

MONTEBELLO LAND AND WATER COMPANY
WATER SHORTAGE CONTINGENCY PLAN

I. Findings

- A. The Urban Water Management Planning Act (Water Code section 10610 et seq. -- the “Act”) requires that every urban supplier of water for municipal purposes to more than 3,000 customers, prepare an Urban Water Management Plan, the primary objective of which is to plan for the conservation and efficient use of water. The Montebello Land and Water Company (the “Company”) has prepared and filed its Urban Water Management Plan with the California Department of Water Resources.
- B. Section 10632 of the Act also requires urban suppliers of water to prepare a Water Shortage Contingency Plan. Since June 14, 2011 the Company has had in place such a Water Shortage Contingency Plan within its Urban Water Management Plan which relies on the City of Montebello (the “City”), pursuant to its Municipal Code Sec. 8.29, to declare water supply shortages and invoke mandatory water use reduction measures applicable within the Company’s service area when necessary.
- C. As a result of current statewide drought conditions, on July 15, 2014, the State Water Resources Control Board (SWRCB) adopted emergency regulation CCR, Title 23, section 865, among others, which became effective July 29, 2014, and which directly requires the Company to implement all requirements and actions of the stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water.
- D. Under Section 10652 of the Act, the California Environmental Quality Act does not apply to the preparation and adoption of a Water Shortage Contingency Plan or to the implementation of actions taken pursuant to such Water Shortage Contingency Plan.
- E. Due to the City of Montebello’s current failure to determine and declare a Level 1 Water Supply Shortage pursuant to Montebello Municipal Code §8.29.080(A), an act which would satisfy the Company’s requirements under the SWRCB emergency regulations, the Board hereby determines that the Company must have the ability to independently declare water supply shortages as intended in its Urban Water Management Plan, and not to be reliant on the City of Montebello for such declarations.
- F. The Board of Directors of the Company held a public hearing on September 9, 2014, regarding modifying the Company’s Urban Water Management Plan in the manner required to be able to independently comply with SWRCB emergency regulation CCR, Title 23, section 865, among others.

II. Application.

- A. The provisions of this Water Shortage Contingency Plan (“Plan”) apply to the Company’s shareholders and to any person using any potable water provided by the Company.
- B. The provisions of this Plan do not apply to uses of water necessary to protect public health and safety or for essential government services, such as police, fire and other similar emergency services.
- C. The provisions of this Plan do not apply to the use of recycled water, with the exception of Section III.A.
- D. The provisions of this Plan do not apply to the use of water by commercial nurseries and commercial growers to sustain plants, trees, shrubs, crops or other vegetation intended for commercial sale.

III. Permanent water conservation requirements—Prohibition against waste.

The following water conservation requirements are effective at all times and are permanent. Violations of this section will be considered waste and an unreasonable use of water.

- A. **Limits on Watering Hours.** Watering or irrigating of lawn, landscape or other vegetated area with potable water is prohibited between the hours of ten a.m. and one hour before sunset Pacific Standard Time on any day, 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, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. Lawns or other irrigated areas shall not be watered more frequently than every other day. Odd-numbered street-addressed properties may water on odd-numbered dates. Even-numbered street-addressed properties may only do so on even-numbered dates. All irrigated areas may be watered on the 29th day of the month of February every fourth year or the 31st day of the month having thirty days. The provisions of this subsection shall not apply to restrict watering of newly seeded or reseeded lawns once a year, nor to prohibit drip irrigation systems.
- B. **Limit on Watering Duration.** Watering or irrigating of lawn, landscape or other vegetated area with potable water using a landscape irrigation system or a watering device that is not continuously attended is limited to no more than fifteen minutes 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 gallons of water per hour or weather based controllers or stream rotor sprinklers that meet a seventy percent efficiency standard.
- C. **No Excessive Water Flow or Runoff.** Watering or irrigating of any lawn, landscape or other vegetated area in a manner that causes or allows excessive water flow or runoff onto an adjoining property, or non-landscaped areas such as sidewalks, driveways, streets, alleys, gutters or ditches is prohibited.

