

AS AMENDED APRIL 20, 2016

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SECTION 1: DEFINITIONS

“Agriculture” means:

- (1) cultivating the soil to produce crops for human food, animal feed, or planting seed or for the production of fibers;
- (2) the practice of floriculture, viticulture, silviculture, and horticulture, including the cultivation of plants in containers or nonsoil media, by a nursery grower;
- (3) raising, feeding, or keeping animals for breeding purposes or for the production of food or fiber, leather, pelts, or other tangible products having a commercial value;
- (4) planting cover crops, including cover crops cultivated for transplantation, or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure;
- (5) wildlife management; and
- (6) raising or keeping equine animals.

“Administratively Complete” means: (1) that all information requested by the District has been fully and accurately provided; and (2) that all applicable fees have been paid.

“Agricultural Use” means any use or activity involving agriculture, including irrigation. Irrigation of a golf course is not an agricultural use.

“Aquifer Unit” means the Sparta aquifer unit, the Queen City aquifer unit, the Carrizo aquifer unit, the Calvert Bluff aquifer unit, the Simsboro aquifer unit, the Hooper aquifer unit, or any other formation or sand from which groundwater is produced.

“Beneficial Use” means use of water for one of the following beneficial purposes, without waste:

- (1) agricultural, gardening, domestic, stock raising, municipal, mining, manufacturing, industrial, commercial, recreational, or pleasure purposes;
- (2) exploring for, producing, handling, or treating oil, gas, sulphur, or other minerals; or
- (3) any other purpose that is useful and beneficial to the user.

“Board” means the Board of Directors of the Lost Pines Groundwater Conservation District.

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“Completion of a well” means the date when the construction of a water well is finished, excluding setting the pump.

“Contested Case” means an application or other matter for which the Board has granted a request for a contested case hearing.

“Critical Infrastructure” means the infrastructure provided in Texas Government Code section 421.001(2).

“Dedicated” means committed to a definite use.

“Desired Future Condition” means a quantitative description, adopted in accordance with Texas Water Code section 36.108, of the desired condition of the groundwater resources in the District at one or more specified future times.

“Deteriorated Well” means a well that, because of its condition, will cause or is likely to cause pollution of any water in the State, including groundwater.

“District” means the Lost Pines Groundwater Conservation District.

“District Fee Schedule” means the schedule of fees charged by the District, adopted in accordance with Rule 2.3.

“District Management Plan” means a management plan developed by the District pursuant to Texas Water Code section 36.1071.

“District Office” means the office of the District, which is designated by and may be changed by resolution of the Board.

“Domestic Use” means use of water by an individual or a household to support domestic activity. Such use may include water for drinking, washing, or culinary purposes; for irrigation of lawns, or of a family garden and/or orchard; for watering of domestic animals; and for water recreation including aquatic and wildlife enjoyment. Domestic use does not include water used to support activities for which consideration is given or received or for which the product of the activity is sold.

“End User” means the person or entity that makes beneficial use of the water withdrawn from a well, including, but not limited to, an agricultural user, industrial user, mining user, municipal user, or Retail Public Water Utility. End user does not include the retail customers of a retail public water utility.

“Exempt well” means a well that is not required to obtain an Operating Permit, as described in Rule 3.1.

“General Manager” means the General Manager of the District, as described in Rule 2.2.

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“**GPM**” means gallons per minute.

“**Hearings Examiner**” means a person, other than a Board member, appointed by the Board to conduct a hearing on a permit or enforcement action.

“**Landowner**” or “**owner of land**” means the owner of the right to use the surface of a tract of land, if that owner is different from the owner or holder of the right to produce groundwater from the tract of land.

“**Livestock Use**” means the use of water for the watering of livestock, poultry, or wildlife, including exotic livestock, game animals, fur-bearing animals, birds, or waterfowl, and for maintaining aquatic life. Livestock use includes watering livestock that are kept for pleasure, recreational use, or commercial use.

“**Management Zone**” means one or more of the zones into which the Board may divide the District, as set forth in Rule 9.2.

“**Modeled Available Groundwater**” means the amount of groundwater that the executive administrator of the TWDB determines may be produced on an average annual basis to achieve a Desired Future Condition established under Texas Water Code section 36.108.

“**New well**” means a well drilled after June 21, 2000.

“**Non-exempt well**” means a well that is required to obtain an Operating Permit under Section 5 of these Rules.

“**Open Meetings Act**” means chapter 551 of the Texas Government Code.

“**Operating Permit**” means a permit issued under Section 5 of these Rules.

“**Operating Permit holder**” means the person or entity to whom an Operating Permit is issued or the person or entity to whom an Operating Permit has been transferred in accordance with these Rules.

“**Owner**” means the owner or holder of the right to produce groundwater from a tract of land.

“**Pre-existing well**” means a well drilled before June 21, 2000.

“**Production Fee**” means a fee, adopted in accordance with Rule 2.3, to be paid to the District for either the amount of water authorized by permit to be withdrawn from a non-exempt well or the amount of water actually withdrawn from a non-exempt well, as authorized by Texas Water Code section 36.205(c).

“**Property Line**” means a line at which the ownership of the right to produce groundwater changes.

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“Replacement well” means a well drilled with the purpose of replacing an existing well.

“Retail Public Water Utility” means a person or entity, including a municipality, that provides potable water to the ultimate consumer for compensation.

“SOAH” means the State Office of Administrative Hearings.

“State Plugging Report” means the report that a person who plugs a well is required to complete under 16 Texas Administrative Code section 76.700(2).

“State Well Report” means the report that every well driller who drills, completes, deepens, or alters a well is required to complete under the Texas Department of Licensing and Regulation Rules, as defined in 16 Texas Administrative Code sections 76.10(45) and 76.700(1).

“TCEQ” means the Texas Commission on Environmental Quality, or any successor agency.

“Transport Fee” means a fee, adopted in accordance with Rule 2.3, to be paid to the District for the amount of water transported outside the District boundaries, as authorized by Texas Water Code section 36.122(e).

“Transport Permit” means a permit issued under Section 6 of these Rules.

“Transport Permit holder” means the person or entity to whom a Transport Permit is issued or the person or entity to whom a Transfer Permit has been transferred in accordance with these Rules.

“TWDB” means the Texas Water Development Board, or any successor agency.

“Waste” means any one or more of the following:

(1) The withdrawal of groundwater from a groundwater reservoir at a rate and in an amount that causes or threatens to cause intrusion into the reservoir of water unsuitable for agricultural, gardening, domestic, or livestock raising purposes.

(2) The flowing or producing of wells from a groundwater reservoir if the water produced is not used for a beneficial purpose.

(3) The escape of groundwater from one groundwater reservoir to any other reservoir or geologic stratum that does not contain groundwater.

(4) The pollution or harmful alteration of groundwater in a groundwater reservoir by saltwater or by other deleterious matter admitted from another stratum or from the surface of the ground.

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(5) Willfully or negligently causing, suffering, or allowing groundwater to escape into any river, creek, natural watercourse, depression, lake, reservoir, drain, sewer, street, highway, road, or road ditch, or onto any land other than that of the owner of the well, unless such discharge is authorized by permit, rule, or order issued by the TCEQ under chapter 26 of the Texas Water Code.

(6) Groundwater pumped for irrigation that escapes as irrigation tailwater onto land other than that of the owner of the well unless permission has been granted by the occupant of the land receiving the discharge.

(7) Unless the water from an artesian well is used for a purpose and in a manner in which it may be lawfully used on the Well Owner's land, willfully causing or knowingly permitting the water to run off the owner's land or to percolate through the stratum above which the water is found.

(8) Drilling or operating a well or wells without a required permit or producing groundwater in violation of a permit condition or a District Rule.

(9) Operating a Deteriorated Well.

"Well System" means two or more non-exempt wells that are owned by the same Well Owner and connected to the same water collection or distribution system.

"Water well" or **"well"** means an artificial excavation constructed to explore for, produce, sample, or monitor the water level of groundwater.

"Well Owner" or **"owner of well"** means the owner of a water well or well or the owner of the right to produce groundwater from that well, if that owner is different from the owner of the well.

"Well registration" means the registration required by Rule 4.2.

[Adopted 11/14/12; definition of "Production Fee" amended 12/18/12; effective 1/1/13; definition of "Reservation Fee" deleted and definition of "SOAH" added 4/20/16]

SECTION 2: GENERAL PROVISIONS

Rule 2.1 Board of Directors

A. **Board structure; officers.** The Board consists of appointed members, qualified as required by law. Each year at its regular January meeting, and if there is no January meeting, at its next regular meeting, the Board will select one of its members to serve as president to preside over Board meetings and proceedings, one to serve as vice-president to preside over Board meetings and proceedings in the absence of the president, and one to serve as secretary-treasurer to keep a true and correct account of all proceedings of the Board and to preside over Board meetings and proceedings in the absence of the president and vice-president. The Board may appoint an assistant

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secretary to assist the secretary-treasurer and to preside over Board meetings and proceedings in the absence of the president, vice-president and secretary-treasurer. In the event of a vacancy in an office, the Board will select out of its members a person to serve out the remaining term of office. Unless a vacancy occurs, members and officers serve until their successors are selected and qualified to hold office. In the absence of a General Manager, the president will serve as General Manager.

B. **Meetings.** The Board will hold regular meetings at least four times a year on a day and at a place that the Board may establish from time to time by resolution. At the request of the president, or upon written request of at least three Board members, the Board may hold a special meeting. The business of the District will be conducted at regular or special Board meetings when a quorum is present. All Board meetings will be held in accordance with the Open Meetings Act.

C. **Committees.** The president may establish committees for formulation of policy recommendations to the Board, and may appoint the chair and membership of the committees, which may include persons who are and who are not Board members. Committee members serve at the pleasure of the president.

[Adopted 11/14/12; effective 1/1/13; Rule 2.1.A amended 4/20/16]

Rule 2.2 General Manager

A. **Authority.** The Board may employ a person to be the General Manager, who is the chief administrative officer of the District. The General Manager will have full authority to manage and operate the affairs of the District, subject only to the direction given by the Board through policies and orders adopted by the Board. At least annually, the Board will determine the compensation to be paid to the General Manager, and shall review the actions and performance of the General Manager to determine whether the General Manager has fulfilled his or her responsibilities and whether additional responsibilities should be delegated to the General Manager. The General Manager, with the approval of the Board, may employ all persons necessary for the proper handling of the business of the District.

B. **Delegation of authority.** The General Manager may delegate duties as may be necessary to effectively and expeditiously accomplish those duties, provided that no delegation will relieve the General Manager from his or her responsibilities under the Texas Water Code, the act creating the District, these Rules, or the policies, orders, and permits promulgated by the Board.

[Adopted 11/14/12; effective 1/1/13]

Rule 2.3 Regulatory Fees. The Board will adopt a District Fee Schedule following the procedures in Rule 14.1 or Rule 14.2. The District Fee Schedule shall set out the administrative fees, production fees, and transportation fees that the District will collect. A copy of the District Fee Schedule may be obtained from the District Office.

