Clearwater Underground Water Conservation District

District Rules

Original Rules Effective:
February 1, 2002

Amendments Effective:
March 1, 2004
September 1, 2011
February 1, 2014
April 1, 2016
November 1, 2022
October 11, 2023
August 27, 2025
August 26, 2026

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In accordance with Section 59 of Article XVI of the Texas Constitution, Chapter 36 of the Texas Water Code, and the District Act, these Rules are hereby adopted as the Rules of this District by its Board.

The Rules, regulations, and modes of procedure herein contained are and have been adopted to simplify procedures, avoid delays, and facilitate the administration of the water laws of the State and the Rules of this District. These Rules are to be construed to attain those objectives.

These Rules may be used as guides in the exercise of discretion, where discretion is vested. However, these Rules shall not be construed as a limitation or restriction upon the exercise of discretion conferred by law, nor shall they be construed to deprive the District or the Board of any powers, duties, or jurisdiction provided by law. Nothing in these Rules shall be construed as granting the authority to deprive or divest a Landowner, including a Landowner's lessees, heirs, or assigns, of the groundwater ownership and rights described by Section 36.002 of the Texas Water Code, recognizing, however, that Section 36.002 does not prohibit the District from limiting or prohibiting the Drilling of a Well for failure or inability to comply with minimum Well spacing or tract size requirements adopted by the District; affect the ability of a district to regulate groundwater production as authorized under Section 36.113, 36.116, or 36.122 or otherwise under Chapter 36 of the Texas Water Code or a special law governing the District; or require that a Rule adopted by the District allocate to each Landowner a proportionate share of available groundwater for production from the Aquifer based on the number of acres owned by the Landowner. These Rules will not limit or restrict the amount and accuracy of data or information that may be required for the proper administration of the law.

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SECTION 1. DEFINITIONS AND CONCEPTS

RULE 1.1 DEFINITIONS OF TERMS

In these Rules, the Clearwater Underground Water Conservation District follows the definitions of terms used in Chapters 32, 33, 35, and 36 of the Texas Water Code (TWC), unless a different definition is listed below. The following terms, where capitalized throughout these Rules, shall have the meanings listed below:

a) "Abandoned Well" is a Well that has not been used for six consecutive months. A Well is considered to be in use in the following cases:
   (1) a non-deteriorated Well which contains the casing, pump, and pump column in good condition; or
   (2) a non-deteriorated Well which has been capped.

b) "Acre-foot" or "Acre-feet" means the amount of water necessary to cover one acre of land one foot deep, or about 325,851 gallons.

c) "Affected Person" means a Person who has a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest that is within the District's regulatory authority and is affected by the permit or permit amendment application to be considered, not including an interest common to members of the public. When used with respect to a Groundwater Management Area, "Affected Person" means:

   (1) an owner of land in the Groundwater Management Area;
   (2) a district in or adjacent to the Groundwater Management Area;
   (3) a regional water planning group with a water management strategy in the Groundwater Management Area;
   (4) a Person who holds or is applying for a permit from a district in the Groundwater Management Area;
   (5) a Person who has groundwater rights in the Groundwater Management Area;
   (6) or any other Person defined as affected by a TCEQ Rule.

d) "Agricultural Use" means any use or activity involving Agriculture, including irrigation for purposes of Agriculture.

e) "Agriculture" means any of the following activities:
   (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 non-soil 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.

f) "Applicant" means a Person who has filed an Application with the District for any reason authorized by these Rules, including but not limited to registering a well, or obtaining a Drilling Permit, Operating Permit, Combined Drilling and Operating Permit, Permit Amendment, Permit Renewal, or authorization to convert a Permit to Historic and Existing Use in accordance with these Rules.

g) "Application" means the documents and information provided by an Applicant pursuant to these Rules, including any required forms, in support of an Applicant's intent to obtain the General Manager or Board of Director's authorization where required by these rules, including but not limited to registering a well, or obtaining a Drilling Permit, Operating Permit, Combined Drilling and Operating Permit, Permit Amendment, Permit Renewal, or authorization to convert a Permit to Historic and Existing Use in accordance with these Rules

h) "Aquifer" means a subsurface water-bearing reservoir or stratum underlying the District, having ascertainable boundaries containing or transmitting groundwater within the District, and recognized by the Texas Water Development Board as a major or minor Aquifer in the State Water Plan.

i) "Aquifer Management Zone" means the portion of an Aquifer located within a particular Management Zone.

j) "Aquifer Storage and Recovery Project" or "ASR Project" means a project involving the injection of water into a geologic formation for the purpose of subsequent recovery and Beneficial Use by the Project Operator.

k) "ASR" means Aquifer Storage and Recovery.

l) "ASR Injection Well" means a Class V injection well used for the injection of water into a geologic formation as part of an ASR Project.

m) "ASR Recovery Well" means a well used for the recovery of water from a geologic formation as part of an ASR Project.

n) "Beneficial Use" means:
   1) agricultural, gardening, domestic, stock raising, municipal, mining, manufacturing, industrial, commercial, recreational, or pleasure purposes;
   2) exploring for, producing, handling, or treating oil, gas, sulfur, or other minerals; or
   3) any other purpose that is useful and beneficial to the user and approved by the Board.

o) "Best Available Science" means conclusions that are logically and reasonably derived using statistical or quantitative data, techniques, analyses, and studies that are publicly available to reviewing scientists and can be employed to address a specific scientific question.

p) "Board" or "Board of Directors" means the board of directors of the Clearwater Underground Water Conservation District.

q) "Certificate of Convenience and Necessity" or "CCN" means a permit issued by the Public

Utility Commission of Texas, which authorizes and obligates a Retail Public Water Utility to furnish, make available, render, or extend continuous and adequate retail water utility service to a specified geographic area located wholly or partially within the District.

r) "Combined Drilling and Operating Permit" means a permit issued by the Board that authorizes the Applicant to Drill and Operate a Water Well within the District for beneficial use, on a tract that is equal to or greater than 2 acres, but not more than 10 acres, the production of which does not exceed 1 Acre-foot per year.

s) "County of Bell Subdivision Regulations" means the regulations, as may be amended from time to time, adopted and enforced by Bell County Commissioners Court in accordance with Chapter 232 of the Texas Local Government Code.

t) "Desired Future Condition(s)" means a quantitative description, adopted in accordance with the joint planning requirements in Section 36.108 of the Texas Water Code, of the desired condition of the groundwater resources in a management area at one or more specified future times.

u) "Deteriorated Well" is a Well that, because of its condition, will cause, or is likely to cause, pollution of any groundwater in the District, the degradation of the water quality, or water to become Injurious.

v) "Dewatering Well" shall mean a well-used to remove groundwater from a mine, quarry, gravel pit, clay pit, construction site or excavation to relieve groundwater seepage or hydrostatic uplift, or to relieve seepage or hydrostatic uplift on permanent structures.

w) "District" means the Clearwater Underground Water Conservation District.

x) "District Act" means the District's enabling act, Act of May 27, 1989, 71st Legislature, Regular Session, Chapter 524 (House Bill 3172), as amended by Act of April 25, 2001, 77th Legislature, Regular Session, Chapter 22 (Senate Bill 404), Act of May 7, 2009, 81st Legislature, Regular Session, Chapter 64 (Senate Bill 1755), and Act of May 27, 2015, 84th Legislature, Regular Session, Chapter 1196, Section 2 (Senate Bill 1336)(omnibus districts bill), and any additional amending statutes enacted subsequent to the most recent adoption of these Rules.

y) "District Office" means the office of the District as established by resolution of the Board.

z) "Domestic Use" means the use of groundwater 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. Domestic Use does not include use by or for a public water system.

aa) "Drill," "Drilled," and "Drilling" means the act or process of drilling, equipping, or completing Wells or modifying the size of Wells or Well pumps to increase pumpage volume;

or, depending on context, the status of Well that has been drilled.

bb) "Driller" or "Well Driller" means a Person who drills Water Wells.

cc) "Drilling Permit" means a permit issued by the District, and required by these Rules prior to drilling or completing a Well in accordance with these Rules.

dd) "Effective Date" shall mean February 1, 2002, unless otherwise specified within a specific Rule.

ee) "Encumbrance Agreement" means an agreement executed by two or more adjacent property owners providing for the transfer of groundwater rights attributable to the adjacent land of one or more property owner(s) to an adjacent Well Owner Applicant in order to attain the minimum tract size necessary under these Rules to pursue an Exempt Well or a Non-exempt Well within the District, or qualify for an exception under Rule 9.5.5.

ff) "Exploratory Well(s)" means a Well or Wells approved by the General Manager for the sole purpose of determining groundwater conditions, including groundwater availability, pursuant to 30 Texas Administrative Code, Chapter 230, whether or not the Well is an Exempt Well.

gg) "Exempt Well" shall mean a New Well or an Existing Well that meets at least one of the criteria set forth in District Rule 6.3 and, as a result, is exempt from permitting under the laws of this State or these Rules and is not required to have an Operating Permit or Historic and Existing Use Permit to withdraw groundwater from an Aquifer within the District.

hh) "Existing Well" means any Well that has been Drilled and completed in the District, is registered with the District in accordance with Rule 4.1, and if a Non-exempt Well, has been issued appropriate permits.

ii) "General Manager" a person appointed by the Board of Directors pursuant to Texas Water Code, Section 36.056.

jj) "Historic and Existing Use Period" means the period June 1, 1972 through March 1, 2004, the effective date of the Rules amendment adopting "Historic and Existing Use."

kk) "Injurious Water" shall mean water that has a harmful, hurtful and/or detrimental effect on any Beneficial Use of groundwater that adversely affects vegetation, land or other water.

ll) "Landowner" means the Person who bears ownership of the land surface.

mm) "Leachate Well" shall mean a well-used to remove contamination from soil or groundwater.

nn) "Livestock Use" means the use of groundwater for the open-range watering of livestock, exotic livestock, game animals or fur-bearing animals. For purposes of this definition, the terms livestock and exotic livestock are to be used as defined in §142.001 of the Agriculture Code, and the terms game animals and fur-bearing animals are to be used as defined in §63.001 and 71.001, respectively, of the Parks and Wildlife Code. Livestock Use does not

include use by or for a public water system.

oo) "Management Plan" means the District's Management Plan as approved and certified by the TWDB.

pp) "Management Zones" means areas identified and delineated under Section 7 of these Rules pursuant to Texas Water Code, section 36.116(d).

qq) "Maximum Historic and Existing Use" means the quantity of water put to Beneficial Use during the year of the maximum Beneficial Use during the Historic and Existing Use Period.

rr) "Mediation" a confidential, informal, dispute resolution process in which an impartial Person, the mediator, facilitates communication between or among the parties to promote reconciliation, settlement, or understanding among them.

ss) "Meter" means a water flow measuring device that can accurately record the amount of groundwater produced during a measured time.

tt) "Modeled Available Groundwater" means the amount of water that the Executive Administrator of the TWDB determines may be produced on an average annual basis to a achieve a Desired Future Condition established for the groundwater resources in the District.

uu) "Monitoring Well" shall mean a Well installed to measure some property of the groundwater or an Aquifer that it penetrates, that does not produce more than 5,000 gallons per year.

vv) "New Well" means
1) any proposed or recently completed Non-Exempt Well for which a Drilling Permit, Operating Permit, or Combined Drilling and Operating Permit is required pursuant to these Rules; and
2) any proposed or recently completed Exempt Well subject to Rule 6.3 spacing requirements and Rule 10.5 equipment requirements.

ww) "Non-exempt Well" shall mean any Well that does not fall within the exclusions or exemptions set forth in District Rule 6.3.

xx) "Nursery Grower" means a Person who grows more than 50 percent of the products that the Person either sells or leases, regardless of the variety sold, leased, or grown. For the purpose of this definition, "grow" means the actual cultivation or propagation of the product beyond the mere holding or maintaining of the item prior to sale or lease and typically includes activities associated with the production or multiplying of stock such as the development of new plants from cuttings, grafts, plugs, or seedlings.

yy) "Open Meetings Law" means Chapter 551, Texas Government Code, and other applicable law.

zz) "Operate," "Operating," and "Operation" means the act or process of producing or withdrawing groundwater through a Water Well for the purpose of putting the groundwater to Beneficial Use.

aaa) "Operating Permit" means a permit issued by the District, and required by these rules prior to the Operation of a Well.

bbb) "PA" means "Proportional Adjustment" as governed by Rule 7.4.

ccc) "Person" means any individual, partnership, firm, corporation, association, or any other business entity.

ddd) "PFD" means Proposal for Decision, the findings of fact and conclusions of law proposed by an Administrative Law Judge in an administrative hearing.

eee) "Project Operator" means a Person holding an authorization under this subchapter to undertake an ASR Project.

fff) "Proposed Well" means a Well, which has not yet been completed, but for which a Drilling Permit Application has been submitted to the District.

ggg) "Public Information Act" means Chapter 552, Texas Government Code, and other applicable law.

hhh) "Public Water Supply Well" means a well that produces the majority of its water for use for a public water system.

iii) "Re-completion," "Re-Complete," or "Re-Completed" means the process or act of bringing a Well into compliance with 16 Texas Administrative Code, Section 76.100 or 76.105 by installing any and all sanitary seals, safeguards, casing, grouting, and the re-setting of well screens as required. Depending on context, the term may also be used to refer to the status of a well that has undergone Re-completion.

jjj) "Replacement Well" means a Well Drilled within 150 feet of the Well it replaces, and only be capable of accessing the same Aquifer from which the original Well withdrew, in accordance with Section 8 of these Rules.

kkk) "Retail Public Water Utility" means any person, corporation, public utility, water supply corporation, municipality, political subdivision or agency operating, maintaining, or controlling in this state, facilities for providing potable water service, or both, for compensation.

lll) "Rules" or "Rule" means the rules of the District, or a particular rule of the District, depending on context, compiled in this document and as may be supplemented or amended from time to time.

mmm) "Rural Tract" means a tract of land located within the District but outside a municipality, for which a subdivision plat is required pursuant to section 232.001 of the Texas Local Government Code, and for which the source of water supply intended for the subdivision is groundwater under the land as contemplated by section 232.0032 of the Texas Local Government Code and the County of Bell Subdivision Regulations.

nnn) "Shared Well Agreement" means an agreement delineating the rights and obligations of two or more Persons, who share the water rights associated with a single private well. The water rights are outlined in a legal document called a Shared Well Agreement.

ooo) "Special Provisions" means any conditions or requirements added to a permit to address the unique concerns, circumstances, or needs of the permittee, affected parties, or the District, and which may be more or less restrictive than the Rules depending on the unique underlying facts and circumstances.

ppp) "Standard Provisions" means permit provisions or conditions generally applicable to all non-exempt permits promulgated under section 36.113(d) of the Texas Water Code, and further delineated under District Rule 5.4.

qqq) "SOAH" means the State Office of Administrative Hearings.

rrr) "Substantially Alter" with respect to the size or capacity of a Well means to increase the inside diameter of the pump discharge column pipe size of the Well in any way or to otherwise increase the capacity of the Well to produce groundwater in an amount more than 5 percent greater than the Well had the capacity to produce before the alterations.

sss) "TCEQ" means the Texas Commission on Environmental Quality.

ttt) "TWDB" means the Texas Water Development Board.

uuu) "Test Well" shall mean a Well Drilled for the purposes of assessing or otherwise measuring groundwater quality and/or the quantity of groundwater that could be produced from a Well properly registered or permitted in accordance with the District's Rules.

vvv) "Waste" has the meaning the prescribed Rule 10.1 and Texas Water Code, section 36.001(8).

www) "Well" or "Water Well" means a bored, Drilled, or driven shaft or an artificial opening in the ground made by digging, jetting, or some other method, from which groundwater is or could be withdrawn, where the depth of the shaft or opening is greater than its largest surface dimension, together with any device employed for such withdrawal.

xxx) "Well Completion Report" means a report defined under Rule 6.9.2(f), and prepared by a professional engineer or professional geoscientist licensed in the State of Texas.

yyy) "Well Owner" means the Person who owns a possessory interest in (1) the land upon which a Well or Well System is located or is to be located; or (2) the well or Well System, provided, however, that the owner of a Well or Well System who does not own the underlying land must have authority from the Landowner to Drill and Operate any well, and to hold all required permits from the District.

zzz) "Well Operator" means the Person who Operates a well or a water distribution system supplied by a well.

aaaa) "Well System" means a well or group of Wells owned, Operated, or held under permit by the same permit holder.

bbbb) "Withdraw" means extracting groundwater by pumping or by another method.

cccc) "Groundwater Availability Certification" means a statement, prepared by a Texas licensed professional engineer or Texas licensed professional geoscientist and certifying that adequate groundwater is available for a subdivision, that is attached to a plat application as required by section 232.0032 of the Texas Local Government Code, Title 30, Texas Administrative Code, Chapter 230, and the Bell County Subdivision Regulations.

RULE 1.2 PURPOSE OF RULES

The Rules contained herein are the foundation for achieving the goals of the District Act and Management Plan and implementing the District's statutory mandate.

RULE 1.3 USE AND EFFECT OF RULES

The District uses these Rules as guides in the exercise of the powers conferred by law and in the accomplishment of the purposes of the District Act and Management Plan. However, these Rules shall not be construed as a limitation or restriction upon the exercise of discretion conferred by law, nor shall they be construed to deprive the District or the Board of any powers, duties, or jurisdiction provided by law. These Rules will not limit or restrict the amount and character of data or information that may be required to be collected for management of the District. If any section, sentence, paragraph, clause, or part of these Rules should be held or declared invalid for any reason by a final judgment of the courts of this state or of the United States, such decision or holding shall not affect the validity of the remaining portions of these Rules; and the Board does hereby declare that it would have adopted and promulgated such remaining portions irrespective of the fact that any other sentence, section, paragraph, clause, or part thereof may be declared invalid. In case any one or more of the provisions contained in these Rules shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other Rules or provisions hereof, and these Rules shall be construed as if such invalid, illegal, or unenforceable Rule or provision had never been contained herein.

RULE 1.4 AMENDING OF RULES

The Board may, following notice and hearing as provided by Section 13 of these Rules, amend these Rules or adopt new Rules from time to time.

RULE 1.5 HEADINGS AND CAPTIONS

The section and other headings and captions contained in these Rules are for reference purposes only. They do not affect the meaning or interpretation of these Rules in any way.

RULE 1.6 CONSTRUCTION

Construction of words and phrases are governed by the Code Construction Act, Subchapter B, Chapter 311, Government Code. In addition, the verbs may, can, might, should, or could are used

when an action is optional or may not apply in every case. The verbs will, shall, or must are used when an action is required. "Shall not," "may not," and "cannot" are used when an action is not allowed or is unachievable. Unless otherwise expressly provided for in these Rules, the past, present, and future tense shall include each other. The singular includes the plural, the plural includes the singular, the masculine includes the feminine, and the feminine includes the masculine.

RULE 1.7 METHODS OF FILING AND SERVICE UNDER THE RULES

1.7.1 Documents shall be filed at the District either by hand delivery, mail, or telephonic document transfer to the District Office. The document shall be considered filed as of the date received by the District for a hand delivery; as of the date reflected by the official United States Postal Service postmark if mailed; for telephonic document transfers and electronic mail "email," as of the date on which the telephonic and/or email document transfer is complete, except that any transfer occurring after 5:00 p.m. will be deemed complete on the following business day.

1.7.2 Except as otherwise expressly provided in these Rules, any notice or documents required by these Rules to be served or delivered may be delivered to the recipient, or the recipient's authorized representative, in Person, by agent, by courier receipted delivery, by certified mail sent to the recipient's last known address, by telephonic document transfer to the recipient's current telecopier number or by electronic mail "email". Service by mail is complete upon deposit in a post office or other official depository of the United States Postal Service. Service by telephonic document transfer or email is complete upon transfer, except that any transfer or email occurring after 5:00 p.m. will be deemed complete on the following business day. If service or delivery is by mail, and the recipient has the right, or is required, to do some act within a prescribed time after service, three days will be added to the prescribed period. Where service by one of more methods has been attempted and failed, the service is complete upon notice publication in a newspaper of general circulation in Bell County.

RULE 1.8 DEADLINES; COMPUTATION OF TIME

In computing any period of time prescribed by these Rules, the day of the hearing, act, or event after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or legal holiday. The District adopts the schedule of legal holidays adopted by Bell County.

RULE 1.9 SEVERABILITY

If any one or more of the provisions contained in these Rules are for any reason held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability may not affect any other Rules or provisions of these Rules, and these Rules must be construed as if such invalid, illegal or unenforceable Rules or provision had never been contained in these Rules.

SECTION 2. DISTRICT

RULE 2.1 MINUTES AND RECORDS OF THE DISTRICT

All documents, reports, records, and minutes of the District are available for public inspection and copying following the Texas Public Information Act. Upon the written request of any Person, the District will furnish copies of its public records. The Board will set a reasonable charge for such copies and will publicly post a list of copying charges.