- D. **No Washing Down Hard or Paved Surfaces.** Washing down 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 by 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. Should the use of water for wash-down have to do with an immediate fire or sanitation hazard, written permission shall have been obtained from the City fire department, health department or building department.
- E. **Obligation to Fix Leaks, Breaks or Malfunctions.** 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 escape of water should have reasonably been discovered and corrected and in no event more than seven days of receiving notice from the Company, is prohibited.
- F. **Recirculating Water Required for Water Fountains and Decorative Water Features.** Operating a water fountain or other decorative water feature that does not use recirculated water is prohibited.
- G. **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 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 with an on-site water recycling system.
- H. **Drinking Water Served Upon Request Only.** Eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drinks are sold, served, or offered for sale, are prohibited from providing drinking water to any person unless expressly requested by that person or that person's guardian or custodian of care therefor.
- I. **Commercial Lodging Establishments Must Provide Guests Option to Decline Daily Linen Services.** Hotels, motels and other commercial lodging establishments must provide customers the option of not having towels and linen laundered daily. Commercial lodging establishments must prominently display notice of this option in each bathroom using clear and easily understood English and Spanish languages and any other language commonly used by users of such establishments.
- J. **No Installation of Single Pass Cooling Systems.** Installation of single pass cooling systems is prohibited in buildings requesting new water service.
- K. **No Installation of Non-recirculating Water Systems in Commercial Car Wash and Laundry Systems.** Installation of non-recirculating water systems is prohibited in premises with new commercial conveyor car wash or new commercial laundry systems.

- L. 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.
- M. Commercial Car Wash Systems. All commercial car wash systems must have installed operational recirculating water systems, or must have secured a waiver of this requirement and/or an extension of time for installation from the City.
- N. Construction meters used for landscape irrigation shall not be used between ten a.m. and one hour before sunset.
- O. Filling or refilling of private swimming pools, spas, ponds and artificial lakes is prohibited between ten a.m. and one hour before sunset. Swimming pools and spas shall be equipped with covers to minimize evaporation and such covers shall be used not less than five days a week unless the facility is in use.

IV. Level 1 water supply shortage.

- A. A level 1 water supply shortage exists when the Company determines, in its sole discretion, or a declaration of such a shortage is made by a Federal, State or local government agency with jurisdiction over the Company, 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 of a level 1 water supply shortage condition, the Company will implement the mandatory level 1 conservation measures identified in this section.
- B. Additional Water Conservation Measures. In addition to the prohibited uses of water identified in Section III, 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 limited to not to exceed 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 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 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.

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 hours of receipt of written notification by the Company unless other arrangements are made with the Company. All leaks, breaks or malfunctions in the water purveyor's water system shall be repaired within seventy-two hours of the water purveyor becoming aware thereof.

V. **Level 2 water supply shortage.**

- A. A level 2 water supply shortage exists when the Company determines, in its sole discretion, or a declaration of such a shortage is made by a Federal, State or local government agency with jurisdiction over the Company, 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 Company 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 Sections III and IV, 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 not to exceed 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 limited to no more than one day 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 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.
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 forty-eight hours of receipt of written notification by the Company unless other arrangements are made with the Company. All leaks, breaks or malfunctions in the water purveyor's water system shall be repaired within forty-eight hours of the water purveyor becoming aware thereof.

3. Limits on Filling Ornamental Lakes or Ponds. Filling or re-filling of ornamental lakes or ponds is prohibited, except to the extent needed to sustain aquatic life, provided that such aquatic life are of significant value and have been actively managed within the water feature prior to declaration of a supply shortage level under this Plan.
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 recirculating water system to capture or reuse water.
5. Limits on Filling Residential Swimming Pools and Spas. Re-filling of more than one foot of depth in a pool or spa and initial filling of residential swimming pools or outdoor spas with potable water is prohibited.