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[Adopted 11/14/12; effective 1/1/13]

Rule 2.4 Purpose and Effect of Rules. The District Rules are promulgated under the act creating the District and the Texas Water Code chapter 36 authority to make and enforce rules to provide for the conservation, preservation, protection, and recharge of groundwater and aquifers within the District, while recognizing the ownership and rights of the owners of the land and their lessees and assigns in groundwater. These Rules may not be construed to limit, restrict, or deprive the District or the Board of any exercise of any power, duty, or jurisdiction conferred by the act creating the District, Texas Water Code chapter 36, or any other applicable law or statute.

[Adopted 11/14/12; effective 1/1/13]

Rule 2.5 Amending of Rules. The Board may from time to time amend or revoke these Rules or adopt new Rules following the procedures in Rules 14.1 and 14.2.

[Adopted 11/14/12; effective 1/1/13]

Rule 2.6 Headings and Captions. The section and other headings and captions in these Rules are for reference purposes only, and do not affect in any way the meaning or interpretation of these rules.

[Adopted 11/14/12; effective 1/1/13]

Rule 2.7 Severability. If any provision of these Rule or its application to any person or circumstance is held invalid or unenforceable, the invalidity does not affect other provisions or applications of the Rules which can be given effect without the invalid provision or application, and to this end the provisions of these Rules are severable.

[Adopted 11/14/12; effective 1/1/13]

Rule 2.8 Confidential Information. The District shall use reasonable effort to protect the confidentiality of information within its custody in compliance with all applicable federal, state and local regulations, including federal Homeland Security laws, the Texas Public Information Act, and Texas Government Code section 418.181 relating to Critical Infrastructure information.

[Adopted 11/14/12; effective 1/1/13]

SECTION 3: EXEMPT WELLS AND NON-EXEMPT WELLS

Rule 3.1: Wells Exempt From Obtaining Operating Permit (Exempt Wells)

A. Domestic and livestock well.

(1) A water well completed before January 1, 2013, that is used solely for Domestic Use or for Livestock Use is exempt from obtaining an Operating Permit under

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Section 5 of these Rules if the well is drilled, completed, or equipped so that it is incapable of producing more than 25,000 gallons of groundwater a day.

(2) A water well completed after January 1, 2013, that is used solely for Domestic Use or Livestock Use is exempt from obtaining an Operating Permit under Section 5 of these Rules if the well is:

(a) located or to be located on a tract of land larger than two (2) acres;
and

(b) drilled, completed, or equipped so that it is incapable of producing more than 25,000 gallons of groundwater a day.

(3) A water well used to supply water for a subdivision of land for which a plat approval is required by Chapter 232, Local Government Code is not an exempt well under this Rule 3.1.A.

B. **Agricultural well.** Except as provided in 4.3.D, a water well that uses less than 200 acre-feet of water per year solely for Agricultural Use is exempt from obtaining an Operating Permit under Section 5 of these Rules.

C. **Rig supply well.** A water well used solely to supply water for a rig that is actively engaged in drilling or exploration operations for an oil or gas well permitted by the Railroad Commission of Texas is exempt from obtaining an Operating Permit under Section 5 of these Rules, provided that the person holding the permit is responsible for drilling and operating the water well and the water well is located on the same lease or field associated with the drilling rig. A well that is no longer used solely to supply water for a rig that is actively engaged in drilling or exploration operations for an oil or gas well permitted by the Railroad Commission of Texas must obtain an Operating Permit under Section 5 of these Rules, unless the well will be an exempt well under Rule 3.1.A, Rule 3.1.B, Rule 3.1.D, or Rule 3.1.E.

D. **Mining well.** A water well authorized under a permit issued by the Railroad Commission of Texas under Chapter 134, Natural Resources Code, or for production from the well to the extent the withdrawals are required for mining activities regardless of any subsequent use of the water, is exempt from obtaining an Operating Permit under Section 5 of these Rules.

E. **Test or monitoring well.** A water well drilled and completed solely for purposes of aquifer testing, including a test well or a well for monitoring water levels or water quality, is exempt from obtaining an Operating Permit under Section 5 of these Rules. An applicant for an Operating Permit may operate and produce water from a well for the 36-hour pump test described in Rule 5.1.B(5) without obtaining an Operating Permit, but must obtain an Operating Permit for any other use of water from the well.

F. **Required registration.** The exempt wells described in this Rule must be registered as provided in Section 4 of these Rules.

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[Adopted 11/14/12; effective 1/1/13; Rule 3.1.B amended 4/20/16]

Rule 3.2 Wells Requiring Operating Permit (Non-exempt Wells)

- A. A well that does not qualify for an exemption under Rule 3.1 is a non-exempt well.
- B. A non-exempt well completed before or on June 21, 2000 must apply for an Operating Permit on or before August 31, 2001.
- C. No person may operate or produce water from a non-exempt well completed after June 21, 2000 without first obtaining an Operating Permit from the District, except as provided in Rule 3.1.E.

[Adopted 11/14/12; effective 1/1/13]

SECTION 4: WELL REGISTRATION FOR EXEMPT WELLS AND NON-EXEMPT WELLS

Rule 4.1 Required Well Registration

- A. All water wells drilled before June 22, 2000, may be registered with the District. Such wells are referred to as pre-existing wells.
- B. Beginning on June 22, 2000, no new water well may be drilled or operated without first registering the proposed well with the District. Such wells are referred to as new wells.

[Adopted 11/14/12; effective 1/1/13]

Rule 4.2 Well Registration Application

- A. The Well Owner shall apply for the registration of a well. Forms for registering wells are available from the District Office.
- B. An applicant for registration of a well shall provide the following information:
 - (1) the name, address, and phone number of the applicant, and the name, address and phone number of the Owner and the owner of the land on which the well is located, if different from the applicant;
 - (2) if the applicant is different from the Owner or the owner of the land on which the well is located, documentation of the applicant's authority to construct and operate a well on the property for the proposed use;

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- (3) a statement of the nature and purposes of the proposed use of water from the well;
- (4) a description of the well's location;
- (5) the proposed total depth of the well;
- (6) the proposed depth of the screened intervals;
- (7) the pump size; and
- (8) a registration fee if one has been established under Rule 2.3.

C. The General Manager may require the applicant to submit any additional information necessary to make a determination under Rule 4.3.A.

D. The General Manager will assist the applicant in filing an application to register a well that is exempt under Rule 3.1.A.

[Adopted 11/14/12; effective 1/1/13; Rule 4.2.B, C and D amended 4/20/16]

Rule 4.3. Approval of Well Registration

A. At the time of filing of a registration, the General Manager will determine whether the water well is an exempt well or a non-exempt well, as defined in Rules 3.1 and 3.2.

B. If the well is a non-exempt well, the Well Owner shall apply for an Operating Permit under Section 5 of these Rules. If the District grants the application for an Operating Permit, the Operating Permit is an approval of the well registration on the terms and conditions set out in the Operating Permit.

C. If a well is a pre-existing well that was drilled before June 21, 2000, and is an exempt well, the General Manager shall approve the registration if the information provided is complete. Upon the General Manager's approval, the District shall issue a certificate of registration to the applicant.

D. If a well is a new well drilled after April 20, 2016, and is an exempt well under Rule 3.1.B, then the General Manager may:

- (1) approve the well registration if:
 - (a) the information provided is complete; and
 - (b) the new well will comply with the applicable spacing requirements under Rule 8.2 or the applicant has obtained a variance under Rule 8.3; or
- (2) refer the well registration to the Board, which may:

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(a) approve the well registration; or

(b) require the Well Owner to apply for an Operating Permit under Section 5 of these Rules.

E. If a well is a new well drilled after June 21, 2000, and is an exempt well under any provision of Rule 3.1 except 3.1.B, the General Manager shall approve the registration if:

(1) the information provided is complete; and

(2) the new well will comply with the applicable spacing requirements under Rule 8.2 or the applicant has obtained a variance under Rule 8.3.

F. Upon the General Manager's approval of a well registration, the District shall issue a certificate of registration to the applicant.

G. An applicant may appeal any decision of the General Manager under this Rule 4.3 to the Board as provided in Rule 15.6.

[Adopted 11/14/12; effective 1/1/13; Rule 4.3.D, E F and G amended 4/10/16]

Rule 4.4 Time Limit for Completion of New Exempt Well

A. A certificate of registration for a new exempt well shall expire if the new well is not completed and the well log required by Texas Occupations Code Section 1901.251 is not filed with the District within 180 days of the issuance of the certificate of registration. A certificate holder may request an extension of the time to drill a well. The request must be submitted in writing and must include the reasons for the request. The General Manager may grant the request, deny it, or grant a different extension than the one requested, without notice and hearing.

B. An applicant may appeal any decision of the General Manager under this Rule 4.4 to the Board as provided in Rule 15.6.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16]

SECTION 5: OPERATING PERMITS FOR NON-EXEMPT WELLS

Rule 5.1 Operating Permit Application

A. The owner of a proposed non-exempt well shall submit an application for an Operating Permit on a form obtained from the District. The form shall be signed and sworn to by the applicant. A separate application is required for each well.

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B. For applications for Operating Permits other than applications described in Rule 5.2.B and Rule 5.2.C, the applicant shall provide the following information:

- (1) a copy of the completed registration form for the well;
- (2) a location map or property plat drawn on a scale that adequately details the proposed well site by latitude and longitude or by GPS coordinates, and the location of other registered or permitted wells within 5,000 feet of the location of the proposed well;
- (3) the maximum instantaneous production rate requested (in gallons per minute);
- (4) the maximum annual production amount requested (in gallons per year and acre feet per year) for each purpose;
- (5) if the application requests a total maximum annual production amount of 200 acre-feet or greater, the results of a 36-hour pump test of a test well performed in accordance with procedures approved by the District, unless the General Manager waives this requirement in writing;
- (6) the location of the use of the water;
- (7) information describing how the amount of water requested addresses an existing or projected water supply need;
- (8) if the applicant is not the End User of the water, then: (a) if the applicant has identified an End User, the identity of the End User and a description of the applicant's regulatory, statutory, contractual or other legal obligation to address the End User's water supply need, or (b), if the applicant has not identified the End User, a statement that the End User has not been identified;
- (9) the applicant's water conservation plan, if the Texas Water Code or TCEQ rules require the applicant to have a water conservation plan, and, if the applicant is different from the End User, the End User's water conservation plan, if available;
- (10) the applicant's drought contingency plan, if the Texas Water Code or TCEQ rules require the applicant to have a drought contingency plan, and, if the applicant is different from the End User, the End User's drought contingency plan, if available;
- (11) a water well closure plan or a declaration that the applicant will comply with well plugging guidelines and report closure to the TCEQ;
- (12) for new wells, an Operating Permit application fee if one has been established under Rule 2.3; and

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(13) any other information deemed necessary by the District to comply with the requirements of Texas Water Code chapter 36, its enabling statutes, and general law.

C. For applications for Operating Permits described in Rule 5.2.B and Rule 5.2.C, the applicant shall provide the information described in Rule 5.1.B(1), (3) through (7), (11) and (12).

D. The applicant may provide the District with any other information relevant to the considerations in Rule 5.2.D.

[Adopted 11/14/12; effective 1/1/13; amended 10/21/15; Rule 5.1.B amended 4/20/16]

Rule 5.2 Processing of Operating Permit Application

A. **Processing.** Except as provided in Rule 5.2.B. and Rule 5.2.C, an application for an Operating Permit will be processed as provided in Rule 15.1. If an applicant files more than one application for an Operating Permit at the same time, the District shall process those applications together, unless the applicant requests otherwise.

