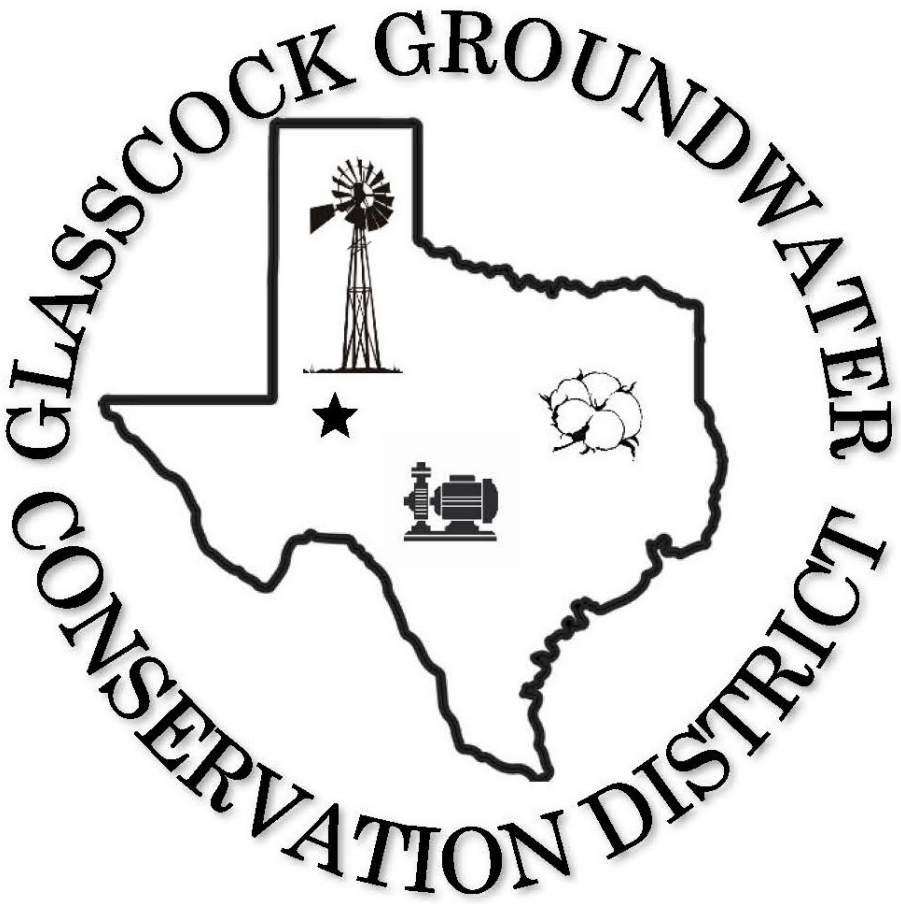
RULES AND BY-LAWS

OF THE



132 N. MAIN **P.O. BOX 208** **GARDEN CITY, TX 79739**

PHONE: 432-354-2430 **FAX: 432-354-2322**

E-MAIL: glasscockgroundwater@yahoo.com

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RULES OF THE GLASSCOCK
GROUNDWATER CONSERVATION DISTRICT

Rules of Glasscock Groundwater Conservation District and as amended are hereby effective as of April 18, 2023.

In accordance with Section 59 of Article 16 of the Texas Constitution and with Chapter 8840 of the Tex. Special Dist. Local Laws Code and Chapters 35 and 36 of the Texas Water Code, the following rules are hereby ratified and adopted as the rules of the District by its Board. All rules or parts of rules in conflict with these rules are hereby repealed. Each rule as worded herein has been in effect since date of passage and as may be hereafter amended.

The rules, regulations and modes of procedure herein contained are and have been adopted for the purpose of simplifying procedure, avoiding delays, saving expense, and facilitating the administration of the groundwater laws of the State and the rules of this District. To the end that these objectives be attained, these rules shall be so construed.

These rules may be used as guides in the exercise of discretion, where discretion is vested. However, under no circumstances and in no particular case shall they, or any of them, be construed as a limitation or restriction upon the exercise of any discretion, where such exist; nor shall they in any event be construed to deprive the Board of an exercise of powers, duties and jurisdiction conferred by law, nor to limit or restrict the amount and character of data or information which may be required for the proper administration of the law. Any references to the Texas Water Code and Chapter 8840 of the Tex. Special Dist. Local Laws Code includes the section referenced and any subsequent amendments.

RULE 1 - DEFINITIONS

Unless the context hereof indicates a contrary meaning, the words hereinafter defined shall have the following meaning in these rules:

(a) The “Board” shall mean the Board of Directors of the Glasscock Groundwater Conservation District, consisting of five (5) duly elected members.

(b) “District” shall mean the Glasscock Groundwater Conservation District, maintaining its principal office in Garden City, Texas. Where application, reports, and other papers are required to be filed with or sent to “the District”, this means the District's headquarters in Garden City, Texas.

(c) The term “Well” or “Water Well” shall mean and include any artificial excavation, including a test hole, constructed for the purpose of exploring for or producing groundwater.

(d) “Groundwater” means water percolating below the surface of the earth.

(e) "Owner" shall mean and include any person that has the right to produce water from the land either by ownership, contract, lease, easement, or any other estate in the land.

(f) "Person" shall mean any individual, partnership, firm, or corporation, limited liability company, or other legal entity.

(g) "Waste" means any one or more of the following:

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

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

(3) escape of groundwater from a groundwater reservoir to any other reservoir or geologic strata not containing groundwater;

(4) 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;

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

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

(7) for water produced from an artesian well, "waste" has the meaning assigned by Section 11.205, Texas Water Code.

(h) An "Authorized Well Site" shall be:

(1) The location of a proposed well on an application duly filed until such application is denied; or

(2) The location of a proposed well on a valid permit. (An authorized well site is not a permit to drill).

(i) "Open or Uncovered Well" shall mean any artificial excavation drilled or dug for the purpose of producing water from a groundwater reservoir, not capped or covered as required by these rules, which is as at least ten (10) feet deep, nor more than six (6) feet in diameter.

(j) "Exempt Well" shall mean any well exempt from the requirement to obtain a permit from the District under Texas Water Code §36.117. For all purposes herein, an exempt well shall be exempt from permitting requirements, but shall not be exempt from preregistration or registration requirements.

(k) "Maximum rate of production" shall mean the highest rate at which a well may be produced in gallons per minute.

