

EXHIBIT B

**MODEL WATER CONSERVATION PLAN FOR
NORTH TEXAS MUNICIPAL WATER DISTRICT
MEMBER CITIES AND CUSTOMERS**

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FORWARD

This Model Water Conservation plan was prepared by Freese and Nichols for the North Texas Municipal Water District (NTMWD). It is intended to be used as a guide by NTMWD Member Cities and Customers as they develop their own water conservation plans. The model plan was prepared pursuant to Texas Commission on Environmental Quality rules.

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This Water Conservation plan is based on the Texas Administrative Code in effect on June 25, 2013, and considers water conservation best management practices from Texas Water Development Board Report 362, *Water Conservation Best Management Practices Guide*. The Texas Commission on Environmental Quality (TCEQ), Texas Water Development Board (TWDB) and Water Conservation Advisory Council (WCAC) are currently reviewing additional regulations in compliance with the mandates of Senate Bill 181 enacted in 2011 by the 82nd Texas Legislature. In addition to these rules, the WCAC is reviewing additional Best Management Practices (BMPs) for Wholesale Suppliers. The draft regulations and BMPs have also been considered in the preparation of this plan. The following items that are not currently in the regulations are presented in the draft regulations or under consideration by the WCAC:

- Reporting requirement for TWDB and TCEQ.
- A standardized methodology for calculating per capita use.
- Calculating per capita use by sector (i.e. total, residential, industrial and commercial).
- Additional BMPs for Wholesale Suppliers (Contract Requirements, Technical Assistance and Outreach, Collective Purchasing and Direct Distribution, Cost Sharing Programs).

None of the currently proposed adjustments will cause this plan to be obsolete. The most current annual report form should be obtained from TCEQ¹ when preparing the annual report to submit to the TCEQ. A copy of the annual report should be sent to the Texas Water Development Board as well as to the TCEQ.

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1. INTRODUCTION AND OBJECTIVES

Water supply has always been a key issue in the development of Texas. In recent years, the increasing population and economic development of North Central Texas have led to growing demands for water supplies. At the same time, local and less expensive sources of water supply are largely already developed. Additional supplies to meet future demands will be expensive and difficult to secure. Severe drought conditions in recent years have highlighted the importance of efficient use of our existing supplies to make them last as long as possible. This will delay the need for new supplies, minimize the environmental impacts associated with developing new supplies, and delay the high cost of additional water supply development.

Recognizing the need for efficient use of existing water supplies, the Texas Commission on Environmental Quality (TCEQ) has developed guidelines and requirements governing the development of water conservation and drought contingency plans for wholesale water suppliers². The TCEQ guidelines and requirements for wholesale suppliers are included in Appendix B. The North Texas Municipal Water District (NTMWD) has developed this model water conservation plan pursuant to TCEQ guidelines and requirements. The best management practices established by the Water Conservation Implementation Task Force³ were also considered in the development of the water conservation measures.

This model water conservation plan includes measures that are intended to result in ongoing, long-term water savings. This plan replaces the previous plans dated August 2004, April 2006 and March 2008⁴.

The objectives of this water conservation plan are as follows:

- To reduce water consumption from the levels that would prevail without conservation efforts.
- To reduce the loss and waste of water.
- To improve efficiency in the use of water.
- Encourage efficient outdoor water use.
- To document the level of recycling and reuse in the water supply.

- To extend the life of current water supplies by reducing the rate of growth in demand.

The water conservation plan presented in this document is a model water conservation plan intended for adoption by the NTMWD Member Cities and Customers. In order to adopt this plan, each Member City and Customer will need to do the following:

- Complete the water utility profile.
- Complete the annual water conservation implementation report.
- Set five-year and ten-year goals for per capita water use.
- Adopt ordinance(s) or regulation(s) approving the model plan.

The water utility profile, goals, and ordinance(s) or regulations should be provided to NTMWD in draft form for review and comments. Final adopted versions should also be provided to NTMWD, as well as TCEQ. This model plan includes all of the elements required by TCEQ. Some elements of this model plan go beyond TCEQ requirements. Any water supplier wishing to adjust elements of the plan should coordinate with NTMWD.