B. **No additional withdrawal amount requested.** An application for an Operating Permit will be processed as provided in Rule 15.3, if:

(1) the application requests that production from the well be aggregated with the permitted annual withdrawal amount of other wells pursuant to Rule 5.3.C.; and

(2) the application does not seek authority to withdraw any amount of water in addition to the aggregated permitted annual withdrawal amount of the other designated wells.

C. **Less than 50 acre-feet per year requested.** If an application for an Operating Permit requests an annual withdrawal of 50 acre-feet per year or less, then the General Manager may: (1) grant the application, (2) approve the Operating Permit with terms other than those requested in the application, (3) deny the application; or (4) refer the application to the Board for decision under Rule 15.3. An applicant may appeal any decision of the General Manager under this Rule 5.2.C to the Board as provided in Rule 15.6.

D. **Consideration.** In deciding whether to grant an application for an Operating Permit, approve the Operating Permit with terms other than those requested in the application, or deny the application, the Board shall consider the requirements of Texas Water Code chapter 36 and the District Rules, including, but not limited to, the following:

(1) whether the application conforms to the requirements prescribed by chapter 36 of the Texas Water Code and the District Rules;

(2) whether the proposed use of water unreasonably affects existing groundwater and surface water resources or existing permit holders;

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- (3) whether the proposed use of water is dedicated to a Beneficial Use;
- (4) whether the proposed use of water is consistent with the District Management Plan;
- (5) whether the applicant has agreed to avoid waste and achieve water conservation; and
- (6) whether the applicant has agreed that reasonable diligence will be used to protect groundwater quality;
- (7) whether the applicant will follow well plugging guidelines at the time of well closure.
- (8) whether granting the application is consistent with the District's duty to manage total groundwater production on a long-term basis to achieve an applicable Desired Future Condition, considering:
 - (a) the Modeled Available Groundwater determined by the TWDB executive administrator;
 - (b) the TWDB executive administrator's estimate of the current and projected amount of groundwater produced under exemptions granted by District Rules and Texas Water Code § 36.117;
 - (c) the amount of groundwater authorized under permits previously issued by the District;
 - (d) a reasonable estimate of the amount of groundwater that is actually produced under permits issued by the District; and
 - (e) yearly precipitation and production patterns;
- (9) whether the conditions and limitations in the Operating Permit prevent Waste, achieve water conservation, minimize as far as practicable the drawdown of the water table or the reduction of artesian pressure, or lessen interference between wells;
- (10) whether the applicant has a history of non-compliance with District Rules and chapter 36 of the Texas Water Code, including any record of enforcement actions against the applicant for violation of District Rules or chapter 36.

[Adopted 11/14/12; effective 1/1/13; amended 10/21/15; Rule 5.2.A, B and C amended 4/20/16]

Rule 5.3 Operating Permit Provisions

A. **Well-specific permit provisions.** Every Operating Permit issued by the District will include the following:

- (1) the name and address of the person to whom the permit is issued;
- (2) the location of the well;
- (3) the date the permit is to expire if the permitted well is not drilled and completed;
- (4) a statement of the purpose(s) for which water from the well is to be used;
- (5) the location of the use of the water from the well;
- (6) the total depth of the well and the aquifer unit from which the well will produce water;
- (7) the maximum amount of water that may be withdrawn from the well in a calendar year;
- (8) the maximum instantaneous rate at which water may be withdrawn from the well; and
- (9) the term of the permit.

B. **Standard permit provisions.** All Operating Permits are granted subject to the District Rules, the orders of the Board, the District Management Plan, and Chapter 36 of the Texas Water Code. In addition to any well-specific permit provisions and special conditions included in the Operating Permit, each Operating Permit includes the following standard permit provisions:

- (1) This permit is granted in accordance with District Rules, and acceptance of this permit constitutes an acknowledgement and agreement that permittee will comply with the terms, conditions, and limitations set forth in this permit, the District rules, the orders of the Board, and the District Management Plan.
- (2) Water withdrawn under the permit must be put to beneficial use at all times, and operation of the permitted well in a wasteful manner is prohibited.
- (3) Water produced from the well must be measured using a water measuring device or method approved by the District that is within plus or minus 10% of accuracy.
- (4) The well site must be accessible to District representatives for inspection, and permittee agrees to cooperate fully in any reasonable inspection of the well and well site by District representatives.

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(5) Permittee shall use reasonable diligence to protect water quality.

(6) Permittee shall follow well plugging guidelines at the time of well closure.

(7) The application pursuant to which this permit has been issued is incorporated in this permit by reference, and this permit is granted on the basis of and contingent upon the accuracy of the information provided in that application. A finding that false or inaccurate information has been provided is grounds for revocation of the permit.

(8) Violation of the permit's terms, conditions, requirements, or special provisions, including pumping amounts in excess of authorized withdrawals, may subject the permittee to enforcement action or permit revocation under the District Rules..

(9) Whenever the special conditions in the permit are inconsistent with other provisions of the permit or the District Rules, the special condition will prevail.

C. **Aggregation of withdrawals.** The Board may include a special condition in an Operating Permit allowing the aggregation of the permitted annual withdrawal amount in the Operating Permit with the permitted annual withdrawal amount of other wells designated in the Operating Permit or of other wells within a geographic area designated in the Operating Permit, so that the aggregated annual withdrawal amount may be withdrawn from any one or more of those designated wells, if:

(1) the wells whose withdrawal will be aggregated are part of the same Well System; and

(2) the wells whose withdrawals will be aggregated are completed in the same aquifer unit.

D. **Other special conditions.**

(1) If the General Manager has waived the pump test requirement for an application, as provided in Rule 5.1.B(5), then the Operating Permit may include a special condition requiring the Permittee to provide the District with the results of a 36-hour pump test performed in accordance with procedures approved by the District before the Permittee begins using water from the permitted well.

(2) The Operating Permit may include any special conditions that the Board determines are required by the considerations in Rule 5.2.D and any other special conditions required or authorized by these Rules or applicable law.

[Adopted 11/14/12; effective 1/1/13; amended 10/21/15; Rule 5.3.B and D amended 4/20/16]

Rule 5.4 Operating Permit Term

A. Operating Permits issued before January 1, 2013, that authorize the use of water solely for agricultural purposes are effective until amended or revoked as provided in these Rules.

B. Except as provided in Rule 5.4.A, Rule 5.5, and Rule 5.6, Operating Permits are effective for a period of five years from the date the permit is granted, unless amended or revoked as provided in these Rules.

[Adopted 11/14/12; effective 1/1/13]

Rule 5.5 Time Limit for Completion of Permitted Well

A. An Operating Permit shall automatically terminate if, within 180 days of the date of issuance of the permit:

(1) the permitted well has not been completed; or

(2) the well log required by Texas Occupations Code Section 1901.251 has not been filed with the District.

B. Before an Operating Permit automatically terminates under Rule 5.5.A, the Operating Permit holder may request a 180-day extension of the time to drill a well. The request must be submitted in writing and must include the reasons for the request. The Board will take action on the request under Rule 15.3.

[Adopted 11/14/12; effective 1/1/13; Rule 5.5.B amended 4/20/16]

Rule 5.6 Time Limit for Operation of Permitted Well

A. An Operating Permit shall automatically terminate if, within 24 months of the date that the permitted well is completed, the permittee has not used water from the permitted well for a purpose authorized in the Operating Permit.

B. Before an Operating Permit automatically terminates under Rule 5.6.A, the Operating Permit holder may request a 24-month extension of the time to operate a well. The request must be submitted in writing and must include the reasons for the request. The Board will take action on the request under Rule 15.3.

[Adopted 11/14/12; effective 1/1/13; Rule 5.2.B amended 4/20/18]

Rule 5.7 Renewal of Operating Permit

A. **Application.** At least 60 days before the term of an Operating Permit expires, an Operating Permit holder may apply for renewal of the permit. An application for renewal shall be in writing. A renewal application fee must also be submitted, if one has been

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established under Rule 2.3. An Operating Permit holder who has timely filed an application for renewal may continue to operate the permitted well under the existing terms and conditions of the Operating Permit until the General Manager acts on the application for renewal.

B. **Approval.** The General Manager shall approve an application for renewal of an Operating Permit on the existing terms and conditions if the application is timely filed and accompanied by a renewal application fee, if one has been established under Rule 2.3.

C. **Permittee-proposed amendments.** If the Operating Permit holder proposes a change in the Operating Permit that requires an amendment under Rule 7.2 in conjunction with an application to renew the Operating Permit, the application to amend shall be processed separately from the application for renewal and as provided in Rule 7.2.

D. **General Manager proposed amendments.** Within 60 days of the date that an Operating Permit holder files an application for renewal of an Operating Permit, the General Manager may propose an amendment to the Operating Permit under Rule 7.2.H. A General Manager-proposed amendment shall be processed separately and as provided in Rule 7.2.H.

E. **Enforcement proceedings.** Any enforcement proceedings against the Operating Permit holder shall be processed separately from the application for renewal as provided in Rule 5.8 and Section 13 of the District Rules, and shall not be affected by the renewal of the Operating Permit under this Rule 5.7.

F. **Renewal term.** If an application for renewal is granted, the Operating Permit is effective for a period of five (5) years from the date of the expiration of the prior term, unless amended or revoked as provided in these Rules.

G. **Failure to apply.** If an Operating Permit holder fails to timely file an application for renewal, the Operating Permit will expire at the end of its stated term.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16]

SECTION 6: TRANSPORT PERMITS

Rule 6.1 Required Transport Permit

A. Except as provided in Rule 6.1.B, no person may transfer groundwater outside of the District's boundaries for use outside the District's boundaries without first obtaining a Transport Permit.

B. A Transport Permit is not required for the transfer of groundwater outside of the District's boundaries under the following circumstances:

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(1) if the groundwater will be used on a contiguous property owned by the same person that is partly inside and partly outside the District boundaries;

(2) if the groundwater will be used by a Retail Public Water Utility that is required to obtain a certificate of convenience and necessity under Texas Water Code chapter 13 to supply water within a certificated service area that lies partly inside and partly outside the District boundaries;

(3) if the groundwater will be used by a Retail Public Water Utility that is not required to obtain a certificate of convenience and necessity under Texas Water Code chapter 13 to supply water to a retail service area that lies partly inside and partly outside the District boundaries; and

(4) if the groundwater is transferred outside of the District's boundaries under a continuing arrangement in effect before March 2, 1997; provided, however, that a Transport Permit is required for any increase in the amount of groundwater transferred outside the District's boundaries under a continuing arrangement in effect before March 2, 1997.

[Adopted 11/14/12; effective 1/1/13]

Rule 6.2 Transport Permit Application

A. A Well Owner shall submit an application for a Transport Permit on a form obtained from the District. The form shall be signed and sworn to by the applicant. A separate application is required for each well from which the water to be transferred outside the District's boundaries will be produced.

B. The application form for a Transport Permit shall require the applicant to provide the following information:

(1) a copy of the completed registration form for the well;

(2) the maximum amount of water proposed to be transferred outside the District's boundaries annually (in gallons per year or acre-feet per year);

(3) the location of the use of the water;

(4) information describing how this application addresses a water supply need in the receiving area, including information on when that water supply need is projected to occur; and

(5) if the applicant is not the End User of the water, then (a) if the applicant has identified an End User, the identity of the End User and a description of the applicant's regulatory, statutory, contractual or other legal obligation to address the End User's water supply need, or (b) if the applicant has not identified the End User, a statement that an End User has not been identified;

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(6) a Transport Permit application fee if one has been established under Rule 2.3; and

(7) any other information deemed necessary by the District to comply with the requirements of Texas Water Code chapter 36, its enabling statutes, and general law.

