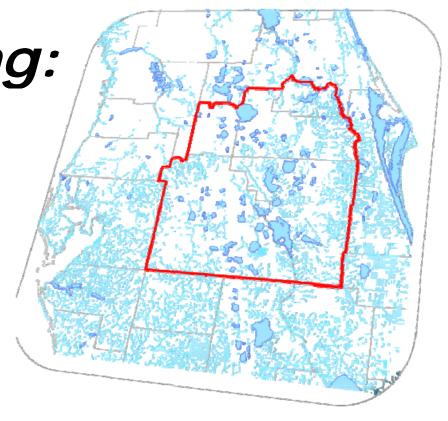
Regulatory Team Report Concerning:

Consumptive Use Permit Application Review During Interim Period



Steering Committee Meeting December 13, 2013

Request for Information

- October Steering Committee created Regulatory Team
- DEP identified an interim period exists between now and implementation of CFWI's long-term solutions
 - Consumptive use permit applications are pending and more will be filed
- DEP requested options regarding coordinated approaches for near-term consumptive use permit application decisions

Process

- Key participants:
 - Regulatory Team members
 - Additional stakeholders
- Compiled a list of options and associated considerations
 - Distributed to Steering Committee
 - Available as handouts
- Today: Present options to Steering Committee for consideration
- Anticipate DEP guidance to the districts

Overview of Stakeholder Discussion

Topics discussed:

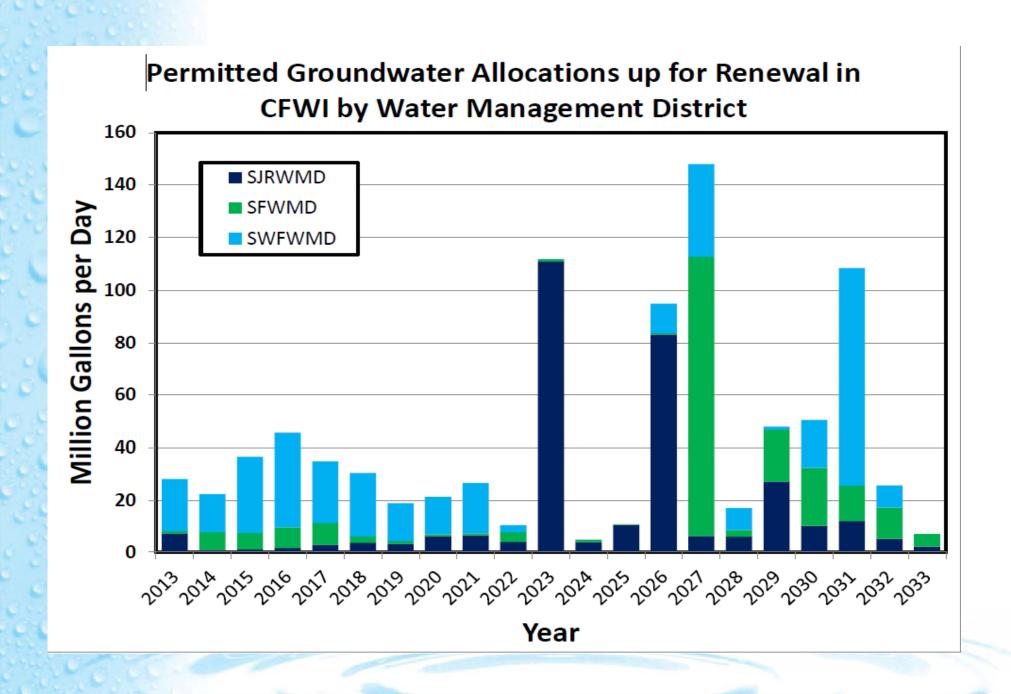
- "Transparent" availability of pending application information
 - Enhance awareness
 - Consistent coordination
 - Links with Regulatory Team Scope of Work #1