RULE 2.2 CERTIFIED COPIES

Requests for certified copies must be in writing. Certified copies will be made under the direction of the General Manager. A certification charge and copying charge may be assessed, pursuant to policies established by the Board of Directors.

SECTION 3. DISTRICT MANAGEMENT PLAN

The Board shall adopt a Management Plan that specifies the acts, procedures, performance and avoidance necessary to prevent Waste, the reduction of artesian pressure, or the draw-down of the water table in accordance with Section 36.1071, Texas Water Code. The District shall use the Rules of the District to implement the Management Plan. The Board will review the plan at least every fifth year. Upon adoption of Desired Future Condition(s) under Section 36.108 of the Texas Water Code, the District shall update its Management Plan within two years of the date of the adoption of the Desired Future Condition(s). The District shall thereafter update its Rules to implement the Management Plan within one year of the date the Management Plan is updated to include the adopted Desired Future Condition(s) and the amount of Modeled Available Groundwater corresponding to the most recently approved Desired Future Conditions. If the Board considers a new plan necessary or desirable, based on evidence presented at hearing, a new plan will be adopted. A plan, once adopted, remains in effect until amended, or until the adoption of a new plan.

SECTION 4. WATER WELL REGISTRATION

RULE 4.1 REGISTRATION

All Water Wells, existing and new, must be registered with the District and are required to comply with the District's registration requirements in these Rules.

RULE 4.2 GENERAL REGISTRATION POLICIES AND PROCEDURES

4.2.1 No Person shall Drill, modify, complete, Operate, change type of use, plug, abandon, or alter the size of a well within the District without first registering the well with the District on a form approved by the District, even though the well may be exempt from the requirement of a permit under District Rule 6.3. For a Non-exempt Well, the appropriate permit Application may be submitted to the District in lieu of a well registration.

4.2.2 The District staff will review the Application for registration and make a preliminary determination on whether the well meets the exclusions or exemptions provided in Rule 6.3. Providing the preliminary determination is that the well is excluded or exempt, the registrant may begin Drilling immediately upon receiving the approved registration.

4.2.3 In the event of an emergency, as defined by the Well Driller, an Exempt Well may be reworked prior to registration. The registration requirement will be waived for a 48-hour period.

4.2.4 The Driller of a well shall file the well log with the District at the time the log is submitted to the Texas Department of Licensing and Regulation and shall also file geophysical logs with the District, if available.

4.2.5 If a registration required under these Rules is not received by the effective date of this Rules amendment, March 1, 2004, a Person's right to file an Application for conversion to a Historic and Existing Use Permit shall be foreclosed.

SECTION 5. PRODUCTION LIMITATIONS

RULE 5.1 HISTORIC AND EXISTING USE PERMITS

The District shall designate the quantity of groundwater authorized to be produced from each respective Aquifer on an annual basis under a Historic and Existing Use Permit pursuant to the conditions of the District Act, Chapter 36 of the Texas Water Code, and these Rules, provided, however, that the quantity that may be withdrawn shall not exceed the Maximum Historic and Existing Use demonstrated by the Applicant, and determined by the Board.

RULE 5.2 OPERATING PERMITS

The District shall designate the quantity of groundwater authorized to be produced from each respective Aquifer or Aquifer Management Zone, on an annual basis under an Operating Permit pursuant to the conditions of the District Act, Chapter 36 of the Texas Water Code, and these Rules, provided, however, that the quantity shall not exceed an amount demonstrated by the Applicant and determined by the Board to be necessary for Beneficial Use during the permit term, except as may be reduced if the District imposes restrictions under this section and Section 7.

RULE 5.3 AQUIFER-BASED PRODUCTION LIMITS

5.3.1 Using the best available hydrogeologic and geographic data, the District will continue to study and accumulate data on the various Aquifers located within the boundaries of the District and their subdivisions, and may amend from time to time the limit on total annual production either throughout the District or for a particular Aquifer or its subdivision in order to avoid impairment of and to achieve the Desired Future Condition(s), and may set these limits as set forth under the Management Area Rules. In coordination with the TWDB, the District may develop, utilize, and/or adopt groundwater availability models in support of the District's management of the groundwater within its jurisdiction, including but not limited to the establishment of a maximum annual rate of groundwater withdrawal for the Edwards (BFZ) and Trinity Aquifers within the District.

5.3.2 The maximum annual rate of groundwater withdrawal for the Trinity Aquifer within the District may be established based on the elevation of water levels within the Aquifer and records or estimates of groundwater use in the Aquifer that are accessible to the District. The maximum annual rate of groundwater withdrawal for the Edwards (BFZ) Aquifer within the District may be established based on the elevation of water levels within the Aquifer, measurements, or records of springflow, and records or estimates of groundwater use in the

Aquifer that are accessible to the District. The historical records or current measurements or estimates of water levels, water quality, groundwater withdrawals, and springflow may be used to establish the maximum annual rate of groundwater withdrawal for any Aquifer within the District that is designed to avoid the impairment of and to achieve the Desired Future Condition(s). The District may revise the maximum annual rate of groundwater withdrawal for any Aquifer within the District as the District determines to be necessary based on noted changes in the water levels, water quality, groundwater withdrawals, springflow or future planning projections developed by or accessible to the District, and that is designed to avoid the impairment of and to achieve the Desired Future Condition(s). The Board may set the allowable production of each permitted well. The Board has the right to modify a permit at any time if Monitoring Wells within the source Aquifer show an unacceptable level of decline in water quality of the Aquifer, or as may be necessary to prevent Waste and achieve water conservation, minimize as far as practicable the drawdown of the water table or the reduction of artesian pressure, lessen interference between Wells, or control and prevent subsidence.

RULE 5.4 LIMITS SPECIFIED IN PERMIT

The maximum annual quantity of groundwater that may be withdrawn from each respective Aquifer under a Historic and Existing Use Permit or Operating Permit issued by the District shall be no greater than the amount specified in the permit or the amended permit, subject to the Management Zone Rules. Permits may be issued subject to conditions and restrictions placed on the rate and amount of withdrawal pursuant to the District's Rules and permit terms necessary to prevent Waste and achieve water conservation, minimize as far as practicable the drawdown of the water table or the reduction of artesian pressure, lessen interference between Wells, or control and prevent subsidence. The permittee, by accepting the permit, agrees to abide by any and all groundwater withdrawal regulations established by the District that are currently in place, as well as any and all regulations established by the District in the future. Acceptance of the permit by the Person to whom it is issued constitutes acknowledgment of and agreement to comply with all of the terms, provisions, conditions, limitations, and restrictions.

In addition to any Special Provisions or other requirements incorporated into each permit, each permit is subject to the following Standard Provisions:

(a) The permit is granted in accordance with the provisions of the Rules of the District, and acceptance of this permit constitutes an acknowledgment and agreement that the permittee will comply with the Rules of the District.

(b) The permit terms may be modified or amended pursuant to the provisions of the District's Rules or to comply with statutory requirements.

(c) To protect the permit holder from the illegal use by a new Landowner, within 30 calendar days after the date of sale, the permit holder must notify the District in writing of the name of the new owner of a permitted well and initiate a transfer of the permit as provided by Rule 6.1.3(4), prior to Operation by the new permittee.

(d) The permit is granted subject to the appropriate column pipe size, metering, observation tube, maximum gallons per minute, setbacks from adjacent properties, and minimum spacing from other Wells completed in the same layer of the Trinity Aquifer or the Edwards BFZ Aquifer, or any other shared groundwater source, in accordance with these Rules.

(e) The Operation of the well for the authorized withdrawal must be conducted in a non-

wasteful manner.

(f) Withdrawals from all Non-exempt Wells must be accurately metered or measured through a District-approved alternative measuring method. All permitted Wells must report their pumpage to the District monthly. If a Meter is installed, the Meter readings must then be provided to the District.

(g) The well site must be accessible to District representatives for inspection, and the permittee agrees to cooperate fully in any reasonable inspection of the well and well site by the District representatives.

(h) The Application pursuant to which this permit has been issued is incorporated in the permit, and the permit is granted on the basis of, and contingent upon, the accuracy of the information supplied in that Application. A finding that false information has been supplied is grounds for immediate revocation of the permit.

(i) Violation of a permit's terms, conditions, requirements, or Special Provisions is punishable by civil penalties as provided by the District's Rules.

(j) The permit may also contain provisions relating to the means and methods of export of water produced within the district.

RULE 5.5 METERING AND REPORTING

5.5.1 A Meter must be installed and Operated on all permitted Non-exempt Wells. Wells in existence prior to February 1, 2002, may use an alternative measuring method approved by the District in accordance with this Rule. Meters are not required to be installed on Exempt Wells.

5.5.2 The Meter shall be read, and the Meter reading and actual amount of pumpage recorded and reported each month on a form or electronic online system provided by the District. The permit holder subject to this reporting requirement shall keep accurate records of the amount of groundwater withdrawn and the purpose of the withdrawal, and such records shall be available for inspection by the District or its representatives. An entity holding a permit issued by the Railroad Commission of Texas under Chapter 134, Natural Resources Code, that authorizes the Drilling of a Water Well shall report monthly to the district:

a) the total amount of water withdrawn during the month;

b) the quantity of water necessary for mining activities; and

c) the quantity of water withdrawn for other purposes.

Immediate written notice shall be given to the District in the event a withdrawal exceeds the quantity authorized by this permit.

5.5.3 Approved Meters: Meters must be mechanically driven, totalizing Meters. The digital totalizer must not be resettable by the permit holder, and must be capable of a maximum reading greater than the maximum expected pumpage during a permit period. Battery Operated registers must have a minimum five-year life expectancy and must be permanently hermetically sealed. Battery Operated registers must visibly display the expiration date of the battery. All Meters must meet the requirements for registration set forth in the American Water Works Association Standards for cold water Meters. The Meter must be installed

according to the manufacturer's specifications to ensure full-pipe laminar flow through the Meter.

5.5.4 Metering and reporting aggregate withdrawal: Where Non-exempt Wells are permitted in the aggregate, metering and reporting are required on a well by well basis.

5.5.5 Meter accuracy to be tested. The District may require the Applicant, at the Applicant's expense, to test the accuracy of the Meter and submit a certificate of the test results. If the tests reveal that a Meter is not registering within an accuracy of 95%-105% of actual flow, or is not properly recording the total flow of groundwater withdrawn from the Well or Well System, the Applicant must take appropriate steps to remedy the problem, and to retest the Meter within 90 calendar days from the date the problem is discovered.

5.5.6 Violation of Metering and Reporting Requirements: False reporting or logging of Meter readings, intentionally tampering with or disabling a Meter, or similar actions to avoid accurate reporting of groundwater use and pumpage shall constitute a violation of these Rules and shall subject the Person performing the action, as well as the Well Owner, and/or the primary Operator who authorizes or allows that action, to such penalties as provided in the District Act and these Rules.

5.5.7 Alternative Measuring Method: The owner of an existing, Non-exempt Well may apply to the District for approval of an alternative measuring method of determining the amount of groundwater withdrawn. The District General Manager may authorize the alternative measuring method if the Applicant Well Owner demonstrates that the alternative measuring method can accurately measure the groundwater withdrawn. Reporting shall still be required by an owner of a Well who is using a District-approved alternative measuring method

SECTION 6. GENERAL PERMITTING POLICIES AND PROCEDURES

RULE 6.1 REQUIREMENT FOR PERMIT TO DRILL, OPERATE, OR ALTER THE SIZE OF A WELL OR WELL PUMP; PERMIT AMENDMENT

6.1.1 Permits Required: No Person may Drill, Operate, equip, complete, produce groundwater from, or Substantially Alter the size of a Well or Well pump without first obtaining a permit from the District as provided by statutory law and these Rules. Provided, however, an Operating Permit is not required for an Exempt Well, as defined by Rule 6.3, or for a well from which the sole beneficial use of water produced is for maintenance and or an aquifer pumping test of that well or its well pump while the well is inactive, as long as groundwater production is less than 0.25 acre-feet per year,

6.1.2 Exploratory Well Permit Required: Exploratory Wells are not exempt from this Section, provided however that the General Manager shall have the authority to issue a Drilling Permit for the sole purpose of Drilling an Exploratory Well, which Drilling Permit Application shall not be unreasonably denied. In the event an Exploratory Well is reconditioned to produce groundwater, the Well shall no longer be considered an Exploratory Well, and unless the Well is an Exempt Well, the Well Owner must obtain an Operating Permit prior to Operating the well in accordance with these Rules.

6.1.3 Permit Amendment Required: A permit amendment is required prior to any deviation from the permit terms regarding the maximum amount of groundwater to be produced from a Well, ownership of a Well or permit, the location of a proposed Well, the purpose of use of the water, the location of use of the groundwater, or the Drilling and Operation of additional Wells, even if aggregate withdrawals remain same.

6.1.4 Minor Permit Amendments:

(a) Minor amendments include:

(1) Increases in permit allotment of 50% or less for permit holder permitted up to 1 Acre-foot annually;
(2) Increases in permit allotment of 20% or less for permit holders permitted for more than 1 Acre-feet annually, but less than 5 acre-feet annually;
(3) Increases in export of groundwater as follows:
(i) Permit holders exporting less than 1 Acre-feet /year—up to 1 ac-ft;
(ii) Permit holders exporting 1 Acre-feet /year or more—up to 20% of the approved export for the previous year, not to exceed 10 Acre-feet annually; and
(4) Transfers of ownership of a permit or Well without any change in use.

(b) All other amendments are major amendments, and shall be subject to the requirements and procedures set forth in Section 6 of the District Rules.

(1) An Application for a minor permit amendment shall be made on a form provided by the District. Application fees shall be established by the Board.

(2) The General Manager is authorized to deny or grant in full or in part a minor permit amendment as defined in Subsection (a) of this Rule and may grant minor amendments without public notice and hearing. Such decision by the General Manager may be appealed to the Board of Directors. This appeal is a pre-requisite to filing suit against the District to overturn the General Manager's decision. Any minor amendment sent to the Board for consideration shall be set on the Board's agenda and shall comply with the notice requirements of the Texas Open Meetings Act.

(3) The General Manager is authorized to defer approval of an Application for the increased use of groundwater that is otherwise eligible for administrative approval and require approval of the Application by the Board of Directors.

(4) If two or more minor amendments are requested during any permit year for an increase in the permit allotment, and the combined increase in volume requested in the amendments exceeds the limits described in this Rule, then the amendment which results in an increase in the permit allotment for the year in excess of the limits specified in Subsection (a) of this Rule will be considered a major amendment subject to Section 6 of the District Rules.

(5) Permittees requesting a minor amendment may be required to submit a Well Completion Report as described in Rule 6.9.2(f) based on Aquifer conditions, type of modification, status of adjacent Wells, local water use trends, and other Aquifer management considerations.

RULE 6.2 AGGREGATION OF WITHDRAWAL AMONG MULTIPLE WELLS

A Drilling Permit Application must be filed for each Well that requires a Drilling Permit. However, one Application may be filed for an Historic and Existing Use Permit or Operating Permit, or for renewal thereof, which consolidates two or more Wells that will function as part of a Well System.

RULE 6.3 PERMIT EXCLUSIONS & EXEMPTIONS

The District's permit requirements in these Rules do not apply to Exempt Wells, which shall include the following:

a) Drilling or Operating a Water Well solely for Domestic Use or for providing water for livestock or poultry if the Well is located or to be located on a tract of land larger than 10 (ten) acres and Drilled, completed, or equipped so that it is incapable of producing more than 25,000 gallons of groundwater a day; provided, however, that this exemption shall also apply after March 1, 2004 to a Well to be Drilled, completed, or equipped on a tract of land composing 10 (ten) acres or less only if:

1) the Well is to be used solely for Domestic Use or for providing water for livestock or poultry on the tract;
2) such tract was platted, meets an exception to platting, or is otherwise lawfully configured prior to March 1, 2004, as a tract of land composing 10 (ten) acres or less in size; and
3) such tract is not further subdivided into smaller tracts of land after March 1, 2004, and prior to the Drilling, completion, or equipping of the Well.

After November 1, 2022, a Well qualifying for exemption under this subsection must observe a minimum distance of 75 feet from the property line (exception may be made if the property line is adjacent to a public road then the center of the road may be the measuring point used to determine the minimum setback of 75 feet per Rule 9.5.5(b) and 150 feet from other Wells if producing from the same Aquifer. Refer to Section 9.5.3 for spacing requirements between Wells producing from different Aquifers.

Rules exempting Domestic Use on 10-acres or more effective November 1, 2022.

** Management Zone	*Max CPS	Max GPM	Spacing Wells	Spacing Property
SW	1 ½ inch	17.36 gpm	150 feet	75 feet

SH	1 ½ inch	17.36 gpm	150 feet	75 feet
BL	1 ½ inch	17.36 gpm	150 feet	75 feet
E	1 ½ inch	17.36 gpm	150 feet	75 feet
E-BFZ	1 ½ inch	17.36 gpm	150 feet	75 feet

*Windmill Wells may use a 2-inch casing to accommodate the sucker rod assembly.
**Management Zones designations effective November 1, 2022.

b) A Dewatering Well.

c) A Leachate Well.

d) A Test Well.

e) A Monitoring Well.

f) Drilling a Water Well used solely for a closed loop geothermal system where water or other fluid is re-circulated inside a sealed system for heating and/or cooling purposes and no water is produced from the well.

g) Drilling 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 provided that the Person holding the permit is responsible for Drilling and Operating the Water Well and the Well is located on the same lease or field associated with the Drilling rig.

h) Drilling 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.

i) An injection water source well permitted by the Railroad Commission of Texas for secondary or enhanced oil or gas recovery.

j) A well used for an ASR Project, except as provided under District Rule 6.12.

k) A Well exempted under Subsections (g), (h), (i), and (j) above must be permitted and comply with all District Rules if:

1) the groundwater withdrawals that were exempted under Subsection (g) are 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; or
2) the groundwater withdrawals that were exempted under Subsection (h) are no longer necessary for mining activities or are greater than the amount necessary for mining activities specified in the permit issued by the Railroad Commission of Texas under

Chapter 134, Natural Resources Code.

(3) the groundwater withdrawals that were exempted under Subsection (i) are no longer used solely to supply water for secondary or enhanced oil recovery pursuant to the terms of the permit issued by the Railroad Commission of Texas;

(4) the groundwater withdrawals that were exempted under Subsection (j) exceed the amount specified in the ASR permit issued by TCEQ.

l) An entity holding a permit issued by the Railroad Commission of Texas under Chapter 134, Natural Resources Code that authorized the Drilling of a Water Well shall report monthly to the District:

1) the total amount of water withdrawn during the month;
2) the quantity of water necessary for mining activities; and
3) the quantity of water withdrawn for other purposes.

m) A Water Well exempted under Subsections (a) through (l) above shall:

1) be registered in accordance with Rules promulgated by the District;
2) be equipped and maintained so as to conform to the District's Rules requiring installation of casing, pipe, and fittings to prevent the escape of groundwater from a groundwater reservoir to any reservoir not containing groundwater and to prevent the pollution of harmful alteration of the character of the water in any groundwater reservoir; and
3) be subject to Rule 12.5 and shall be capped or plugged if it ceases to be used or if any of the conditions identified in Rule 12.5 occur.

A registration amendment is required prior to deviation in the purpose of use, change in ownership of the Well, or any expansion in the size of the Well or pump, even if the Well retains its exempt status.

n) A Water Well exempted under Subsections (b) and (c) shall observe a minimum distance of 75 feet from the property line and 150 feet from other Wells.

o) A Water Well exempted under Subsection (d) shall comply with and is subject to the spacing requirements set forth in Section 9 of these Rules.

p) A Water Well exempted under Subsections (e) and (f) shall comply with the spacing and location requirements set forth under the Rule 9.5.

q) Registered Wells observe exemptions that were in place at the time of filing the registration.

r) A Water Well exempt under Subsections (a) – (e) will lose its exempt status and must immediately be permitted and comply with all District Rules if the Well is subsequently used for a purpose or in a manner that is not exempt.

s) A report stating whether a Water Well is exempted under Subsections (b) – (e) continues to be qualified for the same exemption and continues to comply with the District's Rules shall be filed annually with the District. The notice shall be made on a form provided by the District, and shall be filed with the District no later than January 15th of each year. Notwithstanding this notice requirement, a Well Owner or Operator must immediately comply

with Subsection (r) if the Well loses its exempt status.

t) A Water Well drilled for temporary use to supply water to a rig that is actively engaged in drilling a groundwater production well permitted by the District. An exemption may not exceed 180 days. The District may grant an extension of the exemption until the well is complete.

RULE 6.4 HISTORIC AND EXISTING PERMITS

6.4.1 The Well Owner, Well Operator, or any other Person acting on behalf of the Well Owner of any Operational Existing Well not exempt under Rule 6.3, in existence and registered under Section 5 of these Rules prior to the effective date of these Rules, is eligible to and must file an Application for conversion from grandfathered use to Historic and Existing Use no later than June 30, 2004. An Applicant filing under this section must file a permit Application on a form approved by the Board. Upon the Applicant's presentation of evidence of Beneficial Use of groundwater during the Historic and Existing Use Period, the Board, after notice and hearing as provided for in this Section, shall take action to grant or deny the Application for conversion and issue a Historic and Existing Use Permit, if warranted.