C. The applicant may provide the District with any other information relevant to the considerations in Rule 6.3.B.

[Adopted 11/14/12; effective 1/1/13]

Rule 6.3 Processing of Transport Permit Application

A. **Processing.** An application for a Transport Permit shall be processed as provided in Rule 15.1. If an application for a Transport Permit for a well is submitted with an application for an Operating Permit for the same well, the applications will be combined and processed together.

B. **Considerations.** In deciding whether to grant an application for a Transport Permit, deny the application, or approve the Transport Permit with terms other than those requested in the application, the Board shall consider the requirements of Texas Water Code chapter 36 and the District Rules, including, but not limited to, the following:

(1) the availability of water in the District and in the proposed receiving area during the period for which the water supply is requested;

(2) the projected effect of the proposed transfer on aquifer conditions, depletion, subsidence, or effects on existing permit holders or other groundwater users within the District; and

(3) the approved regional water plan and the District Management Plan.

[Adopted 11/14/12; effective 1/1/13; Rule 6.3.A amended 4/20/16]

Rule 6.4 Transport Permit Provisions

A. **Standard permit provisions.** Every Transport Permit issued by the District will include the following:

(1) the name and address of the person to whom the permit is issued;

(2) the location of the well;

(3) the purpose for which water from the well is to be used;

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- (4) a provision requiring water withdrawn under the permit be put to beneficial use at all times;
- (5) the location of the use of the water from the well;
- (6) the maximum amount of water withdrawn from the well that may be transferred outside the District's boundaries in a calendar year; and
- (7) the term of the permit.

B. **Special conditions.** A Transport Permit may also include any other special conditions required or authorized by these Rules or other applicable law for Operating Permits.

[Adopted 11/14/12; effective 1/1/13]

Rule 6.5. Term of Transport Permit

- A. The term of a Transport Permit shall be three years if construction of a conveyance system has not been initiated prior to the issuance of the permit.
- B. The term of a Transport Permit shall be thirty (30) years if construction of a conveyance system has been initiated prior to the issuance of the permit.
- C. A three-year term under Rule 6.5.A shall automatically be extended to a 30-year term under Rule 6.5.B. if construction of a conveyance system is begun before the expiration of the initial term.

[Adopted 11/14/12; effective 1/1/13]

Rule 6.6 Renewal of Transport Permit

- A. **Application.** Before the term of a Transport Permit expires, a Transport Permit holder may apply for renewal of the permit. An application for renewal shall be in writing. A renewal application fee must also be submitted, if one has been established under Rule 2.3. A Transfer Permit holder who has timely filed an application for renewal may continue to transfer water outside the District's boundaries under the terms of the permit while the District considers the application.
- B. **Processing.** An application for renewal of a Transport Permit will be processed as provided in Rule 15.3.
- C. **Considerations.** In deciding whether to grant an application for renewal, deny it, or approve renewal of the Transport Permit with amended terms or conditions, the Board shall consider the following:

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(1) if the well requires an Operating Permit, whether the Operating Permit for the well remains in effect;

(2) whether the Transport Permit holder has complied with the terms and conditions of the permit, the District Rules, and chapter 36 of the Texas Water Code, including any record of enforcement actions against the Transfer Permit holder;

(3) whether any inaccurate information provided in the application justifies non-renewal or any changes in the permit conditions;

(4) whether any changes in the Texas Water Code or the District Rules on which the permit or a permit condition was based or any judicial decision issued after the permit was granted require any changes in the permit conditions; and

(5) whether any changes in the District's Desired Future Conditions or the District Management Plan that were approved after the permit was granted require any changes in the permit conditions.

C. **Renewal term.** If an application for renewal is granted, the Transport Permit is effective for a period of three (3) years from the date of the expiration of the prior term, unless amended or revoked as provided in these Rules.

D. **Failure to apply.** If a Transport Permit holder fails to timely file an application for renewal, the Transport Permit will expire at the end of its stated term.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16]

SECTION 7: CHANGE IN WELL CONDITIONS OR OPERATIONS; CHANGE IN OWNERSHIP; REPLACEMENT WELLS

Rule 7.1 Changes to Well Conditions or Operations of Exempt and Non-exempt Wells Requiring Operating Permit Application

A. **Changes to exempt wells.** No person may make any change to an exempt well that would cause the exempt well to become a non-exempt well until the Well Owner files and receives District approval of an application for an Operating Permit under Section 5 of these Rules.

B. **Changes to non-exempt wells.** No person may make a change to a non-exempt well that would change the applicable spacing requirements for the non-exempt well or that would otherwise cause the non-exempt well to operate in a manner not authorized by the terms and provisions of the well's Operating Permit until the Operating Permit holder files and receives District approval of an application for an amendment of the Operating Permit under Section 7.2 of these Rules.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16]

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Rule 7.2. Amendments to Operating Permit for Non-exempt Wells

A. **Required amendments.** An amendment to an Operating Permit is required for any change to the terms, provisions or special condition in the Operating Permit.

B. **Application.** An application for an amendment to an Operating Permit shall be in writing and signed and sworn to by the applicant. An amendment application fee must also be submitted, if one has been established under Rule 2.3.

C. **Amendment without increase in authorized amount or withdrawal rate.** If an application to amend an Operating Permit does not seek to increase the maximum amount of water that may be withdrawn from the well in a calendar year, or the maximum instantaneous rate at which water may be withdrawn from the well, then the application will be processed as provided in Rule 15.3; provided, however, that the Board may, in its sole discretion, require the application to be processed as provided in Rule 15.1

D. **Amendment to aggregate without increase in withdrawal rate.** If an application to amend an Operating Permit requests that the existing authorized annual withdrawal amount from the well be aggregated with the existing authorized annual withdrawal amounts of other wells pursuant to Rule 5.3.C. and does not seek to increase the maximum instantaneous rate at which water may be withdrawn from the well, then the application may be processed as provided in Rule 15.4; provided, however, that the Board may, in its sole discretion, require the application to be processed as provided in Rule 15.1

E. **Amendment to decrease authorized amount or withdrawal rate.** The General Manager may grant an application to amend an Operating Permit that seeks solely to decrease the maximum amount of water that may be withdrawn from the well in a calendar year, or the maximum instantaneous rate at which water may be withdrawn from the well, without notice or hearing.

F. **Processing.** Except as provided in Rule 7.2.C, Rule 7.2.D and Rule 7.2.E, an application for an amendment shall be processed as provided in Rule 14.3.

G. **Considerations.** Except as provided in Rule 7.2.H, in deciding whether to grant an application for an amendment, deny it, or approve the amendment with terms other than those requested in the application, the District shall use the considerations provided in Rule 5.2.D.

H. **General Manager-proposed amendments.** The General Manager may propose an amendment to an Operating Permit: (1) if the Operating Permit has a term, then within 60 days of the date on which the Permittee files an application for renewal of the Operating Permit; or (2) if the Operating Permit does not have a term, then not more than once every five years. The General Manager shall provide the Permittee with written notice of the proposed amendment. A General Manager-proposed amendment

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shall be processed as provided in Rule 15.1C-F. The Board will grant a General Manager-proposed amendment if the General Manager demonstrates that:

(1) false or inaccurate information provided in the application justifies the proposed change in the permit terms or conditions; or

(2) relevant information that has become available since the permit was issued justifies the proposed changes in permit terms or conditions; or

(3) changes in the Texas Water Code or the District Rules on which the permit or a permit condition was based or any judicial decision issued after the permit was granted require the proposed change in permit terms or conditions; or

(4) changes in the District's Desired Future Conditions or the District Management Plan that were approved after the permit was granted require the proposed change in permit terms or conditions.

[Adopted 11/14/12; effective 1/1/13; amended 10/21/15; amended 4/20/16]

Rule 7.3 Amendments to Transport Permit

A. **Required amendments.** An amendment to a Transport Permit is required for any change to the terms, provisions or special conditions in the Transport Permit.

B. **Application.** An application for an amendment to a Transfer Permit shall be signed and sworn to by the applicant. An amendment application fee must also be submitted, if one has been established under Rule 2.3.

C. **Amendment without increase in authorized transport amount.** If an application to amend a Transport Permit does not seek to increase the maximum amount of water that may be transported outside the boundaries of the District in a calendar year, then the application will be processed as provided in Rule 15.3; provided, however, that the Board may, in its sole discretion, require the application to be processed as provided in Rule 15.1.

D. **Amendment to decrease authorized amount.** The General Manager may grant an application to amend a Transport Permit to decrease the maximum amount of water that may be transferred outside the boundaries of the District in a calendar year, without notice or hearing.

E. **Processing.** Except as provided in Rule 7.3.C and Rule 7.3.D., an application for an amendment to a Transport Permit shall be processed as provided in Rule 15.1.

F. **Considerations.** In deciding whether to grant an application for an amendment, deny it, or approve the amendment with terms other than those requested in the application, the Board shall use the considerations provided in Rule 6.3.B.

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[Adopted 11/14/12; effective 1/1/13; amended 4/20/16]

Rule 7.4 Transfer of Ownership and Well Registration for Exempt Wells and Non-Exempt Wells

A. The new owner of an exempt or non-exempt well shall report the change in ownership of the well to the District. The new Well Owner shall submit to the District:

- (1) the name, address and phone number of the new Well Owner;
- (2) a copy of the written instrument transferring ownership of the well to the new Well Owner; and
- (3) a change of ownership fee, if one has been established under Rule 2.3.

B. The General Manager shall reflect the change in ownership of the well and the well registration in the records of the District if the General Manager determines that:

- (1) the information provided is complete; and
- (2) any required fee has been paid.

C. An applicant may appeal any decision of the General Manager under this Rule 7.4 to the Board as provided in Rule 15.6.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16]

Rule 7.5 Transfer of Operating Permit for Non-exempt Wells

A. **Prior approval required.** Except as provided in Rule 7.5.E, an Operating Permit holder may not transfer ownership of an Operating Permit to another person or entity without the District's prior approval.

B. **Application.** The proposed transferee shall submit an application to transfer an Operating Permit. The Application shall be writing and signed by the applicant and shall include:

- (1) the name, address and phone number of the new applicant;
- (2) a copy of the written instrument transferring ownership of the Operating Permit to the proposed transferee; and
- (3) a transfer application fee, if one has been established under Rule 2.3.

C. **Processing.** An application to transfer an Operating Permit will be processed as provided in Rule 15.3.

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D. **Considerations.** In deciding whether to grant an application for transfer, deny it, or approve the transfer with conditions, the Board shall consider:

(1) whether the proposed transferee has complied with the terms and conditions of any other District permits issued to the proposed transferee, the District Rules, and chapter 36 of the Texas Water Code, including any record of enforcement actions against the proposed transferee; and

(2) whether the proposed transferee has the financial and managerial capabilities necessary to comply with the terms and conditions of the permit to be transferred.

