

**AMENDED
District Regulatory Plan
Phase II(B)
Summary**



The Board of Directors of the Lone Star Groundwater Conservation District amended Phase II(B) of the District Regulatory Plan on April 22, 2010. The DRP Phase II(B) contains the District's primary regulatory requirements for achieving sustainability of the Gulf Coast Aquifer by reducing groundwater dependency within Montgomery County. The following amended summary is an incorporation of amendments authorized and is not intended as a substitution for the specific requirements of the DRP Phase II(B), but instead is provided as an abbreviated explanation of some of the major components of the plan. If you have any questions regarding the DRP Phase II(B), you should contact the District office directly at (936) 494-3436.

Initial Conversion

DRP Phase II(B) requires each **Large Volume Groundwater User (LVGU)** in the District to reduce its groundwater production by 2016 to a volume that does not exceed 70 percent of its **Total Qualifying Demand**. An LVGU is any person that actually produced, or was authorized to produce, 10 million gallons or more of groundwater from within the District in calendar year 2009. An LVGU's Total Qualifying Demand is the volume of groundwater that it was authorized under the terms of a District-issued permit to produce from the Gulf Coast Aquifer (Chico, Evangeline and Jasper aquifers) in calendar year 2009. This requirement to use no more than 70 percent of an LVGU's Total Qualifying Demand during calendar year 2016 is referred to as the **Initial Conversion Obligation**.

Year 2016 Water demand that is in excess of 70 percent of an LVGU's Total Qualifying Demand must be met using conservation to curb the demand, an **Alternative Water Source**, or a combination of both approaches. An Alternative Water Source means water other than groundwater produced from the portions of the Chico, Evangeline, Jasper aquifers of the Gulf Coast Aquifer that underlie Montgomery County, or any county that adjoins Montgomery County. An Alternative Water may include groundwater produced from below the base of the Jasper aquifer if such production will not impair the quality or the quantity of groundwater within the Chico, Evangeline or Jasper aquifers of the Gulf Coast Aquifer that underlie the District.

Each LVGU that proposes to develop Catahoula Formation (Catahoula Restricted aquifer) resources as an Alternative Water Source must demonstrate to the District that production of groundwater from the Catahoula Formation (Catahoula Restricted aquifer) will not impair the quality or quantity of groundwater within the Gulf Coast Aquifer. LVGU's are to be reminded that groundwater produced from within the District and used as an Alternative Water Source may become subject to future additional regulatory controls by the District.

To ensure that adequate progress is made in appropriately planning for the Initial Conversion Obligation, and to assist the District in its water planning efforts, each LVGU must prepare, and submit to the District, a **Groundwater Reduction Plan (GRP)** by no later than **April 1, 2011**. Each GRP must include specific information provided for in the DRP Phase II(B) requirements that demonstrates that the proposed conversion efforts are reasonably feasible. Each GRP will be reviewed by the District. GRPs that the District determines meet all applicable requirements will be certified by the District.

To allow LVGUs to take advantage of potential economies of scale, and to provide a potential vehicle for making large-scale conversion efforts otherwise more practicable, two or more LVGUs may

enter into contractual agreements to cooperate under the framework of a single, **Joint GRP**. Using this approach, individual LVGUs can satisfy the requirements of the DRP if they are included in a Joint GRP that, as an aggregated group, achieves full regulatory compliance with all applicable provisions of this DRP Phase II(B). For example, the Joint GRP may provide that the water demands for some individual participant LVGUs will be met by using 100 percent groundwater, as long as the group as a whole achieves the required conversion amount for all participants by over-converting other participant LVGUs.

There is no maximum number of LVGUs that can participate in a Joint GRP. However, each Joint GRP submitted to the District must include all requisite information for each LVGU that would otherwise be required of the LVGU if it was submitting an individual GRP. Each Joint GRP will include a **Joint GRP Sponsor**—a single LVGU representative that is principally responsible for development, submission, and execution of the Joint GRP.

On or before **August 2, 2010**, each LVGU must submit to the District a Declaration of Intent to Submit a GRP—also referred to as a **DOI**. Using a DOI, each LVGU must inform the District whether it intends to submit an individual GRP that accounts only for its efforts to meet its Initial Conversion Obligation, or whether it intends to participate in a Joint GRP with at least one other LVGU.

An LVGU that employs a metered conservation measure to replace local groundwater as a source of supply may be eligible for an early conversion credit. Early conversion credits may be awarded in an amount equal to twice the total volume of metered conserved or reclaimed water that the District determines was used, or will be used, between November 11, 2008 and December 31, 2015. An LVGU spends its early conversion credits by producing groundwater at any time after January 1, 2016 in excess of the amount it would otherwise be allowed to produce in a calendar year until the credits are exhausted.

Persons who produced less than 10 million gallons of groundwater from within the District in 2009, but that later require 10 million gallons of groundwater or more annually, are considered **New LVGUs**. In addition, a New LVGU also includes persons with no production history in 2009 who require 10 million gallons of groundwater annually from within the District at some point after 2009.

A New LVGU that has 2009 production may be authorized to produce up to 70 percent of its Total Qualifying Demand, but it first must submit, and have certified by the District, a GRP, or become included in a fully compliant Joint GRP.

A New LVGU that has no 2009 production will not be authorized to produce any groundwater unless it is first included in a fully compliant Joint GRP, and unless each gallon of groundwater it produces is offset by a conversion by an LVGU within the same Joint GRP from groundwater to an Alternative Water Source.

Post-2016 Groundwater Production

The maximum amount of groundwater that an LVGU or a New LVGU will be authorized to produce in any calendar year after 2016 will be equivalent to the volume of groundwater that the LVGU was legally authorized to produce in 2016 (no more than 70 percent of calendar year 2009 permitted production). An LVGU that successfully meets its Initial Conversion Obligation will be allowed to meet post-2016 water demand by increased groundwater production from within the District as long as the LVGU maintains an annual average groundwater production volume that does not exceed 70 percent of its Total Qualifying Demand when averaged over the 2016-2045 planning period.

Any Joint GRP that accounts for 10 percent or more of the total water demand within the District is considered a **Safe Harbor GRP**. Safe Harbor GRPs are Joint GRPs of sufficient size to accommodate

water demand growth within the District by incorporating persons who become New LVGUs for the first time after January 1, 2010. Safe Harbor GRPs that are not willing to accept a New LVGU that attempted to join its Joint GRP must, within 60 days of receiving a written request by the District, submit in writing to the District and the New LVGU a statement identifying the reasons for the denial and providing an estimate of the time, conditions, and circumstances, if any, under which acceptance of the New LVGU may be feasible.

For DRP Phase II(B) noncompliance, a flat fee civil penalty of up to \$10,000 per day may be assessed for each violation, or a civil penalty of up to \$4.00 may be assessed for each 1,000 gallons of groundwater produced in violation of the DRP.