6.4.2 Applications for conversion to Historic and Existing Use will not be assessed an Application fee.

6.4.3 Permit Renewal: Upon Application by the permit holder and, unless the Board sets a hearing on the Application for permit renewal, an Historic and Existing Use Permit may be renewed by the General Manager for the following calendar year for the same amount of annual pumpage.

6.4.4 Increased use beyond the permit allotment specified in an Historic and Existing Use Permit from an existing, permitted Well requires the submission and grant of an Operating Permit Application under the procedures set forth in District Rule 8.6.

RULE 6.5 PERMITS REQUIRED TO DRILL A NEW NON-EXEMPT WELL OR TO SUBSTANTIALLY ALTER AN EXISTING WELL

6.5.1 New Non-Exempt Wells: Every Person who seeks to Drill a New Non-Exempt Well after the Effective Date of these Rules, other than an Exempt Well as defined in Rule 6.3, must obtain a Drilling Permit from the District prior to Drilling a New Non-Exempt Well. Every Person seeking to obtain a Drilling Permit for a New Non-Exempt Well from the District, shall submit an Application in accordance with Rule 6.9, and shall use an Application form approved by the Board. Each permit Application must be accompanied by an administration fee, which will be accepted and deposited by the District staff before deeming the Application administratively complete.

6.5.2 Substantially Altered Existing Wells: The Well Owner, Well Operator, or any other Person acting on behalf of the Well Owner must obtain a Drilling Permit from the District prior to perforating an Existing Well, reworking, reequipping, increasing the size of a Well pump so that the Existing Well could reasonably be expected to produce 25,000 gallons per day or

more, or otherwise Substantially Altering the Existing Well, unless the Well is an Exempt Well under District Rule 6.3.

RULE 6.6 PERMITS REQUIRED TO OPERATE A NEW WELL OR SUBSTANTIALLY ALTERED EXISTING WELL

6.6.1 Not later than 30 days after completion of a New Well, or modifying an Existing Well as described under Rule 6.5.2, the Well Owner or Well Operator must file a completed Operating Permit Application on a form approved by the Board. Each permit Application must be accompanied by an administration fee, which will be accepted and deposited by the District staff.

6.6.2 Operating Permit Requirement: The Well Owner, Well Operator, or any other Person acting on behalf of the Well Owner must first obtain an Operating Permit from the District prior to Operating a New Well, an Existing Well that has been modified as described under Rule 6.5.2, or a modified Existing Well that will result in increased use beyond the permit allotment specified in an Historic and Existing Use Permit.

6.6.3 Notwithstanding any Rule to the contrary, where both a Drilling Permit and an Operating Permit are required for the permitting of a Well that is required to include a Well Completion Report, including, but not limited to, a geo-physical log and a prescribed Aquifer pumping test under Rule 6.9.2(e)-(h), the Applicant may file a single permit Application on a form to be provided by the District for an Operating Permit that includes Drilling authorization.

6.6.4 The Board may only grant a Combined Drilling and Operating permit to an Applicant seeking to Drill and Operate a Water Well within the District for beneficial use, on a tract that is equal to or greater than 2 acres, but not more than 10 acres, the production of which does not exceed 1 Acre-foot per year.

RULE 6.7 PERMIT TERM

6.7.1 Drilling Permit Term: Unless specified otherwise by the Board or these Rules, Drilling Permits are effective for a term ending 365 calendar days after the date the permit Application is approved by the Board, which may be extended by the General Manager with good cause shown.

6.7.2 Historic and Existing Use Permit and Operating Permit Terms: Unless specified otherwise by the Board or these Rules, an Historic and Existing Use Permit and Operating Permit are effective until the end of the calendar year in which they are issued. If renewed, such permits shall thereafter be effective for one-year terms from the initial expiration date unless specified otherwise by the Board. The permit term will be shown on the permit.

RULE 6.8 RENEWAL OF HISTORIC AND EXISTING USE PERMITS AND OPERATING PERMITS

6.8.1 Permit Renewal: Renewal Applications shall be provided by the District prior to expiration of the term of a Historic and Existing Use Permit and Operating Permit, and shall be filed with

the District no later than January 15th of the new year for which the permit renewal is requested. Permits will not be renewed unless the Well has been Drilled at the time of the renewal Application. The General Manager may Rule on any renewal Application without notice, hearing, or further action by the Board, or with such notice and hearing as the General Manager deems practical and necessary under the circumstances. At the time of submitting documentation in support of annual permit renewal, a permit holder that is a public water systems shall also report system water loss, conjunctive use, total volume of exported water and the number of metered customers, if applicable.

Any Applicant may appeal the General Manager's ruling by filing, within 10 business days of notice of the General Manager's ruling, a written request for a hearing before the Board. The Board will hear the Applicant's appeal at the next available regular Board meeting. The General Manager shall inform the Board of any renewal Applications granted or denied. On the motion of any Board member, and a majority concurrence in the motion, the Board may overrule the action of the General Manager. The General Manager may authorize an Applicant for a permit renewal to continue Operating under the conditions of the prior permit, subject to any changes necessary under PA regulations, these Rules, or the District's Management Plan, for any period in which the renewal Application is the subject of a hearing.

Permitted Wells that are Drilled, completed, or equipped so that they are incapable of producing more than 25,000 gallons per day and are used for domestic purposes or for watering livestock or poultry, may be renewed by the General Manager, subject to any changes necessary under PA, these Rules, or the District's Management Plan.

6.8.2 Renewal Application Requirements: The District will timely provide a form for an Application for renewal prior to expiration of the permit term. The renewal Application will be a streamlined Application and will not include all of the elements required for an original Application.

6.8.3 The District shall, without a hearing, renew or approve an Application to renew an Operating Permit before the date on which the permit expires, provided that:

(a) the Application is submitted in a timely manner; and

(b) the permit holder is not requesting a change related to the renewal that would require a permit amendment under the District's Rules.

6.8.4 The District is not required to renew a permit under District Rule 6.8.5 if the Applicant:

(a) is delinquent in paying a fee required by the District;

(b) is subject to a pending enforcement action for a substantive violation of a District permit, order, or Rule that has not been settled by agreement with the District or a final adjudication;

(c) has not paid a civil penalty or has otherwise failed to comply with an order resulting from a final adjudication of a violation of a District permit, order, or District Rule; or

(d) has not submitted to the District an annual system water loss report, annual conjunctive use report and a report of the volume of water exported for the calendar year.

6.8.5 If the District is not required to renew a permit under District Rule 6.8.5, the permit remains in effect until the final settlement or adjudication on the matter of the substantive violation.

6.8.6 If the holder of an Operating Permit, in connection with the renewal of a permit or otherwise, requests a change that requires an amendment to the permit under District Rule 8.1, the permit as it existed before the permit amendment process remains in effect until the later of:

(a) the conclusion of the permit amendment or renewal process, as applicable; or

(b) a final settlement or adjudication on the matter of whether the change to the permit requires a permit amendment.

6.8.7 If the permit amendment process results in the denial of an amendment, the permit as it existed before the permit amendment process shall be renewed under District Rule 6.8.5 without penalty, unless subsection 6.8.6 applies to the Applicant.

6.8.8 The District may initiate an amendment to an Operating Permit, in connection with the renewal of a permit or otherwise, for the purpose of achieving a Desired Future Condition or another statutory purpose of the District. Any amendment initiated by the District shall be processed in accordance with Section 6 of the District's Rules. If the District initiates an amendment to an Operating Permit, the permit as it existed before the permit amendment process shall remain in effect until the conclusion of the permit amendment or renewal process, as applicable.

RULE 6.9 PERMIT APPLICATIONS

6.9.1 Requirements for All Permit Applications:

a) Application forms and payment of applicable fees: Each original Application for conversion to an Historic and Existing Use Permit, a Drilling Permit, Operating Permit, and permit amendment requires the filing of a separate Application, payment of the applicable fees, and issuance of notice as provided for in this Section. Application forms will be provided by the District and furnished to the Applicant upon request. All Applications for a permit shall be in writing and sworn to, and shall include the following:

1) the name and mailing address of the Applicant and the owner of the land on which the Well will be located;
2) if the Applicant is other than the owner of the property, documentation establishing the applicable authority to construct and Operate a Well for the proposed use;
3) the location of each Well, including Management Zone, Aquifer and Aquifer layer, and the estimated rate at which water will be withdrawn;
4) a statement of the purpose for which the Well is to be used;
5) the location of the Beneficial Use of the water from the Well;

6) the proposed well completion depth, well open interval, and target Aquifer and/or Aquifer layer;
7) a declaration that the Applicant will comply with the District's Rules and all groundwater use permits and plans promulgated pursuant to the District's Rules;
8) a water conservation plan or a declaration that the Applicant will comply with the District's Management Plan;
9) a drought contingency plan, if the Applicant is required to prepare a drought contingency plan by other law;
10) a Water Well closure plan or a declaration that the Applicant will comply with all District Well plugging and capping guidelines and report closure to the commission;
11) if the Application seeks to supply groundwater to a Rural Tract, a Groundwater Availability Certification as prescribed by the County of Bell Subdivision Regulations in accordance with section 232.0032 of the Texas Local Government Code or a declaration that a Groundwater Availability Certification will be presented to the District prior to Bell County's platting of the Rural Tract;
12) if groundwater is proposed to be exported out of the District, the Applicant shall describe the following issues and provide documents relevant to these issues:

    i) the availability of water in the District and in the proposed receiving area during the period for which the water supply is requested;
    ii) the projected effect of the proposed export on Aquifer conditions, depletion, subsidence, or effects on existing permit holders or other groundwater users within the District; and iii) how the proposed export is consistent with the approved regional water plan and certified district management plan.

b) Notice of filing of an Application: All permit Applicants must provide notice by publication in a newspaper of general circulation in the District, and by mailing notice by certified mail, return receipt requested, to all property owners adjacent to the property on which the Well will be located and to all Well Owners of existing registered or permitted Wells that are located within a one-half (1/2) mile radius of the Existing Well or proposed Well that is the subject of the Application. For Historic and Existing Use permits, the District will provide the newspaper notice; property owner and Well Owner notification is not required.

1) All public notices covered by this section must include the following information on a form approved by the District:
    i) name and address of the Applicant;
    ii) date the Application was filed;
    iii) location and a description of the Well that is the subject of the Application;
    iv) a brief summary of the information in the Application; and
    v) a brief statement provided by the District setting forth generally that:

A) a hearing will be set on the Application;
B) notice of the hearing will be published and posted at a future date, and such notice will include information on the location, date, and time of the hearing and the method by which a Person can contest the Application;
C) the notice described in paragraph (B) will not be mailed to the Person except as provided by Rule 6.10.2.(c) and that it will be the individual responsibility of the Person to review the District's postings and publications of notices of hearings if the Person wishes to contest the Application or otherwise participate in the hearing; and
D) any other information deemed relevant by the District .

2) The Applicant must provide the District with the following information for the District to declare that the Application is administratively complete:

i) Information contained in Rule 6.9.1(a);
ii) proof of publication of public notice;
iii) proof by certified mail receipt that notice was sent by certified mail to the property owners and Well Owners to whom notice is required under this Subsection (proof of actual receipt by the owner is not required of the Applicant); and
iv) a list of the names and addresses of the property owners notified by certified mail.

The District shall promptly consider and act on each administratively complete Application. If, after an Application is filed, the Application is not administratively complete by determination of the District's General Manager, the General Manager shall notify the Applicant by certified mail, return receipt requested, of the deficiencies in the Application and the need to complete the Application. An Application that remains administratively incomplete will expire 90 days following the date of the District General Manager's notice of deficiencies and need to complete the Application. The District's General Manager or Board may grant a reasonable extension upon expiration of this 90-day period upon the Applicant's demonstration of good cause for the extension. The General Manager may defer to the Board the determination whether an Application is administratively complete.

6.9.2 Drilling and Operating Permit Applications for Non-exempt Wells: In addition to the requirements in Rule 6.9.1, all Drilling and Operating Permit Applications for Non-exempt Wells shall include the following:

a) A location map of all existing registered or permitted Wells within a half (1/2) mile radius of the proposed Well or the Existing Well to be modified. (District Staff may assist in developing and/or provide this information and necessary radius maps);

b) A tax plat map indicating the location of the proposed Well or the Existing Well to be modified, the subject property, and adjacent owners' physical addresses and mailing

addresses (District Staff may assist in attaining and verifying tracts and associated plats);

c) Notice of any Application to the TCEQ to obtain or modify a Certificate of Convenience and Necessity to provide water or wastewater service with water obtained pursuant to the requested permit;

d) A statement of the nature and purpose of the proposed use and the amount of water to be used for each purpose with accompanying information that demonstrates the amount of water necessary for the stated beneficial purpose;

e) Operating Permit Applications meeting the following conditions shall include a Well Completion Report:
   1) Requests under an Operating Permit for an Existing Well with an annual operating permit use greater than 1 Acre-foot but less 5 Acre-feet; provided however that the Applicant may seek a waiver of all or portions of the Well Completion Report from the Board.
   2) Requests to Operate a Non-exempt Well with an annual maximum permitted use of 5 Acre-feet or more; or
   3) Requests to modify to increase production or production capacity of a Public Water Supply, Municipal, Commercial, Industrial, Agricultural or Irrigation Well if such increase is 5 Acre-feet or more per year and/or the Board determines that such report is warranted based on Aquifer conditions, type of modification, status of adjacent Wells, local water use trends, and other Aquifer management considerations.

f) Well Completion Reports required for final Operating Permit Applications under section 6.9.2(e) shall include:

   1) A lithology log based on the cuttings collected during Drilling;
   2) For a new well, chip trays containing samples of the formation cuttings collected during Drilling with depth interval for each sample clearly marked;
   3) Geophysical log with the Well name, location, depth, and Drilling fluid properties recorded on the log header;
   4) Well completion diagram identifying (as applicable) the open and cased intervals, casing and screen type and size, filter pack interval, cement interval, pump and motor (model number, pump bowls, horsepower, etc.), pump setting, column pipe type and size, pump head, and other pertinent information related to the Well construction;
   5) Pump curve for the final or proposed pump;
   6) Data and analysis from a minimum 24-hour pumping test;
   7) Water quality analysis results from a NELAP certified laboratory; and
   8) Predicted impacts of the proposed production from the Well, which may be provided by District staff or the District's consultants.

g) if applicable the proposed Shared Well Agreement;

h) if applicable, one or more Encumbrance Agreements enabling the Applicant to meet

minimum tract size owned or controlled by the Applicant, required under these Rules to:

i. attain Exempt Well status under Rule 6.3(a); or
ii. determine or increase column pipe size, property line setbacks, and location in accordance with Rule 9.5.

6.9.3 Historic and Existing Use Permit Applications: In addition to the requirements in Rule 6.9.1, all Historic and Existing Use Permit Applications shall include the following:

a) a statement of the quantity, nature, and purpose of the Beneficial Use during the year of the maximum Beneficial Use during the Historic and Existing Use Period (Maximum Historic and Existing Use);
b) a statement of the nature and purpose of the proposed use and the amount of water to be beneficially used for each purpose;
c) the location of each Well and the estimated rate at which water will be withdrawn.

RULE 6.10 PERMIT HEARINGS

6.10.1 A hearing must be conducted by:

a) a quorum of the Board;
b) an individual to whom the Board has delegated in writing the responsibility to preside as a hearings examiner over the hearing or matters related to the hearing; or
c) SOAH, as required under Rule 6.10.11.

6.10.2 Notice and Scheduling of Hearing: Once the District has received an administratively complete Application for a Water Well Drilling Permit, Operating Permit, permit for conversion to Historic and Existing Use, a major permit amendment, or a minor permit amendment for which the General Manager decides that a hearing is required, and associated fees, the General Manager will issue written notice on the Application in accordance with these Rules.

a) Notices of all hearings of the District shall be prepared by the General Manager and shall, at a minimum, state the following information:

1) the name and address of the Applicant;
2) the name or names of the owner or owners of the land if different from the Applicant;
3) the time, date, and location of the hearing;
4) the address or approximate proposed location of the Well, if different than the address of the Applicant; and
5) a brief explanation of the proposed permit or permit amendment, including any requested amount of groundwater, the purpose of the proposed use, and any change in use;
6) a general explanation of the manner by which a Person may contest the Application, including information regarding the need to appear at the hearing or submit a motion for continuance on good cause under Rule 6.10.15(d); and

7) any other information the Board or General Manager deems relevant and appropriate to include in the notice.

b) Not later than the tenth day prior to the date of the hearing, notice shall be:

1) posted by the General Manager at a place readily accessible to the public in the District Office;
2) provided by the General Manager to the County Clerk of Bell County, whereupon the County Clerk shall post the notice on a bulletin board at a place convenient to the public in the county courthouse annex;
3) provided to the Applicant by regular mail; and
4) provided to any Person who has requested notice under Subsection (c) by regular mail, facsimile, or electronic mail.

c) A Person may request notice from the district of a hearing on a permit or a permit amendment 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 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.

d) Failure to provide notice under Subsection (c) does not invalidate an action taken by the district at the hearing.

e) All hearings shall be held at the location set forth in the notice.

f) The General Manager shall set a permit hearing date within 60 calendar days after the date the administratively complete Application is submitted. The permit hearing shall be held within 35 calendar days after the setting of the date. Within this same time frame, the General Manager shall post notice and set a hearing on the Application before the District Board. The General Manager may schedule as many Applications at one hearing as the General Manager deems necessary.

6.10.4 Consolidated Hearing on Applications.

a) Except as provided by Subsection (b), the Board shall process Applications from a single Applicant under consolidated notice and hearing procedures on written request by the Applicant.

b) The Board is not required to use consolidated notice and hearing procedures to process separate permit or permit amendment Applications from a single Applicant if the Board cannot adequately evaluate one Application until it has acted on another Application.

6.10.5 Presiding Officer/Hearings Examiner at Permit Hearings

a) Designation of Presiding Officer: A hearing must be conducted by a quorum of the Board or an individual to whom the Board has delegated in writing the responsibility

to preside as Hearings Examiner over the hearing or matters related to the hearing. The Board President or the Hearings Examiner shall serve as the Presiding Officer for a permit hearing. If the hearing is conducted by a quorum of the Board and the Board President is not present, the Directors conducting the hearing may select another Director to serve as the Presiding Officer.

b) Authority of Presiding Officer: The Board President shall serve as the Presiding Officer for a permit hearing. If the Board President is not present, the directors conducting the hearing may select a director to serve as Presiding Officer. The Presiding Officer may conduct the hearing or other proceeding in the manner the Presiding Officer deems most appropriate for the particular hearing. The Presiding Officer has the authority to:

1) set hearing dates, other than the initial, preliminary hearing date for permit matters;
2) convene the hearing at the time and place specified in the notice for public hearing;
3) designate the parties regarding a contested Application;
4) Rule on motions and on the admissibility of evidence;
5) establish the order for presentation of evidence;
6) administer oaths to all Persons presenting testimony;
7) examine witnesses;
8) ensure that information and testimony are introduced as conveniently and expeditiously as possible, without prejudicing the rights of any party to the proceeding;
9) conduct public hearings in an orderly manner in accordance with these Rules;
10) recess any hearing from time to time and place to place;
11) issue an order at any time before action by the Board that refers parties to a contested case hearing to an alternative dispute resolution procedure on any matter at issue in the hearing; determines how the costs of the procedure shall be apportioned among the parties; and appoints an impartial third party in accordance with Rule 6.10.6;
12) exercise any other appropriate powers necessary or convenient to effectively carry out the responsibilities of Presiding Officer; and
13) determine how to apportion among the parties the costs related to a contract for the services of a Presiding Officer and the preparation of the official hearing record.