(l) "Actual rate of production" shall mean the rate water is pumped in gallons per minute during normal day-to-day operation of the well. Actual rate of production may be a rate less than Maximum rate of production.

RULE 2 - WASTE

(a) Groundwater shall not be produced within or used within or outside the District, in such a manner or under such conditions as to constitute waste as defined in Rule 1(g).

(b) Any person producing or using groundwater shall use every possible precaution, in accordance with the most approved methods, to stop and prevent waste of such water.

(c) No person shall pollute or harmfully alter the character of a groundwater reservoir of the District by means of salt water or other deleterious matter admitted from other stratum or strata or from the surface of the ground.

(d) No person shall commit waste as that term is defined in Rule 1(g).

RULE 3 - PERMIT REQUIRED

(a) No person shall drill a nonexempt well, including a test hole, or increase the size of such a well or associated pump without having first applied to and obtained from the Board a permit.

(b) No permit shall be required for the drilling of wells exempt by §36.117 of Chapter 36, Texas Water Code.

(c) Wells exempted under this section shall be registered with the district before drilling. All exempt wells shall 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 or harmful alteration of the character of the water in any groundwater reservoir.

RULE 4 - DEPOSITS

Each application for a permit to drill a well shall be accompanied by a $250.00 deposit. The deposit shall be returned to the applicant by the District if:

(a) the application is denied;

(b) the application is granted, within a reasonable time after receipt of correctly completed registration and log of the well; or,

(c) the permit location is abandoned without having been drilled, within a reasonable time after return and surrender of the permit marked "abandoned" by the applicant. In the event neither the registration and log of the well nor the permit marked "abandoned" is returned to the District within six (6) months after the approval date of the permit or the extension date, whichever is the last to occur, the deposit shall become the property of the District.

RULE 5 - ISSUANCE OF PERMITS

(a) The Board shall promptly consider and act on an administratively complete drilling permit application for a well meeting the spacing or exception to spacing requirements specified by the District. An administratively complete application shall be in writing on forms provided by the District and contain the information called for in the form and the rules below. Otherwise, the application will not be considered.

(b) Rules for the filing of applications:

(1) If the applicant is an individual, the application shall be signed by the applicant or duly appointed agent. The agent may be requested to present satisfactory evidence of authority to represent the applicant;

(2) If the application is by a partnership, the applicant shall be designated by the partnership name followed by the words "a Partnership" and the application shall be signed by at least one of the general partners who is duly authorized to bind all of the partners;

(3) In the case of a corporation, limited liability company, district, county or municipality, the application shall be signed by a duly authorized official. A

copy of the resolution or other authorization to make the application may be required by the District; and

(4) In the case of an estate or guardianship, the application shall be signed by the duly appointed guardian or representative of the estate.

(c) An application shall set forth the following:

(1) The exact proposed location of the well to be drilled as provided in the application including the county, the section, block, survey, and township; labor and league (if applicable); latitude and longitude; and exact number of feet to the two nearest non-parallel property lines (legal survey line); or other adequate legal description;

(2) The proposed use of the well to be drilled, whether municipal, industrial, agriculture, oil and gas, irrigation or other;

(3) The size of the pump, rate, and estimated volume of production;

(4) The approximate date drilling operations are to begin;

(5) If requested by the District, the location of all wells within a quarter (1/4) of a mile of the proposed location, and the names and addresses of the well owners;

(6) An agreement by the applicant that a completed well registration and log will be furnished to the District (on forms furnished by it) by the applicant upon completion of this well and prior to the production of water therefrom (except for such production as may be necessary to the drilling and testing of such well);

(7) Such additional information as may be required under these rules or Texas Water Code Chapter 36; and

(8) The name, telephone number, email and mailing address of the applicant and fee owner of the land upon which the well location is to be made.

(d) All new wells drilled after January 1, 2023 must comply with the construction, spacing and location requirements set forth under the Texas Water Well Drillers and Pump Installers Administration Rules, Title 16, Part 4, Chapter 76, Texas Administrative Code, unless a written variance is granted by the Texas Department of Licensing and Regulation and a copy of the variance is forwarded to the District by the applicant or registrant. All test holes not selected for completion as a producing groundwater well shall be properly plugged and abandoned in compliance with the requirements set forth under the Texas Water Well Drillers and

Pump Installers Administration Rules, Title 16, Sections 76.100 and 76.104, Texas Administrative Code.

RULE 6 - REQUIREMENT OF DRILLER'S LOG, CASING, AND PUMP DATA

(a) Complete records shall be kept and provided to the District concerning well drilling, production, equipping and completion. Such records shall include an accurate driller's log, any electric log, the maximum rate of production, actual rate of production, pump size, rate of discharge, and any additional information concerning the description of the well as may be required by the Board. Such records shall be filed with the District Board within 60 days after completion of the well.

(b) The well driller shall deliver either in person, by fax, email, or send by first-class mail, a photocopy of the State Well Report to the District within 60 days from the completion or cessation of drilling, deepening, or otherwise altering a well.

(c) No person shall produce water from any well drilled and equipped after April 15, 1986 except that necessary to the drilling and testing of the well and equipment, until the District has been furnished an accurate driller's log, any electric log, and a registration of the well including information required on the forms furnished by the District.

(d) No person shall be required to equip and produce any well to its maximum rate of production.

RULE 7 - MINIMUM SPACING OF WELLS

(a) Distance Requirements:

(1) No well shall be drilled after April 15, 1986 nearer than six hundred sixty (660') feet from the nearest property line; provided that the Board may grant exceptions to permit drilling within shorter distances as necessary to prevent waste or the confiscation of property;

(2) In the interest of protecting life and for the purpose of protecting vested property rights, preventing waste, preventing confiscation of property or to protect correlative rights, the Board reserves the right in particular groundwater zones and/or reservoirs to adopt a special spacing rule increasing or decreasing distances provided by this rule;

(3)

(i) In applying this rule and any special spacing rule, no subdivision of property made subsequent to the adoption of the original spacing rule will be considered in determining whether or not any property is being confiscated within the terms of spacing requirements;

(ii) Any subdivision of property creating a tract of such size and shape that it is necessary to obtain an exception to the spacing rule before a well can be drilled is a voluntary subdivision and not entitled to a permit to prevent confiscation of property if it were either, (a) segregated from a larger tract for the purpose of groundwater development, or (b) segregated by fee title conveyance from a larger tract after the April 15, 1986 and the voluntary subdivision designation attached;

(iii) The date of attachment of the voluntary subdivision designation is the date of discovery of groundwater production in a certain continuous groundwater zone or reservoir associated with subdivided tracts regardless of the subsequent lateral extensions of such zones or reservoir., The voluntary subdivision designation does not attach in the case of a segregation of a small tract by fee title conveyance where the small tract is not located in a groundwater production area having a discovery date prior to the date of such segregation; and

(iv) The date of attachment of the voluntary subdivision designation for a zone or reservoir under any special circumstances which the Board deems sufficient to provide for an exception, may be established other than above so that innocent parties may have their rights protected.

