

**VALENCIA HEIGHTS WATER COMPANY**  
**WATER SUPPLY SHORTAGE**  
**CONTINGENCY PLAN**

Adopted May 19, 2022

**INTRODUCTION**

The Water Supply Shortage Contingency Plan (Plan) was originally developed and adopted in 2009. As a result of AB 1668 and SB 552, the plan has been updated to meet current guidelines and must be readopted no later than July 1, 2023 . The Plan includes permanent water-wasting prohibitions, escalating water restrictions to be implemented over five water-supply shortage condition triggers, violations, and penalties. The permanent water-waste restrictions include primarily behavioral measures such as limiting irrigation times, prohibiting the washing of paved surfaces, controlling runoff, and repairing leaks. The Plan contains guidelines for triggers which will determine water supply levels, such as a certain percentage of required water reduction or certain amount of reduction in supply. The number of escalating water restriction levels and the actual triggers for determining particular water supply conditions are to be determined during actual drought or water supply shortage conditions. The Plan contains penalty provisions that allow administrative enforcement, and include such penalties as monetary fines, water flow restrictions, and termination of service. Other methods of enforcement could include enhanced water conservation rate structures. Careful water management that includes active water conservation measures not only in times of drought, but at all times, is essential to ensure a reliable minimum supply of water that will meet current and future water supply needs. Article X, Section 2 of the California Constitution declares that the general welfare requires that water resources be put to beneficial use, waste or unreasonable use or unreasonable method of use of water be prevented, and conservation of water be fully exercised with a view to the reasonable and beneficial use water.

**PURPOSE**

Implement a plan that will be consistent with many existing water conservation ordinances adopted by local agencies throughout Southern California and includes many similar provisions. It also contains provisions that have been previously recommended in the California Urban Water Conservation Council's Best Management Practices and the Department of Water Resource's Urban Drought Guidebook. The adoption and enforcement of the Plan is necessary to manage the Valencia Heights Water Company's (Company) short and long-term potable water supply and to avoid or minimize the effects of drought and shortage within the Company's service area. This Plan is essential to ensure a reliable and sustainable minimum supply of water for the public's health, safety and welfare.

## **WATER SYSTEM PROFILE**

The Company was formed in November of 1912 as a not-for-profit California Corporation in Los Angeles. Its original purpose was for irrigating citrus groves and to provide domestic water to large estates. As the San Gabriel Valley developed, the Company evolved into a domestic water purveyor. The Company serves a population of approximately 8,000 customers through 1,700 service connections in the cities of Covina and West Covina and the unincorporated areas of Los Angeles County. The Company's service area is generally bounded by the San Bernardino Freeway on the north, by Forest Lawn Cemetery on the east, by the boundary of the City of Walnut on the south, and by Citrus Street on the west. The Company primarily serves a residential community with little commercial and industrial areas. In addition, the Company provides service to 18 homes in the city of Malibu.

## **DECLARATION OF PURPOSE AND PRINCIPLES**

The Valencia Heights Water Company Board of Directors (Board) finds and determines that because of the prevailing water supply conditions in the state, or locally, or the declared water supply shortage by the state, it is necessary and appropriate for the Company to adopt, implement, and enforce the Company's Plan. The Plan is adopted to address times of water shortage or drought to reduce the quantity of water used by customers to ensure that there is sufficient water to meet the health and safety needs of all its customers. Emphasis is placed on the use of domestic (potable) water, sanitation, fire protection, and preserving public health, welfare, and safety, to minimize the adverse impacts of a water supply shortage or other water supply emergency conditions. The Company is responsible for conserving the available water supply, protecting the integrity of water supply facilities (infrastructure), and implementing a contingency plan in times of drought, supply reductions, failure of water distribution systems, or other emergencies.

### **Financial Impacts**

If the Company activates the Plan, it is recognized that the reduction in sales would impact the revenue normally generated. To the extent that this reduction negatively impacts the coverage of its fixed costs, the Company will utilize its reserves to mitigate any short-term shortfall, up to (3) three months. Should the shortage be longer, or reserves are not available for this purpose, the Board has the discretion to enact the appropriate surcharge to meet the financial needs of the Company.