6.10.6 Alternative Dispute Resolution: The Presiding Officer may issue an order at any time prior to an action by the Board referring parties to a contested hearing to a Mediation procedure on any matter at issue in the hearing in accordance with this Rule. The order may include all parties to the contested hearing or only those parties in dispute over the matter being referred.

a) Policy: It is the District's policy to use Mediation, where appropriate, to resolve disputed issues. The use of Mediation prior to a hearing is intended to promote the resolution of disputes through voluntary settlement procedures to reduce the need of litigation.

b) Referral to Mediation: Mediation is a forum in which an impartial Person, the mediator, facilitates communication between parties to promote reconciliation, settlement, or understanding among them. If the Presiding Officer issues an order referring a matter to Mediation, the following shall apply:

1) The Presiding Officer shall notify the parties of his determination to refer the matter to Mediation.
2) Within ten (10) days after receiving notice of a referral to Mediation, any party to the contested matter may file with the Presiding Officer written objections to the referral. The Presiding Officer may request a response to the objections from the other parties.
3) If the Presiding Officer finds that there is a reasonable basis for the objections, the Presiding Officer shall withdraw the referral.
4) The Presiding Officer may stay the proceedings to allow sufficient time for the parties to participate in Mediation.
5) Nothing in this Rule shall be construed to limit the authority given to the Presiding Officer in other sections of these Rules.
6) The District or its employees, when not a party to a Mediation, may be available as a resource to the parties during the Mediation.

c) Appointment of Mediator: For each matter referred to Mediation, the Presiding Officer shall assign a mediator. The parties may request that the Presiding Officer appoint a particular mediator if that mediator is agreed upon by all the parties and if that mediator meets the qualifications set forth in Rule 6.10.6(e) The Presiding Officer may appoint a substitute or additional mediator, as the Presiding Officer deems necessary.

d) Costs of Mediation: In the referral order, the Presiding Officer shall set forth the apportionment of Mediation costs among the parties to the Mediation. The Presiding Officer may exclude a party from further participation in a Mediation procedure or contested case hearing for failure to pay in a timely manner costs assessed against that party as set forth in the referral order of the Presiding Officer, unless the parties have agreed that the costs assessed against such party will be paid by another party.

e) Qualifications and Conduct of Mediators:

1) A mediator appointed by the Presiding Officer or agreed upon by the parties must have received forty (40) hours of Mediation training as prescribed by the Texas Civil Practice & Remedies Code Section 154.052.
2) A mediator appointed by the Presiding Officer or agreed upon by the parties must encourage and assist the parties in reaching a settlement of their dispute but may not compel or coerce the parties to enter into a settlement agreement.
3) A mediator appointed by the Presiding Officer shall comply with the ethical guidelines for mediators adopted by the ADR Section of the State Bar of Texas.
4) A mediator appointed by the Presiding Officer shall refrain from imposing his or her own judgment on the issues for that of the parties.

5) A mediator appointed by the Presiding Officer shall have no personal interest or stake in the outcome.

f) Confidentiality of Certain Records and Communication:

1) A communication relevant to the dispute, and a record of the communication, made between an impartial third party and the parties to the dispute or between the parties to the dispute during the course of an alternative dispute resolution procedure are confidential and may not be disclosed unless all parties to the dispute consent to the disclosure.
2) The notes of an impartial third party are confidential except to the extent that the notes consist of a record of a communication with a party and all parties have consented to disclosure.
3) The mediator may not be required to testify in any proceedings relating to or arising out of the matter in dispute.
4) Unless expressly authorized by the disclosing party, the mediator must not disclose to any party information given in confidence by a party and shall at all times maintain confidentiality with respect to communications relating to the subject matter of the dispute.
5) Unless the parties agree otherwise, all matters, including the conduct and demeanor of the parties and their counsel during the settlement process, are confidential and may never be disclosed to anyone, including the Board of Directors.
6) Except as provided by Subdivisions (8), (9), and (10) of this subsection, a communication relating to the subject matter of the dispute made by a participant in a Mediation procedure is confidential, is not subject to disclosure, and may not be used as evidence against the participant in any judicial, administrative, or any proceeding before the Board of Directors.
7) Any record made at a Mediation procedure is confidential, and the participants or the third party facilitating the procedure may not be required to testify in any proceedings relating to or rising out of the matter in dispute or be subject to process requiring disclosure of confidential information or data relating to or arising out of the matter in dispute.
8) An oral communication or written material used in or made a part of a Mediation procedure is admissible or discoverable if it is admissible or discoverable independent of the procedure.
9) A final written agreement to which the District is a signatory that is reached as a result of a dispute resolution procedure conducted under this Rule is subject to or excepted from required disclosure in accordance with the Public Information Act.
10) If this section conflicts with other requirements for disclosure of communications, records, or materials, the issue of confidentiality may be presented to the Presiding Officer for the determination of whether the facts, circumstances, and context of the communications or materials sought to be disclosed warrant disclosure.

g) Stipulations: In the event that parties do not reach a full agreement during the Mediation, the parties may draft, with the assistance of the mediator, written

stipulations that may limit the issues for the hearing and may be submitted to the Presiding Officer.

h) Agreement: Agreements of the parties reached as a result of Mediation must be in writing and submitted to the Presiding Officer. Such agreements shall form the basis of the Presiding Officer's recommendation to the Board of Directors for action on the contested matter if the Presiding Officer prepares a hearing report under Rule 6.10.21 to the extent that the agreement is not contrary to the District Rules or applicable law. The Board of Directors shall take into consideration a Mediation agreement but will not be bound by the terms of any such agreement.

6.10.7 Appearance; Presentation; Time for Presentation; Ability to Supplement; Conduct and Decorum; Written Testimony

a) Appearance: Any interested Person, including the General Manager, may appear at a hearing in Person or may appear by representative provided the representative is fully authorized to speak and act for the principal. Such Person, if qualified to participate as a party with the requisite justiciable interest and timely filed request for contested case hearing pursuant to Rule 6.10.8-6.10.10 and 6.10.12-6.10.15, may present evidence, exhibits, or testimony, or make an oral presentation as determined by the Presiding Officer. A Person appearing in a representative capacity may be required to prove proper authority.

b) After the Presiding Officer calls a hearing to order, the Presiding Officer shall announce the subject matter of the hearing and the order and procedure for presentations.

c) The Presiding Officer may prescribe reasonable time limits for the presentation of evidence and oral argument.

d) If requested and allowed in the sole discretion of the Presiding Officer, any Person who appears at a hearing and makes a presentation before the Board may supplement that presentation by filing additional written evidence with the Board within 10 calendar days after the date of conclusion of the hearing. Cumulative, repetitive, and unduly burdensome evidence filed under this subsection will not be considered by the Board. A Person who files additional written material with the Presiding Officer under this subsection must also provide the material, not later than the 10th day after the date of the hearing, to any Person who provided comments on an uncontested Application or any party to a contested hearing. A Person who receives additional written material under this subsection may file a response to the material with the presiding officer not later than the 10th day after the date the material was received.

e) Every Person, party, representative, witness, and other participant in a proceeding must conform to ethical standards of conduct and must exhibit courtesy and respect for all other participants. No Person may engage in any activity during a proceeding that interferes with the orderly conduct of District business. If in the judgment of the Presiding Officer, a Person is acting in violation of this provision, the Presiding Officer will first warn the Person to refrain from engaging in such conduct. Upon further

violation by the same Person, the Presiding Officer may exclude that Person from the proceeding for such time and under such conditions as the Presiding Officer deems necessary.

f) Written testimony: The Presiding Officer may allow testimony to be submitted in writing, either in narrative or question and answer form, and may require that the written testimony be sworn to. On the motion of a party to a hearing, the Presiding Officer may exclude written testimony if the Person who submits the testimony is not available for cross-examination in Person or by phone at the hearing, by deposition before the hearing, or other reasonable means.

6.10.8 Contested Case Hearing Requests: The following may request a contested case hearing on an Application for a permit or permit amendment: (a) the General Manager; (b) the Applicant; or (c) an Affected Person.

6.10.9 Requirement for Contested Case Hearing Requests: A request by an Affected Person for a contested case hearing must substantially comply with the following:

a) give the name, address, and daytime telephone number of the Person who files the request. If the request is made by a group or association, the request must identify one Person by name, address, daytime telephone number, and, where possible, fax number, who shall be responsible for receiving all official communications and documents for the group;
b) identify the Person's personal justiciable interest affected by the Application, including a brief, but specific, written statement explaining in plain language how and why the requestor believes his personal justiciable interest related to a legal right, duty, privilege, power, or economic interest that is within the District's regulatory authority will be affected by the activity in a manner not common to members of the general public;
c) set forth the grounds on which the Person is protesting the Application;
d) request a contested case hearing;
e) be timely under Rule 6.10.12; and
f) provide any other information required by the public notice of Application.

6.10.10 Contested Case Hearing Request on More than One Application: If a Person or entity is requesting a contested case hearing on more than one Application, a separate request must be filed in connection with each Application.

6.10.11 Contested Case Hearings Conducted by SOAH:

a) Upon a request by the Applicant or other party to a contested case hearing, the District shall contract with SOAH to conduct the hearing. The Board shall determine whether the hearing will be held in Travis County or at the District Office or other regular meeting place of the Board.
b) The party that requests that the hearing be conducted by SOAH shall pay all costs associated with the contract for the hearing and shall make a deposit with the District in an amount that is sufficient to pay the estimated contract amount before the hearing begins. If the total cost for the contract exceeds the amount deposited by the paying

party at the conclusion of the hearing, the party that requested the hearing shall pay the remaining amount due to pay the final price of the contract. If there are unused funds remaining from the deposit at the conclusion of the hearing, the unused funds shall be refunded to the paying party. The District may assess other costs related to hearings conducted under this Rule as authorized under Chapter 36 or the District Rules.

c) The Presiding Officer shall make a decision as to whether a Person qualifies as a party to hearing under Rule 6.10.9 at a preliminary hearing held before the case is referred to SOAH.

d) If the District contracts with SOAH under this Rule, the hearing shall be conducted in accordance with Subchapters C, D, and F, Chapter 2001, Government Code and the procedural Rules of SOAH. The District's referral to SOAH shall be in writing and shall include a copy of the permit Application; all evidence admitted at preliminary hearings; the District's Rules and other relevant policies and precedents; the District Management Plan; the District Act; and guidance and the District's policy interpretations regarding its regulations, permitting criteria, and other relevant law to be addressed in a PFD and findings of fact and conclusions of law to be prepared by SOAH. The District or Presiding Officer may not attempt to influence the Finding of Facts or the Administrative Law Judge's Application of the law in a contested case except by proper evidence and legal argument. SOAH may certify one or more questions to the District's Board seeking the District Board's guidance on District precedent or the District Board's interpretation of its regulations or other relevant law, in which case the District's Board shall reply to SOAH in writing.

e) At the conclusion of a hearing conducted under this Rule, SOAH shall issue a PFD in accordance with Section 2001.058, Government Code. The District's Board shall conduct a hearing within 45 calendar days of receipt of SOAH's PFD and findings of fact and conclusions of law, and shall act on the Application at this hearing or no later than 60 calendar days after the date that the Board's final hearing on the Application is concluded in a manner consistent with Section 2001.058, Texas Government Code. At least 10 calendar days prior to this hearing, the Presiding Officer shall provide written notice to the parties of the time and place of the Board's hearing under this subsection by mail and fax, for each party with a fax number.

f) After considering the PFD issued by SOAH, the Board has the authority to make a final decision on the Application, or remand any issue germane to the Application or PFD, any or all findings of fact, and/or any or all conclusions of law to SOAH. The Board may (1) remand an issue germane to the Application or the PFD, a finding of fact, or a conclusion of law; (2) change a finding of fact or conclusion of law made by the Administrative Law Judge; or (3) vacate or modify an order issued by the Administrative Law Judge, only if the Board determines:

   (1) that the Administrative Law Judge did not properly apply or interpret applicable law, District Rules, written policies, or prior administrative decisions;
   (2) that a prior administrative decision on which the Administrative Law Judge relied is incorrect or should be changed; or
   (3) that a technical error in a finding of fact should be changed.

g) A final decision issued by the Board on consideration of a PFD issued by the SOAH Administrative Law Judge must be in writing and must either adopt SOAH's PFD and findings of fact and conclusions of law or include revised findings of fact and conclusions of law consistent with Rule 6.10.11(f).

h) Notwithstanding any other Rule, for hearings conducted by SOAH, the Board shall issue a final decision not later than the 180th day after the date of receipt of the final PFD from SOAH. The deadline may be extended if all parties agree to the extension.

(i) Notwithstanding any other Rule, the Board is considered to have adopted the final PFD of the Administrative Law Judge as a final order on the 181st day after the date the Administrative Law Judge issued the final PFD if the Board has not issued a final decision by:

(1) adopting the findings of fact and conclusions of law as proposed by the Administrative Law Judge; or

(2) issuing revised findings of fact and conclusions of law as set forth in this Rule and the Texas Water Code.

(j) A PFD adopted under Rule 6.10.11(i) is final, immediately appealable, and not subject to a request for rehearing.

6.10.12 Deadline for Contested Case Hearing Requests: A request to be qualified as a party in a contested case hearing and a request for a SOAH hearing are timely if they comply with Rule 6.10.9 and: (a) are submitted in writing to and received by the District prior to the date of the preliminary hearing on the Application; or (b) the Person appears before the Board at the preliminary hearing and (i) requests to be qualified as a party to a contested case hearing and (ii) if qualified as a party, requests that the hearing be conducted by SOAH.

6.10.13 Action on Contested Case Hearing Requests: The written or oral submittal of a hearing request does not, in itself, mean that a hearing will be declared to be a contested case. The Presiding Officer will evaluate the contested case hearing request at a preliminary hearing and may: (a) determine that a hearing request does not meet the requirements of Rule 6.10.9 and/or 6.10.12 and deny the request; (b) determine that the Person requesting the hearing is not an Affected Person related to the Application and deny the hearing request; or (c) determine that a hearing request meets the requirements of Rule 6.10.9 and designate the matter as a contested hearing upon determining that the Person is an Affected Person. The Presiding Officer may hold a hearing on any issue related to the determination of whether to declare a matter as a contested case. The Presiding Officer shall make a decision on party status under Rule 6.10.9 at a preliminary hearing held prior to the commencement of the evidentiary hearing on the Application. Unless the District is required to contract with SOAH under Rule 6.10.11, the District may conduct the preliminary hearing to determine party status and the procedural schedule for the hearing on the same day as the evidentiary hearing on the Application.

6.10.14 A matter is considered to be contested if a hearing request is made pursuant to Rule 6.10.9, made in a timely manner pursuant to Rule 6.10.12, and declared as such by the Presiding Officer. Any case not declared a contested case under this Rule is an uncontested case.

6.10.15 Designation of Parties.

a) Parties to a contested permit hearing will be designated as determined by the Presiding Officer at a preliminary hearing held before the commencement of the evidentiary hearing on the Application.
b) The General Manager and the Applicant are automatically designated as parties.
c) Subject to Subsection(d), in order to be admitted as a party, Persons other than the automatic parties must appear at the hearing in Person or by representation and seek to be designated as a party.
d) A Person requesting a contested case hearing that is unable to attend the first day of the proceeding must submit a continuance request to the Board, in writing, stating good cause for his inability to appear at the proceeding. The Presiding Officer may grant or deny the request, at his discretion.
e) After parties are designated, no other Person may be admitted as a party unless, in the judgment of the Presiding Officer, there exists good cause and the hearing will not be unreasonably delayed.

6.10.16 All testimony in a contested case hearing shall be subject to cross-examination.

6.10.17 Evidence; Broadening the Issues.

a) The Presiding Officer shall admit evidence if it is relevant to an issue at the hearing.
b) The Presiding Officer may exclude evidence that is irrelevant, immaterial, or unduly repetitious.
c) No Person will be allowed to appear in any hearing whose appearance, in the opinion of the Presiding Officer, is for the sole purpose of unduly broadening the issues to be considered in the hearing.

6.10.18 Public Comment. Documents that are filed with the Board that comment on an Application but that do not request a hearing will be treated as public comment. The Presiding Officer may allow any Person, including the General Manager or a district employee, to provide comments at a hearing on an uncontested Application.

6.10.19 Continuance: Except as required by the Open Meetings Law, the Presiding Officer may continue hearings or other proceedings from time to time and from place to place without the necessity of publishing, mailing, or otherwise issuing a new notice under Rule 6.10.2. If a hearing or other proceeding is continued and a time and place for the hearing or other proceeding to reconvene are not publicly announced at the hearing or other proceeding by the Presiding Officer before it is recessed, the Presiding Officer shall provide a notice of any further setting of the hearing or other proceeding, which shall include the date, hour, place and subject of the meeting, by regular mail at a reasonable time to the parties, Persons who submitted a request for notice under Rule 6.10.2.(c), and any other Person the Presiding Officer deems appropriate. A continuance may not exceed the time limits set forth by Rule 6.10.11 for a final decision on a final PFD issued by SOAH.

6.10.20 Recording.

a) Contested Hearings: A record of the hearing in the form of an audio or video recording or a court reporter transcription shall be prepared and kept by the Presiding Officer in a contested hearing. The Presiding Officer shall have the hearing transcribed by a court reporter upon a request by a party to a contested hearing. The Presiding Officer may assess court reporter transcription costs against the party requesting the transcription or among the parties to the hearing. The Presiding Officer may exclude a party from further participation in a hearing for failure to pay in a timely manner costs assessed against that party under this Rule, unless the parties have agreed that the costs assessed against such party will be paid by another party.

b) Uncontested Hearings: In an uncontested hearing, the Presiding Officer may use the means available in subsection (a) to record a proceeding or substitute meeting minutes or the report required under Rule 6.10.21 for a method of recording the hearing.

6.10.21 Ex Parte Communication. Neither the Presiding Officer nor a Board member may communicate, directly or indirectly, in connection with any issue of fact or law in a contested case with any agency, Person, party, or representative, except with notice and an opportunity for all parties to participate. This provision does not prevent the Presiding Officer or a Board member from communicating with the District's staff or attorney's or other consultants retained by the District.

6.10.22 Proposal for Decision ("PFD"): The Presiding Officer shall determine whether to submit a PFD to the Board under this Rule. If the Presiding Officer determines to submit a hearing PFD, it must: (1) be submitted within 30 calendar days after the date the hearing is finally concluded; and (2) include a summary of the subject matter of the hearing, a summary of the evidence or public comments received, and the Presiding Officer's recommendations for Board action on the subject matter of the hearing. A copy of the PFD shall be provided by the Presiding Officer or General Manager to the Applicant, and each designated party. They Applicant and any designated party may submit to the Board written exceptions to the PFD. The Presiding Officer may direct the General Manager or another District representative to prepare the PFD and recommendations under this Rule. The Board shall consider the PFD at a final hearing. Additional evidence may not be presented during this final hearing, however, the parties may present oral argument to summarize the evidence, present legal argument, or argue an exception to the PFD. A final hearing may be continued in accordance with Rule 6.10.19 and Section 36.409, Texas Water Code.

6.10.23 Withdrawal of Protest, Negotiated Settlements: If, during a contested case hearing, all parties contesting the Application withdraw their protests or the parties reach a negotiated or agreed settlement which, in the judgment of the Presiding Officer, settles the facts or issues in controversy, the proceeding will be considered an uncontested case.

6.10.24 Board Action: Within 60 calendar days after the final hearing date is concluded, the Board must take action on the subject matter of the hearing. For hearings conducted by SOAH, the Board shall make the final decision on the Application within the timeframe established in Rule 6.10.11. In deciding whether or not to issue a Drilling Permit, Operating Permit,

Historic and Existing Use permit, or a permit amendment, and in setting the permitted volume and other terms of a permit, the Board must consider whether:

a) the Application contains accurate information;
b) the Water Well(s) complies with spacing and production limitations identified in these Rules;
c) the proposed use of water does or does not unreasonably affect existing groundwater and surface water resources or existing permit holders;
d) the proposed use of water is dedicated to a Beneficial Use;
e) the proposed use of water is consistent with the District's water management plan;
f) the Applicant agrees to avoid Waste and achieve water conservation;
g) the Applicant has agreed that reasonable diligence will be used to protect groundwater quality and that the Applicant will follow Well plugging guidelines at the time of Well closure; and
h) for those hearings conducted by SOAH, the Board shall consider the PFD issued by SOAH.

6.10.25 The District, to the extent possible, shall issue permits up to the point the total volume of exempt and permitted groundwater production will achieve an applicable Desired Future Condition. In issuing permits, the District shall manage total groundwater production on a long-term basis to achieve an applicable Desired Future Condition and shall consider:

a) the Modeled Available Groundwater calculations determined by the Executive Administrator of the TWDB;
b) the Executive Administrator of the TWDB's estimate of the current and projected amount of groundwater produced under the exemptions in District Rule 6.3;
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.