(b) Well Density.

Subject to paragraph (a) (1) et seq. above, no more than a cumulative total of sixteen (16) wells, whether drilled prior to or subsequent to enactment of this rule, shall be permitted per section (hereinafter referred to as “drilled to density”). In the event the applicant owns less than a full section, then the number of wells permitted for said tract shall be proportionately reduced so that the total number of wells permitted shall be established by multiplying sixteen (16) times the quotient of the number of acres owned by the Applicant divided by the number of acres in the section; provided, however, that this density rule shall not apply to acreage drilled to density pursuant to these rules where the cumulative average of water production allowed per acre per minute is less than two (2) gallons per acre per minute. In this event the landowner shall be permitted to drill additional water wells on said lands until the two (2) gallons/acre/minute basis is attained. Said cumulative average

gallons per acre per minute basis shall be computed by District personnel according to maximum rate of production of the water well established at the time the well is drilled.

(c) Change in Use of Well:

(1) Any well existing at the date of enactment of this rule must comply with the provisions of this rule if after the date of enactment of this rule the ultimate use for beneficial purpose of the water produced from the well is changed or amount of water produced from the well annually is increased. Use for beneficial purpose of the water shall be as defined in Texas Water Code Section 36.001.

RULE 8 - EXCEPTION TO SPACING RULE

(a) In order to protect vested property rights, to prevent waste, to prevent confiscation of property, or to protect correlative rights, the Board may grant exception to the above spacing regulations. This rule shall not be construed so as to limit the power of the Board, and the powers stated are cumulative only of all other powers possessed by the Board.

(b) If an exception to such spacing regulations is desired, the applicant shall submit a written application to the Board at its District office on forms furnished by the District. The application shall be accompanied by a plat or sketch, drawn to scale of one (1) inch equaling six hundred (600) feet. The plat or sketch shall show the property lines in the immediate area and all wells within a quarter (1/4) mile of the proposed well site. The application shall also contain the names and addresses of all property owners adjoining the tract on which the well is to be located and the well owners within a quarter (1/4) mile of the proposed location. Such application and plat shall be certified by a person actually acquainted with the facts who shall state that all the facts therein are true and correct.

(c) A spacing exception may be considered ten (10) days after written notice has been given to the applicant and all adjoining owners and all well owners within a quarter (1/4) mile of the proposed location. At a public hearing, conducted under Rules 17 and 18, at which all interested parties may appear and be heard the Board will consider whether an exception should be granted. Provided, however, that if all such owners execute a waiver in writing stating that they do not object to the granting of such exception, the Board may act on the application without notice of hearing except to the applicant. The applicant may also waive both notice and hearing.

RULE 9 - PLACE OF DRILLING OF WELL

After an application for a well permit has been granted, the well, if drilled, must be drilled within one hundred (100) feet of the location specified in the permit, and not elsewhere. 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 amended. The District shall have the right to confirm reported distances and inspect the wells or well locations.

RULE 10 – REWORKING, REPLACING, OR INCREASING THE SIZE OF WELL

(a) No person shall rework, re-drill, or re-equip a well in a manner that would increase the actual or maximum rate of production as established by Rule 6 without first having applied for and obtained a permit from the Board. Nor shall any person replace a well without a permit from the Board. The District does not require a permit or permit amendment for maintenance or repair of a well if the maintenance or repair does not increase the production capabilities of the well to more than the maximum rate of production.

(b) A replacement well is a well drilled within one hundred fifty (150) feet of the existing well it replaces. The replacement well must comply with the minimum spacing requirements set out in Rule 7 unless an exception is granted under Rule 8. Otherwise, the replacement well shall be considered to be a new well for which application must be made under Rules 3, 4,5 and 7.

The location of the old well (the well being replaced) shall be protected in accordance with the spacing rules of the District until the replacement well is drilled and tested. The landowner or landowner's agent must within 120 days of the issuance of the permit declare in writing to the District which of the two wells will be produced. If the landowner does not notify the District of the choice within the 120 days, then it will be conclusively presumed that the new well will be produced. Within 45 days after determining which well will be retained for production, the other well shall be properly plugged and abandoned in compliance with the requirements set forth under the Texas Water Well Drillers and Pump Installers Administration Rules, Title 16, Section 76.104, Texas Administrative Code.

Except as provided below for increasing the size or maximum rate of production, an application to rework, re-equip, re-drill or replace an existing well may be granted by the Board without notice or hearing.

(c) A permit has a perpetual term until there is a change in the size or maximum rate of production of a well, which shall not be changed to a larger size or capacity to substantially increase the rate of production of a well without a permit or permit amendment from the Board. (For example, increasing the size of the well bore from six inches to eight inches or reequipping the well with a larger pump.) Such permit may be granted only after written notice to adjacent owners and owners of a well

within a quarter (1/4) of a mile from such well and a public hearing, as provided in Rule 17 and Rule 18. At the hearing, the Board will consider whether such change will cause unreasonable draw down of the water table or unreasonable interference between wells, waste, or confiscation of property. If the adjacent owners and owners of a well within a quarter (1/4) of a mile indicate to the Board in writing that they have no objection to the proposed change, then the Board may act on the application without notice of hearing except to the applicant. The applicant may also waive both notice and hearing. Provided that if the well complies with spacing regulations for new wells of the desired capacity the Board may proceed to act on such application.

In the event the application meets all spacing requirements, no contest is filed, and the applicant waives notice and hearing the Board may grant such application at a Board meeting.

RULE 11 - TIME DURING WHICH A PERMIT SHALL REMAIN VALID

Unless the Board specifies otherwise a well authorized by permit must be completed within four (4) months from the date of the approval of the application or the permit expires. The Board, for good cause, may extend the permit for an additional four (4) months if an application for such extension is filed with the District before the end of the first four (4) month period.