2. DEFINITIONS

1. **ATHLETIC FIELD** means a public sports competition field, the essential feature of which is turf grass, used primarily for organized sports practice, competition or exhibition events for schools, professional sports, or sanctioned league play.
2. **COOL SEASON GRASSES** are varieties of turf grass that grow best in cool climates primarily in northern and central regions of the U.S. Cool season grasses include perennial and annual rye grass, Kentucky blue grass and fescues.
3. **CUSTOMERS** include those entities to whom NTMWD provides water on a customer basis that are not members of NTMWD.
4. **EVAPOTRANSPIRATION** abbreviated as ET represents the amount of water lost from plant material to evaporation and transpiration. The amount of ET can be estimated based on the temperature, wind, and relative humidity.
5. **ET/SMART CONTROLLERS** are irrigation controllers that adjust their schedule and run times based on weather (ET) data. These controllers are designed to replace the amount of water lost to evapotranspiration.
6. **EXECUTIVE DIRECTOR** means the Executive Director of the North Texas Municipal Water District and includes a person the Director has designated to administer or perform any task, duty, function, role, or action related to this plan or on behalf of the Executive Director.
7. **INSTITUTIONAL USE** means the use of water by an establishment dedicated to public service, such as a school, university, church, hospital, nursing home, prison or government facility. All facilities dedicated to public service are considered institutional regardless of ownership.
8. **MEMBER CITIES** include the cities of Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royce City, and Wylie, Texas.
9. **MULTI-FAMILY PROPERTY** means a property containing five or more dwelling units.

10. MUNICIPAL USE means the use of potable water provided by a public water supplier as well as the use of treated wastewater effluent for residential, commercial, industrial, agricultural, institutional, and wholesale uses.
11. RECLAIMED WATER means reclaimed municipal wastewater that has been treated to a quality that meets or exceeds the minimum standards of the 30 Texas Administrative Code, Chapter 210 and is used for lawn irrigation, industry, or other non-potable purposes.
12. REGULATED IRRIGATION PROPERTY means any property that uses 1 million gallons of water or more for irrigation purposes in a single calendar year or is greater than 1 acre in size.
13. RESIDENTIAL GALLONS PER CAPITA PER DAY (Residential GPCD) the total gallons sold for residential use by a public water supplier divided by the residential population served and then divided by the number of days in the year.
14. TOTAL GALLONS PER CAPITA PER DAY (Total GPCD) The total amount of water diverted and/or pumped for potable use divided by the total permanent population divided by the days of the year. Diversion volumes of reuse as defined in TAC 288.1 shall be credited against total diversion volumes for the purposes of calculating GPCD for targets and goals.
15. WATER CONSERVATION PLAN means the latest water conservation plan approved and adopted by the NTMWD Board of Directors.

3. REGULATORY BASIS FOR WATER CONSERVATION PLAN

3.1 TCEQ Rules Governing Conservation Plans

The TCEQ rules governing development of water conservation plans for public water suppliers are contained in Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.2 of the Texas Administrative Code. For the purpose of these rules, a water conservation plan is defined as “A strategy or combination of strategies for reducing the volume of water withdrawn from a water supply source, for reducing the loss or waste of water, for maintaining or improving the efficiency in the use of water, for increasing the recycling and reuse of water, and for preventing the pollution of water².” The elements in the TCEQ water conservation rules covered in this conservation plan are listed below.

Minimum Conservation Plan Requirements

The minimum requirements in the Texas Administrative Code for Water Conservation Plans for Public Water Suppliers are covered in this report as follows:

- 288.2(a)(1)(A) – Utility Profile – Section 4 and
- 288.2(a)(1)(B) – Specification of Goals – Section 5
- 288.2(a)(1)(C) – Specific, Quantified Goals – Section 5
- 288.2(a)(1)(D) – Accurate Metering – Section 6.1.1
- 288.2(a)(1)(E) – Universal Metering – Section 6.1.2
- 288.2(a)(1)(F) – Determination and Control of Water Loss – Section 6.1.3
- 288.2(a)(1)(G) – Public Education and Information Program – Section 6.2
- 288.2(a)(1)(H) – Non-Promotional Water Rate Structure – Section 7.1
- 288.2(a)(1)(I) – Reservoir System Operation Plan – Section 6.3
- 288.2(a)(1)(J) – Means of Implementation and Enforcement – Section 8
- 288.2(a)(1)(K) – Coordination with Regional Water Planning Group – Section 6.4 and
- 288.2(c) – Review and Update of Plan – Section 9

Conservation Additional Requirements (Population over 5,000)

- The Texas Administrative Code includes additional requirements for water conservation plans for drinking water supplies serving a population over 5,000
- 288.2(a)(2)(A) – Leak Detection, Repair, and Water Loss Accounting – Sections 6.1.4
- 288.2(a)(2)(B) – Record Management System – Section 6.1.5
- 288.2(a)(2)(C) – Requirement for Water Conservation Plans by Wholesale Customers – Section 6.6

Additional Conservation Strategies

The TCEQ requires that a water conservation implementation report be completed and submitted on an annual basis.

