2003 Water Purchase Agreement."

**WHEREAS**, the Effective Date should be amended in the First Amendment to 2003 Water Purchase Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises and agreements expressed herein, the CITY and SWSC agree to amend the 2003 Agreement as follows:

1. Paragraph 1 of the 2003 Agreement is amended and replaced as follows:

1. Term. This Agreement shall be for an initial term beginning on the later of: a) the date the CITY receives grants or loans from Rural Utilities Service to construct the Water Plant described in Paragraph 2, or b) the date Rural Utilities Service grants the SWSC Loan; whichever date is later (the "Effective Date"), and ending 40 years from the Effective Date. This Agreement may be renewed or extended for such term or terms as may be agreed upon by the CITY and SWSC. As of the Effective Date of this Agreement, the 1992 Agreement is hereby terminated and shall be of no further force and effect. Upon the Effective Date, this Agreement replaces the 1992 Agreement. If either the CITY or SWSC fails to receive funding to finance the construction of the Water Plant described in Paragraph 2 by December 31, 2005, this Agreement is null and void and the 1992 Agreement remains in effect.

2. All other provisions to the 2003 Agreement are unchanged.

IN WITNESS WHEREOF, the CITY and SWSC have caused this instrument to be signed by the duly authorized representative in duplicate originals on this 17 day of November, 2004.

CITY OF ALBANY, TEXAS

By: Harold Cox

Mayor of the City of Albany, Texas

Date: 11-17-04

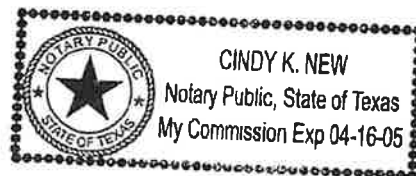
THE STATE OF TEXAS §

COUNTY OF SHACKELFORD §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Harold Cox, Mayor of the City of Albany, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of the City of Albany for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17 day of November, 2004.

Cindy New  
Notary Public - State of Texas





SHACKELFORD WATER SUPPLY  
CORPORATION

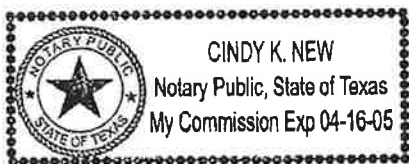
By: *E.D. Fincher*  
President of Shackelford WSC  
Date: 11-23-04

THE STATE OF TEXAS                   §

COUNTY OF SHACKELFORD       §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared E.D. Fincher, President of Shackelford Water Supply Corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23 day of  
November, 2004.



*Cindy New*  
Notary Public – State of Texas

Third Amendment to  
2003 Water Purchase Agreement

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2007, effective August 15, 2007, by and between The City of Albany, Texas ("City") and Shackelford Water Supply Corporation ("SWSC").

RECITALS

WHEREAS, on or about July 24, 2003, City and SWSC entered into a 2003 Water Purchase Agreement ("2003 Agreement") that set forth the agreement of the parties thereto in regard to the purchase and sale of water and related matters; and

WHEREAS, said 2003 Agreement was subsequently amended on November 24, 2003 and November 17, 2004, and it is the desire of the parties hereto to further amend the 2003 Agreement.

AMENDMENT

NOW, THEREFORE, City acting by and through its duly authorized Mayor and SWSC acting by and through its duly authorized undersigned officer, for valuable consideration (the receipt and sufficiency of which is hereby acknowledged), do hereby modify or amend the 2003 Agreement and Amendments thereto, to provide as follows:

1. Paragraph 1. Term. The term of the 2003 Agreement is amended so that the term of the contract does not expire until 40 years and one day after the closing date of the loan from the Rural Utilities Service to City or from Rural Utilities Service to SWSC, whichever loan closing is later, for the expansion and upgrade of the City's water plant.
2. Paragraph 20. Special Provisions. The Special Provisions of the 2003 Agreement are amended so that the following provisions are added as terms of said 2003 Agreement:

The parties hereto acknowledge Seller is subject to regulation of the Federal Energy Regulatory Commission or Federal/State Agencies whose jurisdiction can be expected to prevent the unwarranted curtailment of water supply.