RULE 12 - CHANGED CONDITIONS

The decision of the Board on any matter may be reconsidered on its own or another person's motion upon the showing of changed, new or different conditions, or facts. If the Board should decide to reconsider a matter, it shall give notice to persons who were proper parties to the original action, and such persons shall be entitled to a hearing if they file a request within fifteen days from the date of the mailing of such notice.

RULE 13 - RIGHT TO ENTER LANDS AND ENFORCEMENT

(a) The directors, engineers, attorneys, agents, operators, and employees of the District may go on any land to inspect, make surveys, or perform tests to determine the condition, value, and usability of the property, with reference to the proposed location of works, improvements, plants, facilities, equipment, or appliances. The cost of restoration shall be borne by the District.

(b) District employees and agents are entitled to enter any public or private property within the boundaries of the District or adjacent to any reservoir or other property owned by the District at any reasonable time for the purpose of inspecting and investigating conditions relating to the quality of water in the state or the compliance with any rule, regulation, permit, or other order of the District. District

employees or agents acting under this authority who enter private property shall observe the establishment's rules and regulations concerning safety, internal security, and fire protection and shall notify any occupant or management of their presence and shall exhibit proper credentials.

(c) Pursuant to Texas Water Code §36.102, as amended, the Board may enforce Texas Water Code Chapter 36, as amended, and these Rules by injunction, mandatory injunction, or other appropriate remedy in a court of competent jurisdiction and seek reasonable civil penalties for violation of any rule of the District.

(d) The penalties shall not exceed $10,000 per day per violation, and each day of a continuing violation constitutes a separate violation.

(e) A penalty under this section is in addition to any other penalty provided by the law of this state and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District's principal office or meeting place is located.

(f) If the District prevails in any suit to enforce its rules, the District may seek and the court shall grant, in the same action, recovery for attorney's fees, costs for expert witnesses, and other costs incurred by the District before the court. The amount of the attorney's fees shall be fixed by the court.

(g) SHOW CAUSE ORDERS AND COMPLAINTS: The Board, either on its own motion or upon receipt of sufficient written protest or complaint, may at any time, after due notice to all interested parties, cite any person operating within the District to appear before it in a public hearing and require the person to show cause why the person’s operating authority or permit should not be suspended, canceled, or otherwise restricted and limited, for failure to comply with the orders or rules of the Board or the relevant statutes of the State, or for failure to abide by the terms and provisions of the permit or operating authority itself. The matter of evidence and all other matters of procedure at any such hearing will be conducted in accordance with these rules of procedures and practice.

RULE 14 - OPEN WELLS TO BE CAPPED

Every operator of a well or owner or lessee of any land upon which an open or uncovered well is located is required to keep the well closed or capped with a covering capable of sustaining weight of at least four hundred (400) pounds, except when the well is in actual use. The District may enforce this requirement as authorized by Section 36.118 of the Texas Water Code.

RULE 15 - FINAL ORDERS OF THE BOARD

After the record is closed and a permitting matter is submitted to the Board, the Board may take the matter under advisement, continue it from day to day, reopen or rest the matter, refuse the action sought, grant the action sought in whole or part, or take any other appropriate action within sixty (60) days after the date of the final hearing.

RULE 16 - REHEARING

(a) A decision of the Board made under this Rule may be appealed by requesting written findings of fact and conclusions of law of the Board no later than twenty (20) days after the Board's decision unless the Board issued findings of fact and conclusions of law as part of the final decision. Upon receipt of a timely written request, the Board shall provide certified copies of the findings of fact and conclusions of law to the requestor and each designated party not later than thirty-five (35) days after receipt of the request.

(b) A party to a contested hearing may request a rehearing not later than twenty (20) days after the Board issues its findings of fact and conclusions of law. Such a rehearing request must be filed at the District Office 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 an appeal may be brought. If the original hearing was a contested hearing, the party requesting a rehearing must provide copies of the request to all parties to the hearing.

(c) 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.

(d) If the rehearing request is granted by the Board, the date of the rehearing will be within forty-five (45) days thereafter unless otherwise agreed to by all parties to the proceeding. The Board shall make a final decision on the application not later than the 90th day after the date of the decision by the Board that was subject to the motion for rehearing. The failure of the Board to grant or deny a request for rehearing before the 91st day after the request is submitted, will be deemed to be a denial of the request. The Board's decision is final if no request for rehearing is made within the specified time on the expiration of the period for filing a request for rehearing, or if a request for rehearing is timely filed upon the Board's denial of the request for rehearing, or upon the Board’s rendering of a decision after rehearing.

RULE 17 - RULES GOVERNING NOTICE, SCHEDULING HEARINGS AND PROTESTS

(a) If an application before the District is contested, the Board may hold a hearing on the application. If an uncontested application before the District is reduced, denied,

or the Board includes special conditions not part of the application without a hearing, the person will be entitled to a hearing before the Board if a request for hearing is timely made. A written request to the Board for such a hearing, stating the pertinent facts, must be filed with the Board within twenty (20) days of the Board action reducing or denying the permit, or including special conditions not included in the application of the permit. If such motion is in order and is duly filed, the Board shall give notice to the applicant and all proper and necessary parties of the time and place of such hearing and shall proceed to conduct such a hearing.

(b) Staff Recommendation: Once submitted the District staff will perform a technical review of the application, certify the spacing of the proposed well with regard to all District spacing rules, and prepare a staff recommendation to the Board. Within 60 days of an application for a permit has been declared administratively complete by the General Manager it will be presented to the Board complete with recommendation. Alternatively, at the discretion of the General Manager or Board it may be set for a hearing. The staff recommendation will include a summary of the facts related to the application and staff recommendations for Board action on the application.

(c) Scheduling of Hearing: If the General Manager determines that it is appropriate, the applicant otherwise disagrees with District staff's recommended permit, or the application is protested by a third party, the General Manager or Board may schedule the application for a hearing at a regular or special meeting of the Board. For an application requiring a hearing, the hearing will be held within 35 days of the hearing date being set. If the General Manager determines before the matter is considered by the Board that the permit application is uncontested and follows all District rules, then the permit may be approved by the General Manager, and the drilling operation may proceed without Board consideration. The Board may schedule hearings, if any, for additional dates, times, and places if the hearing is to be presided over by a hearing's examiner. The General Manager or Board may schedule more than one application for consideration at a hearing. Well registrations do not require a hearing or Board action.