6.10.26 Request for Rehearing and Appeal:

a) An Applicant in a contested or uncontested hearing on an Application or a party to a contested hearing may administratively appeal a decision of the Board on a permit or permit amendment Application by requesting written findings and conclusions or a rehearing before the Board not later than the 20th calendar day after the date of the Board's decision. Alternatively, an Applicant in an uncontested hearing may request a contested case hearing if the District's decision includes a special condition that was not part of the Application as finally submitted or grants a maximum amount of groundwater production that is less than the amount requested in the Application. The District's decision reached after conducting a contested case hearing under the alternative procedure provided under this Rule may be appealed by requesting written findings and conclusions or a rehearing before the Board not later than the 20th calendar day after the date of the Board's decision.
b) On receipt of a timely written request, the Board shall make written findings and

conclusions regarding a decision of the board on a permit or permit amendment Application. The Board shall provide certified copies of the findings and conclusions to the party who requested them, and to each designated party, not later than the 35th calendar day after the date the Board receives the request. A party to the contested case hearing may request a rehearing before the Board not later than the 20th calendar day after the date the Board issues the findings and conclusions.

c) A request for rehearing must be filed in the District Office and must state the grounds for the request. If the original hearing was a contested hearing, the Person requesting a rehearing must provide copies of the request to all parties to the hearing.

d) If the hearing on the Application was uncontested and the decision of the Board on the Application is materially inconsistent with the relief sought in the Application, the Applicant shall be afforded an opportunity to submit a request for a contested case in conjunction with the request for rehearing. If the request for rehearing is timely filed, the accompanying request for a contested case hearing shall be deemed timely filed for all purposes under these Rules.

e) If the Board grants a request for rehearing, the Board shall schedule the rehearing not later than the 45th calendar day after the date the request is granted.

f) The Board shall consolidate requests for rehearing filed by multiple parties to the contested case hearing, but only one rehearing may be considered per matter.

g) The failure of the Board to grant or deny a request for rehearing before the 91st calendar day after the date the request is submitted is a denial of the request.

h) A decision by the board on a permit or permit amendment Application is final:
   1) if a request for rehearing is not filed on time, on the expiration of the period for filing a request for rehearing; or
   2) if a request for rehearing is filed on time, on the date:
      A) the board denies the request for rehearing; or
      B) the board renders a written decision after rehearing.

6.10.27 Export of Groundwater out of District: If the place of use of the groundwater is outside the district's boundaries, the Applicant must request approval for export of groundwater outside district boundaries. Upon a request for groundwater export, the Board shall consider the following factors, in addition to the factors set forth in this Section :

a) the availability of water in the district and in the proposed receiving area during the period for which the water supply is requested;

b) the projected effect of the proposed export on Aquifer conditions, depletion, subsidence, or effects on existing permit holders or other groundwater users within the district; and

c) the approved regional water plan and certified district management plan.

The district may periodically review the amount of water that may be exported under the permit and may limit the amount.

RULE 6.11 EMERGENCY ORDER AUTHORIZING TEMPORARY NON-EXEMPT PRODUCTION FOR DEMONSTRATION OF NEED

(a) A Person can request in writing that the District issue an emergency order authorizing the production of groundwater for a non-exempt use without a permit for a temporary

period of time during which the Person can submit an Operating Permit Application and the District can process and take action on the Operating Permit Application. This request must be in writing and include sufficient factual detail of the emergency situation; the quantity of groundwater needed (in gallons or Acre-feet); the proposed source of the groundwater (identify the Aquifer); the location of the Well from which the groundwater will be produced; the period of time proposed for the requested emergency authorization. This request must be submitted to the District's office by any means that ensures receipt by the District.

(b) Upon receipt and consideration of the written request for an emergency order under this Rule, the District's Board President or General Manager may issue an emergency order partially or fully granting the request. An order issued under this Rule will provide a time limit during which it is effective, which may not exceed 75 calendar days.

(c) Upon issuance of an order under this Rule, the requestor is not required to hold a permit but must use its best efforts to prepare and submit an Operating Permit Application. The beneficiary of the emergency order authorization must submit an Operating Permit Application to the District within 20 calendar days of issuance of the emergency order.

(d) If neither the District's Board President nor General Manager issues an order under this Rule after reviewing the request, the requestor's remedy is to submit an Operating Permit Application.

(e) If an emergency order is issued, the District's Board must be notified of the circumstances and relief granted at the District's next Board meeting.

RULE 6.12 AQUIFER STORAGE

6.12.1 Applicability of District's Rules to ASR Projects

(a) As a general matter, TCEQ has exclusive jurisdiction over the regulation and permitting of ASR Injection Wells. However, the District has concurrent jurisdiction over an ASR Injection Well that also functions as an ASR Recovery Well. The District is entitled to notice of and may seek to participate in an ASR permitting matter pending at TCEQ and, if the District qualifies as a party, in a contested hearing on an ASR Application.

(b) The provisions of District Rule 6.12.1 apply to an ASR Recovery Well that also functions as an ASR Injection Well.

(c) A Project Operator shall:

(1) register an ASR Injection Well and ASR Recovery Well associated with the ASR Project if a well is located in the District;

(2) submit to the District the monthly report required to be provided to TCEQ under Section 27.155, Texas Water Code, at the same time the report is submitted to TCEQ; and

(3) submit to the District the annual report required to be provided to TCEQ under Section 27.156, Texas Water Code, at the same time the report is submitted to TCEQ.

(d) If an ASR Project recovers an amount of groundwater that exceeds the volume authorized by TCEQ to be recovered under the project, the Project Operator shall report to the District the volume of groundwater recovered that exceeds the volume authorized to be recovered in addition to providing the report required by District Rule 6.12.1(c)(2).

(e) Except as provided by District Rule 6.12.1(f), the District may not require a permit for the Drilling, equipping, Operation, or completion of an ASR Injection Well or an ASR Recovery Well that is authorized by TCEQ.

(f) Each ASR Recovery Well that is associated with an ASR Project is subject to the permitting, spacing, and production requirements of the District if the amount of groundwater recovered from the Wells will exceed the volume authorized by TCEQ to be recovered under the project. The requirements of the District apply only to the portion of the volume of groundwater recovered from the ASR Recovery Well that exceeds the volume authorized by TCEQ to be recovered.

(g) A Project Operator may not recover groundwater from an ASR Project in an amount that exceeds the volume authorized by TCEQ to be recovered under the project unless the Project Operator complies with the applicable requirements of the District as described by this Rule.

(h) The District may not assess a production fee or export fee or surcharge for groundwater recovered from an ASR Recovery Well, except to the extent that the amount of groundwater recovered under the ASR Project exceeds the volume authorized by TCEQ to be recovered.

(i) The District may consider hydrogeologic conditions related to the injection and recovery of groundwater as part of an ASR Project in the planning for and monitoring of the achievement of a Desired Future Condition for the Aquifer in which the Wells associated with the project are located.

SECTION 7. MANAGEMENT ZONES

RULE 7.1 DESIGNATION OF MANAGEMENT ZONES

7.1.1 As set forth in the following subsection and in Figures 1 and 2 below, five Management Zones are established within the boundaries of the District in accordance with section 36.116(d) of the Texas Water Code, to provide for better management of the groundwater resources located within the District, and to address the unique hydrogeologic conditions of each Management Zone. Four distinct Management Zones overlie the Trinity Aquifer, and its three layers, known as the Upper (Glen Rose), the Middle (Hensell) and the Lower (Hosston). The fifth Management Zone includes and is limited to the defined outcrop and downdip of the Edwards BFZ Aquifer within the District. The hydrogeologic conditions and geologic conditions of each Management Zone differs substantially from the others.

7.1.2 The following five Management Zones are established within the boundaries of the District in accordance with section 36.116(d) of the Texas Water Code, and are further defined in the District Management Zone Map (see Figures 1 and 2):

(a) Southwest (SW) Management Zone

Starting at the intersection of the Bell County Line and the pavement centerline of Farm-to-Market 2843, and following the Bell County Line northwest, then north, then northeast to the intersection with the pavement centerline of Farm-to-Market 116 (Ivy Gap Road);

then following the pavement centerline of Farm-to-Market 116 (Ivy Gap Road) southeast to its intersection with the pavement centerline of Oakalla Road;

then in a straight line to the corner of the Fort Hood boundary nearest the intersection of Farm-to-Market 116 (Ivy Gap Road) and Oakalla Rd;

then following the Fort Hood boundary generally southeast to its intersection with the pavement centerline of the southbound lanes of State Highway 195;

then in a straight line to the intersection of the pavement centerlines of the northbound lanes of State Highway 195 and Chaparral Road;

then following the pavement centerline of Chaparral Road northeast to its intersection with the pavement centerline of Farm-to-Market 3481 (Stillhouse Lake Road);

then following the pavement centerline of Farm-to-Market 3481 (Stillhouse Lake Road) northeast to its intersection with the pavement centerline of Cedar Knob Road;

then following the pavement centerline of Cedar Knob Road northeast to its intersection with the pavement centerline of Farm-to-Market 2410 (Knights Way);

then following the pavement centerline of Farm-to-Market 2410 (Knights Way) east to its intersection with the pavement centerline of Comanche Gap Road;

then following the pavement centerline of Comanche Gap Road generally southeast to the entrance to Dana Peak Park;

then following the pavement centerline of Dana Peak Park's interior roadways by the shortest path directly to the end of the park's boat ramp (defined as the point where the ramp's pavement centerline intersects the 622.00' Conservation Pool elevation for Stillhouse Hollow Lake);

then directly in a straight line southwest to the end of the boat ramp in River's Bend Park (defined as the point where the ramp's pavement centerline intersects the 622.00' Conservation Pool elevation for Stillhouse Hollow Lake);

then following the pavement centerline of River's Bend Park's interior roadways by the shortest path directly to its intersection with the pavement centerline of Farm-to-Market Road 2484;

then following the pavement centerline of Farm-to-Market Road 2484 generally southeast to its intersection with the pavement centerline of Crows Ranch Road;

then following the pavement centerline of Crows Ranch Road southwest to its intersection with the pavement centerline of Cedar Valley Road;

then following the pavement centerline of Cedar Valley Road south to its intersection with the pavement centerline of Farm-to-Market Road 2843;

then following the pavement centerline of Farm-to-Market Road 2843 generally southwest to its intersection with the Bell County Line (the starting point).

The eastern boundary of the Southwest Management Zone is coincident with the western boundary of the Stillhouse Hollow Management Zone. The northern boundary of the Southwest Management Zone is coincident with the southern boundary of the Belton Lake Management Zone. The southern and western boundary of the Southwest Management Zone is coincident with the Bell County Line.

(b) Stillhouse Hollow (SH) Management Zone

Starting at the intersection of the Bell County Line with the pavement centerline of Farm-to-Market 2843, and following the Bell County Line generally east to its intersection with the pavement centerline of the northbound lanes of Interstate 35;

then following the pavement centerline of the northbound lanes of Interstate 35 north to its intersection with the pavement centerline for the northbound Interstate 35 exit for Interstate 14 westbound (exit #293B);

then following the pavement centerline, projected vertically down to the ground surface below it, for that exit bridge to its first intersection with the pavement centerline of the westbound lanes of Interstate 14 (on the bridge);

then following the pavement centerline for those westbound lanes of Interstate 14 west to its intersection with the pavement centerline for the westbound Interstate 14 exit for Simmons Road (exit #296);

then following the pavement centerline for that exit west to its intersection with the pavement centerline of the westbound frontage road of Interstate 14;

then following the pavement centerline of the westbound frontage road of Interstate 14 west to its intersection with the pavement centerline for Simmons Road;

then following the pavement centerline of Simmons Road south to its intersection with the pavement centerline of Farm-to-Market 2410;

then following the pavement centerline of Farm-to-Market 2410 generally west to its intersection with the pavement centerline of Comanche Gap Road;

then following the pavement centerline of Comanche Gap Road generally southeast to the entrance to Dana Peak Park;

then following the pavement centerline of Dana Peak Park's interior roadways by the shortest path directly to the end of the park's boat ramp (defined as the point where the ramp's pavement centerline intersects the 622.00' Conservation Pool elevation for Stillhouse Hollow Lake) ;

then directly in a straight line southwest to the end of the boat ramp in River's Bend Park (defined as the point where the ramp's pavement centerline intersects the 622.00' Conservation Pool elevation for Stillhouse Hollow Lake) ;

then following the pavement centerline of River's Bend Park's interior roadways by the shortest path directly to its intersection with the pavement centerline of Farm-to-Market Road 2484;

then following the pavement centerline of Farm-to-Market Road 2484 generally southeast to its intersection with the pavement centerline of Crows Ranch Road;

then following the pavement centerline of Crows Ranch Road southwest to its intersection with the pavement centerline of Cedar Valley Road;

then following the pavement centerline of Cedar Valley Road south to its intersection with the pavement centerline of Farm-to-Market Road 2843;

then following the pavement centerline of Farm-to-Market Road 2843 generally southwest to its intersection with the Bell County Line (the starting point).

The western boundary of the Stillhouse Hollow Management Zone is coincident with the eastern boundary of the Southwest Management Zone. The northern boundary of the Stillhouse Hollow Management Zone is coincident with the southern boundary of the Belton Lake Management Zone. The eastern boundary of the Stillhouse Hollow Management Zone is coincident with the western boundary of the Eastern IH35 Management Zone.

(c) Belton Lake (BL) Management Zone

Starting at the intersection of the pavement centerline, projected vertically down to the ground surface below it, for the exit bridge (Exit 293B) for westbound Interstate 14 from the northbound lanes of Interstate 35 with the pavement centerline of the northbound lanes of Interstate 35;

then following the pavement centerline of the northbound lanes of Interstate 35 north to the intersection with the Bell County Line;

then following the Bell County Line generally southwest, to its intersection with the pavement centerline of Farm-to-Market 116 (Ivy Gap Road);

then following the pavement centerline of Farm-to-Market 116 (Ivy Gap Road) southeast to its intersection with the pavement centerline of Oakalla Road;

then in a straight line to the corner of the Fort Hood boundary nearest the intersection of Farm-to-Market 116 (Ivy Gap Road) and Oakalla Rd;

then following the Fort Hood boundary generally southeast to its intersection with the pavement centerline of the southbound lanes of State Highway 195;

then in a straight line to the intersection of the pavement centerlines of the northbound lanes of State Highway 195 and Chaparral Road;

then following the pavement centerline of Chaparral Road northeast to its intersection with the pavement centerline of Farm-to-Market 3481 (Stillhouse Lake Road);

then following the pavement centerline of Farm-to-Market 3481 (Stillhouse Lake Road) northeast to its intersection with the pavement centerline of Cedar Knob Road;

then following the pavement centerline of Cedar Knob Road northeast to its intersection with the pavement centerline of Farm-to-Market 2410 (Knights Way);

then following the pavement centerline of Farm-to-Market 2410 (Knights Way) east to its intersection with the pavement centerline of Simmons Rd;

then following the pavement centerline of Simmons Rd north to its intersection with the pavement centerline of the westbound frontage road for Interstate 14;

then following the pavement centerline of the westbound frontage road for Interstate 14 east to its intersection with the pavement centerline of the Simmons Road exit ramp (Exit 296) from the westbound lanes of Interstate 14;

then following the pavement centerline of the Simmons Road exit ramp (Exit 296) from the westbound lanes of Interstate 14 east to its intersection with the westbound lanes of Interstate 14;

then following the pavement centerline of the westbound lanes of Interstate 14 east to its intersection with the pavement centerline, projected vertically down to the ground surface below it, for the exit bridge (Exit 293B) for westbound Interstate 14 from the northbound lanes of Interstate 35;

then following the pavement centerline, projected vertically down to the ground surface below it, for the exit bridge (Exit 293B) for westbound Interstate 14 from the northbound lanes of Interstate 35 southeast to its intersection with the pavement centerline for the northbound lanes of Interstate 35 (the starting point).

The eastern boundary of the Belton Lake Management Zone is coincident with the western boundary of the Eastern IH35 Management Zone. The southern boundary of the Belton Lake Management Zone is coincident with the northern boundaries of the Stillhouse Hollow Management Zone and Southwest Management Zone. The northern boundary of the Belton Lake Management Zone is coincident with the Bell County Line.

(d) Eastern IH35 (E) Management Zone

Starting at the intersection of the pavement centerline of the northbound lanes of Interstate 35 and the southern Bell County Line;

then following the pavement centerline of the northbound lanes of Interstate 35 north to its first intersection (where the exit begins) with the pavement centerline for the northbound Interstate 35 exit for Interstate 14 westbound (exit #293B);

then following the pavement centerline, projected vertically down to ground surface below it, for that exit bridge to its second intersection (on the bridge) with the pavement centerline of the northbound lanes of Interstate 35;

then following the pavement centerline for the northbound lanes of Interstate 35 north to its intersection with the northern Bell County Line;

then following the Bell County Line southeast, then southwest, then northwest to its intersection with the pavement centerline of the northbound lanes of Interstate 35 (the starting point).

The western boundary of the Eastern IH35 Management Zone is coincident with the eastern boundaries of the Belton Lake Management Zone and the Stillhouse Hollow Management Zone. The northern, eastern, and southern boundaries of the Eastern IH35 Management Zone are coincident with the Bell County Line.

(f) Edwards BFZ (E-BFZ) Management Zone

Boundary is coincident with the Texas Water Development Board delineation of the Edwards

(Balcones Fault Zone) Aquifer in Bell County (see Figure 2 below).

7.1.3 Rules 7.2, 7.3, 7.4, and 9.5, are predicated on the Management Zones defined by this section, which are designated by geospatial data along physical boundaries in order to facilitate effective management of the groundwater resources within the District. In accordance with these Rules, Management Zones may determine requirements associated with Well spacing, tract size thresholds, column pipe size, permitting, PA reductions and assessing groundwater availability within each respective Management Zone.

Figures 1 and 2 below are the District Management Zone Maps, which illustrate the geospatial boundaries of each Management Zone as described under Rule 7.1.2:

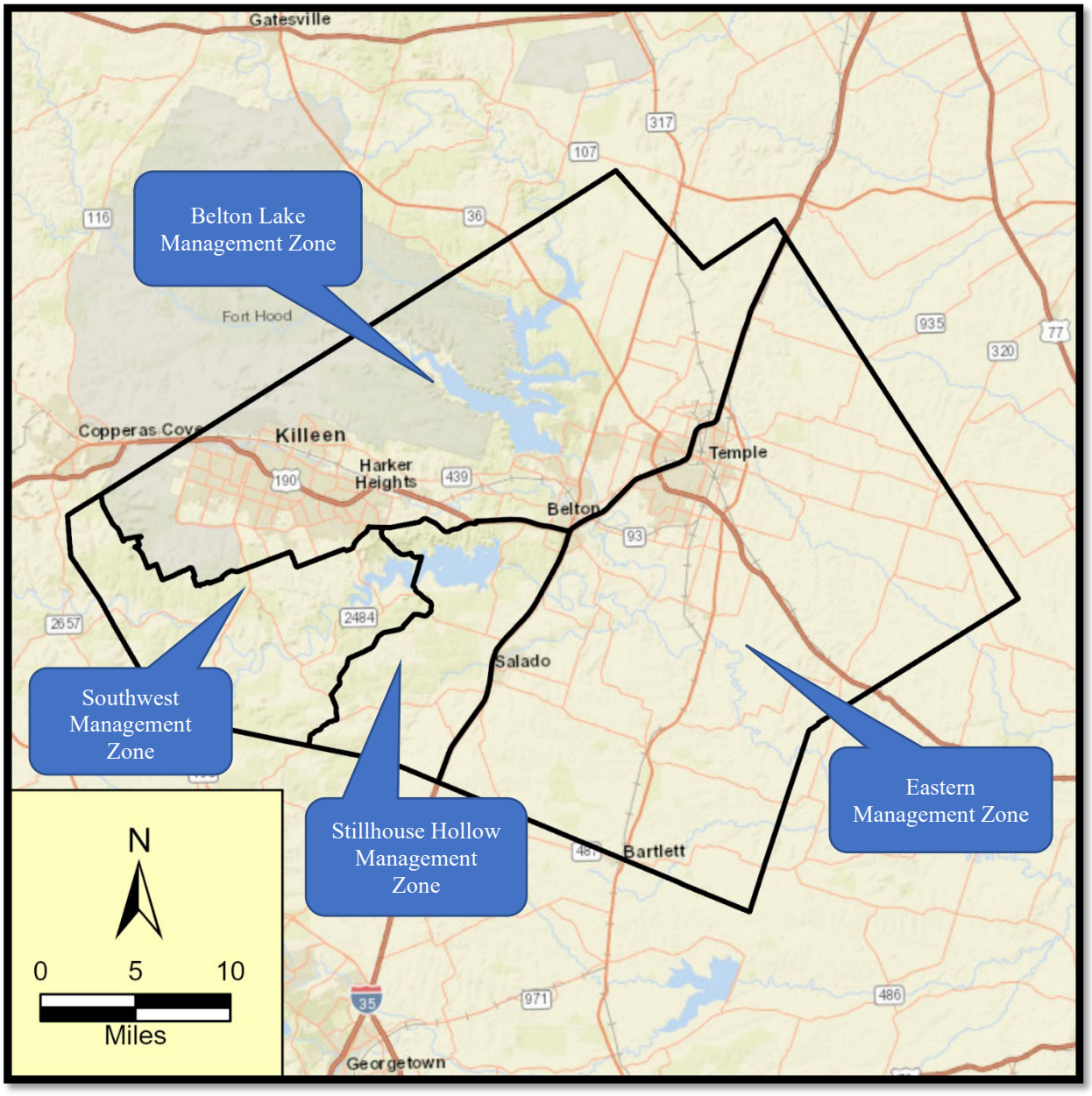


Figure 1: **Clearwater Underground Water Conservation District Management Zone Map for: Southwest Management Zone; Stillhouse Hollow Management Zone; Belton Lake Management Zone; and Eastern Management Zone.**