E. **Agricultural Wells.** The holder of an Operating Permit for a well that is used solely for Agricultural Use may transfer ownership of the Operating Permit without the District's prior approval. The new owner shall report the change of ownership to the District as provided in Rule 7.4.

[Adopted 11/14/12; effective 1/1/13; Rule 7.5.B and C amended 4/20/16]

Rule 7.6 Transfer of Transport Permit

A. **Prior approval required.** A Transport Permit holder may not transfer ownership of a Transport Permit to another person or entity without the District's prior approval.

B. **Exempt wells.** A Transport Permit for an exempt well may only be transferred with the ownership of the well. An application to transfer a Transport Permit for an exempt well will be processed as provided in Rule 15.3. In deciding whether to grant an application for transfer, deny it, or approve the transfer with conditions, the Board shall use the considerations provided in Rule 7.5.D.

C. **Non-exempt wells.** A Transport Permit for a non-exempt well may only be transferred with the Operating Permit for the well. An application to transfer a Transport Permit for a non-exempt well shall be processed with the application for transfer of the Operating Permit under Rule 7.5.

[Adopted 11/14/12; effective 1/1/13; Rule 7.6B and C amended 4/20/16]

Rule 7.7 Replacement Wells for Exempt Wells and Non-exempt Wells

A. No person may drill a replacement well for an exempt well or a non-exempt well without the District's prior approval.

B. An application for a replacement well shall be in writing and signed and sworn to by the proposed transferee. A replacement well application fee must also be submitted, if one has been established under Rule 2.3.

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C. The General Manager shall approve the application in writing if the General Manager determines that:

(1) either: (a) the location of the proposed replacement well is within 500 feet of the existing well and complies with the applicable spacing requirements under Rule 8.2; or (b) the applicant has obtained a variance under Rule 8.3 or Rule 14.7; and

(2) the replacement well will be located in the same aquifer unit as the well being replaced.

D. A replacement well must be drilled within 30 feet of the approved location, and not elsewhere. Rule 10.1.A does not apply to a replacement well.

E. The approval of a replacement well shall expire if the new well is not completed and the well log required by Texas Occupations Code Section 1901.251 is not filed with the District within 180 days of the issuance of the approval. The applicant may request an extension of the time to drill a replacement well. The request be submitted in writing and must include the reasons for the request. The General Manager may grant the request, deny it, or grant a different extension than the one requested, without notice and hearing.

F. If a replacement well is completed and the well log is filed with the District within the applicable time limit under Rule 7.7.E, then the well registration, Operating Permit, and other permits for the well that is being replaced will be assigned to the replacement well, unless the Well Owner notifies the District in writing that the Well Owner intends to plug the replacement well and retain the original well. Immediately after determining whether the replacement well or the original well will be retained for production, the Well Owner shall plug the other well in accordance with applicable law, unless the District and the Well Owner mutually agree that the District will use that other well as a monitoring well.

G. An applicant may appeal any decision of the General Manager under this Rule 7.7 to the Board as provided in Rule 15.6.

[Adopted 11/14/12; effective 1/1/13; Rule 7.7.B and G amended 4/20/16]

SECTION 8: SPACING REQUIREMENTS

Rule 8.1. Purpose and Applicability

A. The purpose of these well spacing requirements is to minimize as far as practicable the drawdown of the water table or the reduction of artesian pressure, to prevent interference between wells, to prevent degradation of water quality, and to prevent waste.

B. The requirements of this Rule 8 apply to all new wells drilled within the District after January 13, 2013, except exempt wells described in Rule 3.1.C and Rule 3.1.D.

[Adopted 11/14/12; effective 1/1/13]

Rule 8.2 Minimum Well Spacing Requirements

A. **From Property Lines.** A new non-exempt well may not be drilled within 100 feet of the nearest Property Line. A new exempt well may not be drilled within 50 feet of the nearest Property Line.

B. **From other wells.** A new non-exempt well shall be spaced from the nearest well that is (1) registered or permitted on the date that the application for well registration is filed; (2) completed in the same aquifer unit; and (3) owned by a different Well Owner as follows:

Maximum Pump Capacity (gpm)	Simsboro and Carrizo (feet)
≤ 500	1,500
501 – 1000	2,500
> 1000	5,000

[Adopted 11/14/12; effective 1/1/13; Rule 8.2.B amended 4/20/16]

Rule 8.3. Well Spacing Variances

A. **Non-exempt wells.** If a variance from the spacing requirements of Rule 8.2 is required for a proposed new well that requires an Operating Permit under Section 5 of these Rules, then a variance will be considered with the Operating Permit application. If a variance from the spacing requirements of Rule 8.2 is required for an existing well that requires an amendment to an Operating Permit under Rule 7.3, then a variance from the spacing requirements of Rule 8.2 will be considered with the Operating Permit amendment application.

B. **Exempt wells.** If the well for which the variance is required is or will be an exempt well, the variance shall be processed as follows:

(1) The General Manager may grant the variance, without notice or hearing, if:

(a) the applicant for well registration has submitted signed and notarized waivers from all Owners and Well Owners within the applicable spacing limits described in Rule 8.2; and

(b) the well location complies with the requirements of Rule 10.1.B.

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(2) The General Manager, in his or her sole discretion, may refer the well registration to the Board for a decision on whether a variance should be granted, without regard to whether the requirements of Rule 8.3.B(1) have been met.

(3) If a variance is required and Rule 8.3.B(1) does not apply or the General Manager has referred the well registration to the Board under Rule 8.3.C(2), the variance will be set on the agenda for a Board meeting. In addition to the notice required by the Open Meetings Act, the District shall mail notice at least fourteen (14) days prior to the Board meeting at which the variance will be considered to the applicant for well registration and to all Owners and Well Owners located within the spacing limits described in Rule 8.2. The notice of the meeting shall provide the proposed location of the well(s), the applicant's name and address, and the date, time, and location of the Board meeting. The Board may grant the variance, deny the variance, or approve the variance with terms other than those requested at the noticed Board meeting or any subsequent and appropriately noticed Board meeting.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16]

SECTION 9: PRODUCTION LIMITS FOR NON-EXEMPT WELLS

Rule 9.1. Production Limits. To accomplish the purposes of Texas Water Code chapter 36, and to achieve the stated purposes and goals of the District, including managing the sustainability of the aquifers and preventing significant, sustained water-level declines within the aquifers, the district shall manage total groundwater production on a long-term basis to achieve the applicable Desired Future Condition. The District may establish production limits on all permits for this purpose following the procedures in Rule 14.1 and 14.2. All Operating Permits are issued subject to any future production limits adopted by the District under this Rule.

[Adopted 11/14/12; effective 1/1/13]

Rule 9.2. Management Zones

A. Using the best hydrogeologic and other relevant scientific data readily available, the Board may create certain management zones within the District based on geographically or hydrogeologically defined areas, aquifers, or aquifer subdivisions, in whole or in part, following the procedures in Rule 14.1 or Rule 14.2. Within a management zone, the District may:

- (1) assess water availability;
- (2) authorize total production and make proportional adjustments to permitted withdrawals;
- (3) allow for the transfer of permits; and

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(4) otherwise undertake efforts to manage the groundwater resources in a manner that is consistent with the District Management Plan and that aids in the attainment of all applicable Desired Future Conditions.

B. The District shall attempt to delineate Management Zones along boundaries that, to the extent practicable, will promote fairness and efficiency by the District in its management of groundwater and the ability of the public to identify the boundaries based upon land surface features.

[Adopted 11/14/12; effective 1/1/13]

SECTION 10: WELL LOCATION AND CONSTRUCTION STANDARDS

Rule 10.1. Well Location

A. All new wells must be drilled within 100 feet of the location identified in the approved certificate of registration or the approved Operating Permits; provided that the well location must comply with the applicable well spacing requirements under Rule 8.2 or any variance granted under Rule 8.3.

B. All new wells must comply with the location standards of Texas Department of Licensing and Regulation rules at 16 Texas Administrative Code Section 76.1000, as amended, and with the minimum required separation distance for on-site sewage facilities under Texas Commission on Environmental Quality rules at 30 Texas Administrative Code Section 285.91(10), as amended.

C. Public water system wells must comply with the location standards of 30 Texas Administrative Code chapter 290.

[Adopted 11/14/12; effective 1/1/13]

Rule 10.2 Well Construction

A. Except as provided in Rule 10.2.C, all new construction of wells and installation of pumps shall be in accordance with the Texas Occupations Code Chapter 1901, "Water Well Drillers," and Chapter 1902, "Water Well Pump Installers," as amended, and the rules of the Texas Department of Licensing and Regulation at 16 Texas Administrative Code, Chapter 76, as amended.

B. All public water supply wells must be completed using the engineer-designed criteria approved by the Texas Commission on Environmental Quality under 30 Texas Administrative Code Chapter 290, as amended.

C. All non-exempt wells other than public water supply wells must be completed in accordance with the stricter of the Texas Department of Licensing and Regulation rules set forth at 16 Texas Administrative Code, Chapter 76, the applicable county regulations, the applicable city ordinances, or the following specifications:

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(1) The annular space between the borehole and the casing shall be filled with cement slurry from the ground level to a depth of not less than 10 feet below the land surface or well head.

(2) All wells shall have a concrete slab or sealing block above the cement slurry around the well at the ground surface.

(3) The slab or block shall extend at least two (2) feet from the well in all directions and have a minimum thickness of four inches and shall be separated from the well casing by a plastic or mastic coating or sleeve to prevent bonding of the slab to the casing.

(4) The surface of the slab shall be sloped to drain away from the well.

(5) In all new wells:

(a) the casing shall extend a minimum of one foot above the original ground surface; and

(b) A slab or block as described in Rule 10.2.C(3) is required above the cement slurry except when a pitless adapter is used. Pitless adapters may be used in such wells provided that:

(i) the pitless adapter is welded to the casing or fitted with another suitably effective seal; and

(ii) the annular space between the borehole and the casing is filled with cement to a depth not less than 15 feet below the adapter connection.

(6) The well casing shall be capped or completed in a manner that will prevent pollutants from entering the well.

[Adopted 11/14/12; effective 1/1/13]

Rule 10.3 Re-completions

A. The Well Owner shall have the continuing responsibility of insuring that a well does not allow commingling of undesirable water with fresh water or the unwanted loss of water through the wellbore to other porous strata.

B. If a well is allowing the commingling of undesirable water with fresh water or the unwanted loss of water, and the casing in the well cannot be removed and the well re-completed within the applicable rules, the casing in the well shall be perforated and cemented in a manner that will prevent the commingling or loss of water. If such a well

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has no casing, then the well shall be cased and cemented, or plugged in a manner that will prevent such commingling or loss of water.

C. The Board may direct a Well Owner to take steps to prevent the commingling of undesirable water with fresh water, or the unwanted loss of water.

[Adopted 11/14/12; effective 1/1/13]

SECTION 11: REPORTING

Rule 11.1 Filing State Reports

A. **Well Report.** A water well driller shall submit a copy of the State Well Log report and, if available, a geophysical log to the District within 30 days of: (1) the cessation of drilling, for a well that will not be completed; (2) the completion of a well; (3) the deepening of a well; or (4) any other alteration to the well.

B. **Plugging Report.** Within 30 days after plugging a well, the person plugging the well shall submit to the District a copy of the State Plugging Report.