### **Priorities**

The Plan is based on the following priorities:

- The public's safety, health, and welfare
- Sustaining economic vitality
- Quality of life
- Financial needs of the Company

## **WATER SHORTAGE RESPONSE TEAM**

- General Manager
- Office Manager
- Water Systems Supervisor
- Board of Directors

## **SHORTAGE DECLARATION PROCESS**

### **(a) Long- and Short-Term Water Deficiencies**

The General Manager shall request the Board of Directors to authorize and implement the provisions of the Plan. The request to implement provisions of the Plan shall be made at a regular or special meeting of the Board of Directors. The Board of Directors has the authority to initiate or terminate the water shortage contingency measures described in the Plan.

### **(b) Emergency Water Shortage Response**

By adopting the Plan, the Board of Directors authorizes the General Manager to declare the extent of a potable water shortage emergency and to implement the appropriate water shortage contingency measures. The General Manager shall report such water shortage conditions and the level of response to the Board of Directors in a timely manner while the plan is activated.

Within (15) fifteen calendar days of adoption of the resolution declaring the applicable stage or sub-stage, the Office Manager shall provide notice of the applicable water supply shortage stage to all consumers. Such declaration and notice shall provide the extent, terms, and conditions as well as any associated fines, penalties and changes in the water rates with respect to the use and consumption of water in accordance with the applicable water supply shortage stage as provided in the Plan. The declaration of the Board of Directors shall be posted on the Company's website, on the front door of the Company's entrance, and at the service counter.

## **PUBLIC EDUCATION**

The Company will periodically provide customers with information about the Plan, including conditions under which each stage of the Plan is to be initiated or terminated and the conservation response measures to be implemented in each stage. This information will be provided by means of the Company website, mailers, bill inserts, email, and texts.

## **COORDINATION WITH REGIONAL WATER PLANNING GROUPS**

Coordination and implementation of this Plan are in concert with regional water planning groups including, Main San Gabriel Basin Watermaster (Basin), Three Valleys Municipal Water District (TVMWD), Upper San Gabriel Municipal Water District (USGMWD), and neighboring water

agencies.

## **APPLICATION**

The water shortage contingency measures of the Plan shall apply to all persons, customers, and properties utilizing potable water provided by the Company. The terms “person” and “customer” as used in the Plan include individuals, corporations, partnerships, agencies, associations, and all other legal entities.

## **PUBLIC NOTIFICATION PROCEDURES**

When the Company determines that a potable water shortage condition exists, any or all of the following notification procedures may be implemented:

(a) Notify stakeholders, elected officials, and other key decision-makers regarding the situation, actions to be taken, goals customers are intended to achieve, and how these actions will be implemented.

(b) Customers will be informed of the situation and actions the Company will be taking. Communications will occur through any of the following: bill inserts, special mailings, telephone contact, e-mail, social media, roadway signage, community association meetings, newsletters, and education programs, etc. Literature appropriate to the shortage circumstance will be provided regarding the potable water shortage condition, conservation methods, and water-savings devices.

(d) The Company website will be the central location for information, messaging and customer communications.

## **HISTORICAL USE LEVELS**

The long-term average monthly use is 155 acre-feet, with an average of 185 acre-feet per month in “dry” months (April-October) and a 115 acre-feet per month in “wet” months (November-March). Long-term is defined here as the decade from 2011 to 2021. The Company saw the highest cumulative demand of the past 15 years in 2008 which had an annual use of 2,343 acre-feet, and an average monthly use of 210 acre-feet, with dry and wet months averaging 247 acre-feet and 170 acre-feet respectively. The Company saw the lowest cumulative demand of the past 15 years in 2015. The prior 5-year average was 1725 acre-feet, with the dry months averaging 178 acre-feet per month.

## **DEMAND FORECAST**

While population levels in the service area are expected to increase slightly as the area builds out, the Company does not expect much of an overall demand increase as conservation and water use efficiencies improve. The region the Company serves is not expected to experience significant population or demand growth in the next five years. Consequently, the long-term average monthly

use of 155 acre-feet, or of 185 acre-feet per month in “dry” months and 115 acre-feet per month in “wet” months will be used as the projected demand for the next five years.