(d) Notice of Hearing: The General Manager shall give notice of all hearings involving permit applications in the following manner:

(1) Notice of the date, time, and location of the hearing shall be sent to the applicant in writing at least ten (10) days before the date of the hearing by certified mail, return receipt requested, and other person(s) requesting notification, by regular mail, fax, or electronic mail. The notice to the applicant shall include the staff recommendation on the application.

(2) A copy of the notice shall be posted at the District office and at the county courthouse in the place where notices are usually posted. The date of posting may not be less than ten (10) days before the date of the hearing

(e) Contents of Notice: The notice shall include:

(1) the name of the applicant;

(2) the location of the well or proposed well;

(3) a brief explanation of the permit or permit amendment, including requested production, purpose of use or change of use;

(4) the date, time, and location of the hearing; and,

(5) any other information the General Manager or Board deems relevant or appropriate.

(f) Protest and request for Contested Case Hearing:

(1) In the event any person should desire to protest or oppose any pending application, the person wishing to protest must file by United States mail, fax, e-mail, or hand delivery to the General Manager, Board, or hearing officer, a written notice of protest or opposition, providing the basis for such protest and opposition as described in Paragraph (2) below, and request a contested case hearing in sufficient time to be received by the District at least two business days before the of the hearing;

(2) Protest Requirements. Protests and request for contested case hearings shall be submitted in writing with a duplicate copy to the opposing party or parties and shall comply in substance with the following requirements:

i. Each protest shall show the name and address of the protestant;

ii. The protestant shall identify any injury that will result from the proposed action or matter to be considered by the Board;

iii. If the protest is based upon claim of interference with some present right of protestant, it shall include a statement of the basis of protestant's claim of right;

iv. Protestant shall call attention to any amendment of the application or adjustment which, if made would result in withdrawal of the protest;

v. Protestant shall demonstrate a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest not common to members of the public that is within the District’s regulatory authority and affected by a permit or permit amendment application;

vi. If a contested case hearing is desired, the party desiring the hearing must include a statement, "I/we request a contested case hearing;" and

vii. If a party requesting a contested case hearing desires for the hearing to be referred to and conducted by the State Office of Administrative Hearings (SOAH), then the hearing request must include a statement "I/we request that the SOAH conduct the contested case hearing." A party requesting a hearing before SOAH shall pay all costs associated with the contract for a SOAH hearing in accordance with Texas Water Code section 36.416.

(2) The District shall limit participation in a hearing on a contested application to the General Manager, applicant, and only persons who 1) have timely requested a hearing in subparagraph (1) above, and 2) who must have a personal justiciable interest as defined by subparagraph (2) above.

RULE 18 - GENERAL RULES OF PROCEDURE FOR HEARING

(a) General Provisions: Hearings, if any, on permit applications will be conducted by a quorum of the Board, an individual to whom the Board has delegated the responsibility to preside as a hearings examiner, or by (SOAH) as prescribed under Texas Water Code section 36.416. The Board President, or another Board Member designated by the Board, a SOAH Administrative Law Judge, or the hearings examiner shall serve as the presiding officer for the hearing.

(b) Preliminary Hearing: The initial hearing conducted by the Board under Rule 17(c) is a preliminary hearing. For a hearing referred to SOAH, the Board may direct SOAH to conduct the preliminary hearing. At a preliminary hearing, the Presiding Officer shall determine whether any person requesting a contested case hearing has standing to make the request, whether a personal justiciable issue related to the application has been raised, and a party's right to participate in a hearing. The Presiding Officer shall limit participation in a hearing to only persons who satisfy Rule 17(f). If it is determined before the preliminary hearing that the application is uncontested or at the preliminary hearing that no person who requested a contested case hearing had standing or that no personal justiciable issues were raised, the Board may treat the matter as uncontested.

(c) Hearing Registration: The District will require each person who attends a hearing to submit a hearing registration form stating the person's name, address, telephone number, whom the person represents, and whether the person wishes to testify.

(d) Conduct of Hearings: Hearings will be conducted in the manner the presiding officer deems most suitable to conveniently, inexpensively, and expeditiously

provide a reasonable opportunity for interested persons to submit relevant data, views, or arguments, in writing or orally. In addition, the presiding officer may:

(1) convene the hearing at the time and place specified in the notice;

(2) set any necessary additional hearing dates;

(3) establish the order for presentation of evidence;

(4) administer oaths to all persons presenting testimony; and

(5) examine persons presenting testimony;

(6) limit testimony or the presentation of evidence to persons who, in the presiding officer's determination, are affected by the subject matter of the hearing and is within the District's regulatory authority to address;

(7) allow testimony to be submitted in writing and may require that written testimony be sworn to;

(8) ensure that information and testimony are introduced as conveniently and expeditiously as possible without prejudicing the rights of any party; and,

(9) prescribe reasonable time limits for testimony and the presentation of evidence.

(e) Continuance: The presiding officer may continue a hearing from time to time and from place to place without providing notice under Rule 17 by announcing at the hearing the time, date, and location of the continued hearing. A continuance may not exceed the time limit for a final decision under Subsection (h)(7) below.

(f) Recording: The District shall prepare and keep a record of each hearing in the form of either minutes or audio or video recording or court reporter transcription or the report described by Subsection (g) of this section. If a hearing is transcribed at the request of a party to the hearing, the presiding officer may assess the costs associated with producing the transcript to one or more parties. If a hearing involved a contested application, then the District shall keep a record of the hearing in the form of audio or video recording or a court reporter transcription.

(g) Report: The presiding officer shall submit a report to the Board no later than thirty (30) days after the date a hearing is concluded, unless the hearing was conducted by a quorum of the Board. If the hearing was conducted by a quorum of the Board, the presiding officer shall determine at the presiding officer's discretion whether to prepare and submit a report to the Board under this section. The report must include:

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

(2) a summary of the evidence or public comments received; and,

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

(h) SOAH Hearings. If requested by an applicant or other party to a contested case, the District shall contract with SOAH to conduct a hearing. A person opposing an application who requests a contested hearing under Rule 17(f) must include in a timely hearing request the statement "I/we request that the State Office of Administrative Hearings conduct the hearing" in order for the hearing to be referred to and conducted by SOAH.