[Adopted 11/14/12; effective 1/1/13]

Rule 11.2 Water Use Reports

A. **Wells with Operating Permits.** An Operating Permit holder shall keep a record of the total amount of water produced from a permitted well in each calendar month. The Operating Permit holder shall submit an annual water production report to the District on or before January 31 of the following calendar year that includes the amount of groundwater withdrawn during each calendar month of the previous calendar year.

B. **Wells with Transport Permits.** A Transport Permit holder shall keep a record of the total amount of water produced from a well or a Well System and transported outside the boundaries of the District in each calendar year. The Transport Permit holder shall submit the annual water transport record to the District on or before January 31 of the following calendar year.

C. **Other wells transporting water outside District boundaries.** A Well Owner who transports groundwater outside the District's boundaries for use outside the District's boundaries, but is exempted from obtaining a Transport Permit under Rule 6.1.B.(2) or Rule 6.1.B.(3), shall keep a record of the total amount of water transported outside the boundaries of the District in each calendar year. The Well Owner shall submit the annual water transport report to the District on or before January 31 of the following calendar year.

D. **Exempt rig supply wells.** The operator of a well that is exempted from obtaining an Operating Permit under Rule 3.1.B shall keep a record of the total amount of water produced from the well in each calendar month. The operator shall submit an annual

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water production report to the District on or before January 31 of the following calendar year that includes the amount of groundwater withdrawn during each calendar month of the previous calendar year.

E. **Exempt mining wells.** An entity holding a permit issued by the Railroad Commission under Texas Natural Resources Code, Chapter 134 that authorizes the drilling of a water well shall keep a record of the total amount of water produced from the well in each calendar year. The entity shall submit an annual water production report to the District on or before January 31 of the following calendar year that includes the amount of groundwater withdrawn during each calendar month of the previous calendar year.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16]

SECTION 12: PROHIBITION AGAINST WASTE AND POLLUTION

Rule 12.1 Wasteful Use. Groundwater produced from within the District shall not be used in such a manner or under such conditions as to constitute Waste as defined by District Rules.

[Adopted 11/14/12; effective 1/1/13]

Rule 12.2 Groundwater Pollution. No person shall pollute or harmfully alter the character of the groundwater within the District by causing or allowing the introduction of undesirable water, pollutants, or other deleterious matter from another stratum, from the surface of the ground, or from the operation of a well. Injection activities that are in compliance with the Texas Commission on Environmental Quality regulatory requirements authorized by chapter 27 of the Texas Water Code chapter 27, for which the U.S. Environmental Protection Agency and the TCEQ have approved the aquifer exemption specified in the federal Safe Drinking Water Act and codified in 40 Code of Federal Regulations, section 114.7(b) and 30 Texas Administrative Code, section 331.13, shall not constitute groundwater pollution under this Rule 12.2.

[Adopted 11/14/12; effective 1/1/13]

Rule 12.3 Waste Prevention. Any person producing or using groundwater shall exercise due care in accordance with acceptable and approved methods to stop and prevent waste of groundwater.

[Adopted 11/14/12; effective 1/1/13]

Rule 12.4 Deteriorated Well. No person shall allow the continued existence of a Deteriorated Well or an abandoned well. Not later than the 180th day after the date a Landowner, Owner, or Well Owner or other person who possesses a Deteriorated Well learns of its condition and location, the well shall be plugged in accordance with the Rules of the Texas Department of Licensing and Regulation, 16 Texas Administrative Code chapter 76, as amended. It is the responsibility of the Landowner, Owner and

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Well Owner to ensure that such a well is plugged in order to prevent pollution of the groundwater and to prevent injury to persons. Not later than the 30th day after the date the well is plugged, a State Plugging Report shall be submitted to the District as required by Rule 11.1.B.

[Adopted 11/14/12; effective 1/1/13]

Rule 12.5 Open or Uncapped Well. If any Well is not in actual use, but has not been plugged, the Well Owner shall keep the Well permanently capped or closed with a covering capable of sustaining weight of at least 400 pounds.

[Adopted 4/20/16]

SECTION 13: INVESTIGATIONS AND ENFORCEMENT

Rule 13.1 Notice and Access to Property. District employees and agents are entitled to enter any public or private property within the boundaries of the district at any reasonable time for the purpose of inspecting and investigating conditions relating to the quality of water in the State or the compliance with any rule, regulation, permit, or other order of the District. District employees shall make reasonable efforts to notify and coordinate with the permittee in advance of any entry. Entry will take place during normal business hours, unless the permittee agrees to entry at another time. District employees or agents acting under this authority shall exhibit proper credentials upon request, and shall observe all applicable rules and regulations concerning safety, internal security, and fire protection.

[Adopted 11/14/12; effective 1/1/13]

Rule 13.2 Notice of Violation of Water Code or District Rules. The District will send a notice of violation to a person who is believed to be in violation of Texas Water Code chapter 36. The notice of violation shall include a description of the alleged violation. The notice of violation will be processed as provided in Rule 15.7.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16]

Rule 13.3 Penalties for Violation of District Rules

The Board may assess penalties of up to \$5,000 per day per violation of a District Rule, and each day of a continuing violation constitutes a separate violation.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16]

Rule 13.4 Civil Enforcement of Water Code and District Rules. The Board may seek enforcement of Texas Water Code chapter 36 or the District Rules by injunction, mandatory injunction, or other appropriate remedy through a suit filed in a court of competent jurisdiction, as provided by Texas Water Code section 36.102.

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[Adopted 11/14/12; effective 1/1/13; amended 4/20/16 and renumbered Rule 13.4]]

Rule 13.5 Closing or Capping of Wells

A. After notice to the Well Owner and the opportunity to request a contested case hearing under Rule 15.7, the Board may enter an order requiring a Well Owner to close or cap a well that is not in actual use in compliance with Rule 12.5, if the Board finds that the closing or capping is required to protect groundwater quality.

B. If the District Board enters an order requiring the Well Owner to close or cap a well and the Well Owner fails to close or cap the well, the District may enter upon the property as provided by Rule 13.1 and close or cap the well.

C. If the District believes that an open well may cause a threat of imminent endangerment to human health, safety, or the environment, the Board enter an order requiring closing or capping of the well on an emergency basis, and the District may enter upon the property as provided by Rule 13.1 and close or cap the well. Notice of the Board order shall be provided to the Well Owner as soon as reasonably practicable, and the Well Owner may request a contested case hearing on the order in accordance with the procedures set out in Rule 15.7.

D. Tampering with, altering, damaging, or removing a well cap that was installed by the District without District approval is a violation of the District Rules.

[Adopted 4/20/16]

SECTION 14: PROCEDURE FOR ADOPTION OF RULES

Rule 14.1 Hearing on Rules Other Than Emergency Rules

A. The Board will consider proposed Rules at a regularly scheduled or specially called Board meeting. The Board meeting at which the proposed Rules are considered under this Rule shall be considered the public hearing on the proposed Rules and fulfills the requirement, if any, for a public hearing.

B. Notice required by the Open Meetings Act shall be provided for the hearing.

C. In addition to the notice required by the Open Meetings Act, not later than the 20th day before the date of the hearing, notice shall be provided as follows:

- (1) Post notice in a place readily accessible to the public at the District office;
- (2) Provide notice to the county clerks of Bastrop County and Lee County;
- (3) Publish notice in one or more newspapers of general circulation in the counties in which the District is located; and

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(4) Provide notice by mail, facsimile, or electronic mail to any person who has requested notice under Rule 14.1.F. Failure to provide such notice does not invalidate an action taken by the District at a rulemaking hearing.

D. Notice of the hearing on the proposed Rules shall include:

(1) A brief explanation of the subject of the rulemaking hearing, including a statement that the Board will consider changes to the Rules.

(2) The time, date, and location of the hearing.

(3) The agenda of the hearing.

(4) A statement that the proposed Rules are available to be reviewed or copied at the District Office prior to the hearing.

(5) A statement that the District will accept written comments and that provides the deadline for submitting such written comments.

(6) A statement that oral public comment will be taken at the hearing.

E. Copies of the proposed Rules shall be available at the District Office during normal business hours at least 20 days prior to the hearing.

F. A person may submit to the District a written request for notice of a rulemaking hearing. A request is effective for the remainder of the calendar year in which the request is received by the District. To receive notice of a rulemaking hearing in a later year, a person must submit a new request.

G. The presiding officer shall conduct a rulemaking hearing in the manner the presiding officer determines to be most appropriate to obtain information and comments relating to the proposed rule as conveniently and expeditiously as possible. Comments may be submitted orally at the hearing or in writing. The presiding officer may hold the record open for a specified period after the conclusion of the hearing to receive additional written comments.

H. A district may require each person who participates in a rulemaking hearing to submit a hearing registration form stating:

(1) the person's name;

(2) the person's address; and

(3) whom the person represents, if the person is not at the hearing in the person's individual capacity.

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- I. The presiding officer shall prepare and keep a record of each rulemaking hearing in the form of an audio or video recording or a court reporter transcription.
- J. The District may use an informal conference or consultation to obtain the opinions and advice of interested persons about contemplated rules and may appoint advisory committees of experts, interested persons, or public representatives to advise the district about contemplated rules.
- K. If the Board decides to consider substantial changes to the proposed Rules, the Board will provide new notice of the proposed rules and hold an additional hearing on the proposed Rules in accordance with this Rule.
- L. The Board shall issue a written order or resolution reflecting its decision. The proposed Rules that the Board has approved shall be an attachment to that written order or resolution.
- M. The effective date of the written order or resolution shall be the date on which the President of the District signs the order or resolution. The order or resolution shall include the date upon which the proposed Rules will become effective. Any appeal authorized by Texas Water Code chapter 36, subchapter H shall run from the effective date.

[Adopted 11/14/12; effective 1/1/13; Rule 14.1.J amended 4/20/16]

Rule 14.2 Hearing on Emergency Rules

- A. The Board may adopt an emergency rule without following the procedures in rule 14.1 if the Board:
- (1) finds that a substantial likelihood of imminent peril to the public health, safety, or welfare, or a requirement of state or federal law, requires adoption of a rule on less than 20 days' notice; and
 - (2) prepares a written statement of the reasons for its finding under Rule 14.2.A(1).
- B. An emergency rule under this Rule 14.2 must be adopted at a meeting of the Board subject to the requirements of the Open Meetings Act. Notice required by the Open Meetings Act shall be provided.
- C. Except as provided by Rule 14.2.D, a rule adopted under this section may not be effective for longer than 90 days.
- D. If notice of a hearing under Rule 14.1 is given not later than the 90th day after the date the rule is adopted, the rule is effective for an additional 90 days.

[Adopted 11/14/12; effective 1/1/13; Rule 14.2.A amended 4/20/16]

SECTION 15: PROCEDURES FOR APPLICATIONS AND OTHER MATTERS

Rule 15.1 Permit Applications Requiring Public Hearing

A. **“Application” defined.** In this Rule 15.1, “Application” refers to:

(1) an application for an Operating Permit, except an application described in Rule 5.2.C and Rule 5.2.D;

(2) an application for a Transport Permit;

(3) an application to amend an Operating Permit, except an application described in Rule 7.2.C., Rule 7.2.D and Rule 7.2.D; or

(4) an application to amend a Transport Permit, except an application described in Rule 7.3.C. and Rule 7.3.D.