VI. Level 3 water supply shortage—Emergency condition.

- A. A level 3 water supply shortage condition is also referred to as an "emergency" condition. A level 3 condition exists when the Company declares a water shortage emergency, or a declaration of such a water shortage emergency is made by a Federal, State or local government agency with jurisdiction over the Company, 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 Sections III, IV, and V, the following water conservation requirements apply during a declared level 3 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 :
 - a. 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;
 - b. Maintenance of existing landscape necessary for fire protection;
 - c. Maintenance of existing landscape for soil erosion control;

- d. Maintenance of plant materials identified to be rare or essential to the wellbeing of protected species;
 - e. 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 days per week according to the schedule established in Section 5.29.070(B)(1) and time restrictions in Section 5.29.060 (A) and (B);
 - f. 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 within twenty-four hours of notification by the Company unless other arrangements are made with the Company. The same time restrictions shall apply to water systems of water purveyors.
- a. **No New Potable Water Service.** Upon declaration of a level 3 water supply shortage emergency condition by the Company, no new potable water service shall be provided, no new temporary meters or permanent meters are to 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) are to be issued, except 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.

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.

- b. **Limits on Building Permits.** The Company will request the City to limit or withhold the issuance of building permits which require new or expanded water service, except to protect the public health, safety and welfare, or in cases which meet the City's adopted water conservation offset requirements.
3. **Discontinue Service.** The Company, in its sole discretion, or pursuant to a Federal, State or local government agency order with jurisdiction over

the Company, may discontinue service to a water user who willfully violates provisions of this section.

VII. Procedures for determination/notification of water supply shortage.

- A. Declaration and Notification of Water Supply Shortage. The existence of level 1, level 2 or level 3 water supply shortage conditions may be declared by resolution of the Board of Directors adopted at a regular or special meeting held in accordance with state law. The mandatory conservation requirements applicable to level 1, level 2 or level 3 conditions will take effect on the tenth day after the date the water supply shortage level is declared. Within five days following the declaration of the shortage level, the Company shall publish a copy of the resolution in a newspaper used for publication of official notices covering its service area. If the Company activates a water allocation process, it shall provide notice of the activation by including it in the regular billing statement or by any other mailing to the address to which the Company customarily mails the billing statement for fees or charges for ongoing water service. A water allocation will be effective on the fifth day following the date of mailing or at such later date as specified in the notice.

VIII. Hardship waiver.

- A. Undue and Disproportionate Hardship. If, due to unique circumstances, a specific requirement of this Plan would result in undue hardship to a person using water or to property upon which water is used, that is disproportionate to the impacts to water users generally or to similar property or classes of water users, then the person may apply to the Company for a waiver to the requirements as provided in this section.
- B. Written Finding. The waiver may be granted or conditionally granted by the Company only upon a written finding by the Company of the existence of facts demonstrating an undue hardship to a person using water or to property upon which water is used, that is disproportionate to the impacts to water users generally or to similar property or classes of water use due to specific and unique circumstances of the user or the user's property.
1. Application. Application for a waiver must be on a form prescribed by the Company and accompanied by a non-refundable processing fee in an amount set by a Board of Directors resolution.
 2. Supporting Documentation. The application must be accompanied by photographs, maps, drawings, and other pertinent information, including a written statement of the applicant as to the reasons for the application.
 3. Required Findings for Waiver. An application for a waiver will be denied unless the Company finds, based on the information provided in the application, supporting documents, or such additional information as may

be requested, and on water use information for the property as shown by the records of the applicant or its agent, all of the following:

- a. That the waiver does not constitute a grant of special privilege inconsistent with the limitations upon other properties and businesses;
 - b. That because of special circumstances applicable to the property or its use, the strict application of this Plan would have a disproportionate impact on the property or use that exceeds the impacts to properties and businesses generally;
 - c. That the authorizing of such waiver will not be of substantial detriment to adjacent properties, and will not materially affect the ability of the Company to effectuate the purpose of this Plan and will not be detrimental to the public interest;
 - d. That the condition or situation of the subject property or the intended use of the property for which the waiver is sought is not common, recurrent or general in nature; and
 - e. That the water user has demonstrated that he or she, prior to or after adoption of this Plan, has taken effective measures for purposes of water conservation.
4. Approval Authority. The General Manager must act upon any completed application no later than ten days after submittal and may approve, conditionally approve, or deny the waiver. The applicant requesting the waiver must be promptly notified in writing of any action taken. Unless specified otherwise at the time a waiver is approved, the waiver will apply to the subject property during the period of the mandatory water supply shortage condition. The decision of the General Manager will be final, except that the applicant may file a written appeal to the Board of Directors. The Board of Directors, after due process, may grant, deny or grant with conditions, the appeal.

IX. Penalties and violations.

- A. Penalties. Penalties for failure to comply with any provisions of the Plan are as follows:
1. First Violation. The Company will issue a written warning and deliver a copy of this Plan to the shareholder of record for the property on which the violation occurred by United States Postal Service first class (USPS) mail.
 2. Second Violation. A second violation within the following twelve calendar months of the first violation will subject the shareholder's account for the property on which the violation occurred to a penalty assessment not to

exceed one hundred dollars, which will be subject to collection by the Company as are all other rates, charges and assessments.

3. **Third Violation.** A third violation within the following twelve calendar months of the first violation will subject the shareholder's account for the property on which the violation occurred to a penalty assessment not to exceed two hundred fifty dollars, which will be subject to collection by the Company as are all other rates, charges and assessments.
 4. **Fourth and Subsequent Violations.** A fourth violation in the following twelve calendar months of the first violation will subject the shareholder's account for the property on which the violation occurred to a penalty assessment not to exceed five hundred dollars, which will be subject to collection by the Company as are all other rates, charges and assessments.
 - a. **Water Flow Restrictor.** In addition to any penalty assessments, the Company may install a water flow restrictor device of approximately one gallon per minute capacity for service pipe up to one and one-half inch size and comparatively sized restrictors for larger services after issuance by the Company of a written notice of intent to install a flow restrictor for a minimum of forty-eight hours.
 5. **Discontinuing Service.** In addition to any penalty assessments and the installation of a water flow restrictor, the Company may disconnect a shareholder's water service for willful violations of mandatory restrictions in this Plan.
- B. Cost of Flow Restrictor and Disconnecting Service.** A person or entity that violates this Plan is responsible for payment of the water purveyor's charges for installing and/or removing any flow restricting device and for disconnecting and/or reconnecting service per the water purveyor's schedule of charges then in effect. The charge for installing and/or removing any flow restricting device must be paid to the water purveyor before the device is removed. Nonpayment will be subject to the same remedies as nonpayment of a regular water bill.
- C. Separate Offenses.** Each day that a violation of this Plan occurs is a separate offense.
- D. Notice and Hearing.**
1. The Company will issue a notice of violation by USPS first class mail or personal delivery at least ten days before taking enforcement action. Such notice must describe the violation and the date by which corrective action must be taken. A shareholder may appeal the notice of violation by filing a written notice of appeal with the Company no later than the close of business on the day before the date scheduled for enforcement action. Any notice of violation not timely appealed will be final. Upon receipt of a

timely appeal, a hearing on the appeal will be scheduled, and the Company will mail by USPS first class service written notice of the hearing date to the shareholder at least ten days before the date of the hearing.

2. Pending receipt of a written appeal or pending a hearing pursuant to an appeal, the Company may take appropriate steps to prevent the unauthorized use of water as appropriate to the nature and extent of the violations and the current declared water level condition.