## **SUPPLY FORECAST**

The Company owns rights/stock in Covina Irrigating Company and pumping rights in the Basin. In addition to these two sources, the Company also has a connection with TVMWD for the purchase of import water. The Company has not yet experienced conditions such that supply was insufficient to meet demand; however, in response to the statewide drought in 2015, the corresponding executive order requiring water suppliers to reduce water usage by twenty-five (25%) statewide, the Company experienced a more than 33 percent reduction in demand from June 2015 through December 2015. Currently, no water shortage is forecasted; however, the Company recognizes the need to anticipate rare and unforeseen circumstances such as regulations or other orders from state agencies, catastrophic failure of the water system due to a technological or natural disaster, or other shortage event.

## **DEMAND-REDUCTION PROGRAM**

### **WATER SHORTAGE CONTINGENCY PLAN STAGES AND ENFORCEMENT**

The Plan includes permanent water-waste prohibitions, as well as five levels of escalating water restrictions (levels) to be implemented as appropriate when triggered by corresponding water-supply shortage conditions (triggers), and penalties for violations. The Company will implement an appropriate stage based on projected water supply conditions. Higher stages will be implemented as shortages continue, worsen, and/or if customer response does not bring about desired water savings. Restrictions, penalties, and enforcement will build on each other as higher stages are implemented. California Water Code Section 350 authorizes water suppliers to adopt and enforce a comprehensive water conservation plan to reduce water consumption and conserve water supplies.

The permanent water-waste restrictions include primarily behavioral measures such as limiting irrigation times, prohibiting the washing of paved surfaces, and controlling runoff.

## **TRIGGERS**

The Plan contains guidelines for triggers which will determine the Level of Supply Shortage (Levels), such as a reduction in supply or a government-mandated percentage of required water reduction. The Plan contains penalty provisions that allow administrative enforcement, and include such penalties as monetary fines, water flow restrictions, and termination of service. Other methods of enforcement could include enhanced water conservation rate structures. Additional Triggers may be determined during actual drought or water supply shortage conditions.

**Allocation Triggers are based on the Basin Key Well water levels shown below:**

### **Allocation Level 1**

Below 200 feet Mean Sea Level (MSL) – 10% voluntary demand reduction will be implemented

### **Allocation Level 2**

Below 185 feet MSL and State Water Project (SWP) Allocation is below 25% – 10% mandatory demand reduction and irrigation limited to four days per week

### **Allocation Level 3**

Below 170 feet MSL and the SWP Allocation is below 15% – 20% mandatory demand reduction and irrigation limited to three days per week

### **Allocation Level 4**

Below 160 feet MSL and MWD reduced allocation of 20% - 30% mandatory demand reduction and irrigation limited to two days per week

### **Allocation Level 5**

Below 150 feet MSL and MWD reduced allocation of 30% or more -50% reduction and no outdoor irrigation

The Board of Directors can adopt an allocation level equal to or greater than the existing conditions. The determination can be based on future projections. The 5 allocation levels are minimum guides.

### **Procedures for Determination / Notification of Water Supply Shortage**

#### **a. Declaration and Notification of Water Supply Shortage:**

The existence of Water Supply Shortage conditions would be declared by resolution of the Board, adopted at a regular or special meeting held in accordance with the Company bylaws. The mandatory conservation requirements applicable to each Allocation Level conditions will take effect on the day determined in the resolution. When the Company adopts a water allocation plan level, it must provide notice of the adoption by including it in the regular billing statement, or by electronic mail, or any other means to ensure delivery to the consumer. A water allocation will be effective on the first day of the billing period as specified in the notice.

### **PERMANENT WATER CONSERVATION REQUIREMENTS**

#### **Permanent Prohibitions Against Water Waste (effective 2009)**

The following water conservation requirements are always in effect and are **permanent**. Violations of this section will be considered waste and an unreasonable use of water. The list below provides a description of each prohibition. A violation of one or more of these prohibitions will be considered a separate violation.

- A. **Limits on Watering Hours:** The watering or irrigating of lawns, landscape or other vegetated areas with potable water is prohibited between the hours of **7:00 a.m. and 7:00 p.m. current time** on any day, except with the use of a hand-held bucket or similar

container, a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system.

