

NOTICE – DROUGHT STAGE 4 (EMERGENCY)

ROLLING V RANCH WATER
CONTROL & IMPROVEMENT DISTRICT NO. 2
c/o Allen Boone Humphries Robinson LLP
4514 Cole Avenue, Suite 1450
Dallas, Texas 75205

July 26, 2024

Dear Customer:

Rolling V Ranch Water Control and Improvement District No. 2 (the “District”) hereby provides notice of Drought Stage 4 (Emergency) conditions under the District’s drought contingency plan (“DCP”). One of the District’s sources of water supply, the Walnut Creek Special Utility District (“WCSUD”) (via agreement between the District’s regional water supplier, Rolling V Ranch Water Control and Improvement District No. 3 (“RVR No. 3”), and the City of Rhome, Texas (the “City”)), is now experiencing exacerbated water shortage conditions due to damage a 12” and 18” mainline break in WCSUD’s distribution system (the “Triggering Event”). Due to the Triggering Event, the City has limited the amount of water supplied to RVR No. 3 to forty-five percent (45%) of the contracted capacity as permitted by the terms and conditions of the City’s wholesale agreement with RVR No. 3. The corresponding reduction in water supplied to the District, combined with the failure by District customers to comply with the District’s previously notified water use restrictions, has caused the District issues in supplying water to District customers at a consistent minimum pressure. In order to respond to the interruption of wholesale water supply received from the City and the corresponding effects such interruption has had on the District’s ability to supply water at pressure, the District is now implementing Drought Stage 4 (Emergency) under its DCP while WCSUD works to repair the damage as soon as possible.

To ensure that an adequate supply of water is available, you are hereby notified that Stage 4 (Emergency) of the DCP is now in effect and the **MANDATORY** restrictions set forth below are now in effect. The District’s board of directors (the “Board”) is aware of the inconvenience of these restrictions, but it is imperative that the District maintain an adequate water supply for all users within the District.

WATER USE RESTRICTIONS

Customers will comply with the requirements and mandatory restrictions on non-essential and other water uses as provided below. Specific measures to be implemented during this stage will be determined by the Board of Directors, or its official designee. The Board of Directors, or its official designee, may also take other actions not listed, if deemed necessary. All requirements of Stage 3 shall remain in effect during Stage 4, as modified by the following incremental or new measures:

- Irrigation of landscaped areas is **PROHIBITED**. Foundation and trees may be watered for two (2) hours per day by hand-held hose, bucket, drip irrigation, or soaker hose.
- Vehicle washing is **PROHIBITED** except as necessary for health, sanitation or safety reasons.
- Non-essential internal water use by the District is **PROHIBITED**.
- The Board of Directors may, if it determines such actions are necessary, take the following actions: (i) increase the rate surcharge applicable to water usage by retail users; (ii) step up its enforcement efforts; and (iii) implement utilization of alternative water sources, if available.

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The Board requests that all customers immediately comply with the mandatory drought response measures and limit all potable outdoor water usage immediately. Under the DCP, the District has the right to enforce mandatory water restrictions by any combination of warnings, reconnection fees, suspension of service, monetary penalties, citations and fees as follows and authorized by the Board:

- On the first violation, customers will be notified by a sign or door-hanger that they have violated the mandatory water use restriction;
- On the second violation, the District may request the customer to disconnect its irrigation system; or, if the customer doesn't comply with said request, the District may disconnect said irrigation system. In addition, the customer shall be assessed fines in the following amounts: 1) residents shall be subject to a fine \$ 75.00, and 2) any developer, builder, Homeowner's Association, or other commercial entity shall be subject to a fine of 500.00. Each day that one or more of the provisions in this Plan is violated shall constitute a separate violation subject to an additional fine in the same amount. In addition, the District may post notification of violation with reconnection fees.
- On the third violation, the District will disconnect water service and post notification of violation with reconnection fees. The customer shall again be assessed a fine in the following amounts: 1) residents shall be subject to a fine \$ 75.00, and 2) any developer, builder, Homeowner's Association, or other commercial entity shall be subject to a fine of 500.00. Each day that one or more of the provisions in this Plan is violated shall constitute a separate violation subject to an additional fine in the same amount.
- The District maintains the right, **at any violation level**, to disconnect irrigation systems and or total water services to a customer with reconnection fees and possible monetary penalties authorized by action of the Board.

Additionally, under the District's Rate Order, if a customer violates the DCP, the District may **disconnect water service** and/or **levy a penalty of up to \$10,000 per violation**. Each day that a breach of the District's Rate Order/DCP occurs shall be considered a separate breach. The penalties set forth in the DCP and the Rate Order shall be in addition to any other legal rights and remedies of the District as may be allowed by law.

The Board of Directors appreciates your cooperation and perseverance during this Drought Stage. Once the Drought Stage ends, the District will notify you and you may then return to usage under the then-applicable Drought Stage, if any. If conditions should worsen, the District will notify you of additional water use restrictions, if any, as necessary to ensure the availability of water within the District.

If you have any questions, please contact Inframark, the District's water and wastewater operator, at 281-579-4500.