The connection, demand and/or tap fees charged by City shall be those in effect and hereinafter amended by action of the City Council of City. The connection, demand and/or tap fees charged by SWSC shall be those in effect and hereinafter amended by action of the management of SWSC. City and SWSC shall install for each of their respective customers metering devices for each connection.

Upon expiration of the term of this Agreement, this Agreement shall continue unless either party gives written notice to the other party of its desire to terminate the Agreement. Notice of intended termination must be given 90 days before the intended termination date.

This Agreement shall be subordinate to the rights of the Lender under any Rural Utilities Service loan and SWSC agrees that its rights under this Agreement shall remain inferior to the rights of such Lender.

REMAINING TERMS Unless expressly modified or amended herein, the terms of the 2003 Agreement as previously amended remain in full force and effect.

Effective as of August 15, 2007.

Witness

Cindy New  
City Secretary

City of Albany, Texas

By:

Harold Alf  
Mayor

ATTEST

Burnett R. McChesin  
Secretary

Shackelford Water Supply Corporation

By:

Ed Fajen  
President

Fourth Amendment to  
2003 Water Purchase Agreement

This Agreement is made and entered into this 8 day of June, 2008, effective by and between The City of Albany, Texas ("City") and Shackelford Water Supply Corporation ("SWSC").

RECITALS

WHEREAS, on or about July 24, 2003, City and SWSC entered into a 2003 Water Purchase Agreement ("2003 Agreement") that set forth the agreement of the parties thereto in regard to the purchase and sale of water and related matters; and

WHEREAS, said 2003 Agreement was subsequently amended on November 24, 2003, November 17, 2004, and August 15, 2007 and it is the desire of the parties hereto to further amend the 2003 Agreement.

AMENDMENT

NOW, THEREFORE, City acting by and through its duly authorized Mayor and SWSC acting by and through its duly authorized undersigned officer, for valuable consideration (the receipt and sufficiency of which is hereby acknowledged), do hereby modify or amend the 2003 Agreement and Amendments thereto, to provide as follows:

1. Paragraph 1. Term is hereby amended and modified so that it reads in its entirety as follows:

1. TERM. This Agreement shall be for an initial term beginning on the later of: a) the date the CITY closes on grants or loans from Rural Utilities Service to construct the Water Plant described in Paragraph 2, or b) the date Rural Utilities Service closes on a loan to SWSC, whichever date is later (the "Effective Date"), and ending 40 years and one day from the Effective Date. This Agreement may be renewed or extended for such term or terms as may be agreed upon by the CITY and SWSC. As of the Effective Date of this Agreement, the 1992 Agreement is hereby terminated and shall be of no further force and effect. Upon the Effective Date, this Agreement replaces the 1992 Agreement. If either the CITY or SWSC fails to receive funding to finance the construction of the Water Plant described in paragraph 2 by September 30, 2009, this Agreement is null and void and the 1992 Agreement remains in effect.

2. Paragraph 20. Special Provisions. The Special Provisions of the 2003 Agreement are amended so that the following provisions are added as terms of said 2003 Agreement:

The parties hereto acknowledge Seller is subject to regulation of the Federal Energy Regulatory Commission or Federal/State Agencies whose jurisdiction can be expected to prevent the unwarranted curtailment of water supply.

The connection, demand and/or tap fees charged by City shall be those in effect and hereinafter amended by action of the City Council of City. The connection, demand and/or tap fees charged by SWSC shall be those in effect and hereinafter amended by action of the management of SWSC. City and SWSC shall install for each of their respective customers metering devices for each connection.

Upon expiration of the term of this Agreement, this Agreement shall continue unless either party gives written notice to the other party of its desire to terminate the Agreement. Notice of intended termination must be given 90 days before the intended termination date.

This Agreement shall be subordinate to the rights of the Lender under any Rural Utilities Service loan and SWSC agrees that its rights under this Agreement shall remain inferior to the rights of such Lender.

REMAINING TERMS Unless expressly modified or amended herein, the terms of the 2003 Agreement as previously amended remain in full force and effect.

Witness

Cindy New  
City Secretary

City of Albany, Texas

By: David Cef  
Mayor

ATTEST

Betty Riffe  
Secretary

Shackelford Water Supply Corporation

By: W. F. Zischer  
President