B. **Technical review.** Upon receipt of an Application, the General Manager will conduct a technical review as follows:

(1) Within 60 days of the receipt of an Application, the General Manager will notify the applicant if the Application is incomplete or if any additional information or documentation is useful or necessary to address the factors that the Board will consider in making a decision on the Application under these Rules. If the applicant has not supplied the additional information or documentation within 180 days following the date that the General Manager notified the applicant of the need for the additional information or documentation, the Application shall expire. Any additional information or documentation timely submitted by an applicant will be considered a part of the Application.

(2) Within 180 days of the later of the date the District receives an Application or the date that the applicant supplies the additional information or documentation requested under Rule 15.1.B(1), the General Manager will complete the technical review of the Application, and notify the applicant in writing that the Application has been declared Administratively Complete. The written notice will contain a summary of the General Manager’s recommendation on the Application, and, if the General Manager recommends that a permit, an amendment, or a renewal be granted, may include a draft permit. The General Manager may extend the 180-day period for technical review for a reasonable period upon written notice to the applicant if the General Manager determines that some specific aspect of the application requires a technical review period of more than 180 days.

C. **Notice.** Within 60 days of the date on which the General Manager determines that an Application is Administratively Complete, the Application will be set for a public hearing. Notice of the public hearing shall be provided as required by the Open Meetings Act and as follows:

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(1) **Contents of notice.** The General Manager shall prepare a notice, which shall include the following information:

- (a) the name of the applicant;
- (b) the address or approximate location of the well or proposed well;
- (c) a brief explanation of the proposed permit, permit amendment, permit renewal, or permit transfer, including any requested amount of groundwater, the purpose of the proposed use, and any change in use;
- (d) the time, date, and location of the public hearing; and
- (e) any other information the General Manager considers relevant and appropriate.

(2) **District notice.** The General Manager shall provide the notice as follows:

(a) Not later than the 25th day before the date of the public hearing , the General Manager shall provide the notice to the applicant by regular mail. At the request of the applicant, the General Manager will also provide the notice of hearing to the applicant by facsimile or electronic mail.

(b) Not later than the 20th day before the date of the public hearing , the General Manager shall:

- (i) post the notice in a place readily accessible to the public at the District Office;
- (ii) provide the notice to the county clerks of Bastrop County and Lee County; and
- (iii) provide the notice by regular mail, facsimile, or electronic mail to any person who has requested notice under Rule 14.3.C(4).

(3) **Applicant notice.** The applicant shall provide the notice as follows:

(a) Not later than the 20th day before the public hearing, the applicant shall provide the notice by regular mail to:

- (i) all Owners and Landowners of property within 5,000 feet of the proposed well location, as shown in the county tax rolls on the date the notice was mailed; and

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(ii) all Owners of registered and permitted wells within 5,000 feet of the proposed well location, as shown in the records of the District on the date the notice is mailed.

(b) Not later than the 20th day before the public hearing, the applicant shall publish the notice once in a newspaper of general circulation in each county within the District.

(c) The applicant shall provide the District with proof of the mailing and publication of notice before the date of the hearing. Proof of publication shall include a publisher's affidavit and tear sheet of the notice.

(4) **Request for notice.** A person may request notice from the District of a public hearing on an Application. The request must be in writing and is effective for the remainder of the calendar year in which the request is received by the District. To receive notice of a public hearing in a later year, a person must submit a new request. An affidavit of an officer or employee of the District establishing attempted service by first class mail, facsimile, or e-mail to the person in accordance with the information provided by the person is proof that notice was provided by the District. Failure to provide notice to a person requesting notice under this Rule 15.1.C(4) does not invalidate an action taken by the District at the meeting or hearing.

D. **Comments.** The President shall be the presiding officer at the public hearing. If the President is not present, the Board shall select one of the Directors who are present to preside. Each person other than the applicant or the General Manager who desires to comment on the Application at the Board meeting shall submit a registration form provided by the District. Any person who has submitted a registration form, the General Manager, and the applicant may make oral comments and submit written evidence on the Application at the time designated for comments. The presiding officer may:

(1) administer an oath to any person presenting evidence on behalf of the General Manager or the applicant or to any other person who makes oral comments on the Application;

(2) take action to ensure that information and oral comments are presented as conveniently and expeditiously as possible without prejudicing the rights of any person;

(3) prescribe reasonable time limits for oral comments and the presentation of evidence; and

(4) continue the public hearing from time to time and from place to place without providing notice under Rule 15.1.C.

E. Request for contested case hearing.

(1) **Filing of request.** The General Manager, the applicant, or any other person may request a contested case hearing on an Application in writing no later than the 5th day before the date of the public hearing described in the notice required by Rule 15.1.C. If the applicant requests a contested case hearing on its Application, then the Application shall be considered contested and a contested case hearing on the Application will be held in accordance with Rule 15.2. If the General Manager requests a contested case hearing, then the Board, in its discretion, shall determine whether a contested case hearing on the Application should be held in accordance with Rule 15.2.

(2) **Preliminary hearing.** If the District receives a request for a contested case hearing on the Application from a person other than the General Manager or the applicant, the Board shall schedule a preliminary hearing to hear the request.

(a) The preliminary hearing may be conducted by:

(i) a quorum of the Board;

(ii) a Hearings Examiner; or

(iii) SOAH, if the applicant or a person requesting a contested case hearing request that the preliminary hearing be conducted by SOAH under Rule 14.4.A.

(b) The District shall mail notice of the preliminary hearing to the applicant, any person who filed a request for a contested case hearing, and persons requesting notice under Rule 15.1.C(4) no later than the 10th day before the date of the preliminary hearing. Failure to provide notice to a person requesting notice under Rule 15.1.C(4) does not invalidate an action taken by the District at the preliminary hearing.

(c) The sole issues at the preliminary hearing shall be:

(i) whether the person requesting a contested case hearing has standing to protest the Application; and

(ii) whether the person requesting a contested case hearing has raised a justiciable issue related to the Application.

(d) A person other than the applicant or the General Manager has standing if that person has a personal justiciable interest that is related to a legal right, duty, privilege, power, or economic interest that is within the District's regulatory authority and that is affected by the Board's action on the Application, not including persons who have an interest common to members of the public.

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(3) **Decision on request for contested case hearing.** Following the preliminary hearing, the Board shall determine whether any person requesting a contested case hearing has standing to make that request and whether a justiciable issue relating to the Application has been raised. If the Board determines that a person requesting a contested case hearing has standing and has raised a justiciable issue related to the Application, the Board shall grant that person's request for a contested case hearing, and a contested case hearing on the Application will be held in accordance with Rule 15.2. If the Board determines that no person who has requested a contested case hearing has standing or that no justiciable issue related to the Application has been raised, then the Application shall be considered uncontested, and the Board will take action on the application under Rule 15.1.F.

F. **Uncontested Applications.**

(1) If the District does not receive a timely-filed request for a contested case hearing on the Application, or if the Board denies all requests for a contested case hearing, then the Application shall be considered uncontested. The Board may take action on an uncontested Application at the public hearing described in the notice required by Rule 15.1.C or at any later properly noticed Board meeting. The Board shall issue a written order or resolution reflecting its decision.

(2) Not later than the 20th day after the date the Board issues a written order granting an uncontested Application, the applicant may demand a contested case hearing on the Application if the order:

(a) includes special conditions that were not part of the Application as finally submitted; or

(b) grants a maximum amount of groundwater production that is less than the amount requested in the Application.

The hearing on the Application will be held in accordance with Rule 15.2.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16 and renumbered Rule 15.1]

Rule 15.2 Permit Applications Requiring Contested Case Hearing

A. **Hearing Conducted by SOAH.** If timely requested by the applicant or other party to a contested case, the District shall contract with SOAH to conduct a preliminary hearing or a hearing on the merits of an Application.

(1) The General Manager, applicant or other party requesting a contested case hearing must request that the preliminary hearing or hearing on the merits be conducted by SOAH in writing on or before the date of the public hearing described in notice required by Rule 15.1.C.

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(2) The requesting person shall pay all costs associated with the contract for the hearing and shall deposit with the District an amount sufficient to pay the contract amount. The requesting person shall make the required deposit with the District no later than the 20th day before the preliminary hearing. At the conclusion of the hearing, the District shall refund any excess money to the paying person. All other costs may be assessed as authorized by this chapter or District rules.

(3) A hearing before a SOAH Administrative Law Judge shall be conducted as provided by Texas Government Code chapter 2001, subchapters C, D and F, the procedural rules of SOAH, and Rule 15.2 of the District Rules to the extent that Rule 15.2 is consistent with SOAH's procedural rules. The SOAH Administrative Law Judge will be the presiding officer for purposes of this Rule 15.2.

B. Hearing conducted by Board or Hearings Examiner. Except as provided in Rule 15.2.A, a contested case hearing shall be conducted by a quorum of the Board, or the Board, at its sole discretion, may appoint a Hearings Examiner to preside at and conduct the hearing on the Application. The appointment of a Hearings Examiner shall be made in writing. If the contested case hearing is conducted by a quorum of the Board, the President shall preside. If the President is not present, the Board shall select one of the Directors who are present to preside. If the hearing is conducted by a Hearings Examiner, the Hearings Examiner shall be the presiding officer.

C. Powers of Presiding Officer. The presiding officer in a contested case hearing may :

(1) Convene the hearing at the time and place specified in the notice.

(2) Set any necessary additional hearing dates.

(3) Designate the parties. Parties shall be limited to: (i) the General Manager; (ii) the applicant; and (iii) persons who have a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest that is within a district's regulatory authority and affected by the Application, not including persons who have an interest common to members of the public, and who have raised a justiciable issue relating to the Application.

(4) Establish the order for presentation of evidence.

(5) Administer oaths to all persons presenting testimony.

(6) Examine persons presenting testimony.

(7) Ensure that information and testimony are introduced as conveniently and expeditiously as possible without prejudicing the rights of any party.

(8) Prescribe reasonable time limits for testimony and the presentation of evidence.

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(9) Allow or require testimony to be submitted in writing and may require that written testimony be sworn to. On the motion of a party to the hearing, the presiding officer may exclude written testimony if the person who submits the testimony is not available for cross-examination by phone, a deposition before the hearing, or other reasonable means.

(10) Allow any discovery that is authorized by the Texas Rules of Civil Procedure.

(11) Rule on motions, on discovery issues, on the admissibility of evidence, and on other interlocutory matters.

(12) Refer the parties to an alternative dispute resolution (ADR) procedure on any matter at issue in the hearing, apportion costs for ADR, and appoint an impartial third party as provided by Section 2009.053 of the Government Code to facilitate that procedure.

(13) Continue a hearing from time to time and from place to place without providing notice under Rule 14.3.C. If the continuance is not announced on the record at the hearing, the presiding officer shall provide notice of the continued hearing by regular mail to the parties. If the hearing is being conducted by a quorum of the Board, Open Meetings notice also shall be provided.

(14) Apportion among the parties the costs related to:

- (a) a contract for the services of the presiding officer; and
- (b) the preparation of the official hearing record.

D. **Evidence.** The presiding officer shall admit relevant evidence and may exclude evidence that is irrelevant, immaterial, or unduly repetitious. The Texas Rules of Evidence shall apply in a contested case, except that evidence inadmissible under those rules may be admitted if the evidence is: (a) necessary to ascertain facts not reasonably susceptible of proof under those rules; (b) not precluded by statute; and (c) of a type on which a reasonably prudent person commonly relies in the conduct of the person's affairs.

