LONE STAR GROUNDWATER CONSERVATION DISTRICT

GRP Resolution No. 14-006

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LONE STAR GROUNDWATER CONSERVATION DISTRICT CERTIFYING THE "AMENDED" JOINT GROUNDWATER REDUCTION PLAN OF PORTER SPECIAL UTILITY DISTRICT

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, Porter Special Utility District submitted a fully compliant Joint GRP, and received Certification by the District on August 9, 2011, in which Porter Special Utility detailed strategies and necessary steps to achieve the groundwater reduction requirements outlined in the Districts Regulatory Plan; and

WHEREAS, Porter Special Utility District has identified an additional strategy to be of benefit to the Joint GRP in achieving groundwater reduction requirements outlined in the Districts Regulatory Plan; and

WHEREAS, Porter Special Utility District has submitted a major amendment to the Joint GRP as allowed by the Districts Regulatory Plan, in which Porter Special Utility District has detailed a change of its primary strategy, changes and additions relating to the Joint GRP participants 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 Porter Special Utility District's amendment to the Joint 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 amendment to the Joint GRP submitted by Porter Special Utility District 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 amendment to the Joint Groundwater Reduction Plan submitted by Porter Special Utility District, which is attached hereto and incorporated herein in full, is hereby certified by the Board of Directors of the District (the "Certified "AMENDED" Joint GRP").

II. The Certified "AMENDED" Joint GRP, along with Phase II(B) and all other applicable rules of the District, constitutes regulatory requirements applicable to Porter Special Utility District and will be enforced by the District as such. The failure of Porter Special Utility District to comply with these regulatory requirements in full will constitute a violation of the District's rules and may subject Porter Special Utility District 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 "AMENDED" Joint GRP, the District may request Porter Special Utility District to demonstrate its compliance with the requirements contained in the Certified "AMENDED" Joint 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 "AMENDED" Joint GRP does not constitute an endorsement by the District of any individual strategy, plan or specification contained in the Certified "AMENDED" Joint 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 Amended Joint 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 12th day of August, 2014.

LONE STAR GROUNDWATER CONSERVATION DISTRICT

By: _____
Sam W. Baker, Vice-President

ATTEST:

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Scott Weisinger, PG, Board Secretary