- B. **Limits on Watering Duration:** The watering or irrigating of lawns, landscape or other vegetated areas with potable water using a landscape irrigation system or a watering device that is not continuously attended, is limited to no more than fifteen (15) minutes of watering per day per station. This subsection does not apply to landscape irrigation systems that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two (2) gallons of water per hour and weather-based controllers or stream rotor sprinklers that meet a 70% efficiency standard.
- C. **No Excessive Water Flow or Runoff:** The watering or irrigating of any lawns, landscape or other vegetated areas in a manner that causes or allows excessive water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter or ditch is prohibited.
- D. **No Washing Down of Hard or Paved Surfaces:** The washing down of hard or paved surfaces, including but not limited to sidewalks, walkways, driveways, parking areas, tennis courts, patios or alleys, is prohibited except when necessary to alleviate safety or sanitary hazards, and then only with the use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off device, a low-volume, high-pressure cleaning machine equipped to recycle any water used, or a low-volume high-pressure water broom.
- E. **Obligation to Fix Leaks, Breaks or Malfunctions:** The excessive use, loss or escape of water through breaks, leaks or other malfunctions in the water user's plumbing or distribution system for any period of time after such loss or waste of water should have reasonably been discovered and corrected, and in no event more than seven (7) days of receiving notice from the VHWC, is prohibited.
- F. **Re-circulating Water Required for Water Fountains and Decorative Water Features:** Operating a water fountain or other decorative water feature that does not use re-circulated water is prohibited.
- G. **Limits on Washing Vehicles:** The using of water to wash or clean a vehicle, including but not limited to any automobile, truck, van, bus, motorcycle, boat or trailer, whether motorized or not, is prohibited, except with the use of a hand-held bucket or similar container or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device. This subsection does not apply to any commercial car washing facility.
- H. **Drinking Water Served Upon Request Only:** Eating or drinking establishments, including but not limited to a restaurant, hotel, cafe, cafeteria, bar, or other public place where food or drinks are sold, served, or offered for sale, are prohibited from providing drinking water to any person unless expressly requested.

- I. **Commercial Lodging Establishments Must Provide Guests With The Option to Decline Daily Linen Services:** Hotels, motels and other commercial lodging establishments must provide customers with the option of not having towels and linen laundered daily. Commercial lodging establishments must prominently display a notice of this option in each bathroom using clear and easily understood language.
- J. **Restaurants Required to Use Water Conserving Dish Wash Spray Valves:** Food preparation establishments, such as restaurants or cafes, are prohibited from using non-water conserving dish wash spray valves.

## Water Supply Shortage Allocation Levels

### Level 1 Water Supply Shortage

- A. A Level 1 Water Supply Shortage exists when the Company determines, in its sole discretion, that due to drought or other water supply conditions, a water supply shortage or threatened shortage exists, and a consumer demand reduction is necessary to make more efficient use of water and appropriately respond to existing water conditions. Upon the declaration by the Board of a Level 1 Water Supply Shortage condition, the Company will implement the voluntary Level 1 conservation measures identified in this section.
- B. **Additional Water Conservation Measures:** In addition to the prohibited uses of water identified in Permanent Water Conservation Requirements, the following water conservation requirements apply during a declared Level 1 Water Supply Shortage:
  - 1. **Limits on Watering Days:** Watering or irrigating of lawn, landscape or other vegetated area with potable water is Voluntarily limited to reduce water use by 10%.
  - 2. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks, or other malfunctions in the water user's plumbing or distribution system must be repaired within seventy-two (72) hours of notification by the Company unless other arrangements are made with the Company.

### Level 2 Water Supply Shortage

- A. A Level 2 Water Supply Shortage exists when the Board determines, in its sole discretion, that due to drought or other water supply conditions, a water supply shortage or threatened shortage exists, and a consumer demand reduction is necessary to make more efficient use of water and appropriately respond to existing water conditions. Upon the declaration by the Board of a Level 2 Water Supply Shortage condition, the Company will implement the mandatory Level 2 conservation measures identified in this section.
- B. **Additional Conservation Measures:** In addition to the prohibited uses of water identified in Level 1, the following additional water conservation requirements apply during a declared Level 2 Water Supply Shortage:



1. Watering Days: Watering or irrigating of lawn, landscape or other vegetated area with potable water is limited to four days per week on a schedule established and posted by the VHWC. During the months of November through March, watering or irrigating of lawn, landscape or other vegetated area with potable water is limited to no more than two days per week on a schedule established and posted by the Company. This provision does not apply to landscape irrigation zones that exclusively use very low flow drip type irrigation systems when no emitter produces more than two (2) gallons of water per hour. This provision also does not apply to watering or irrigating by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system.

