

IMPLEMENTATION PROCEDURES FOR THE 2009-2010 AGGREGATED HARRIS-GALVESTON SUBSIDENCE DISTRICT WATER WELL PERMIT ISSUED TO THE NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY (THE "AGGREGATED PERMIT")

On August 12, 2009 the Harris-Galveston Subsidence District (the "Subsidence District") issued an aggregated permit to the North Harris County Regional Water Authority (the "Authority") consolidating all previous well permittees scheduled to begin using an alternative water supply, i.e. surface water, during the September 1, 2009 through August 31, 2010 permit term. The purpose of this document is to generally define the procedures and responsibilities of the Authority and the well owners covered by the Aggregated Permit.

Authority Responsibilities:

1. Administer the Aggregated Permit and serve as permit holder.
2. Initially pay the permit fee of \$17.00 per million gallons of water permitted.
3. Invoice each well owner for its respective portion of the permit fee.
4. Advise well owners of their portion (the "Amount Allocated") of the Authorized Withdrawal stated in the Aggregated Permit. Typically, the Amount Allocated will be the amount of water requested in the well owner's Renewal Request Form submitted for the 2009-2010 permit term.
5. Report annually on usage of both groundwater and alternative water supply by each well owner covered under the Aggregated Permit.
6. Request as necessary any amendment to the Aggregated Permit.
7. Comply with and/or require all well owners to comply with all Subsidence District well permit requirements.
8. Develop procedures to facilitate the implementation of the Aggregated Permit (the "Procedures") and update as necessary.
9. Provide the aggregated well owners the Procedures and any revisions.
10. Process the request for reimbursement (rebates) of a portion of the Aggregated Permit fee, if applicable.
11. Process any requests by well owners for reimbursements (rebates) of a portion of the permit fee paid by the well owner, provided the reimbursements (rebates) are granted by the Subsidence District.
12. Invoice well owners who exceed their Amount Allocated for the respective additional permit fee.

Well Owner Responsibilities:

1. Reimburse the Authority for its share of the permit fee paid by the Authority for the Aggregated Permit within 45 days of invoice date.
2. If the well owner plans to meet a significant portion or all of their Texas Commission on Environmental Quality requirements using an alternative water supply, i.e. surface water, it shall formally advise the Authority immediately of that fact so that appropriate arrangements can be made to address that need.
3. Advise the Authority as soon as it is known that the volume of water to be used during the permit term will vary significantly, +/-10%, from the Amount Allocated.

4. Effective October 1, 2009, begin using the Authority Online Pumpage Reporting System (the "OPRS") to provide the following information:
 - a. The volume of water pumped by each well;
 - b. The combined volume pumped by the well owner's wells;
 - c. The volume and type, i.e. groundwater, etc., of water used from a source other than the Authority and name of the source; and
 - d. The volume and type, i.e. groundwater, etc., of water provided another well owner and name of the well owner which received the water.

This report shall be filed no later than ten business days after the end of the preceding month, beginning with a report for the usage for the month of September 2009.

5. Provide the Authority relevant information, i.e. manufacturer, model number, size, age, general condition of the meter on each well. The information may be provided using the OPRS.
6. Provide the Authority the date the water well meter was last calibrated and the results of that calibration. Also provide the Authority results of any future calibrations. This information may be provided using the OPRS.
7. If applicable, request a reimbursement of a portion of the permit fee paid. The request shall be submitted no later than 15 business days after the close of the permit term. The request shall be submitted on the form provided by the Authority. The Subsidence District will not process a reimbursement for less than \$100.
8. Within 45 days of notification by the Authority, reimburse the Authority for any permit or related fee which may be due for use of water in excess of the Amount Allocated to the well owner.
9. By April 1, 2010 provide the Authority the volume of water the well owner would like included in the 2010-2011 Aggregated Permit.
10. Comply with applicable terms, provisions, conditions, requirements, limitations and restrictions embodied in the Aggregated Permit and with the rules, regulations and orders of the Subsidence District as applicable.
11. Prior to any sale of a well covered by the Aggregated Permit, written notice must be given the Authority by the well owner. Any person who becomes the owner of a well previously permitted under the Aggregated Permit must, within 45 calendar days from the date of the change in ownership, advise the Authority of the purchase and provide the Authority with the information necessary to revise the Aggregated Permit.
12. Conduct the operation of the well(s) in a nonwasteful manner.
13. Except as provided in Subsidence District Rule 8.2, install and maintain a water meter on each well and operate said meter in accordance with Section Eight of the Subsidence District's rules.
14. Keep accurate records, on a monthly basis, of the amount of groundwater withdrawn and the purpose of the withdrawals, and make such records available for inspection by the Subsidence District and Authority representatives. Read the meter and record the meter reading and actual amount of pumpage each month in accordance with Rule 8.7 of the Subsidence District's rules.
15. Advise the Authority of any error in meter readings, reason for the error, corrective measures planned and the timetable for same.
16. Insure that the well is accessible to Subsidence District and Authority representatives for inspection, and cooperate fully in any reasonable inspection of the well and well site by the Subsidence District and Authority representatives.
17. Comply with all applicable governmental agency (local, state, federal, Subsidence District, and Authority) rules and regulations pertaining to water wells. Well owner shall be solely responsible for non-compliance with such rules and regulations.