PREAMBLE

The rules of the Middle Trinity Groundwater Conservation District were originally adopted by the Board of Directors on May 11th, 2004, at a duly posted public meeting in compliance with the Texas Open Meetings Act and following publication in accordance with the Texas Water Code Sec. 36.101. In accordance with Section 59 of Article XVI of the Texas Constitution; Act of May 25, 2001, 77th Leg., R.S., ch. 1362, 2001 Tex. Gen. Laws 3371; Act of May 23, 2003, 78th Leg., R.S., ch. 893, 2003 Tex. Gen. Laws 2717; Act of May 26, 2009, 81st Leg. R.S. ch. 521, 2009 Tex. Gen. Laws 1204; and Chapter 36 of the Texas Water Code, the following rules are hereby ratified and adopted as the rules of this District by its Board. These rules originally became effective on May 11th, 2004.

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 District 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 Middle Trinity Groundwater Conservation District follows the definitions of terms used in Chapters 35 and 36, Texas Water Code, and Chapters 1901 and 1902, Texas Occupations Code, unless a different definition is listed below. The following terms shall have the meanings listed below:

"**Abandoned well**" means a well that for a period of at least one year:

(1) has been left unused, unattended and improperly protected from contamination and/or sources of pollution;

(2) has not been used for a beneficial purpose; or

(3) is not registered or permitted with the District.

For purposes of the "abandoned well" definition, a well is considered to be in "use" in the following cases:

(1) a non-deteriorated well which is operational; or

(2) a non-deteriorated well which has been capped in accordance with Rule 11.5.

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

"**Administrative fee**" means a fee authorized by Section 36.205, Water Code, which the Board may set to cover the costs to the District of performing the administrative function for which the fee is charged and which may not unreasonably exceed the cost to the District of performing the administrative function for which the fee is charged.

"**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.

"**Aggregation**" means when multiple wells are part of a combined well system that is owned and operated by the same permittee and serve the same subdivision, facility, or a certificated service area authorized by the Texas Commission on Environmental Quality, which may be authorized under a single permit at the sole discretion of the District. Multiple wells that are not part of an aggregate well system but that are located on a single tract of land and are owned and operated by the same permittee may be authorized under a single permit at the sole discretion of the District. When wells are permitted with an aggregate withdrawal, the aggregate groundwater production amount shall be assigned to the group of wells, rather than allocating to each well its prorated share of estimated production.

"**Applicant**" means: (1) the owner of the land on which the well(s) or proposed well(s) are located; (2) a lessee or other person with the express, written grant of authority of the landowner to act on the landowner's behalf with respect to transactions involving the District; or (3) the owner of the rights to produce groundwater from land that have been severed from the overlying land previously associated with such rights.

"**Aquifer**" means a formation or group of saturated geologic units capable of storing and yielding water in usable quantities.

"**Aquifer storage and recovery 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.

"**ASR injection well**" means a Class V injection well used for the injection of water into a geologic formation as part of an aquifer storage and recovery project.

"**ASR recovery well**" means a well used for the recovery of water from a geologic formation as part of an aquifer storage and recovery project.

"**Beneficial use**" or "**Use for a beneficial purpose**" 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, sulphur, or other minerals; or

(3) any other purpose that is useful and beneficial to the user and approved by the Board.

"**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.

"**Board**" means the Board of Directors of the Middle Trinity Groundwater Conservation District.

"**Claims Period**" means the time period from the initial date of the adoption of these Rules, May 11, 2004, to May 11, 2005, for Comanche and Erath Counties, the time period from November 15, 2009, to November 15, 2010, for Bosque County, and the time period from June 15, 2010, to June 15, 2011, for Coryell County.