(1) An applicant desiring that the District refer a contested case to SOAH must make a written request for the SOAH referral at the same time that applicant requests a hearing or, when a hearing has been requested by a person other than the applicant, and the applicant desires for the District to contract with SOAH to conduct the contested case, the applicant must request a SOAH hearing in writing within no later than five (5) business days after the determination that the District will grant a hearing.

(2) A party requesting a hearing before SOAH shall pay all costs associated with the contract for a SOAH hearing and shall deposit with the District an amount determined by the District to pay the contract amount before the hearing begins. A party's SOAH hearing request will be deemed withdrawn if the party fails to provide the required deposit within five (5) days of the District's request for the deposit. At the conclusion of the hearing, the District shall refund any excess money to the paying party.

(3) If the District contracts with SOAH to conduct a hearing, the hearing shall be conducted as provided by Subchapters C, D, and F, Chapter 2001, Government Code.

(4) An administrative law judge who conducts a contest case hearing shall consider applicable District rules or policies in conducting the hearing, but the District deciding the case may not supervise the administrative law judge. The District shall provide the SOAH administrative law judge with a written statement of applicable rules and policies. The District may not attempt to influence the findings of fact or the administrative law judge's application of the law in a contested case except by proper evidence and legal argument.

(5) The board 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 judge, only if the board determines:

(i) That the administrative law judge did not properly apply or interpret applicable law, district rules, written policies provided under subsection (4), or prior administrative decisions;
(ii) That a prior administrative decision on which the administrative law judge relied is incorrect or should be changed; or
(iii) That a technical error in a finding of fact should be changed.

(6) A final decision of the Board after a contested case before SOAH must be in writing and must either adopt the proposed findings of fact and conclusions of law as proposed by the ALJ or include revised findings of fact and conclusions of law consistent with Subsection (5).

(7) Notwithstanding any other provision of these rules, the Board shall issue a final decision after a contested case before SOAH not later than the 180th day after the date of receipt of the final proposal for decision from SOAH. The deadline may be extended if all parties agree to the extension.

(8) The Board is considered to have adopted a final proposal for decision of the ALJ as a final order on the 181st day after the date the ALJ issued the final proposal for decision if the Board has not issued a final decision by:

(i) adopting the findings of fact and conclusions of law as proposed by the ALJ; or
(ii) issuing revised findings of fact and conclusions of law as provided by Subsection (5).

(9) A proposal for decision adopted under Subsection (8) is final, immediately appealable, and not subject to a request for rehearing.

RULE 19 - RULEMAKING

(a) The District may make and enforce rules, including rules limiting groundwater production based on tract size or the spacing of wells, to provide for conserving, preserving, protecting, and recharging of the groundwater or of a groundwater reservoir or its subdivisions to control subsidence, prevent degradation of water quality, or prevent waste of groundwater and to carry out the powers and duties provided by this chapter. In adopting a rule, the District shall:

(1) consider all groundwater uses and needs;

(2) develop rules that are fair and impartial;

(3) consider the groundwater ownership and rights;

(4) consider the public interest in conservation, preservation, protection, recharging, and prevention of waste of groundwater, and of groundwater

reservoirs or their subdivisions, and in controlling subsidence caused by withdrawal of groundwater from those groundwater reservoirs or their subdivisions, consistent with the objectives of Section 59, Article XVI, Texas Constitution;

(5) consider the goals developed as part of the District's management plan, and

(6) Not discriminate between land that is irrigated for production and land that was irrigated for production and enrolled or participating in a federal conservation program.

(b) Not later than the 20th day before the date of a rulemaking hearing, the General Manager or Board shall:

(1) post notice in a place readily accessible to the public at the District office;

(2) provide notice to the County Clerk of each county in the District;

(3) publish notice in one or more newspapers of general circulation in the county in which the District is located;

(4) provide notice by mail, fax, or electronic mail to any person who has requested notice under Rule 19(g); and,

(5) make available a copy of all proposed rules at a place accessible to the public during normal business hours and, if the District has a website, post an electronic copy on a generally accessible Internet site.

(c) The notice provided must include:

(1) the time, date, and location of the rulemaking hearing;

(2) a brief explanation of the subject of the rulemaking hearing; and,

(3) a location or Internet site at which a copy of the proposed rules may be reviewed or copied.

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

(e) The District requires each person who participates in a rulemaking hearing to submit a hearing registration form stating:

(1) the person's name;

(2) the person's address;

(3) telephone number and,

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

(f) The presiding officer shall prepare and keep a record of each rulemaking hearing in the form of an audio or video recording or a court reporter transcription.

(g) 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.

(h) The District may use an informal conference or consultation to obtain the opinions and advice of interested persons about contemplated rules and may appoint advisory committees of experts, interested persons, or public representatives to advise the District about contemplated rules.

(i) Failure to provide notice under Rule 19(b)(4) does not invalidate an action taken by the District at a rulemaking hearing.

(j) A person who participates in a rulemaking hearing and who is affected by the rule adopted by the Board may administratively appeal a rulemaking decision of the Board by requesting a rehearing before the Board not later than the 20th day after the date of the Board's decision. A request for rehearing must be written, filed in the District office, and must state the grounds for the request. If the Board grants a request for rehearing, the Board shall schedule the rehearing not later than the 45th day after the date the request is granted. The failure of the Board to grant or deny a request for rehearing before the 91st day after the date the request is submitted is a denial of the request. A decision by the Board on a rulemaking 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:

i. the Board denies the request for rehearing, or

ii. the Board renders a written decision after rehearing.

(k) Except as provided below, a person who participates in a rulemaking hearing and who is affected by the rule adopted by the Board may file a suit against the District under Section 36.251, Texas Water Code, to appeal a rulemaking decision not later than the 60th day after the date on which the decision becomes final.

(l) A person who participates in a rulemaking hearing and who is affected by the rule adopted by the Board may not file suit against the District under Section 36.251, Texas Water Code, if a request for rehearing was not filed on time.

(m) The Board may adopt an emergency rule without prior notice or hearing, or with an abbreviated notice and hearing, if the Board:

(1) finds that a substantial likelihood of imminent peril to the public health, safety, or welfare, or a requirement of state or federal law, requires adoption of a rule on less than 20 days' notice; and

(2) prepares a written statement of the reasons for its finding under Rule 19(m)(1).