In addition to the TCEQ required water conservation strategies, the NTMWD also requires the following strategy to be included in the Member City and Customer plans:

288.2(a)(3)(F) – Considerations for Landscape Water Management Regulations – Section 7.5 and TCEQ rules also include optional, but not required, conservation may be adopted by suppliers. The NTMWD recommends that the following strategies be included in the Member City and Customer water conservation plans:

- 288.2(a)(3)(A) – Conservation Oriented Water Rates – Section 7.1
- 288.2(a)(3)(B) – Ordinances, Plumbing Codes or Rules on Water-Conserving Fixtures – Section 7.2
- 288.2(a)(3)(C) – Replacement or Retrofit of Water-Conserving Plumbing Fixtures – Section 7.6
- 288.2(a)(3)(D) – Reuse and Recycling of Wastewater – Section 7.3
- 288.2(a)(3)(F) – Considerations for Landscape Water Management Regulations – Section 7.4, 7.5 288.2(a)(3)(G) – Monitoring Method – Section 7.7
- 288.2(a)(3)(H) – Additional Conservation Ordinance Provisions – Section 7.6

3.2 Guidance and Methodology for Reporting on Water Conservation and Water Use

In addition to TCEQ rules regarding water conservation, this plan also incorporates elements of the Guidance and Methodology for Reporting on Water Conservation and Water Use developed by TWDB and TCEQ, in consultation with the Water Conservation Advisory Council (the “Guidance”). The Guidance was developed in response to a charge by the 82nd Texas Legislature to develop water use and calculation methodology and guidance for preparation of water use reports and water conservation plans in accordance with TCEQ rules.

4. WATER UTILITY PROFILE

In adopting this model water conservation plan, each Member City and Customer will provide a draft water utility profile to NTMWD for review and comment. A final water utility profile will be provided to NTMWD.

5. SPECIFICATION OF WATER CONSERVATION GOALS

TCEQ rules require the adoption of specific water conservation goals for a water conservation plan. As part of plan adoption, each Member City and Customer must develop 5-year and 10-year goals for per capita municipal use. These goals should be submitted to NTMWD in draft form for review. The goals for this water conservation plan include the following:

- Maintain the total and residential per capita water use below the specified amount in gallons per capita per day in a dry year.
- Maintain the water loss percentage in the system below 12 percent annually in 2013 and subsequent years, as discussed in Section 6.1.3. (The 12 percent goal for water loss is recommended but is not required. Systems with long distances between customers may adopt a higher percent water loss goal.)
- Implement and maintain a program of universal metering and meter replacement and repair, as discussed in Section 6.1.2.
- Increase efficient water usage through a water conservation ordinance, order or resolution as discussed in Section 7.5. (This ordinance is required by the NTMWD.)

- Decrease waste in lawn irrigation by implementation and enforcement of landscape water management regulations, as discussed in Section 7.6. (These landscape water management regulations are recommended but are not required.)
- Raise public awareness of water conservation and encourage responsible public behavior by a public education and information program, as discussed in Section 6.2.
- Develop a system specific strategy to conserve water during peak demands, thereby reducing the peak use.

6. BASIC WATER CONSERVATION STRATEGIES

6.1 Metering, Water Use Records, Control of Water Loss, and Leak Detection and Repair

One of the key elements of water conservation is tracking water use and controlling losses through illegal diversions and leaks. It is important to carefully meter water use, detect and repair leaks in the distribution system and provide regular monitoring of real losses.

6.1.1 Accurate Metering of Treated Water Deliveries from NTMWD

Water deliveries from NTMWD are metered by NTMWD using meters with accuracy of $\pm 2\%$. These meters are calibrated on an annual basis by NTMWD to maintain the required accuracy.

6.1.2 Metering of Customer and Public Uses and Meter Testing, Repair, and Replacement

The provision of water to all customers, including public and governmental users, should be metered. In many cases, Member Cities and Customers already meter retail and wholesale water users. For those Member Cities and Customers who do not currently meter all internal water uses, as well as all subsequent users, these entities should implement a program to meter all water uses within the next three years.

Most Member Cities and Customers test and replace their customer meters on a regular basis. All customer meters should be replaced on a minimum of a 15-year cycle. Those who do not currently have a meter testing and replacement program should implement such a program over the next three years.

