

RESOLUTION ADOPTING WATER SUPPLY COMMITMENT POLICY

WHEREAS, West Harris County Regional Water Authority (the "Authority") has been legally created by Special Act (the "Act") of the legislature of the State of Texas for the purpose, among others, of causing the reduction of groundwater withdrawals and the conservation, preservation, protection, and recharge of groundwater reservoirs;

WHEREAS, the Act further provides that the Authority may provide for the reduction of groundwater withdrawals as necessary to develop, implement, or enforce a groundwater reduction plan ("GRP") and facilitate compliance with applicable subsidence district regulations;

WHEREAS, the Harris Galveston Subsidence District ("HGSD") and Fort Bend Subsidence District ("FBSD") have adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water);

WHEREAS, in order to facilitate compliance with HGSD and FBSD regulations, the Authority is incurring significant costs to acquire treated surface water facilities and capacity, to deliver treated surface water to certain participants in its GRP, and to operate and maintain surface water facilities;

WHEREAS, unless a water provider within the Authority has been converted to surface water by the Authority, the water provider generally obtains all of its water from groundwater wells;

WHEREAS, political subdivisions that supply water within the Authority's GRP ("Water Users") may from time to time request the Authority to provide a water supply commitment to deliver a certain amount of water;

WHEREAS, the Authority's Board of Directors ("Board") desires to adopt a policy regarding the Authority's issuance of water supply commitments; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WEST HARRIS COUNTY REGIONAL WATER AUTHORITY THAT:

Section 1: The recitals and facts set forth above are hereby found to be true and correct.

Section 2: The Board hereby adopts a policy (the "Policy") that it may, at its option, enter into written water supply commitments ("Commitment(s)") with Water Users under the following conditions:

- (i) The requesting Water User has: (i) at least one operating well, or (ii) an open interconnect (not emergency-only interconnect) with an adjacent Water User

that has an operating well with capacity available to serve a portion of the requesting Water User's needs;

- (ii) The requesting Water User has confirmed that adjacent Water Users cannot or will not supply their water needs at a reasonable cost;
- (iii) A Commitment to a Water User will be limited to the amount that 0.6 gallons per minute ("GPM") per connection (in determining the number of connections, the Authority may consider the Water User's engineer's projected connection count of up to 24 months) exceeds other water available to the Water User; provided, however, if such 0.6 GPM is then already satisfied then no commitment will be issued;
- (iv) A Commitment to a Water User shall not exceed 500,000 gallons per day;
- (v) Total cumulative Commitments made by the Authority may not exceed 21 million gallons per day (exceptions may be considered for temporary Commitments); and
- (vi) Any other conditions determined appropriate by the Board.

Section 3: The Authority will consider granting a variance to the Policy if the Water User has water quality problems and has demonstrated that the problems cannot be economically addressed by blending or treatment, and a new well would be cost prohibitive and would likely have the same water quality issues.

Section 4: Nothing in this Policy shall be construed to contradict any written agreement entered into by the Authority.

Section 5: Notwithstanding any provision hereof, the Authority reserves the right to: (i) refrain from entering into a Commitment with any Water User for any reason whatsoever; (ii) include any terms or provisions in a Commitment that are agreed to in writing by the Water User and the Authority, even if such terms or provisions are inconsistent with this Resolution; and (iii) modify this Resolution at any time.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 13th of May, 2015.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(SEAL)