(n) Except as provided by 19(o), a rule adopted under this section may not be effective for longer than 90 days.

(o) If notice of a hearing on the final rule is given not later than the 90th day after the date the rule is adopted, the rule is effective for an additional 90 days.

(p) A rule adopted under this section must be adopted at a meeting held as provided by Chapter 551, Government Code.

(q) A person with a real property interest in groundwater located within the District may petition the District to request the adoption or modification of a rule.

(1) Petitions shall be submitted in writing to the General Manager, and shall comply with the following requirements:

(i) each rule requested must be submitted by separate petition;

(ii) each petition must be signed and state the name and address of the petitioner(s) and identify with a brief written description and drawing the petitioner's real property interest in groundwater within the District;

(iii) each petition shall include:

(A) a brief explanation of the proposed rule;

(B) 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;

(C) a statement of the statutory or other authority under which the proposed rule is to be promulgated; and

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

(iv) No later the 90th day after the date the District receives the petition that complies with this section, the Board shall either deny the petition and provide an explanation for the denial in the minutes of the Board meeting or in a letter, or engage in rulemaking consistent with the granted petition as provided by Section 36.101 of the Water Code.

(v) There is no private cause of action for a decision to accept or deny a petition.

RULE 20 - WELL VALIDATION

In order to provide for the validation of water wells existing before the effective date of the rules the District will determine the location of the well and the wellhead equipment by field survey. The actual costs of validation not to exceed $250.00 per well validated shall be borne by the well owner. The validation will include a determination of whether the wells are completed, equipped, and operated in accordance with the District rules. The Board may issue a validation permit for validated wells in lieu of a drilling permit wells that are in compliance with rules and regulations of the District and the costs of well validation are paid to the District.

The General Manager may issue well validation permit and a well owner dissatisfied with the decision of the General Manager may request a hearing on the General Manager's well validating decision under Rule 17(c).

RULE 21 - TRANSFER OF GROUNDWATER OUT OF THE DISTRICT

(a) **Purpose.** A groundwater transfer permit is required to produce groundwater from within the District's boundaries and to transport such groundwater for use outside the District.

(b) **Scope.** A groundwater transfer permit is required for production of any water from a non exempt well, all or part of which is regularly transported for beneficial use outside the District. A groundwater transfer permit shall be obtained prior to commencing construction of wells or other facilities utilized to transfer groundwater from the District. Water wells to be used for the transportation of water outside of the District shall be subject to spacing and any production requirements of the District.

(c) **Exceptions.** A groundwater transfer permit is not required for transfers of groundwater from the District in the following cases:

(1) Transfers of groundwater from the District that were occurring on or before March 2, 1997, to the extent the production of groundwater from the District is not increased over the amount of groundwater produced on or before March 2, 1997;

(2) Transfers of groundwater from the District which are incidental to beneficial use within the District or which take place only sporadically; or,

(3) Transfers of groundwater from the District of less than 28 acre feet per year.

(d) **Application.** An application for a groundwater transfer permit shall be filed in the District office by the person transferring the groundwater whether it is the owner of the groundwater rights or owner or operator of the transportation facilities. The following information shall be provided:

(1) The name and mailing address of the applicant and the owner of the land on which the well is or 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) A statement of the nature and purpose of the proposed use and the amount of water to be used for each purpose;

(4) A water conservation plan;

(5) A declaration that the applicant will comply with the District's management plan;

(6) The location of each well and the estimated rate at which water will be withdrawn;

(7) A water well closure plan or a declaration that the applicant will comply with well plugging guidelines and report closure to the Board;

(8) A drought contingency plan;

(9) The amount and purposes of use in the proposed receiving area for which water is needed;

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

(11) How the proposed transfer is addressed in the approved regional water plan and certified District management plan;

(12) The names and addresses of the property owners within one-half (½) mile of the location of the well(s) from which water to be transported is to be produced, and the location of any wells on those properties;

(13) The time schedule for construction and/or operation of the facility;

(14) Construction and operation plans for the proposed facility, including, but not limited to:

i. a technical description of the proposed well(s) and production facility, including depth of the well, the casing diameter, type and setting, the perforated interval, and the size of pump; and

ii. a technical description of the facilities to be used for transportation of water.

(15) Additional information that may be required by the District.

(e) **Application Processing Fee.** Any application processing fee or deposit shall be the same as the application processing fee or deposit required by the District for other nonexempt wells drilled in the District.

(f) **Notice.** Notice of a hearing relating to a transport permit is required in the same manner as other nonexempt well as provided under Rule 17.

(g) **Hearing.** A hearing relating to a transport permit is required in the same manner as other nonexempt well as provided under Rules 17 and 18.

(h) **Permit.**

(1) The permit to transfer groundwater out of the District may be issued as a consolidated permit authorizing drilling, production, and transfer of water from the District. Whether issued as a consolidated permit or separately, the requirements for a permit to transfer groundwater out of the District are cumulative with all other permits or other requirements of the District.

(2) In determining whether to issue a permit to transfer groundwater out of the District, the District's Board of Directors shall consider, in addition to all other factors applicable to issuance of a permit from the District:

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 amount and purposes of use for which water is needed in the proposed receiving area;

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

iv. the approved regional water plan and certified District management plan.

(3) If it determines to issue a permit to transfer groundwater out of the District, the District's Board of Directors may limit the permit as warranted by consideration of those factors identified above. In addition to conditions identified by Texas Water Code § 36.1131, the permit to transfer water out of the District shall specify:

i. The amount of water that may be transferred out of the District;

ii. The period for which the water may be transferred;

iii. Any monitoring or reporting requirements determined to be appropriate; and,

iv. Such other terms and provisions with reference to the drilling, equipping, completion, or alterations of wells or pumps that may be necessary to conserve the groundwater, prevent waste, 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.

REPEAL OF PRIOR REGULATIONS

All of the previous rules and regulations of the District have been revised and amended; and except as they are herein republished, they are repealed. Any previous rule or regulation which conflicts with or is contrary to these rules is hereby repealed.

SAVINGS CLAUSE

If any section, sentence, paragraph, clause, or part of these rules and regulations 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 of such rules irrespective of the fact that any other sentence, section, paragraph, clause, or part thereof may be declared invalid.

