LONE STAR GROUNDWATER CONSERVATION DISTRICT

GRP Resolution No. 13-011

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LONE STAR GROUNDWATER CONSERVATION DISTRICT CERTIFYING THE GROUNDWATER REDUCTION PLAN OF CITY OF MONTGOMERY

WHEREAS, the Lone Star Groundwater Conservation District (the "District") was created by the Legislature of the State of Texas by the Act of May 17, 2001, 77th Leg., R.S., ch. 1321, 2001 Tex. Gen. Laws 3246, as amended (the "Enabling Act"), as a groundwater conservation district operating under Chapter 36, Texas Water Code, and the Enabling Act; and

WHEREAS, Section 36.101 of the Texas Water Code authorizes a groundwater conservation district to make and enforce rules to provide for conserving, preserving, and protecting the groundwater resources subject to the District's regulatory jurisdiction, enhancing recharging of those groundwater reservoirs and their subdivisions, controlling subsidence, preventing waste of groundwater, and otherwise carrying out the powers and duties provided by Chapter 36 of the Texas Water Code; and

WHEREAS, the Board of Directors of the District (the "Board") initially adopted the Rules of the Lone Star Groundwater Conservation District (the "District Rules") on August 26, 2002; and

WHEREAS, on November 10, 2009, the Board adopted Phase II(B) of the District Regulatory Plan ("Phase II(B)") as part of its multi-phased regulatory plan designed to reduce total annual groundwater production within Montgomery County to an average level that does not exceed the total sustainable yield of the Gulf Coast Aquifer; and

WHEREAS, Phase II(B) requires each Large Volume Groundwater User ("LVGU") in the District to submit a Groundwater Reduction Plan ("GRP") demonstrating how the LVGU will meet its Initial Conversion Obligation by 2016, thus having reduced its groundwater production to no more than 70 percent of its Total Qualifying Demand; and

WHEREAS, Phase II(B) allows two or more LVGUs to enter into contractual agreements to share costs, to increase efficiencies in the development, planning and construction of water supply infrastructure, to increase efficiencies in the distribution and delivery of groundwater alternatives and to otherwise cooperate under the framework of a single, joint groundwater reduction plan ("Joint GRP"); and

WHEREAS, Phase II(B) requires that by no later than April 1, 2011, each LVGU must have submitted a GRP to the District, or must be included in a Joint GRP that was submitted to the District, that fully complies with the requirements set forth in the District Regulatory Plan Phase II(B); and

WHEREAS, the failure of an LVGU to submit a fully compliant GRP to the District by April 1, 2011, or to be included in a fully compliant Joint GRP that is submitted to the District by April 1, 2011, subjects each applicable LVGU to civil penalties and enforcement as outlined in the District Regulatory Plan; and

WHEREAS, City of Montgomery has submitted a GRP to the District, in which City of Montgomery has detailed its own strategies and has identified the steps necessary for it to achieve the groundwater reduction requirements outlined in the District Regulatory Plan; and

WHEREAS, District staff has conducted a technical review of City of Montgomery's GRP and has determined that it meets the minimum applicable requirements as outlined in Phase II(B); and

WHEREAS, based on the District staff's technical review, the District General Manager has recommended that the GRP submitted by City of Montgomery be certified by the Board of Directors of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LONE STAR GROUNDWATER CONSERVATION DISTRICT THAT:

I. The Groundwater Reduction Plan submitted by City of Montgomery, which is attached hereto and incorporated herein in full, is hereby certified by the Board of Directors of the District (the "Certified GRP").

II. The Certified GRP, along with Phase II(B) and all other applicable rules of the District, constitutes regulatory requirements applicable to City of Montgomery and will be enforced by the District as such. The failure of City of Montgomery to comply with these regulatory requirements in full will constitute a violation of the District's rules and may subject City of Montgomery to enforcement accordingly, including permit suspension or revocation and / or the assessment of civil penalties by the District.

III. At any time during the implementation of projects specified in the Certified GRP, the District may request City of Montgomery to demonstrate its compliance with the requirements contained in the Certified GRP.

IV. The regulatory requirements and other provisions in Phase II(B) may from time-to-time be amended by the District. This certification shall in no way limit the District's ability to modify or amend its regulatory plan or rules as it determines necessary in its efforts to discharge its obligations under the Enabling Act, Chapter 36 of the Texas Water Code, and all other applicable law.

V. Certification of the Sponsor's Certified GRP does not constitute an endorsement by the District of any individual strategy, plan or specification contained in the Certified GRP, nor should it be construed as an indication of the likelihood of success of any such strategy or plan, or the accuracy of any such specification. The Sponsor is responsible for ensuring that

any facilities or action items described in the Certified GRP are adequately and timely designed, engineered, and implemented to meet the District's regulatory requirements.

AND IT IS SO ORDERED.

PASSED AND ADOPTED on this 10th day of December, 2013.

LONE STAR GROUNDWATER CONSERVATION DISTRICT

By: _____
Richard J. Tramm, Board President

ATTEST:

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M. Scott Weisinger, PG, Board Secretary