"**Contiguous**" or "**Contiguous property**" as used in these Rules with respect to acreage means acres within the same continuous boundary associated with the right to produce groundwater that are owned or leased by a single landowner. Separate tracts of land must share a common boundary of at least fifty (50) feet if the well(s) at issue will be used for domestic use or at least three hundred (300) feet if the well(s) at issue will be used for non-domestic use in order for the acreage on the separate tracts to be considered contiguous. Acreage on separate tracks of land that would otherwise be contiguous under this definition but for the need to cross over to the other side of a public right-of-way shall be considered contiguous for the purposes of this definition, although the acreage of the public right-of-way itself shall not be included for purposes of calculating the amount of total contiguous acreage.

"**Desired Future Conditions**" 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 Groundwater Management Area ("GMA") at one or more specified future times.

"**Deteriorated well**" means a well that, because of its condition, will cause, or is likely to cause,

pollution of any groundwater in the District.

"**Development board**" means the Texas Water Development Board.

"**District**" means the Middle Trinity Groundwater Conservation District.

"**District Acts**" means Act of May 25, 77th Leg., R.S., ch. 1362, 2001 Tex. Gen. Laws 3371; Act of May 23, 78th Leg., R.S., ch. 893, 2003 Tex. Gen. Laws 2717; Act of May 26, 81st Leg. R.S. ch. 521, 2009 Tex. Gen. Laws 1204; and the non-conflicting provisions of Chapter 36, Water Code.

"**District office**" means any office of the District as established by resolution of the Board.

"**Domestic use**" means use of groundwater by an individual or a household to support essential domestic activity. Such essential domestic activity includes water for uses inside the home; for irrigation of lawns, flower beds, shrubs, trees shading the home, or of a family garden and/or orchard with sprinklers and garden hoses; for watering of domestic animals; for protection of foundations; and for recreation specifically only for swimming pools. Essential domestic activity does not include:

(a) water used to support activities for which consideration is given or for which the product of the activity is sold;

(b) pond, lake, tank reservoir, or other confinement which has a capacity greater than 50,000 gallons;

(c) non-closed system geothermal heating/cooling systems; or

(d) use by or for a public water system.

"**Drilling**" includes drilling, equipping, or completing wells or modifying the size of wells.

"**Existing well**" means a well located in Comanche and Erath Counties that was in existence or for which drilling commenced prior to May 11, 2004, a well located in Bosque County that was in existence or for which drilling commenced prior to November 15, 2009, or a well located in Coryell County that was in existence or for which drilling commenced prior to June 15, 2010.

"Exempt well" means a well exempted under District Rule 5.4 for which the owner is not required to obtain a permit, but for which the owner is required to register under the District Rule 5.1.

"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, including a pumping test well or observation test well drilled to satisfy the hydrogeological report testing requirements of Appendix C of these Rules in connection with a permit application for a well located in the Bosque County Management Zone or the Coryell County Management Zone, whether or not the Well is an Exempt Well.

"**Groundwater**" means water percolating below the surface of the earth.

"**Groundwater Well Status Report**" means the report form that the District is required to provide to Grandfather Permit holders at least once every five (5) years for the Grandfather Permit holder to submit to the District and that also must be completed prior to the amendment of a Grandfather

Permit.

"**Landowner**" or "**Owner**" means the person or entity who bears ownership of the land surface or the legal right to produce groundwater from it by deed or by lease, as applicable based upon the context of usage, unless a clearly different meaning is indicated by such context of usage.

"**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 or a Concentrated Animal Feeding Operation.

"**Management Plan**" means the most recently adopted version of the District's Management Plan.

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

"**New well**" means a well located in Comanche and Erath Counties for which drilling commenced on or after May 11, 2004, a well located in Bosque County for which drilling commenced on or after November 15, 2009, or a well located in Coryell County for which drilling commenced on or after June 15, 2010.

"**Office**" means the State Office of Administrative Hearings.

"**Open or uncovered well**" means an excavation at least ten feet in depth dug for the purpose of producing underground water, which is not covered or capped as required by Texas Water Code, the District's Rules, the Texas Occupations Code, or the rules and regulations of the Texas Department of Licensing and Regulation.

"**Open Meetings Act**" means Chapter 551, Texas Government Code.