BY-LAWS OF
THE GLASSCOCK GROUNDWATER CONSERVATION DISTRICT

These are guides to be used with discretion and were so adopted for the purpose of simplifying procedures and facilitating the administration of the District.

ESTABLISHMENT OF THE DISTRICT

Definitions:

The *Board* shall mean the Board of Directors of the Glasscock Groundwater Conservation District consisting of five (5) duly elected members from the four county precincts and one at large.

The *District* shall mean the Glasscock Groundwater Conservation District maintaining its office in Garden City, Texas; where registrations, reports, and other papers are required to be filed with or sent to the District. The area includes Glasscock County and a portion of northwest Reagan County.

Water shall mean groundwater.

Owner shall mean and include any person, that has the right to produce water from the land either by ownership, contract, lease, easement, or any other estate in the land.

Person shall mean any individual, partnership, firm, corporation, limited liability company, or other legal entity.

The word *Waste* as used shall have the same meaning as defined in Section 36.001 (8) of the Texas Water Code.

REQUIREMENTS FOR THE BOARD AND PROCEDURES FOR MEETINGS

Candidates:

An individual is qualified to serve on the Board as specified in section 8840.054 of the Texas Special District Local Laws Code. All procedures for holding the election shall be in accordance with the Texas Election Code and Chapter 8840 of the Special District Local Laws Code.

Election:

It shall be the uniform election in even numbered years in May.

Meetings:

The Board shall hold monthly meetings on the 3rd Tuesday of the month or may hold other meetings at call of the chairman or at the request of at least two (2) of the directors.

(a) a quorum is the majority of the directors;

(b) the Board may elect its own officers yearly;

(c) meetings will be held in the District's office;

(d) the Board will follow the Roberts Rules of Parliamentary Procedures; and

(e) the Board may also act as a hearing board regarding any disputes concerning the rules and operation of the District.

Computing Time and Filings:

(a) COMPUTING TIME: In computing any period of time prescribed or allowed by these rules, by order of the Board, or by any applicable statute, the day of the act, event or default from which the designated period of time begins to run, is not to be included, but the last day of the period so computed is to be included, unless it be a Sunday or legal holiday, in which event the period runs until the end of the next day which is neither a Sunday nor a legal holiday.

(b) TIME LIMIT: Applications, requests, or other papers or documents required or permitted to be filed under these rules or by law must be received for filing at the Board's offices at Garden City, Texas, or, in a proper case, at the office of the proper county committee, within the time limit, if any, for such filing. The date of receipt and not the date of posting is determinative.

POWERS AND DUTIES OF THE DISTRICT

The District may exercise the powers, rights, privileges, and functions permitted by Chapters 35 and 36 of the Water Code, as amended, including authority to:

(a) make and enforce rules to provide for conserving, preserving, protecting, recharging, and preventing waste of the water from the groundwater reservoirs that may be enforced by injunction, mandatory injunction, or other appropriate remedies in a court of competent jurisdiction;

(b) require permits for the drilling, equipping and completion of wells in the groundwater reservoirs and issue permits subject to terms and provisions with reference to the drilling, equipping, and completion of the wells as may be necessary to prevent waste or conserve, preserve and protect groundwater;

(c) provide for the spacing of wells producing from the groundwater reservoirs and regulate the production from those wells to minimize as far as practicable the draw down of the water table or the reduction of the artesian pressure, provided, the owner of the land, his heirs, assigns, and lessees are not denied a permit to drill a well on their land and the right to produce groundwater from that well subject to rules adopted under this act;

(d) require records to be kept and reports to be made of the drilling, equipping, and completion of wells into any groundwater reservoir and the taking and use of groundwater from those reservoirs and require accurate driller's logs to be kept of those wells and a copy of those logs and of any electric logs that may be made of the wells to be filed with the District;

(e) acquire land for the erection of dams and for the purpose of draining lakes, draws and depressions, and construct dams, drain lakes depressions, draws, and creeks and install pumps and other equipment necessary to recharge any groundwater reservoirs;

(f) have made by registered professional engineers surveys of the groundwater of any groundwater reservoir and of the facilities for the development, production and use of the groundwater, determine the quantity of the groundwater available for production and use and the improvements, developments and recharges needed for those groundwater reservoirs;

(g) develop comprehensive plans for the most efficient use of the groundwater of any groundwater reservoir and for the control and prevention of waste of that groundwater, with the plans to specify in the amount of detail that may be practicable the acts, procedures, performance, and avoidance that are or may be necessary to effect those plans, including specifications;

(h) carry out research projects, develop information, and determine limitations, if any, that should be made on the withdrawal of groundwater from any groundwater reservoir;

(i) collect and preserve information regarding the use of the groundwater and the practicability of recharge of any groundwater reservoir;

(j) publish plans and information, bring them to the notice and attention of the users of the groundwater within the District, and encourage their adoption and execution; and

(k) contract for, sell and distribute water from a water import authority, or other agency.

ADMINISTRATIVE PROCEDURES

Administrator and Employees

The Board may employ a manager and set his/her salary. The Board may delegate any of its powers and duties (except those of adopting rules, a dissolution resolution, a dissolution order, and those relating to hearings, taxation and bonds.) to the manager who may carry out the powers and duties delegated to he/she by the Board. Employment of personnel is subject to the general law on nepotism. The manager with the approval of the Board may employ employees of the Board and set their salaries, and hire legal counsel for the Board.

The manager shall with the approval of the Board develop a plan of work for the District, act as official liaison for the Board between the public and governmental agencies, and prepare budgets.

The manager's position shall be reviewed yearly at the beginning of the fiscal year.

TAXATION AND BONDS

The tax and bond provisions of Chapter 36 of the Texas Water Code as amended apply to the District.

The Board may levy and collect property taxes levied on the property in the District that are necessary to enable the Board to perform the powers and functions given it in the Act.

The Board may levy annual taxes not to exceed five (.05) cents on the $100 dollar valuation on all taxable property within the District. The Board has adopted the county appraisal as the base for valuations necessary to provide net funds.

ANNEXATION

Additional territory may be added to the District under Chapters 35 and 36 of the Texas Water Code as amended. The directors shall determine to which precinct the annexed land shall be added for purposes of election of directors.

AMENDMENT TO BY-LAWS

These By-Laws may be altered, amended repealed in the same manner as the District adopts a rule.

DISSOLUTION OF THE DISTRICT

Chapter 36 of the Water Code, as amended, applies to dissolution of the District.