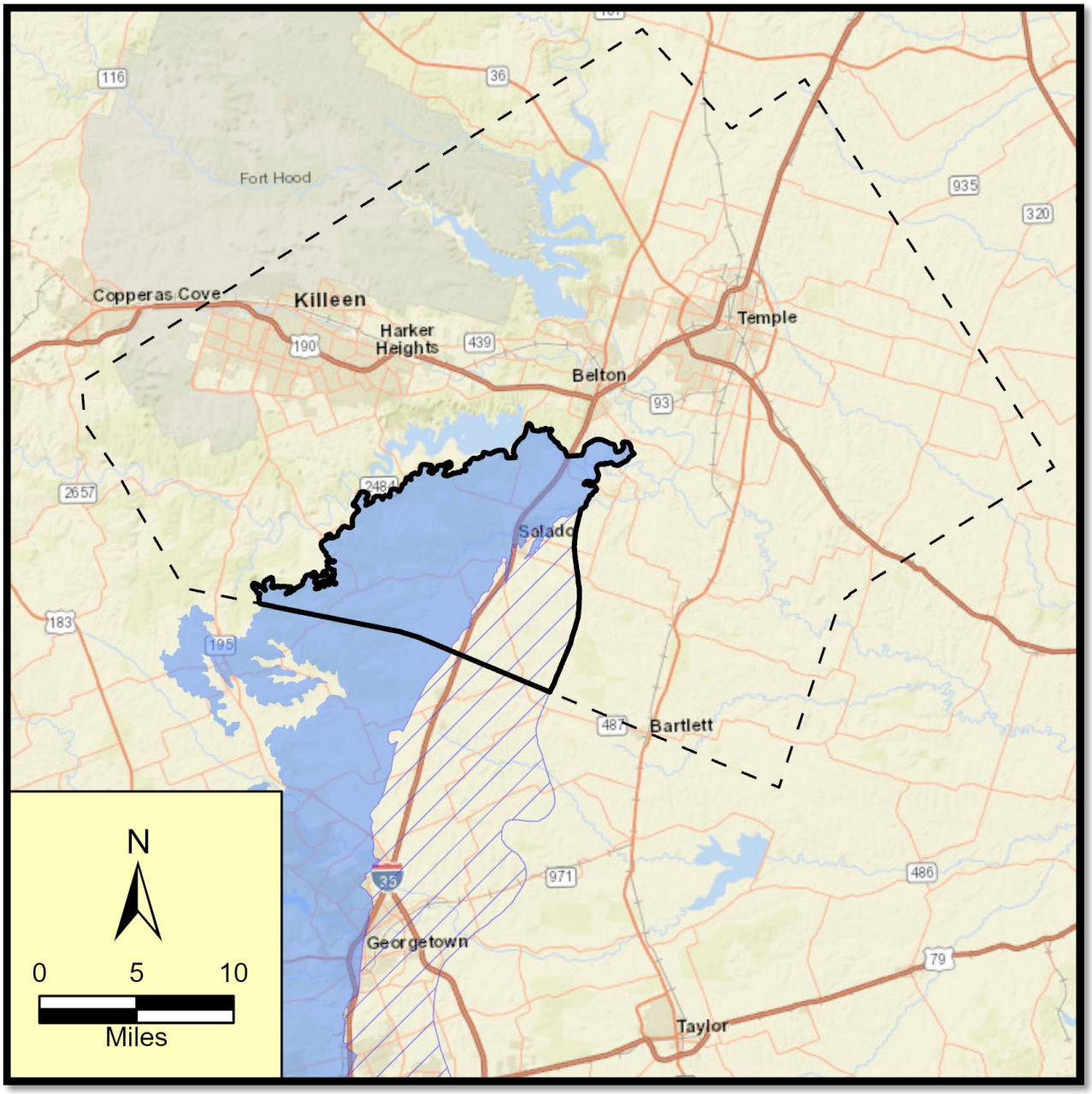


Figure 2: **Clearwater Underground Water Conservation District Management Zone Map for Edwards BFZ Management Zone**

RULE 7.2 ADJUSTMENT OF WITHDRAWAL AMOUNT BASED ON AVAILABILITY OF GROUNDWATER IN MANAGEMENT ZONE

7.2.1 Every five years after the initial designation of Management Zone, the District shall use the Best Available Scientific information, including but not limited to the TWDB's Groundwater Availability Model for the area and information regarding the saturation rate of Aquifers within the District, to determine the annual amount of groundwater available for withdrawal from each Aquifer in each Management Zone, based upon the District Management Plan, the amount of water discharged through springs, the loss of stored water in each Aquifer, and the amount of actual annual production from permittees, registrants, and exempt users from each Aquifer in each management area. The District may establish a series of index or Monitoring Wells to aid in this determination.

7.2.2 As determined by the District, if the total amount of production from an Aquifer within a Management Zone is less than or equal to the amount of groundwater available for withdrawal from that same Aquifer within the Management Zone under Subsection (a), production amounts authorized under Historic and Existing Use and Operating Permits for that Aquifer may remain the same or be increased on an Aquifer-by-Aquifer basis in the Management Zone in a manner that will not impair and is consistent with the achievement of the Desired Future Condition(s), as specifically set forth under Rule 7.4.

7.2.3 As determined by the District, if the total amount of production from an Aquifer within a Management Zone is greater than the amount of groundwater available for withdrawal from that same Aquifer within the Management Zone under Subsection (a), production amounts for that Aquifer may be decreased proportionally among all permittees authorized to withdraw from that Aquifer in the Management Zone if necessary to avoid impairment of and to achieve the Desired Future Condition(s), with any necessary reductions being applied first to Operating Permits and, subsequently, if production is still greater than availability, to Historic and Existing Use Permits, as specifically set forth under Rule 7.4.

RULE 7.3 WHEN NEW OPERATING PERMITS MAY BE ISSUED

In a Management Zone where the Board has already established PA regulations for an Aquifer or Aquifers under Rule 7.4, new Operating Permits may be issued by the District for production from a particular Aquifer or Aquifers in the Management Zone only if the Management Zone contains groundwater available for permitting from the applicable Aquifer after the District has made any and all PAs to existing permits authorizing withdrawal from that Aquifer in a manner that will not impair and is consistent with the achievement of the Desired Future Condition(s), as specifically set forth under Rule 7.4, or if the District otherwise allocates production based upon surface acreage owned or controlled with respect to the right to produce groundwater.

RULE 7.4 PROPORTIONAL ADJUSTMENT (PA)

7.4.1 The Board may, after appropriate rulemaking notice and hearing, establish PA reductions within a particular Aquifer or Aquifer Management Zone if the Board determines PA

reductions are required to avoid impairment of the Desired Future Conditions. In establishing PA reductions, the Board shall consider the Best Available Science, including the availability of groundwater, benchmarks of sustainable groundwater use over time, and/or degradation of water quality that could result from declining water levels. Upon adoption of a Desired Future Condition and setting of Modeled Available Groundwater for an Aquifer within the District, the District shall ensure that the groundwater available for production within a Management Zone or among Management Zones designated for that Aquifer does not impair the Desired Future Condition and is consistent with the Modeled Available Groundwater for that Aquifer within the District. Restrictions within a certain Aquifer or Aquifer Management Zone shall be uniformly applied within that Aquifer or Aquifer Management Zone.

7.4.2 When establishing PA restrictions, the Board shall first set aside an amount of groundwater equal to an estimate of total exempt use for each Aquifer. If the PA restrictions are to be imposed for a particular Aquifer Management Zone within an Aquifer, the Board shall first set aside an amount of groundwater equal to an estimate of total exempt use for each Aquifer Management Zone.

7.4.3 After setting aside an amount of groundwater for exempt use for each Aquifer or Aquifer Management Zone, the Board shall allocate the remaining groundwater availability to Historic and Existing Use Permits according to the permitted or claimed Maximum Historic and Existing Use in each Aquifer or Aquifer Management Zone. The allocation shall specify from which Aquifer or Aquifer Management Zone the permittee is authorized to withdraw. If there is insufficient groundwater availability to satisfy all Historic and Existing Use Permits for one or more Aquifers or Aquifer Management Zones, the Board shall allocate the groundwater availability among the Historic and Existing Use Permits according to each impacted Aquifer or Aquifer Management Zone, by reducing the amount authorized under each on an equal percentage basis until total authorized production equals groundwater availability district-wide, Aquifer-wide, or within the particular Aquifer Management Zone at issue, as applicable. No groundwater shall be authorized for production under Operating Permits if there is insufficient water availability to satisfy all Historic and Existing Use Permits and exempt use for a particular Aquifer or Aquifer Management Zone, subject to Subsection 7.4.6 of this Rule.

7.4.4 If there is sufficient groundwater to satisfy all Historic and Existing Use Permits and exempt use for a particular Aquifer or Aquifer Management Zone, the Board shall then allocate remaining water availability among existing Operating Permits on an Aquifer-by-Aquifer or Aquifer Management Zone-by-Aquifer Management Zone basis, based on their previously permitted amounts. If there is insufficient groundwater available to satisfy all existing Operating Permits, the Board may allocate the remaining water available among the Operating Permits on an Aquifer-by-Aquifer or Aquifer Management Zone-by-Aquifer Management Zone basis, by reducing the amount previously authorized under each on an equal percentage basis until total authorized production equals groundwater availability district-wide, Aquifer-wide, or within the particular Aquifer Management Zone at issue, as applicable. No groundwater may be authorized for production under new Operating Permits for a particular Aquifer or Aquifer Management Zone if there is insufficient groundwater availability to satisfy all existing Operating Permits for a particular Aquifer or Aquifer Management Zone, subject to Subsection 7.4.6 of this Rule.

7.4.5 If there is sufficient groundwater to satisfy exempt use, all Historic and Existing Use Permits,

and existing Operating Permits authorizing withdrawal from a particular Aquifer, the Board may then allocate remaining groundwater availability to Applications for new or amended Operating Permits, on an Aquifer-by-Aquifer or Aquifer Management Zone-by-Aquifer Management Zone basis, subject to Subsection 7.4.6 of this Rule.

7.4.6 When establishing PA restrictions that contemplate the reduction of authorized production or a prohibition on authorization for new or increased production from one or more Aquifers or Aquifer Management Zones, the Board may also choose to proportionately reduce any existing Operating Permits on an Aquifer-by-Aquifer, Aquifer Management Zone-by-Aquifer Management Zone, or pro rata basis in order to make groundwater available for new Operating Permit Applications in order to allocate to each surface acre overlying an Aquifer or Aquifer Management Zone, a designated amount of water. In doing so, the Board may elect to allocate more water to surface acreage recognized under existing Operating Permits than to surface acreage associated with Applications for new Operating Permits. Notwithstanding any Rule to the contrary, the Board may also limit the production under any Operating Permit for a Well located in a particular Aquifer or Aquifer Management Zone to an Acre-foot per surface acre allocation based upon only surface acreage that overlies the same Aquifer and Aquifer Management Zone, regardless of whether all such surface acreage is contiguous to the Well site, and based upon the determination of availability within the particular Aquifer or Aquifer Management Zone under this Rule.

SECTION 8. REWORKING AND REPLACING A WELL
RULE 8.1 REWORKING AND REPLACING AN EXISTING WELL

8.1.1 An Existing Well may be reworked or re-equipped in a manner that will not change the Existing Well status, as long as it will continue to withdraw only from the same Aquifer from which it initially withdrew.

8.1.2 A permit must be applied for and granted by the Board if a party wishes to replace an Existing Well with a Replacement Well.

8.1.3 A Replacement Well, in order to be considered such, must be Drilled within (150 feet) of the Existing Well and shall only be capable of accessing the same Aquifer from which the original Well withdrew and the original Well must be plugged in accordance with TDLR and District Standards for plugging.

8.1.4 In the event the Application meets spacing and production requirements, the General Manager may grant such Application without further notice or hearing. The General Manager's decision may be appealed by filing a written request for a hearing before the Board. The Board will hear the appeal at the next regularly scheduled Board meeting or hearing called by the General Manager for that purpose.

8.1.5 Notwithstanding Subsection (c) of this Rule, the General Manager may authorize the Drilling of a Replacement Well at a location that meets all other spacing and production requirements and that is beyond (150 feet) of the Existing Well being replaced if the Applicant demonstrates to the satisfaction of the General Manager that water quality, sanitation, or other issues prevent the Replacement Well from being located within (150 feet) of the location of the Existing Well being replaced.

SECTION 9. WELL LOCATION, COMPLETION AND WATER QUALITY ASSESSMENT

RULE 9.1 RESPONSIBILITY OF LANDOWNERS, LICENSED WELL DRILLERS AND PUMP INSTALLERS

Before filing an Application for reworking, replacing, and/or constructing a Well by the licensed Well Drillers and Pump Installers in accordance with 16 Texas Administrative Code (TAC) Water Well Drillers and Pump Installers Administrative Rules Chapter 76, said licensees must be in good standing with TDLR, and submit all necessary license information on the District's administrative form and notification satisfactory to District staff. After an Application for a Well permit has been granted, the Well, if Drilled, must be Drilled within ten (10) yards (30 feet) of the location specified in the Drilling Permit, and not elsewhere, provided, however, that spacing restrictions be met. If the Well should be commenced or Drilled at a different location, the Drilling or Operation of such Well may be enjoined by the Board pursuant to Chapter 36, Texas Water Code. As described in the Texas Water Well Drillers' Rules, all Well Drillers and Persons having a Well Drilled, deepened, or otherwise altered shall adhere to the provisions of the Rule prescribing the location of Wells and proper completion.

RULE 9.2 LOCATION OF DOMESTIC, INDUSTRIAL, INJECTION, IRRIGATION WELLS

Wells shall be completed in accordance with 16 Texas Administrative Code, section 76.100, and the spacing requirements of these Rules. However, to the extent 16 Texas Administrative Code, section 76.100 conflicts with these Rules, these Rules shall prevail.

RULE 9.3 STANDARDS OF COMPLETION FOR DOMESTIC, INDUSTRIAL, INJECTION, AND IRRIGATION WELLS

Standards of Completion for All Wells must be in accordance with the Well completion standards set forth under the Texas Water Well Drillers and Pump Installers Administrative Rules, Title 16, Part 4, Texas Administrative Code, Chapter 76. The following Special Provisions and District expectations of Well Drillers and Pump Installers constructing and completing in specified Grids are as follows to prevent commingling of Injurious Water.

9.3.1 Special Standards of Completion for Wells in identified TWDB Grids: All Wells Drilled and completed by licensed pump installers and Well Drillers in accordance with TDLR Official notice (May 21, 2003) will complete all Wells in grids 58-03-3, 58-03-9, 58-04-2, 58-04-7, 58-03-6, 58-04-1, 58-04-5, 58-04-8 by the minimum alternative construction specifications when Drilled to a depth to produce from the Hensell Sand Layer (commonly referred to as the Middle Trinity Aquifer). The Upper Glen Rose Strata (commonly referred to as the Upper Trinity Aquifer) must be sealed off by Drilling a 3-inch larger borehole than the outside diameter of the casing, setting packers necessary and sufficient to hold cement, and placing a minimum twenty five (25) feet of cement or bentonite plug in the annulus from the top of the Hensell Sand. The cement or bentonite plug is to prevent commingling of the Upper Glen Rose strata with the Hensell Middle Trinity Strata. Upon final completion of Well Drilling and pump installation the water quality must be assessed by the Well Driller and pump installer to assure that commingling of Injurious Water is not occurring.

9.3.2 Special Standards of completion for Water Wells Encountering Undesirable Water or Constituents (per Texas Water Well Drillers and Pump Installers Administrative Rule, Chapter 76.101, (Effective March 1, 2013), with CUWCD additional expectations as follows:

(a) If a licensed Well Driller and/or licensed pump installer encounters Injurious Water or constituents and the Well is not plugged and reported to the CUWCD staff and/or made into a completed Monitoring Well as defined in §76.10(33), the licensed Well Driller shall ensure that the Well Drilled, deepened, or altered is forthwith completed in accordance with the following:

(1) When Injurious Water or constituents are encountered in a Water Well, the Injurious Water or constituents shall be sealed off and confined to the zone(s) of origin. It is a defense to prosecution for violation of this section that the Driller and/or pump installer responsible was not aware of having encountered Injurious Water or constituents.

(2) When Injurious Water or constituents are encountered in a zone overlying fresh water, the Driller shall case the Water Well from an adequate depth below the Injurious Water or constituent zone to the land surface to ensure the protection of water quality.

(3) The annular space between the casing and the wall of the borehole shall be pressure grouted with positive displacement technique or the Well is tremie pressured filled provided the annular space is three inches larger than the casing, setting packers necessary and sufficient to hold cement, and placing a minimum twenty five (25) feet of cement or bentonite plug in the annulus below the Injurious Water or bad water constituent zone to the land surface to ensure the protection of groundwater. Bentonite grout may not be used if a water zone contains chlorides above one thousand five hundred (1,500) parts per million (milligrams per liter) or if hydrocarbons are present.

(4) When Injurious Water or constituents are encountered in a zone underlying a fresh water zone, the part of the wellbore opposite the Injurious Water or constituent zone shall be filled with pressured cement or bentonite grout to a height that will prevent the entrance of the Injurious Water or constituents into the Water Well. Bentonite grout may not be used if a water zone contains chlorides above one thousand five hundred (1,500) parts per million (milligrams per liter) or if hydrocarbons are present.

(5) For class V injection Wells, which encounter Injurious Water or constituents, the Driller must comply with applicable requirements of the TCEQ 30 TAC, Chapter 331.

9.3.3 Well Completion Inspection & Water Quality Assessment:

(a) Not later than 45 days following the completion of a Well, the Well Owner and the Pump Installer or Well Driller shall coordinate with District staff to conduct a Well Completion Inspection and Water Quality Assessment to confirm the Well is completed to the standards prescribed by District rules for Exempt Wells or by the underlying Drilling Permit for a Non-Exempt Well. A Well Completion Inspection may be conducted for each, or all of the following purposes as deemed appropriate by the General Manager or Board:

(1) securing a groundwater sample and conducting a Water Quality Assessment while purging the well casing volume a minimum of three times;

(2) verifying the well is completed to the source aquifer identified in the application for an exempt well or identified and required by Board action for a non-exempt well;

(3) verifying the well is not comingling per District rules & TDLR regulations;

(4) verifying the well location to confirm the required setbacks from property lines, existing wells, and on-site septic systems;

(5) verifying the casing size, column pipe size, pump setting, pump horsepower rating, pump saver;

(6) confirming flow rate (gpm) as required for exempt or non-exempt limits; and

(7) other purposes which may be prescribed by the General Manager or Board on an individual basis.

RULE 9.4 RE-COMPLETIONS

9.4.1 The Well Owner shall have the continuing responsibility of ensuring that a Well does not allow the commingling of Injurious Water with fresh water through the wellbore to other porous strata.

9.4.2 If the annular space around the well casing is not adequately sealed, such that the Well allows the commingling of Injurious Water and fresh water or otherwise causes Waste, as defined under Rule 10.1, the well is considered to be a Deteriorated Well and must be Re-completed in accordance with the Texas Water Well Drillers and Pump Installers Administrative Rules, Title 16, Part 4, Chapter 76.

9.4.3 If a Well allows the commingling of Injurious Water and fresh water or the unwanted loss of water, and the casing in the Well cannot be removed and the well cannot be Re-completed in accordance with the applicable rules, then 16 Texas Administrative Code, section 76.103 shall apply, and the casing in the well shall be perforated and squeeze cemented in a manner that will prevent the commingling or loss of water. If such a well has no casing then the well shall be cased and cemented, or plugged in a manner that will prevent commingling or loss of water.

RULE 9.5 SPACING, COLUMN PIPE SIZE AND TRACT SIZE LIMITS AND REQUIREMENTS

9.5.1 Spacing, column pipe size, tract size, property line setbacks and location of Existing Wells: Wells Drilled prior to the Effective Date shall be Drilled in accordance with state law in effect, if any, on the date such Drilling commenced.

9.5.2 Spacing, column pipe size, tract size, property line setbacks and location of Non-exempt New Wells Drilled in the Edwards, Trinity, and Other Aquifers: Except for Non-exempt New Wells Drilled prior to November 1, 2022, all Non-exempt New Wells must comply with the minimum spacing thresholds, maximum column pipe size, minimum tract size, and minimum property line setback requirements prescribed by this Rule for each designated Management Zone, as set forth in Figures 1, 2, and 3 below. Additionally, to prevent interference between Wells and impacts to neighboring Wells within the same Aquifer, Exempt New Wells shall comply with applicable spacing requirements set forth under Rule 6.3, and Non-exempt New Wells shall be Drilled or completed at locations with the following minimum distances from the nearest existing or permitted Well or authorized Well site that does or will produce from the same Aquifer and from the property line for the land upon which the Well is to be located in accordance with the criteria set forth in Figure 1, 2 & 3:

Figure 1

Upper & Middle Layers of the Trinity Aquifer

Management Zones	*District Rule 9.5*	*Minimum Well Spacing* / *Minimum Tract Size*						
	Column Pipe Size	**1 ¼ in**	**1 ½ in**	**2 in**	**>2-4 in**	**>4-6 in**	**>6-8 in**	**>8 in**
	Southwest	150 ft / 2 ac	330 ft / 5 ac	A column pipe size 2 inches or greater is not allowed in this management zone.				
	Stillhouse Hollow	150 ft / 2 ac	330 ft / 5 ac	660 ft / 10 ac	A column pipe size greater than 2 inches is not allowed in this management zone.			
	Belton Lake	150 ft / 2 ac	330 ft / 5 ac	660 ft / 10 ac	A column pipe size greater than 2 inches is not allowed in this management zone.			
	Eastern IH35	150 ft / 2 ac	330 ft / 5 ac	660 ft / 10 ac	1,320 ft / 20 ac	A column pipe size greater than 4 inches is not allowed in this management zone.		