The watering of trees and shrubs for fire prevention are also exempt.

2. Obligation to Fix Leaks, Breaks or Malfunctions: All leaks, breaks, or other malfunctions in the water user's plumbing or distribution system must be repaired within seventy-two (72) hours of notification by the Company unless other arrangements are made with the Company.
3. Limits on Filling Ornamental Lakes or Ponds: Filling or re-filling ornamental lakes or ponds is prohibited, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a supply shortage level under this ordinance.
4. Limits on Washing Vehicles: Using water to wash or clean a vehicle, including but not limited to, any automobile, truck, van, bus, motorcycle, boat or trailer, whether motorized or not, is prohibited except by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, by high pressure/low volume wash systems, or at a commercial car washing facility that utilizes a re-circulating water system to capture or reuse water.

### Level 3 Water Supply Shortage

- A. A Level 3 condition exists when the Board declares a water shortage and notifies its residents and businesses that a significant reduction in consumer demand is necessary to maintain sufficient water supplies for public health and safety. Upon the declaration of a Level 3 Water Supply Shortage condition, the Company will implement the mandatory Level 3 conservation measures identified in this section.
- B. Additional Conservation Measures: In addition to the prohibited uses of water identified in Level 1 and 2, the following water conservation requirements apply during a declared Level 3 Water Supply Shortage:
  1. Watering Days: Watering or irrigating of lawn, landscape or other vegetated area with potable water is limited to three days per week on a schedule established and

posted by the Company. During the months of November through March, watering or irrigating of lawn, landscape or other vegetated area with potable water is limited to no more than one day per week on a schedule established and posted by the VHWC. Maintenance of vegetation, including trees and shrubs, that are watered using a hand-held bucket or similar container, hand-held hose equipped with a positive self-closing water shut-off nozzle or device;

2. Maintenance of existing landscape necessary for fire protection;
3. Maintenance of existing landscape for soil erosion control;
4. Maintenance of plant materials identified to be rare or essential to the well-being of protected species
5. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks, or other malfunctions in the water user's plumbing or distribution system must be repaired within forty-eight (48) hours of notification by the Company unless other arrangements are made with the Company.

**Discontinue Service:** The Company, at its sole discretion, may discontinue service to consumers who willfully violate provisions of this section.

#### Level 4 Water Supply Shortage – Emergency Condition

- A. A Level 4 Water Supply Shortage condition is also referred to as an “Emergency” condition. A Level 4 condition exists when the Board declares a water shortage emergency and notifies its residents and businesses that a significant reduction in consumer demand is necessary to maintain sufficient water supplies for public health and safety. Upon the declaration of a Level 4 Water Supply Shortage condition, the Company will implement the mandatory Level 4 conservation measures identified in this section.
- B. **Additional Conservation Measures:** In addition to the prohibited uses of water identified in Level 1, 2 and 3, the following water conservation requirements apply during a declared Level 4 Water Supply Shortage Emergency:
  1. **Watering Days:** Watering or irrigating of lawn, landscape or other vegetated area with potable water is limited to two days per week on a schedule established and posted by the Company. During the months of November through March, watering or irrigating of lawn, landscape or other vegetated area with potable water is prohibited. This restriction does not apply to the following categories of use:
    - i. Maintenance of vegetation, including trees and shrubs, that are watered using a hand-held bucket or similar container, hand-held hose equipped with a positive self-closing water shut-off nozzle or device;
    - ii. Maintenance of existing landscape necessary for fire protection;
    - iii. Maintenance of existing landscape for soil erosion control;

- iv. Maintenance of plant materials identified to be rare or essential to the well-being of protected species;
  - v. Maintenance of landscape within active public parks and playing fields, day care centers, golf course greens, and school grounds, provided that such irrigation does not exceed two
  - vi. Actively irrigated environmental mitigation projects.
2. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks, or other malfunctions in the water user’s plumbing or distribution system must be repaired withing forty-eight (48) hours of notification by Company unless other arrangements are made with Company.
  3. **No New Potable Water Service:** Upon declaration of a Level 4 Water Supply Shortage Emergency condition, no new potable water service will be provided, no new temporary meters or permanent meters will be provided and no statements of immediate ability to serve or provide potable water service (such as, will-serve letters, certificates, or letters of availability) will be issued, expect under the following circumstances:
    - i. A valid, unexpired building permit has been issued for the project; or
    - ii. The project is necessary to protect the public health, safety, and welfare; or
    - iii. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of the Company.
    - iv. No new irrigation or landscaping will be installed without prior approval by Company.