6.1.3 Determination and Control of Water Loss

Total water loss is the difference between water delivered to Member Cities and Customers from NTMWD (and other supplies, if applicable) and metered water sales to customers plus authorized for use but not sold. (Authorized for use but not sold would include use for fire fighting, releases for flushing of lines, uses associated with new construction, etc.) Total water loss includes three categories:

- Apparent Losses – including inaccuracies in customer meters. (Customer meters tend to run more slowly as they age and under-report actual use.) Losses due to illegal connections and theft. Accounts which are being used but have not yet been added to the billing system.

- Real Losses – includes physical losses from the system or mains, reported breaks and leaks, storage overflow.
- Unidentified Water Losses – (System Input - Total Authorized - Apparent Losses - Real Losses)

Measures to control water loss should be part of the routine operations of Member Cities and Customers. Maintenance crews and personnel should look for and report evidence of leaks in the water distribution system. A leak detection and repair program is described in Section 6.1.4 below. Meter readers should watch for and report signs of illegal connections, so they can be quickly addressed.

Total water loss should be calculated in accordance with the provisions of TCEQ. With the measures described in this plan, Member Cities and Customers should maintain water loss percentage below 12 percent in 2013 and subsequent years. If total water loss exceeds this goal, the Member City or Customer should implement a more intensive audit to determine the source(s) of and reduce the water loss. The annual conservation report described below is the primary tool that should be used to monitor water loss.

6.1.4 Leak Detection and Repair

As described above, city crews and personnel should look for and report evidence of leaks in the water distribution system. Areas of the water distribution system in which numerous leaks and line breaks occur should be targeted for replacement as funds are available.

6.1.5 Record Management System

As required by TAC Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.2(a)(2)(B), a record management system should allow for the separation of water sales and uses into residential, commercial, public/institutional, and industrial categories. This information should be included in an annual water conservation report, as described in Section 7.7 below. Those entities whose record management systems do not currently comply with this requirement should move to implement such a system within the next five years.

6.2 Continuing Public Education and Information Campaign

The continuing public education and information campaign on water conservation includes the following elements:

- Utilize the “Water IQ: Know Your Water” and other public education materials produced by the NTMWD.
- Insert water conservation information with water bills. Inserts will include material developed by Member Cities’ and Customers’ staff and material obtained from the TWDB, the TCEQ, and other sources.
- Encourage local media coverage of water conservation issues and the importance of water conservation.
- Notify local organizations, schools, and civic groups that Member City or Customer staff and staff of the NTMWD are available to make presentations on the importance of water conservation and ways to save water.
- Promote the *Texas Smartscape* web site (www.txsmartscape.com) and provide water conservation brochures and other water conservation materials available to the public at City Hall and other public places.
- Make information on water conservation available on its website (if applicable) and include links to the “Water IQ: Know Your Water” website, *Texas Smartscape* website and to information on water conservation on the TWDB and TCEQ web sites and other resources.
- NTMWD is an EPA Water Sense Partner and participates in the EPA Water Sense sponsored “Fix a Leak Week.” NTMWD encourages all member cities and customers to become EPA Water Sense Partners.
- Utilize the Water My Yard website and encourage customers to sign-up to receive weekly watering advice.

6.3 NTMWD System Operation Plan

Member Cities and Customers of NTMWD purchase treated water from NTMWD and do not have surface water supplies for which to implement a system operation plan. NTMWD operates multiple sources of water supply as a system. The operation of the reservoir system is intended to optimize the use of the District’s sources (within the constraints of existing water rights) while minimizing energy use cost for pumping, maintaining water quality, minimizing potential impacts on recreational users of the reservoirs and fish and wildlife.

6.4 Coordination with Regional Water Planning Group and NTMWD

Each Member City and Customer will send a copy of their draft ordinance(s) or regulation(s) implementing the plan and their water utility profile to NTMWD for review and comment. The adopted ordinance(s) or regulation(s) and the adopted water utility profile will be sent to the Chair of the appropriate Water Planning Group and to NTMWD.

6.5 Requirement for Water Conservation Plans by Wholesale Customers

Every contract for the wholesale sale of water by Member Cities and/or Customers that is entered into, renewed, or extended after the adoption of this water conservation plan will include a requirement that the wholesale customer and any wholesale customers of that wholesale customer develop and implement a water conservation plan meeting the requirements of Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.2 of the Texas Administrative Code. The requirement will also extend to each successive wholesale customer in the resale of the water.