Note: The above are exempted from the minimum tract size requirements: (1) a Retail Public Water Utility's Non-exempt New Well if the Well is located within the prescribed boundaries of the utility's retail water service area that is certificated by the Public Utility Commission of Texas by the issuance of a Certificate of Convenience and Necessity; and (2) Water Wells powered by windmills if Drilled and completed with sucker rod column pipe, which shall not exceed 2 inches in diameter.

Figure 2

Management Zones	Lower Layer of the Trinity Aquifer						
	District Rule 9.5	*Minimum Well Spacing*					
		Minimum Tract Size					
	Column Pipe Size	**1 ¼ in**	**1 ½ in**	**2 in**	**>2-4 in**	**>4-6 in**	**>6-8 in**	**>8 in**
	Southwest	150 ft 2 ac	330 ft 5 ac	A column pipe size 2 inches or greater is not allowed in this management zone.				
	Stillhouse Hollow	150 ft 2 ac	330 ft 5 ac	660 ft 10 ac	1,320 ft 20 ac	1,980 ft 30 ac	A column pipe size greater than 6 inches is not allowed in this management zone.	
	Belton Lake	150 ft 2 ac	330 ft 5 ac	660 ft 10 ac	1,320 ft 20 ac	1,980 ft 30 ac	5,280 ft 40 ac	5,280 ft 50 ac
	Eastern IH35	150 ft 2 ac	330 ft 5 ac	660 ft 10 ac	660 ft 20 ac	1,320 ft 30 ac	2,640 ft 40 ac	5,280 ft 50 ac

Note: The above are exempted from the minimum tract size requirements: (1) a Retail Public Water Utility's Non-exempt New Well if the Well is located within the prescribed boundaries of the utility's retail water service area that is certificated by the Public Utility Commission of Texas by the issuance of a Certificate of Convenience and Necessity; and (2) Water Wells powered by windmills if Drilled and completed with sucker rod column pipe, which shall not exceed 2 inches in diameter.

Figure 3

Edwards BFZ Aquifer							
District Rule 9.5	*Minimum Well Spacing*						
	Minimum Tract Size						
Column Pipe Size	**1 ¼ in**	**1 ½ in**	**2 in**	**>2-4 in**	**>4-6 in**	**>6-8 in**	**>8 in**
Edwards BFZ	150 ft 2 ac	330 ft 5 ac	330 ft 10 ac	660 ft 20 ac	1,320 ft 30 ac	2,640 ft 40 ac	5,280 ft 50 ac

Note: The above are exempted from the minimum tract size requirements: (1) a Retail Public Water Utility's Non-exempt New Well if the Well is located within the prescribed boundaries of the utility's retail water service area that is certificated by the Public Utility Commission of Texas by the issuance of a Certificate of Convenience and Necessity; and (2) Water Wells powered by windmills if Drilled and completed with sucker rod column pipe, which shall not exceed 2 inches in diameter.

9.5.3 Wells producing from different Aquifers may observe a reduction in spacing between each other. To prevent the commingling of water between the Aquifers which can result in a loss of artesian (or static) head pressure or the degradation of water quality, the following guidelines must be observed:

a) Verify and document the depth of the overlying Aquifer with a geophysical log indicating the base of the overlying Aquifer and provide a copy of the log to Clearwater UWCD prior to completion of the Well.

b) Notwithstanding the borehole completion requirements in Chapter 76.100, Texas

Administrative Code, Drill the borehole of the Well that will penetrate the overlying Aquifer to a diameter at least 4 inches greater than the largest outside dimension of the casing to be installed in the Well, creating an annulus of at least 2 inches in all directions around the casing. Install at least one centralizer at a distance halfway between the land surface and the base of the casing.

c) Extend the borehole (Drilled to a diameter at least 4 inches greater than the largest outside dimension of the casing to be installed) to a depth at least 10 feet greater than the base of the overlying Aquifer as identified in the geophysical log provided the Clearwater UWCD.

d) Cement the 2-inch casing annulus by means of positive pressure displacement or tremie method from the depth identified as being at least 10 feet below the identified base of the overlying Aquifer to land surface.

e) Notify Clearwater UWCD at least 24 hours prior to the cementing of the casing by positive pressure of the intent to proceed with cementing, to allow the opportunity to witness the cementing procedure.

f) Provide Clearwater UWCD an affidavit of the cementing procedure describing the positive pressure cementing procedure employed, giving the depth to which the Well was cemented by positive pressure and the volume of cement used for the procedure within 10 days of the cementing procedure.

9.5.4 Standards of Completion for All Wells: All Wells must be completed in accordance with the Well completion standards set forth under the Texas Water Well Drillers and Pump Installers Administrative Rules, Title 16, Part 4, Chapter 76, Texas Administrative Code. Water Well Drillers shall indicate the method of completion performed on the Well Report (Texas Department of Licensing and Regulation Form #001 WWD, Section 10, Surface Completion).

9.5.5 Exceptions to Well Spacing, Tract Size, Property Line Setback, and Location Requirements:

a) The Board may grant exceptions to the spacing or tract size requirements of the District if such exceptions comply with this subsection and the minimum spacing and location requirements set forth under the Texas Water Well Drillers and Pump Installers Administrative Rules, Title 16, Part 4, Chapter 76, Texas Administrative Code, or if Applicant provides proof of a Shared Well Agreement or an Encumbrance Agreement(s) in accordance with these Rules.

b) The General Manager may grant an exception to the 75-foot setback from all property lines when the property line is adjacent to a public road. Under this circumstance, measurement of the setback shall be made from the center of the public road. The Application described in this Rule must be made in writing, signed by Applicant, and include information that demonstrates that the road is a public road and that identifies with specificity the center of the public road, width of the public road, and width of the right of way. This Application and accompanying information must be filed with the District along with the Drilling Permit Application for either an Exempt Well or a Non-exempt Well. If an exception under this section is requested for the location of a Replacement Well intended to replace an Existing Well drilled prior to November 1, 2022, and meets all the requirements of section 8 of these Rules, the General Manager may grant an exception that reduces the setback requirement to 50-feet from all property lines. The General Manager has authority to determine the accuracy of the

Application and accompanying materials and to grant the requested exception to the setback.

c) If an exception to the minimum Well spacing, minimum tract size, and/or the minimum property line setback requirements of the District is desired, a Person shall submit an Application to the Board. In the Application, the Applicant must explain the circumstances justifying the exception(s) sought. The Application must be made in writing to the District and should include a plat or sketch. The plat or sketch must show the property lines in the immediate area and show accurately, to scale, all Wells within one-half mile of the proposed Well site. The Application must contain the names and addresses of all property owners whose property adjoins the tract on which the proposed Well is to be located. The Application must contain the names and addresses of all owners of Existing Wells within one-half mile of the proposed Well site. The Application and plat must be certified by some Person actually acquainted with the facts who shall attest that the facts contained in the Application and plat are true and correct.

d) An exception may be granted by the Board after written notice has been given by the Applicant by mailing notice by certified mail, return receipt requested, to all owners of property or existing or permitted Wells located within the minimum required distance from the proposed Well site, after a public hearing at which all interested parties may appear and be heard. Provided, however, if all such owners execute a waiver in writing, stating that they do not object to the granting of the exception, the Board may proceed, upon notice to the Applicant only and without hearing, and take action to grant or deny the exception in full or in part. The Applicant shall provide notice under this subsection in the manner, form and content directed by the General Manager. Proof of the mailed notice shall be given to the General Manager by the Applicant no less than 10 days prior to the date of the public hearing. Grounds for granting a waiver may include evidence that the Well or Wells proposed in the Application will produce groundwater from an Aquifer thereof other than the Aquifer from which the Wells that are closer than the minimum distances are producing.

e) If the Applicant presents waivers signed by all Landowners and Well Owners whose property or Wells would be located within the applicable minimum distance established under these Rules from the proposed well site stating that they have no objection to the proposed location of the Well site, the Board, upon the General Manager's recommendation, may waive certain spacing requirements for the proposed Well location.

f) Notwithstanding anything to the contrary herein, the Board may grant an exception to the spacing requirements set forth under Rule 6.3 for a Dewatering Well or a Leachate Well at a meeting posted in accordance with Chapter 551, Texas Government Code, and the additional notice requirements of this Rule shall not apply. The Board shall grant the exception to spacing for a Dewatering Well or Leachate Well if the location of the Well is required pursuant to a Rule or order of a state or federal regulatory agency of competent jurisdiction.

g) The Board may grant an exception if, after notice and hearing, the Applicant provides

a properly executed and recorded Encumbrance Agreement, transferring the groundwater rights attributable to the adjacent land of one or more property owner(s) to the Applicant sufficient to attain the minimum tract size necessary to support a Non-exempt Well.

h) The General Manager may grant an exception if the Applicant provides a properly executed and recorded Encumbrance Agreement, transferring the groundwater rights attributable to the adjacent land of one or more property owner(s) to the Applicant sufficient to attain the minimum tract size necessary to support an Exempt Well.

i) In accordance with Texas Water Code section 36.116(c), the Board may grant an exception if, after notice and hearing, the Applicant demonstrates that it is a Retail Public Water Utility that holds a defined Certificate of Convenience and Necessity, within which the proposed Non-exempt Well will be located, and that the intended use for the Non-exempt Well Drilling and Operating Permit is retail public water supply.

SECTION 10. WASTE AND BENEFICIAL USE

RULE 10.1 DEFINITION OF WASTE

"Waste" means any one or more of the following:

a) 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 municipal, industrial, agricultural, gardening, domestic, or stock raising purposes;

b) the flowing or producing of Wells from a groundwater reservoir if the water produced is not used for a beneficial purpose, or is not used for such purposes with a reasonable degree of efficiency. Includes line losses in excess of those determined to be unavoidable.

c) escape of groundwater from a groundwater reservoir to any other reservoir or geologic strata that does not contain groundwater;

d) 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;

e) 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 other than the natural flow of natural springs unless such discharge is authorized by permit, Rule, or order issued by the TCEQ under TWC Chapter 26, *Water Quality Control*;

f) 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;

g) groundwater used for heating or cooling that is allowed to drain on the land surface as tail water and not re-circulated back to the Aquifer;

h) the loss of groundwater in the distribution system and/or storage facilities of the water supply system which should not exceed acceptable "system water losses" as defined by the American Water Works Association standard.

i) Per TWC Section 11.205, 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 owner's land, it is Waste and unlawful to willfully cause or knowingly permit the water to run off the owner's land or to percolate through the stratum above which the water is found.

RULE 10.2 WASTEFUL USE OR PRODUCTION

10.2.1 No Person shall intentionally or negligently commit Waste.

10.2.2 Underground water shall not be produced within, or used within or without the District in such a manner as to constitute Waste.

10.2.3 Any Person producing or using groundwater shall use every possible precaution, in accordance with the most approved methods, to stop and prevent Waste of water.

RULE 10.3 POLLUTION OF GROUNDWATER

10.3.1 No Person shall pollute or harmfully alter the character of the underground water of the District by means of salt water or other deleterious matter admitted from another stratum or strata or from the surface of the ground, or from the Operation of a well.

10.3.2 No Person shall pollute or harmfully alter the character of the underground water of the District by activities on the surface of the ground which cause or allow pollutants to enter the groundwater through recharge features, whether natural or manmade.

RULE 10.4 ORDERS TO PREVENT WASTE/POLLUTION

After providing notice to affected parties and opportunity for a hearing, the Board may adopt orders to prohibit or prevent Waste or pollution. If the factual basis for the order is disputed, the Board shall direct that an evidentiary hearing be conducted prior to entry of the order. If the Board determines that an emergency exists requiring the immediate entry of an order to prohibit Waste or pollution and protect the public health, safety, and welfare, it may enter a temporary order without notice and hearing provided, however, the temporary order shall continue in effect for the lesser of fifteen (15) days or until a hearing can be conducted.

RULE 10.5 REQUIRED EQUIPMENT ON WELLS FOR THE PROTECTION OF GROUNDWATER QUALITY

10.5.1 EQUIPMENT REQUIRED. The following equipment must be installed on all Wells having a chemical injection, chemigation or foreign substance unit in the water delivery system: an in-line, automatic quick-closing check valve capable of preventing pollution or harmful

alteration of the groundwater. Such equipment must be installed on all New Wells at the time of completion. Such equipment shall be installed on all Existing Wells the next time the Wells are serviced.

10.5.2 CHECK VALVES. The type of check valve installed shall meet the following specifications:

a) Check valves must be equipped with a TCEQ-approved hazardous materials backflow device, and installed in a manner approved by Texas Department of Licensing and Regulation (TDLR).

b) A vacuum-relief device shall be installed between the pump discharge and the check valve in such a position and in such a manner that insects, animals, floodwater, or other pollutants cannot enter the Well through the vacuum-relief device. The vacuum-relief device may be mounted on the inspection port as long as it does not interfere with the inspection of other anti-pollution devices.

c) An automatic low pressure drain shall also be installed between the pump discharge located above ground level at the Well head and the check valve in such a position and in such a manner that any fluid which may seep toward the Well around the check valve flapper will automatically drain out of the pipe. The drain must discharge away from rather than flow toward the water supply or Well head. Fluids or materials discharged from the drain must not collect on the ground surface or seep into the soil around the Well casing.

d) The port shall allow for visual inspection to determine if leakage occurs past the flapper, seal, seat, and/or any other components of the checking device.

e) The port shall have a minimum four-inch diameter orifice or viewing area. For irrigation distribution systems with pipelines too small to install a four-inch diameter inspection port, the check valve and other anti-pollution devices shall be mounted with quick disconnects, flange fittings, dresser couplings, or other fittings that allow for easy removal of these devices.

SECTION 11. RULEMAKING AND OTHER HEARINGS

RULE 11.1 MAKING HEARINGS; QUORUM

Rulemaking hearings involve matters of general applicability that implement, interpret, or prescribe the law or District policy, or that describe the procedure or practice requirements of the District. All hearings shall be held before a quorum of the Board.

RULE 11.2 NOTICE AND SCHEDULING OF HEARINGS

11.2.1 For all rulemaking hearings, the notice shall include the subject matter of the hearing; the time, date, and place of the hearing; the location or Internet site at which a copy of the proposed Rules may be reviewed or copied; and any other information deemed relevant by the General Manager or the Board.

11.2.2 Not less than twenty days prior to the date of the hearing, and subject to the notice requirements of the Texas Open Meetings Act, the General Manager shall: .

a) post notice in a place readily accessible to the public at the District Office;
b) provide notice to the county clerk of Bell County;
c) publish notice in one or more newspapers of general circulation in the District;
d) provide notice by mail, facsimile, or electronic mail to any Person who has requested notice under Rule 11.2.3; and
e) make available a copy of all proposed Rules at a place accessible to the public during normal business hours, and post an electronic copy on the District's Internet site.

11.2.3 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. 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.

11.2.4 Failure to provide notice under Rule 11.2.2(d) does not invalidate an action taken by the District at a rulemaking hearing.

11.2.5 Any hearing may or may not be scheduled during the District's regular business hours, Monday through Friday of each week, except District holidays. All hearings shall be held at the location set forth in the notice. Any hearing may be continued from time to time and date to date without notice after the initial notice.

RULE 11.3 RULEMAKING HEARING PROCEDURES

11.3.1 General Procedures: The Presiding Officer will conduct the rulemaking hearing in the manner the Presiding Officer deems most appropriate to obtain all relevant information pertaining to the subject of the hearing as conveniently, inexpensively, and expeditiously as possible. In conducting a rulemaking hearing, the Presiding Officer may elect to utilize procedures set forth in these Rules for permit hearings to the extent that and in the manner that the Presiding Officer deems most appropriate for the particular rulemaking hearing. The Presiding Officer will prepare and keep a record of the rulemaking hearing in the form of an audio or video recording or a court reporter transcription at his discretion.

11.3.2 Submission of Documents: Any interested Person may submit written statements, protests, or comments, briefs, affidavits, exhibits, technical reports, or other documents relating to the subject of the hearing. Such documents must be submitted no later than the time of the hearing, as stated in the notice of hearing; provided, however, that the Presiding Officer may grant additional time for the submission of documents.

11.3.3 Oral Presentations: Any Person desiring to testify on the subject of the hearing must so indicate on the registration form provided at the hearing. The Presiding Officer establishes the order of testimony and may limit the number of times a Person may speak, the time period for oral presentations, and the time period for raising questions. In addition, the Presiding Officer may limit or exclude cumulative, irrelevant, or unduly repetitious presentations.

11.3.4 Continuance: The Presiding Officer may continue hearings or other proceedings from time to time and from place to place without the necessity of publishing, serving, mailing, or otherwise issuing a new notice. If a hearing or other proceeding is continued and a time and place for the hearing or other proceeding to reconvene are not publicly announced at the hearing or other proceeding by the Presiding Officer before it is recessed, a notice of any further setting of the hearing or other proceeding will be delivered at a reasonable time to Persons who request notice at the initial hearing, and any other Person the Presiding Officer deems appropriate, but it is not necessary to post or publish a notice of the new setting.

11.3.5 Conclusion of the Hearing: At the conclusion of the hearing, the Board may take action on the subject matter of the hearing, take no action, or postpone action until a future meeting or hearing of the Board.

11.3.6 Request for Rehearing and Appeal: A decision of the Board concerning a hearing matter may be appealed by requesting a rehearing before the Board within 20 calendar days of the date of the Board's decision. The date of the Board's decision shall be the date of the Board's vote to take action to repeal, amend, or otherwise act on the District's Rules. Such a rehearing request must be mailed to the District in writing and must state clear and concise grounds for the request. Such a rehearing request is mandatory with respect to any decision or action of the Board before any appeal to District Court may be brought. The Board's decision is final if no request for rehearing is made within the specified time, upon the Board's denial of the request for rehearing, or upon rendering a decision after rehearing. If the rehearing request is granted by the Board, the date of the rehearing will be within 45 calendar days thereafter. The failure of the Board to grant or deny the request for rehearing within 90 calendar days of the date of submission shall constitute a denial of the request.

RULE 11.4 PETITION TO ADOPT OR MODIFY RULES

11.4.1 A person with a real property interest in groundwater located within the District's jurisdictional boundaries may petition the District to adopt a rule or modify a rule of the District.

11.4.2 Petitions under this rule must be submitted in writing on the Petition to Adopt or Modify Rules Form appended to these rules to the District office and must comply with the following requirements:

(1) A separate petition must be filed for each general topic proposed to be addressed by a rule modification or change;

(2) Each petition must be signed and state the full name of each person signing the petition and the person's contact information, including phone number, physical address, mailing address, and email address, if any;

(3) Each petition must include:

(A) proof that the person submitting the petition has a real property interest in groundwater located within the District's jurisdictional boundaries;

(B) a written explanation of the proposed rule or rule modification's intended purpose;

(C) the text of the proposed rule prepared in a manner to indicate the words to be added or deleted from the text of the current rule, if any; and

(D) an allegation of injury or inequity that could result from the failure to adopt the proposed rule.

11.4.3 If a person is unable to comply with any procedures required under this rule, then the person must submit to the District, on the same day that the person submits a petition under this rule, a written explanation as to why compliance with the required procedure(s) is not possible and must submit a written request that the Board waive the specific procedure(s) at issue. Upon receipt of a written explanation and request as described herein, the Board may, at its sole discretion, waive any procedure set forth under this rule. A petition may be denied for failure to comply with the requirements under this rule.

11.4.4 Notice of the Board's consideration of and action on a petition shall be included on a Board agenda with three (3) calendar days' notice compliant with the Texas Open Meetings Act.

11.4.5 Within 90 (ninety) calendar days after submission of a petition that complies with this rule, the Board shall consider the petition at a Board meeting and either:

(1) grant the petition in part or in its entirety and initiate rulemaking proceedings on the subject matter identified in the granted petition in accordance with the rulemaking procedure set forth in these rules; or

(2) deny the petition in part or in its entirety and provide an explanation for denial in the minutes of the Board meeting or in a separate written statement to be kept in the District's records.

11.4.6 Nothing in this rule may be construed to create a private cause of action for a decision to accept or deny a petition filed under this rule.