E. **Ex parte communications.** A Board member, or a Hearings Examiner or Administrative Law Judge assigned to render a decision or to make findings of fact and conclusions of law in a contested case, may not directly or indirectly communicate in connection with an issue of fact or law in the contested case with a state agency, person, party, or a representative of those entities, except on notice and opportunity for each party to the contested case to participate. A Board member may communicate ex parte with another Board member in connection with an issue of fact or law in the contested case, if a quorum is not present. All ex parte communications that are not prohibited by Rule 15.2.E are expressly permitted.

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F. **Official Hearing Record.** The presiding officer shall prepare and keep a record of each hearing in the form of an audio or video recording or a court reporter transcription. On the request of a party to the contested case hearing and payment of an appropriate deposit, as set by the presiding officer, the hearing shall be transcribed by a court reporter. The costs of such court reporter may be assessed against the party requesting it or among the parties to the hearing. The presiding officer may exclude a party from further participation in the hearing for failure to pay in a timely manner costs assessed against that party under this Rule 15.2.F.

G. **Proposal for Decision.**

(1) Except as provided in Rule 15.2.G(4), the presiding officer shall submit a proposal for decision to the Board not later than the 30th day after the date the evidentiary hearing is concluded.

(2) The proposal for decision shall include:

(a) a summary of the subject matter of the hearing;

(b) a summary of the evidence received; and

(c) the presiding officer's recommendations for Board action on the subject matter of the hearing.

(3) The presiding officer or the General Manager shall provide a copy of the proposal for decision to the applicant and each designated party. A party may submit written exceptions to the Board not later than the 20th day after the date of the proposal for decision.

(4) If the contested case hearing was conducted by a quorum of the Board and the presiding officer prepared a record of the hearing as provided in Rule 14.4.G, the presiding officer shall determine whether to prepare and submit a proposal for decision to the Board under this Rule 15.2.G.

H. **Consideration of a Proposal for Decision.** If a proposal for decision is submitted to the Board by the presiding officer, the Board shall consider the proposal for decision at a final hearing. Additional evidence may not be submitted during the final hearing. The parties may present oral argument at a final hearing to summarize evidence, present legal arguments, or argue an exception to the Proposal for Decision. The presiding officer may continue the final hearing from time to time and from place to place without providing notice under Rule 15.1.C. If the continuance is not announced on the record at the hearing, the presiding officer shall provide notice of the continued hearing by regular mail to the parties. If the hearing is being conducted by a quorum of the Board, Open Meeting Act notice also shall be provided.

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I. **Record of decision.** The Board's decision on the Application will be reflected in the minutes of the Board meeting.

J. **Board order.** The Board shall issue a written order or resolution reflecting its decision. The Board's decision shall be made within 60 days after the final hearing on the Application is concluded.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/15 and renumbered Rule 15.2]

Rule 15.3 Rehearing of Decision on Permit Application Requiring a Public Hearing

A. **Request for written findings and conclusions.** An applicant in a contested or uncontested public hearing on an Application or a party to a contested case hearing on an Application may administratively appeal a decision of the Board described in Rule 15.2.I or Rule 15.3.E by requesting written findings and conclusions not later than the 20th day after the date of the Board's decision. On receipt of a timely written request, the Board shall make written findings and conclusions regarding the Board's decision on an Application. The Board shall provide certified copies of the findings and conclusions to the person who requested them and to each designated party not later than the 35th day after the date the Board receives the request.

B. **Request for rehearing.** An applicant in a contested or uncontested public hearing or a party to a contested hearing may request a rehearing not later than the 20th day after the date the Board issues written findings and conclusions. A request for rehearing must be filed in the District office and must state the grounds for the request. The person requesting a rehearing must provide copies of the request to all parties to the hearing.

C. **Finality of Board decision.** A decision by the Board on an Application is final:

(1) If a request for rehearing is not timely filed, then on the expiration of the period for filing a request for rehearing; or

(2) If request for rehearing is timely filed, then on the date:

(a) the Board denies the request for rehearing; or

(b) the Board renders a written decision after rehearing.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16 and renumbered Rule 15.3]

Rule 15.4 Applications Not Requiring Public Hearing

A. **Applicability.** This Rule 15.3 applies to any application other than the applications described in Rule 5.7, Rule 15.1.A and Rule 15.5.

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B. **Technical review.** Upon receipt of an application subject to this Rule, the General Manager will conduct a technical review as follows:

(1) Within 60 days of the receipt of an application, the General Manager will notify the applicant if the application is incomplete or if any additional information or documentation is useful or necessary to address the factors that the Board will consider in making a decision on the Application under these Rules. If the applicant has not supplied the additional information or documentation within 180 days following the date that the General Manager notified the applicant of the need for the additional information or documentation, the application shall expire. Any additional information or documentation that is timely submitted by the applicant will be considered part of the application.

(2) Within 180 days of the later of the date the District receives an Application or the date that the applicant supplies the additional information or documentation requested under Rule 15.3.B(1), the General Manager will complete the technical review of the Application, and notify the applicant in writing that the technical review has been completed and the application has been declared Administratively Complete. The written notice will contain a summary of the General Manager's recommendation on the application, and, if the General Manager recommends that a permit, an amendment, or a renewal be granted, may include a draft permit. The General Manager may extend the 180-day period for technical review for a reasonable period upon written notice to the applicant if the General Manager determines that some specific aspect of the application requires a technical review period of more than 180 days.

C. **Notice.** Within 60 days of the date on which the General Manager determines that an application subject to this Rule is Administratively Complete, the application will be set on the agenda for a Board meeting. Notice of the meeting shall be provided as required by the Open Meetings Act.

D. **Comments.** The agenda for the Board meeting shall designate a time for comments on the application. Each person other than the applicant or the General Manager who desires to comment on the Application at the Board meeting shall submit a registration form provided by the District. Any person who has submitted a registration form, the General Manager, and the applicant may make oral comments and submit written evidence on the Application. The Board, at its discretion, may administer an oath to any person presenting testimony to the Board on behalf of the General Manager or the applicant or to any other person making oral comments.

E. **Record of decision.** The Board's decision on the application will be reflected in the minutes of the Board meeting.

F. **Board order.** The Board shall issue a written order or resolution reflecting its decision.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16 and renumbered Rule 15.4]

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15.5 Variances or Extensions of Time

A. **Applicability.** This Rule 15.5 applies to requests for variances from the requirements imposed by District Rules and to requests for extension of time under Rules 5.5, 5.6, and 7.1.E, except that requests for variances from the well spacing requirements in Section 8 of these Rules will be processed under Rule 8.3.

B. **Request.** A request for variance or extension of time shall be submitted in writing and include the reasons for the request.

C. **Notice and hearing.** The request for a variance or any request for an extension of time will be set on the agenda for a Board meeting, which shall serve as the hearing on the request. In addition to the notice required by the Open Meetings Act, the District shall mail notice to the applicant at least ten (10) days prior to the Board meeting at which the variance request will be considered. The notice to the applicant will contain a summary of the General Manager's recommendation on the request. The agenda for the Board meeting shall designate a time for comments on the application. Each person other than the applicant or the General Manager who desires to comment on the request at the Board meeting shall submit a registration form provided by the District. Any person who has submitted a registration form, the General Manager, and the applicant may make oral comments and submit written evidence on the request. The Board, at its discretion, may administer an oath to any person presenting testimony to the Board on behalf of the General Manager or the applicant or to any other person making oral comments.

D. **Record of decision.** The Board's decision on the request will be reflected in the minutes of the meeting.

E. **Board order.** The Board shall issue a written order or resolution reflecting its decision.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16 and renumbered Rule 15.5]

Rule 15.6 Appeals of General Manager Decisions

A. **Applicability.** An applicant who has been aggrieved by a decision of the General Manager under Rules 4.3, 4.4, 7.1, 7.2, or 7.7 may appeal that decision to the Board under this Rule 14.8.

B. **Request.** The appeal shall be submitted in writing and include the reasons for the request.

C. **Notice and hearing.** The appeal will be set on the agenda for a Board meeting, which shall serve as the hearing on the request. In addition to the notice required by the Open Meetings Act, the District shall mail notice to the applicant at least ten (10) days prior to the Board meeting at which the appeal will be considered. The agenda for the Board meeting shall designate a time for comments on the appeal. Each person other

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than the applicant or the General Manager who desires to comment on the Application at the Board meeting shall submit a registration form provided by the District. Any person who has submitted a registration form, the General Manager, and the applicant may make oral comments and submit written evidence on the appeal. The Board, at its discretion, may administer an oath to any person presenting testimony to the Board on behalf of the General Manager or the applicant or to any other person making oral comments.

D. **Record of decision.** The Board's decision on the request will be recorded in the minutes of the meeting.

E. **Board order.** The Board shall issue a written order or resolution reflecting its decision.

[Adopted 11/14/12; effective 1/1/13; amended 4/20/16 and renumbered Rule 15.6]

Rule 15.7 Enforcement Proceedings

A. **Request for contested case hearing.** Any person who receives a notice of violation may request a contested case hearing on the alleged violation. The request must be made in writing and filed with the District no later than the 30th day following the date the notice of violation was issued.

B. **Hearing.** If a timely request for a contested case hearing is received, a hearing will be conducted, and the Board order will be issued, in the manner provided in Rule 15.2 for permit actions requiring contested case hearings, except that the respondent and the General Manager shall be the sole parties to the contested case hearing.

C. **No hearing.** If a timely request for a contested case hearing is not received, then the notice of violation will be set on the agenda for a Board meeting. In addition to the notice required by the Open Meetings Act, the District shall mail notice to the respondent at least ten (10) days prior to the Board meeting at which the alleged violation will be considered. The General Manager and the applicant may make oral comments and submit written evidence on the alleged violation.

D. **Record of decision.** The Board's decision on the alleged violation will be reflected in the minutes of the meeting.

E. **Board order.** The Board shall issue a written order or resolution reflecting its decision.

[Adopted 11/14/12; effective 1/1/13; amended 4/10/16 and renumbered Rule 15.7]

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SECTION 16: UNEXPIRED DRILLING PERMITS AND RESERVATION PERMITS

Rule 16.1 Unexpired Drilling Permits

A Drilling Permit issued by the District before January 1, 2013, and in effect on the January 1, 2013, shall continue in effect and shall be governed by its terms and prior District Rule 8.1; provided, however, that any holder of a Drilling Permit may not operate the well described in the Drilling Permit without first obtaining an Operating Permit under the District Rules in effect on the date that the application for an Operating Permit is filed, except that the District spacing rule in effect at the time of the initial application for the Drilling Permit shall continue to apply.

[Adopted 11/14/12; effective 1/1/13]

Rule 16.2 Unexpired Reservation Permits

A Reservation Permit issued by the District before January 1, 2013, and in effect on the January 1, 2013, shall continue in effect and shall be governed by its terms and prior District Rule 8.10; provided, however, that any holder of a Reservation Permit may not operate the well described in the Reservation Permit without first obtaining an Operating Permit under the District Rules in effect on the date that the application for an Operating Permit is filed, except that the District spacing rule in effect at the time of the initial application for the Reservation Permit shall continue to apply.

[Adopted 11/14/12; effective 1/1/13]