7. ENHANCED WATER CONSERVATION STRATEGIES

7.1 Water Rate Structure

Member Cities and Customers should adopt, if they have not already done so, an increasing block rate water structure that is intended to encourage water conservation and discourage excessive use and waste of water upon completion of their next rate study or within five years. An example water rate structure is as follows:

Updated and maintained in the Code of Ordinances Appendix A SEC 110-141

7.2 Ordinances, Plumbing Codes, or Rules on Water-Conserving Fixtures

The state has required water-conserving fixtures in new construction and renovations since 1992. The state standards call for flows of no more than 2.5 gallons per minute (gpm) for faucets, 2.5 gpm for showerheads, and 1.6 gallons per flush for toilets. Similar standards are now required nationally under federal law. These state and federal standards assure that all new construction and renovations will use water-conserving fixtures. Rebate programs to encourage replacement of older fixtures with water conservation programs are discussed in Section 7.6.

7.3 Reuse and Recycling of Wastewater

Most Member Cities and Customers do not own and operate their own wastewater treatment plants. Their wastewater is treated by NTMWD. NTMWD currently has the largest wastewater reuse program in the state. NTMWD has water rights allowing reuse of up to 71,882 acre-feet per year of this treated wastewater through Lavon Lake for municipal purposes. In addition, NTMWD has also developed the East Fork Raw Water Supply Project which can divert up to 157,393 acre-feet per year based on treated wastewater discharges by the NTMWD. When fully developed, these two reuse projects will provide up to 44 percent of the NTMWD's currently permitted water supplies. NTMWD also provides treated effluent from its wastewater treatment plants available for direct reuse for landscape irrigation and industrial use.

Those Member Cities and Customers who own and operate their own wastewater treatment plants should move toward reusing treated effluent for irrigation purposes at their plant site over the next three years. These entities should also seek other alternatives for reuse of recycled wastewater effluent.

7.4 Interactive Weather Stations / Water My Yard Program

NTMWD has developed the Water My Yard program to install weather stations throughout its service area to provide consumers with a weekly e-mail and information through the Water My Yard website in determining an adequate amount of supplemental water that is needed to maintain healthy grass in specific locations. This service represents the largest network of weather stations providing ET-based irrigation recommendations in the State of Texas, and provides the public advanced information regarding outdoor irrigation needs, thereby reducing water use. Through a series of selections on the type of irrigation system a consumer has, a weekly email is provided that will determine how long (in minutes) that an irrigation system needs to run based on the past seven days of weather. This recommendation provides the actual amount of supplemental water that is required for a healthy lawn based on research of the Texas A&M Agrilife Extension Service and proven technologies. This innovative program has been available to those within the NTMWD service area since May 2013.

7.5 Compulsory Landscape and Water Management Measures

The following landscape water management measures are required by the NTMWD for this plan. These measures represent minimum measures to be implemented and enforced in order to irrigate the

landscape appropriately, and are to remain in effect on a permanent basis unless water resource management stages are declared.

Updated and maintained in the Code of Ordinances Chapter 110 Article VIII

1. Rebates

- In addition to the conservation measures described above, the City offers the following water conservation incentive programs:
 - Rebates for rain/freeze sensors and/or ET or Smart controllers.

7.6 Monitoring of Effectiveness and Efficiency - Annual Water Conservation Report

This form should be completed by March 31 of the following year and used to monitor the effectiveness and efficiency of the water conservation program and to plan conservation-related activities for the next year. The form records the water use by category, per capita municipal use, and total water loss for the current year and compares them to historical values. Member Cities and Customers will complete the tracking tool by March 31 of the following year and submit them to NTMWD. The annual water conservation report should be sent to NTMWD, which will monitor NTMWD Member Cities' and Customers' water conservation trends.

7.7 Water Conservation Implementation Report

The report is due to the TCEQ by May 1 of every year. This report lists the various water conservation strategies that have been implemented, including the date the strategy was implemented. The report also calls for the five-year and ten-year per capita water use goals from the previous water conservation plan. The reporting entity must answer whether or not these goals have been met and if not, why not. The amount of water saved is also requested.

8. IMPLEMENTATION AND ENFORCEMENT OF THE WATER CONSERVATION PLAN

Updated and maintained in the Code of Ordinances:
Chapter 110- Article VIII
Chapter 110- Article III

9. REVIEW AND UPDATE OF WATER CONSERVATION PLAN

TCEQ requires that the water conservation plans be updated prior to May 1, 2014. The plans are required to be updated every five years thereafter. The plan will be updated as required and as appropriate based on new or updated information.