RULE 11.5 HEARINGS ON DESIRED FUTURE CONDITION(S)

At least 10 calendar days before a public hearing or a Board meeting required for the adoption of the Desired Future Condition(s) under Section 36.108(d-2) or (d-4) of the Texas Water Code, the District shall post notice that includes the following:

a) the proposed Desired Future Condition(s) and a list of any other agenda items;
b) the date, time, and location of the meeting or hearing;
c) the name, telephone number, and address of the Person to whom questions or requests for additional information may be submitted;
d) the name of the other groundwater districts in the Groundwater Management Area; and
e) information on how the public may submit comments.

Notice required under this Rule shall be posted and published in the same manner as that for rulemaking hearings in Rule 11.3.

RULE 11.6 HEARINGS ON OTHER MATTERS

A public hearing may be held on any matter, beyond rulemaking, Desired Future Conditions, enforcement, and permitting, within the jurisdiction of the Board, if the Board deems a hearing to be in the public interest or necessary to effectively carry out the duties and responsibilities of the District.

RULE 11.7 APPEAL OF DESIRED FUTURE CONDITIONS

(a) Not later than 120 calendar days after the date on which the District adopts a Desired Future Condition under Subsection 36.108(d-4), Texas Water Code, a Person determined by the District to be an Affected Person may file a petition appealing the reasonableness of a Desired Future Condition. The petition must include:

(1) evidence that the petitioner is an Affected Person;
(2) a request that the District contract with SOAH to conduct a hearing on the petitioner's appeal of the reasonableness of the Desired Future Condition;
(3) evidence that the districts did not establish a reasonable Desired Future Condition of the groundwater resources within the relevant Groundwater Management Area.

(b) Not later than 10 calendar days after receiving a petition described by Subsection (a), the District's Presiding Officer shall determine whether the petition was timely filed and meets the requirements of Rule 13.6(a) and, if so, shall submit a copy of the petition to the TWDB. If the petition was untimely or did not meet the requirements of Rule 11.7(a), the District's Presiding Officer shall return the petition to the petitioner advising of the defectiveness of the petition. Not later than 60 calendar days after receiving a petition under Rule 11.7(a), the District shall:

(1) contract with SOAH to conduct the requested hearing; and
(2) submit to SOAH a copy of any petitions related to the hearing requested under Rule 11.7(a) and received by the District.

(c) A hearing under District Rule 11.7 must be held:

(1) at the District Office or Bell County Courthouse unless the District's Board provides for a different location; and
(2) in accordance with Chapter 2001, Texas Government Code, and SOAH's Rules.

Not less than 10 calendar days prior to the date of the hearing, notice may be provided by regular mail to Landowners who, in the discretion of the General Manager, may be affected by the Application.

(d) Not less than 10 calendar days prior to the date of the SOAH hearing under this Rule, notice shall be issued by the District and meet the following requirements:

(1) state the subject matter, time, date, and location of the hearing;
(2) be posted at a place readily accessible to the public at the District's office;
(3) be provided to the County Clerk of Bell County, whereupon the County Clerk shall post the notice on a bulletin board at a place convenient to the public in the County Courthouse; and
(4) be sent by certified mail, return receipt requested; hand delivery; first class mail; fax; email; FedEx; UPS; or any other type of public or private courier or delivery service to:

(A) the petitioner;
a. any Person who has requested notice in writing to the District;
b. each nonparty district and regional water planning group located within the same Groundwater Management Area as a district named in the petition;
(D) TWDB's Executive Administrator; and
(E) TCEQ's Executive Director.

If the District is unable to provide notice by any of these forms of notice, the District may tape the notice on the door of the individual's or entity's office or home, or post notice in the newspaper of general circulation in the District and within the county in which the Person or entity resides or in which the Person's or entity's office is located.

(e) Before a hearing is conducted under this Rule, SOAH shall hold a prehearing conference to determine preliminary matters, including:

(1) whether the petition should be dismissed for failure to state a claim on which relief can be granted;
(2) whether a Person seeking to participate in the hearing is an Affected Person who is eligible to participate; and
(3) each Affected Person that shall be named as a party to the hearing.

(f) The petitioner shall pay the costs associated with the contract for the hearing conducted by SOAH under this Rule. The petitioner shall deposit with the District an amount sufficient to pay the contract amount before the hearing begins. After the hearing, SOAH may assess costs to one or more of the parties participating in the hearing and the District shall refund any money exceeding actual hearing costs to the petitioner. SOAH shall consider the following in apportioning costs of the hearing:

(1) the party who requested the hearing;
(2) the party who prevailed in the hearing;
(3) the financial ability of the party to pay the costs;
(4) the extent to which the party participated in the hearing; and
(5) any other factor relevant to a just and reasonable assessment of costs.

(g) On receipt of the SOAH Administrative Law Judge's findings of fact and conclusions of law in a PFD, which may include a dismissal of a petition, the District shall issue a final order stating the District's decision on the contested matter and the District's findings of fact and conclusions of law. The District may change a finding of fact or

conclusion of law made by the Administrative Law Judge, or may vacate or modify an order issued by the Administrative Law Judge, as provided by Section 2001.058(e), Texas Government Code.

(h) If the District vacates or modifies the PFD, the District shall issue a report describing in detail the District's reasons for disagreement with the Administrative Law Judge's findings of fact and conclusions of law. The report shall provide the policy, scientific, and technical justifications for the District's decision.

(i) If the District in its final order finds that a Desired Future Condition is unreasonable, not later than the 60th calendar day after the date of the final order, the District shall coordinate with the districts in the Groundwater Management Area at issue to reconvene in a joint planning meeting for the purpose of revising the Desired Future Condition found to be unreasonable in accordance with the procedures in Section 36.108, Texas Water Code.

(j) The Administrative Law Judge may consolidate hearings requested under this Rule that affect two or more districts. The Administrative Law Judge shall prepare separate findings of fact and conclusions of law for each district included as a party in a multidistrict hearing.

SECTION 12. INVESTIGATIONS AND ENFORCEMENT

RULE 12.1 NOTICE AND ACCESS TO PROPERTY

Board Members and District agents and employees are entitled to access to all property within the District to carry out technical and other investigations necessary to the implementation of the District Rules. Prior to entering upon property for the purpose of conducting an investigation, the Person seeking access must give notice in writing or in Person or by telephone to the owner, lessee, or Operator, agent, or employee of the Well Owner or lessee, as determined by information contained in the Application or other information on file with the District. Notice is not required if prior permission is granted to enter without notice. Inhibiting or prohibiting access to any Board Member or District agents or employees who are attempting to conduct an investigation under the District Rules constitutes a violation and subjects the Person who is inhibiting or prohibiting access, as well as any other Person who authorizes or allows such action, to the penalties set forth in Texas Water Code Chapter 36.

RULE 12.2 CONDUCT OF INVESTIGATION

Investigations or inspections that require entrance upon property must be conducted at reasonable times, and must be consistent with the establishment's Rules and regulations concerning safety, internal security, and fire protection. The Persons conducting such investigations must identify themselves and present credentials upon request of the owner, lessee, Operator, or Person in charge of the Well.

RULE 12.3 RULE ENFORCEMENT

12.3.1 If it appears that a Person has violated, or is violating any provision of the District Rules, the District may employ any of the following means, or a combination thereof, in providing notice of the alleged violation:

(a) Informal Notice: The officers, staff or agents of the District acting on behalf of the District or the Board may inform the Person of the alleged violation via telephone, via facsimile, via email, or other means necessary informing, or attempting to inform, the appropriate Person to explain the violation and the steps necessary to cure the violation. The information received by the District through this informal notice concerning the alleged violation and the date and time of the telephone call will be documented and will remain in the District's files. Nothing in this subsection shall limit the authority of the District to take action, including emergency actions or any other appropriate enforcement action, without prior notice provided under this subsection.

(b) Written Notice of Violation: The District may inform the Person of the alleged violation through written notice. Each notice of alleged violation issued herein shall explain the basis of the alleged violation, identify the Rule or order that may have been violated or appears to be currently violated, and list specific required actions that must be satisfactorily completed to cure any past or present violation to address each violation raised, and may include the payment of proposed penalties in settlement of the enforcement matter. Notice of an alleged violation issued herein shall be provided through a delivery method in compliance with these Rules. Nothing in this subsection shall limit the authority of the District to take action, including emergency actions or any other appropriate enforcement action, without prior notice provided under this subsection.

(c) Compliance Meeting: The District may hold a meeting with any Person whom the District believes to have violated, or to be violating, a District Rule or order to discuss each such alleged violation and the steps necessary to satisfactorily remedy each such violation. The General Manager, after first briefing the Board President, may conduct a compliance meeting without the Board, unless otherwise determined by the Board or General Manager. The information received in any meeting conducted pursuant to this subsection concerning the violation will be documented, along with the date and time of the meeting, and will be kept on file with the District. Nothing in this subsection shall limit the authority of the District to take action, including emergency actions or any other appropriate enforcement action, without prior notice provided under this subsection.

12.3.2 Show Cause Hearing.

(a) Upon recommendation of the General Manager to the Board or upon the Board's own initiative, the District may order any Person that it believes has violated or is violating any provision of the District's Rules or order to appear before the Board at a public meeting, held in accordance with the Texas Open Meetings Act, and called for such purpose and to show cause of the reasons an enforcement action, including the assessment of penalties and initiation of a suit in a court of competent jurisdiction in Bell County, should not be pursued against the Person made the subject of the show cause hearing. The Presiding Officer may employ the procedural Rules in Section 6 of the District's Rules.

(b) No show cause hearing under subsection (a) of this Rule may be conducted unless the District serves, on each Person made the subject of the show cause hearing, a written notice 10 (ten) calendar days prior to the date of the hearing. Such notice shall include all of the following information:

(1) the time, date, and place for the hearing; and
(2) the basis of each asserted violation; and
(3) the Rule or order that the District believes has been violated or is currently being violated; and
(4) a request that the Person duly appear and show cause of the reasons an enforcement action should not be pursued.

The District shall provide written notice of the alleged violation and show cause hearing by certified mail, return receipt requested, hand delivery, first class mail, facsimile, email, FedEx, UPS, or any other type of public or private courier or delivery service. If the District is unable to provide notice to the alleged violator by any of these forms of notice, the District may tape the notice on the door of the alleged violator's office or home, or post notice in the newspaper of general circulation in the District and within the county in which the alleged violator resides or in which the alleged violator's office is located.

(c) The District may pursue immediate enforcement action, including by District order and/or lawsuit in a court of competent jurisdiction, against the Person cited to appear in any show cause order issued by the District, where the Person cited fails to appear and show cause of the reasons an enforcement action should not be pursued.

(d) Nothing in this Rule shall constrain the authority of the District to take action, including emergency actions or any other enforcement action, against a Person at any time, regardless of whether the District decides to hold a hearing under this Section.

12.3.3 Remedies

(a) The Board shall consider the appropriate remedies to pursue against an alleged violator during the show cause hearing, including assessment of a civil penalty, injunctive relief, or assessment of a civil penalty and injunctive relief. In assessing civil penalties, the Board may determine that each day that a violation continues shall be considered a separate violation. The civil penalty for a violation of any District Rule is hereby set at the lower of $25,000.00 per violation or a lesser amount determined after consideration, during the enforcement hearing, of the criteria in subsection (b) of this Rule. Notwithstanding the foregoing, the Board may recover a civil penalty in excess of the maximum penalty allowed by this Rule if the Board determines, and a court concurs, that the person gained an economic benefit greater than the maximum penalty as a result of the violation.
(b) In determining the amount of a civil penalty, the Board of Directors shall consider the following factors:
    (1) the nature, circumstances, extent, duration, and gravity of the violation with special emphasis on the effect of the violation: one:
        a. Groundwater resources;
        b. Another person's right to produce groundwater;
        c. Public health and safety; or
        d. Other water resources or the environment;
    (2) With respect to the alleged violator:
        a. The history and extent of previous violations (i.e. compliance history);

b. The degree of culpability, including whether the violation was attributable to mechanical or electrical failures and whether the violation could have been reasonably anticipated and avoided;
c. The demonstrated good faith, including actions taken by the alleged violator to rectify the cause of the violation and to compensate the affected person;
d. Whether there was an economic benefit gained as a result of the violation and, if so, the amount of the economic benefit;
e. The amount necessary to deter future violations; and
f. If the alleged violator is a person required to adopt a drought contingency plan under Texas Water Code § 11.1272 and overproduction of groundwater is the basis of the alleged violation, whether the person acted in good faith and exercised reasonable diligence in implementing and enforcing the terms and the plan;

(3) any enforcement costs related to the violation, including but not limited to the District's legal fees and other consultant fees, if any;
and
(4) any other matters deemed necessary by the Board.

12.3.4 The District shall collect all past due fees and civil penalties accrued that the District is entitled to collect under the District's Rules. Any Person or entity determined by the Board to be in violation of these Rules is subject to all past due fees and civil penalties along with all fees and penalties occurring as a result of any violations that ensue after the District provides written notice of an alleged violation. Failure to pay required fees will result in a violation of the District's Rules and such failure is subject to civil penalties and other legal remedies.

12.3.5 At any time the District may afford an opportunity to the Person alleged or determined to be in violation of the District's Rules or order with an opportunity to cure a violation or settle the enforcement matter through coordination and negotiation with the District.

12.3.6 After conclusion of the show cause hearing and decision by the Board, the District may commence suit. Any suit shall be filed in a court of competent jurisdiction in Bell County. If the District prevails in a suit brought under this Section, the District may seek and the court shall grant, in the interests of justice and as provided by Subsection 36.066(h), Texas Water Code, in the same action, recovery of attorney's fees, costs for expert witnesses, and other costs incurred by the District before the Court.

RULE 12.4 SEALING OF WELLS

Following notice to the Well Owner and Operator and upon resolution by the Board, the District may seal Wells that are prohibited from withdrawing groundwater within the District to ensure that such Wells are not Operated in violation of the District Rules. A Well may be sealed when: (1) no Application has been made for a permit to Drill a new Water Well which is not excluded or exempted; or (2) no Application has been made for an Operating Permit to withdraw groundwater from an Existing Well that is not excluded or exempted from the requirement that a permit be obtained in order to lawfully withdraw groundwater; or (3) the Board has denied, canceled or revoked a Drilling Permit or an Operating Permit.

The Well may be sealed by physical means, and tagged to indicate that the Well has been sealed by the District, and other appropriate action may be taken as necessary to preclude Operation of the Well or to identify unauthorized Operation of the Well.

Tampering with, altering, damaging, or removing the seal of a sealed Well, or in any other way violating the integrity of the seal, or pumping of groundwater from a Well that has been sealed constitutes a violation of these Rules and subjects the Person performing that action, as Well as any Well Owner or primary Operator who authorizes or allows that action, to such penalties as provided by the District Rules.

RULE 12.5 CAPPING AND PLUGGING OF WELLS

12.5.1 The District may require a Well to be capped to prevent Waste, prevent pollution, or prevent further deterioration of a Well casing. The Well must remain capped until such time as the conditions that led to the capping requirement are eliminated. If Well pump equipment is removed from a Well and the Well will be re-equipped at a later date, the Well must be capped, provided however that the casing is not in a deteriorated condition that would permit co-mingling of water strata, in which case the Well must be plugged. The cap must be capable of sustaining a weight of at least four hundred (400) pounds and must be constructed with a water tight seal to prevent entrance of surface pollutants into the Well itself, either through the Well bore or Well casing.

12.5.2 A Deteriorated Well or an Abandoned Well must be plugged in accordance with the Texas Department of License and Regulation, Water Well Drillers and Pump Installers Rules (16 TAC Chapter 76). It is the responsibility of the Landowner to see that such a Well is plugged to prevent pollution of the underground water and to prevent injury to Persons and animals. Registration of the Well is required prior to, or in conjunction with, Well plugging.

Any Person that plugs a Well in the District must submit a copy of the plugging report to the District and the Texas Department of License and Regulation within thirty (30) days of plugging completion.

12.5.3 Special Provisions for prior and/or after-the-fact variances apply as follows:

In accordance with 16 Texas Administrative Code Water Well Drillers and Pump Installers Administrative Rules Chapter 76 Water Well Drillers and Pump Installers Rules (16 TAC Chapter76) (Technical Requirements-Variances-Alternative Procedures) must also adhere to the District Special Provisions for Variances and requests for alternative procedures. If there is a difference in requirements between TDLR's and the District's Rules, the stricter Rules control for purposes of complying with the District's requirements.

(a) If the party having the Well Drilled, deepened, altered or plugged; the licensed Well Driller, or the party, Landowner or Person Drilling or plugging the Well, finds any of the procedures prescribed by §§76.100 - 76.105 inapplicable, unworkable, or inadequate, combinations of the prescribed procedures or alternative procedures may be employed, provided that the proposed alternative procedures will prevent injury and pollution. The department will not grant a variance based solely on cost, aesthetics, or for a Well head to be placed below ground level.

(b) Written proposals to use combinations of prescribed procedures or alternative procedures shall be considered Application for a variance and must be submitted to the department and District for review prior to their implementation, and provide a copy of the TDLR Application for variance to the District.
(c) The District does not accept or approve variance requests (after-the fact) for construction or plugging activities that occurred prior to receiving an approval.
(d) This section shall not apply to a public water system Well.

12.5.4 If the owner or lessee fails or refuses to plug or cap the Well in compliance with this Rule and District standards within thirty (30) days after being requested to do so in writing by an officer, agent, or employee of the District, then, upon Board approval, any Person, firm, or corporation employed by the District may go on the land and plug or cap the Well safely and securely, pursuant to TWC Chapter 36.118.

Reasonable expenses incurred by the District in plugging or capping a Well constitutes a lien on the land on which the Well is located.

The District shall perfect the lien by filing in the deed records an affidavit, executed by any Person conversant with the facts, stating the following:

a) the existence of the Well;
b) the legal description of the property on which the Well is located;
c) the approximate location of the Well on the property;
d) the failure or refusal of the owner or lessee, after notification, to close the Well within thirty (30) days after the notification;
e) the closing of the Well by the District, or by an authorized agent, representative, or employee of the District; and
f) the expense incurred by the District in closing the Well.

SECTION 13. FEES

RULE 13.1 PERMIT APPLICATION FEE AND OTHER FEES

The Board, by resolution, may establish a schedule of fees for administrative acts of the District, including but not limited to the cost of reviewing and processing permit Applications, renewal Applications, and the cost of permit hearings, and such administrative fees shall not unreasonably exceed the cost to the District for performing such administrative acts. Applications shall not be accepted for filing or processing or hearings scheduled until receipt by the District of all applicable fees established by Board resolution.

RULE 13.2 GROUNDWATER EXPORT FEE

13.2.1 The District may impose a reasonable fee or surcharge, established by Board resolution, for export of groundwater out of the District using one of the following methods:

a) a fee negotiated between the District and the exporter; or
b) the rate adopted by the Board as reflected in the District's administrative fee schedule for each thousand gallons of water exported out of the District, not

to exceed the statutory limit established under Texas Water Code 36.122 (e-1).

13.2.2. Effective January 1, 2024, the maximum allowable rate the District may impose for an export fee or surcharge under this Rule shall increase each calendar year in accordance with Section 36.122(e-1), Texas Water Code. An export fee or surcharge imposed, or an increase in an import export fee or surcharge, is not valid unless it is approved by the Board after a public hearing.

13.2.3. The District may only use funds obtained from the rate increase under Rule 13.2.2 for costs related to assessing and addressing impacts associated with groundwater development as provided by Texas Water Code Section 36.207, including:

a) maintaining operability of wells significantly affected by groundwater development;
b) developing or distributing alternative water supplies; and
c) conducting aquifer monitoring, data collection, and aquifer science.

13.2.4 Payment of the Groundwater Export Fee shall be made no later than the expiration of the permit term for a permit that contemplates use of groundwater outside of the District.

13.2.5 A permit holder who transports groundwater for use outside of the District shall either:

a) Install and maintain a meter that accurately measures the volume of groundwater transported out of the District. The meter shall be read each month, and the volume of groundwater exported must be reported to the District using a form or electronic reporting system approved by the District. The meter must comply with all applicable requirements of Rule 5.5, including requirements related to installation, reporting, accuracy, and testing. The permit holder must maintain accurate records of the volume exported and the purpose of the export, and such records must be made available for inspection by the District or its representatives.

Or

b) Elect not to install a meter and instead pay the export fee prescribed in Rule 13.2.1 on the full annual volume of groundwater their permit authorizes for export outside of the District, regardless of the total actual volume of groundwater exported out of the District.

13.2.6 A permit holder who transports groundwater outside of the District and does not install a meter to measure the volume of groundwater exported out of the District shall be invoiced the lesser of an export fee based on the full annual volume of groundwater their permit authorizes for export outside of the District or the total number of gallons produced.

RULE 13.3 RETURNED CHECK FEE

The Board, by resolution, may establish a fee for checks returned to the District for insufficient funds, account closed, signature missing, or any other reason causing a check to be returned by the District's depository.

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