

### Decree on the Start of the Emergency due to the Occurrence of Severe, Extreme or Exceptional Drought in Basins for 2022

Mexico City, July 27, 2022

The "Decree on the Start of the Emergency due to the Occurrence of Severe, Extreme or Exceptional Drought in Basins for 2022" (the "Decree") was published on July 12, 2022 in the Official Gazette of the Federation ("DOF"), and is based on the results of the analysis and technical opinions of the National Water Commission ("CONAGUA") through the Water Drought Monitor of Mexico ("MSM"). The Decree declares the beginning of an emergency due to the occurrence of drought in various water basins of the country, in its severe, extreme or exceptional modalities. The MSM delimits the drought by Municipality and classifies it according to its intensity through a report that can be consulted at the offices of the Water Basins Boards (*Organismos de Cuenca*) and Local Offices of CONAGUA as well as electronically on the following link (<https://smn.conagua.gob.mx/en/climatology/drought-monitor/drought-monitor-in-mexico>) (the "Drought Report"). The Drought Report will be updated every fifteen days and includes the following classification: (i) D0: Abnormally Dry; (ii) D1: Moderate Drought; (iii) D2: Severe Drought; (iv) D3: Extreme Drought, and (v) D4: Exceptional Drought.

#### I. Alternatives of the Concession Holders

The Decree provides alternatives for holders of concession titles for the exploitation, use or exploitation of national waters for industrial and agricultural uses (the "Concession Title Holders"), within the municipalities classified to have Severe, Extreme or Exceptional Droughts (the "SEE Droughts") where there is low availability of drinking water supply sources. These alternatives are the following:

- a. Provisionally allow third parties the use of the total or partial volume of water authorized under their concession title, giving notice to CONAGUA.
- b. Assign or transfer temporarily to CONAGUA, their water rights and request the interruption of the elapsing (*caducidad*) of the volume of water not used and temporarily transferred to CONAGUA, while the emergency subsists, in accordance with article 29 BIS 3, section VI, 4 of the National Waters Law.

In the above cases, CONAGUA allow that the volume of water temporarily transferred or assigned to it is delivered directly to the distribution network in coordination with the operating water board, for as long as the emergency persists.

Some of the Municipalities affected by SEE Drought are Querétaro, El Marqués, San Juan del Río and Ezequiel Montes within the State of Querétaro; Monte Morelos, Linares and Mier y Noriega in the State of Nuevo León, and Ojuelos de Jalisco, in the State of Jalisco.

The status of the drought can be modified every fifteen days, therefore, it is important to maintain its monitoring.

## **II. Limitations of the Water Concessions**

In order to guarantee the supply of water for domestic and urban public use, the Decree grants CONAGUA the power to execute the transitory measures agreed with the representatives of the users in the Water Basin Councils (*Consejos de Cuenca*) that present SEE Drought conditions, that are contained in the Preventive and Mitigation Measures Programs (the "MPM Programs"), corresponding to each Water Basin.

The MPM Programs can be consulted at the offices of the Water Basin Boards and Local Directorates of CONAGUA, as well as electronically on their website.

These transitory measures may include the temporary limitation of existing water rights, through the provisional reduction of water volumes to the users of the basins that are in a SEE Drought condition, in order to supply water for domestic and urban public use to people that lack this natural resource.

Additionally, CONAGUA urges the users of national waters of the Municipalities that present some drought condition, to implement the preventive and mitigation measures contained in the MPM Program that correspond to the Basin Council in which they are located, as well as those suggested in Chapter IV of the "Guidelines that establish the criteria and mechanisms to issue General Agreements in emergency situations due to the occurrence of drought published in the DOF on November 22, 2012" (the "2012 Drought Guidelines").

## **III. Vigilance**

CONAGUA, through its Water Basin Boards and Local Directorates and with the participation of the Basin Councils, will monitor preventive and mitigation actions, as well as emergency support for SEE Drought, or low availability of sources of drinking water.

The SEE Drought emergency will end when the hydro-meteorological conditions allow it, in accordance with the technical criteria indicated in the 2012 Drought Guidelines.

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