This provision does not preclude the resetting or turn-on of meters to provide continuation of water service or the restoration of service that has been interrupted for a period of one year or less.

**Discontinue Service:** The Company, in its sole discretion, may discontinue service to consumers who willfully violate provisions of this section.

**No New Annexations:** Upon the declaration of a Level 4 Water Supply Shortage condition, the Company may suspend consideration of expansions to its service area. This subsection does not apply to boundary corrections that will not result in any increased use of water.

#### Level 5 Water Supply Shortage – Emergency Condition

- A. A Level 5 Water Supply Shortage condition is also referred to as an “Emergency” condition. A Level 5 condition exists when the Board declares a water shortage emergency

and notifies its residents and businesses that a significant reduction in consumer demand is necessary to maintain sufficient water supplies for public health and safety. Upon the declaration of a Level 5 Water Supply Shortage condition, the Company will implement the mandatory Level 5 conservation measures identified in this section.

B. **Additional Conservation Measures:** In addition to the prohibited uses of water identified in Level 1, 2, 3, and 4 the following water conservation requirements apply during a declared Level 5 Water Supply Shortage Emergency:

1. **No Watering or Irrigating:** Watering or irrigating of lawn, landscape or other vegetated area with potable water is prohibited. This restriction does not apply to the following categories of use, unless the Company has determined that recycled water is available and may be applied to the use:
  - i. Maintenance of vegetation, including trees and shrubs, that are watered using a hand-held bucket or similar container, hand-held hose equipped with a positive self-closing water shut-off nozzle or device;
  - ii. Maintenance of existing landscape necessary for fire protection;
  - iii. Maintenance of existing landscape for soil erosion control;
  - iv. Maintenance of plant materials identified to be rare or essential to the well-being of protected species;
2. **Limits on Filling Residential Swimming Pools & Spas:** Re-filling of more than one foot and initial filling of residential swimming pools or outdoor spas with potable water is prohibited.
3. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks, or other malfunctions in the water user's plumbing or distribution system must be repaired within forty-eight (48) hours of notification by the Company unless other arrangements are made with the Company.
4. **No New Potable Water Service:** Upon declaration of a Level 5 Water Supply Shortage Emergency condition, no new potable water service will be provided, no new temporary meters or permanent meters will be provided, and no statements of immediate ability to serve or provide potable water service (such as, will-serve letters, certificates, or letters of availability) will be issued.

**Discontinue Service:** The Company, in its sole discretion, may discontinue service to consumers who willfully violate provisions of this section.

### **Penalties and Violations**

- A. **Violations:** Each day that a violation of this Plan occurs is a separate offense.

#### *Notification by Certified Mail*

- B. **Penalties:** Penalties for failure to comply with any provisions of the ordinance are as

follows:

1. First Violation: The Company will issue a written warning and deliver a copy of this Plan by mail, by hand or both.
2. Second Violation Residential: A second violation within 15 calendar days will result in a fine not to exceed one hundred dollars (\$100).
3. Second Violation Non-Residential: A second violation within 15 calendar days will result in a fine not to exceed two hundred dollars (\$200).
4. Third Violation, Residential: A third violation within 30 calendar days will result in a fine not to exceed two hundred dollars (\$200).
5. Third Violation, Non- Residential: A third violation within 30 calendar days will result in a fine not to exceed four hundred dollars (\$400).
6. Forth and Subsequent Violations, Residential: An additional fine of three hundred dollars (\$300) will be charged for each violation, for each 30 days, until consumer is in full compliance with this plan.
7. Forth and Subsequent Violations, Non-Residential: An additional fine of six hundred dollars (\$600) will be charged for each violation, for each 30 days, until consumer is in full compliance with this plan.

### **Once the Drought Is Over**

When a drought ends, the Company may choose to continue some measures or incentives, to help build resilience to the next drought or to address other supply issues. Recovery from a drought can take longer than the drought itself.