Options for CUP applications

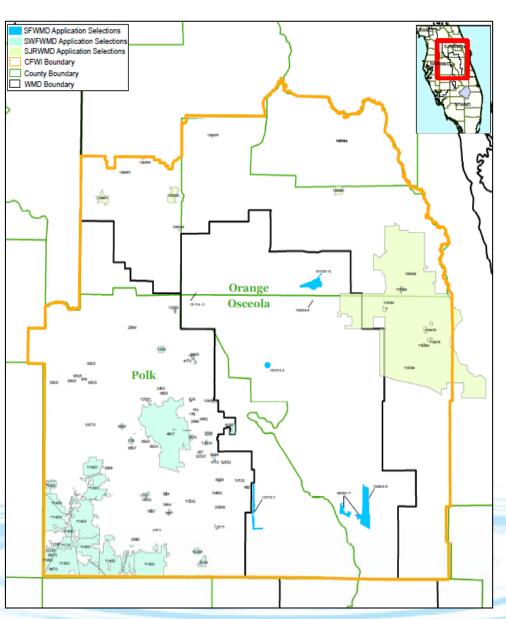
- Identified a full range of options
- Discussed considerations associated with the options

"Transparent" Availability of Pending Application Information

- Generated foundational information to gain insight into scope of issue presented
 - Volumes pending
 - Volumes anticipated
- Current application status summarized in spreadsheet
 - Updated bi-weekly
 - Key project information
 - E.g.: Volumes requested, project status, duration, etc.
 - Companion location map
- Regular distribution to Regulatory Team members and posted on www.CFWI.com



Pending Water Use Applications within CFWI



Summary of Options for Pending CFWI CUP Applications

- 1: No new, traditional source groundwater allocations
- 2: Short duration permits for all new or increased allocations from traditional groundwater source applications
- 3: Short duration permits for new or increased allocations from traditional groundwater source applications, as based on use class and/or source
- 4: Allocation of available water
- 5: Do not change anything (i.e. rely on existing programs) / Any others?

Summary of Options for Pending CFWI CUP Applications, cont.

- Option #1: No new, traditional source groundwater allocations
 - Restrict issuance of new or increased allocations from specific aquifers in CFWI
 - Renewals of demonstrated, historic use will be authorized in accordance with existing WMD rules
- Pros: low risk of additional stress
- Cons: presumes 'every drop' causes impact, yet possible to meet criteria
- Process: Rulemaking likely

Summary of Options for Pending CFWI CUP Applications, cont.

Option #2: Short duration permits

 For all new or increased allocations from traditional groundwater source

■ Pros:

- Limits demands allocated to permit duration
- Preserves opportunity to review after long-term strategies identified
- Existing legal user considerations

- Two 'classes' of permittees; risks during renewal
- May encourage 'run' on applications
- Process: Rulemaking likely

Summary of Options for Pending CFWI CUP Applications, cont.

- Option #3: Short duration permits based on use class and/or source
 - For all new or increased allocations from traditional groundwater source

■ Pros:

 Potential for flexibility – small volumes for a 'preferred' use class could receive long duration

- Which use classes should get short duration?
- Process: Rulemaking required

Summary of Options for Pending CFWI CUP Applications, cont.

- Option #4: Allocation of available water
 - Continued issuance of permits when all existing criteria satisfied and with limiting condition
 - Explanation of CFWI in proposed agency action
 - See handout

■ Pros:

- Permit issuance continues, if conditions satisfied
- Prevents 'two classes' of permittees
- Future implement long-term solutions

- Existing legal user considerations
- Process: No rulemaking

Summary of Options for Pending CFWI CUP Applications, cont.

Option #5: Do not change anything (i.e. rely on existing programs) / Any others?

■ Pros:

Permit issuance continues, if conditions satisfied

- No recognition of long-term solutions
- Existing legal user considerations
- Potential for inconsistent district actions
- Process: No rulemaking

On-Going WMDs Activities

Conservation and Outreach

- With Team members, prepare a "menu" of conservation options to post on CFWI website and make available to applicants
- Work with largest utility customers to assess use and identify conservation opportunities
- Random survey re: conservation and CFWI

