

HRPDC DIRECTORS OF UTILITIES COMMITTEE

**GROUND WATER WITHDRAWAL
REDUCTION INCENTIVE PROGRAM
CONCEPT UPDATE**

October 7, 2015

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Water Utility Considerations

- Long-term aquifer protection
- Availability of alternative sources
- Time to get value out of existing facilities
- Time to make any required transition
- Regulatory certainty for future investments

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Incentive Program Concept

1. Opt-In / Voluntary Basis
2. DEQ's ~50% Reduction Goal
3. Transition Period for Owners
4. Certainty Period for Owner's Use of New Permit
5. Long-Term Permit (>10 Years)
6. DEQ Reopener Authority for Unknowns

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Key Issue #1: Eligibility

- **DEQ's ~50%+ Reduction Goal**
 - This is what DEQ gets ... early buy-in on reductions
 - If don't opt-in → status quo (regular permitting process)
- **Participation**
 - 1st draft was open only to the Top 14
 - Now open to any permittee that makes 50%+ cut
- **Extend Benefit Retroactively to Recent Permits**
 - Everyone that has or will meet DEQ 50%+ request gets benefit of certainty period

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Key Issue #2: Transition Period

- **1st Draft Proposed Fixed 20 Years for All PWS**
 - 10 to 20 years for others (industry) case-by-case
- **Response Received**
 - Delay of achievable near-term reductions
 - Case-by-case special exception up to 20 years (but no ensuing Certainty Period – see next slide)
- **Revision (No Response Yet)**
 - “Up to 15 years” based on decision criteria / factors
 - Coupled with ensuing Certainty Period

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Key Issue #3: Certainty Period

- **1st Draft Proposed Fixed 30 Years for PWS**
 - Up to 20 years for others (industry) case-by-case
- **Response Received**
 - Concern over length of time (20+30=50 years)
 - Unknowns about GW source
- **Revision**
 - Standardize on 20 years for all permittees
 - With Transition Period, a total of 20 to 35-year plan

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Key Issue #4: Reopener

- **1st Draft Limited to §62.1-266.E Four Items**
 - Included violations, misrepresentation, endangerment, material change; but omitted “good cause” catch-all
- **Response Received**
 - Long-term program requires a strong reopener
- **Revision**
 - Restore “good cause” catch-all for SWCB/DEQ
 - Absent that major action being taken, the permit would remain in place providing 20 to 35 year program 7

Other Issues / Discussion

- **Effect of Legislation on Pending Reissuances**
 - Will Owners with draft permits “ready” now wait for 2016 GA Session to get these benefits? (Likely)
- **Timing**
 - EVGM Advisory Committee is moving slowly
 - DEQ likely to move quickly (2016 permit reissuances)
 - DEQ’s schedule makes this is a 2016 GA Session need