

HRPDC DIRECTORS OF UTILITIES COMMITTEE

**GROUND WATER WITHDRAWAL
REDUCTION INCENTIVE PROGRAM
CONCEPT**

September 2, 2015

1

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

2

Incentive Program Concept

1. 20-Year Transition Period

- A. Permittees agree to major GW reductions with DEQ
- B. Permittees need 10 to 20 years to implement reasonably

2. 30-Year Certainty Period

- A. Change current 10-year permit term maximum
- B. Provide 30-year certainty after reductions (50 year program)

3. Implementation Mechanism

- A. Legislation needed because 10 year permit term is in statute
- B. This should be done in 2016 General Assembly session given DEQ's permitting timeline (2016)

3

Create Exception to 10-Year Term

AMEND EXISTING § 62.1-266.

Ground water withdrawal permits.

C. All ground water withdrawal permits issued by the Board under this chapter shall have a fixed term not to exceed ten years, *except where a longer term is established in accordance with § 62.1-266.1....*

4

Voluntary Incentive Program

ADD NEW § 62.1-266.1.

Ground water withdrawal reduction incentive program.

A. The Board shall implement a voluntary ground water withdrawal reduction incentive program as provided in this section. The purpose of this program is to provide incentives to eligible permittees so as to encourage a substantial reduction in reliance upon ground water, transition to alternative sources, and development of related infrastructure.

5

Opt-In Period to 14 Permittees

B. A permit issued to an eligible permittee that opts to participate ... shall provide a water supply transition period ... and a regulatory certainty period ... if by September 30, 2016 the permittee voluntarily accepts a reduction to its currently authorized withdrawal amount based on the following reduced withdrawal amounts, , which are exclusive of authorized temporary uses for drought relief or emergency situations. Acceptance of a reduced withdrawal amount shall be made on a ground water withdrawal reduction acceptance form provided by the Board. [INSERT TABLE OF ALL 14 PERMITS]

6

20-Year Transition Period

C. A permit pursuant to this incentive program shall establish a practicable water supply transition period...

- Establish transition period
 - Minimum of 10 Years (Dec. 31, 2025)
 - Maximum of 20 Years (Dec. 31, 2035)
- 20 Years for Water Utilities
 - Where permittee is a county, city, town or authority that operates a GW treatment facility to supply potable water to the public, the permit shall include a transition period through Dec. 31, 2035, unless the permittee consents to a shorter period.
- No Intent to Revise Timing as to Recently Issued Permits
 - Alternate schedules established for eligible permits issued prior to Dec. 31, 2015 shall remain applicable

7

30-Year Regulatory Certainty Period

D. Notwithstanding any other provision of this chapter, each permittee that voluntarily accepts a reduced withdrawal amount in accordance with subsection B shall be entitled a regulatory certainty period during which the withdrawal amount shall not be reduced further, except in the limited circumstances under subsection F. The regulatory certainty period shall continue until December 31, 2045 or, where the permittee is a county, city, town or authority established pursuant to § 15.2-5100 et seq. that uses ground water facilities for public water supply purposes, until December 31, 2065.

8

50-Year Permit Issued in 2016

E. For each permittee that voluntarily accepts a reduced withdrawal amount in accordance with subsection B, the Board shall issue a permit providing the incentives set forth in this section no later than December 31, 2016 or as soon as practicable thereafter. The term of such permit shall be for a fixed period through the end date of the regulatory certainty period [2065 FOR WATER UTILITIES].

9

10-Year Modifications on Other Elements

F. Notwithstanding the extended term of a permit issued pursuant to this incentive program, the Board at its own initiative, after notice and opportunity for a hearing and in accordance with § 2.2-4000 et seq., may modify the permit upon the conclusion of each ten year period that the permit is in effect to address aspects of the permit other than the withdrawal amount, transition period, or regulatory certainty period. The reduced withdrawal amount, transition period, or regulatory certainty period established pursuant to this section shall not be amended or revoked by the Board except (1) in exceptional circumstances as warranted under paragraphs 1 through 4 of subsection E of § 62.1-266, (2) in the case of an industrial or commercial facility permittee that closes its facility or substantially reduces its operations, or (3) if the permittee consents to such reduction.

10