"Operational" with respect to a water well means a non-deteriorated well which contains the casing, pump, and pump column in good condition and is capable of producing groundwater without being further equipped.

"**Permitted well**" means a well subject to the District's permitting requirements, which is not otherwise exempted from permitting by District Rules.

"**Presiding Officer**" means the President or other Board member presiding at a hearing or other proceeding or a hearing examiner appointed by the Board to conduct any hearing or other proceeding.

"**Project operator**" means a person holding an authorization under this subchapter to undertake an aquifer storage and recovery project.

"**Public Information Act**" means Chapter 552, Texas Government Code.

"**Pollution**" means the alteration of the physical, thermal, chemical, or biological quality of, or the contamination of, any water in the District that renders the water harmful, detrimental, or

injurious of humans, animal life, vegetation, or property, or to public health safety or welfare, or impairs the usefulness of the water for any lawful or reasonable purpose.

"**Registered well**" means and include any artificial excavation to produce groundwater that does not otherwise require a Permit by District Rules.

"**Retail public utility**" is defined as per Section 13.002 of the Texas Water Code.

"**Rules**" means the rules of the District compiled in this document and as may be supplemented or amended from time to time.

"**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 five (5) percent greater than the well had the capacity to produce before the alterations.

Types of permits:

1. "**Grandfather Permit**" means a permit required by the District for a non-exempt, existing well or well system that:

    (A) was completed at any time on or before the May 11, 2004 date of adoption of these Rules and located in Comanche and Erath Counties, an existing well or well system located in Bosque County completed at any time on or before November 15, 2009, or an existing well or well system located in Coryell County completed at any time on or before June 15, 2010; and

    (B) has not been abandoned.

2. "**Operating Permit**" means a permit required by the District for drilling, equipping, completing, substantially altering, operating, or producing groundwater from any non-exempt water well for which a Grandfather Permit or amendment thereto has not been issued by the District or timely applied for and awaiting District action.

"**Voluntary Metering Program"** means the voluntary program that allows a well owner to provide proof through meter readings that the owner is not able to produce the maximum amount of groundwater authorized to be produced under Rule 3.2 because the total metered amount of actual production from all existing wells on the owner's contiguous property is less than what the approved registration form and/or permit indicates all of the wells are capable of producing._

"**Voluntary Metering Program Manual**" means the document developed by the District that provides specific guidelines for participation in the Voluntary Metering Program.

"**Water well**" is defined as per Chapter 1901.001 of the Texas Occupations Code, and means an artificial excavation constructed to explore for or produce groundwater. The term does not include:

    (A) a test or blast hole in a quarry or mine or a well or excavation constructed to explore for or produce oil, gas, or other minerals unless the hole is also used to produce groundwater; or

(B) an injection water source well regulated under Section 91.101, Natural Resources Code or Chapter 27, Texas Water Code.

"**Water well driller**" is defined as per Chapter 1901.001 of the Texas Occupations Code.

"**Waste**" is defined as per Chapter 36, Texas Water Code, and Section 9 herein.

"**Well**" means a water well, unless clearly indicated to have a different meaning by the context in which it the term is used.

"**Well field**" see Well system.

"**Well owner**" means a landowner who owns a well or the land upon which a well is located or is to be located.

"**Well operator**" means the person who operates a well or a water distribution system supplied by a well.

"**Well system**" means a well or group of wells that are connected or tied to the same distribution system.

"**Withdraw**" means extracting groundwater by pumping or by another method.

RULE 1.2 PURPOSE OF RULES:
The Rules are adopted under the authority of Chapter 36 of the Texas Water Code, for the purpose of conserving, preserving, protecting, and recharging groundwater in the District in order to prevent degradation of water quality, prevent waste of groundwater, and to achieve the goals of the District Acts and Management Plan.

RULE 1.3 USE AND EFFECT OF RULES:
These Rules are the embodiment of the District's authority to regulate groundwater under the District Acts and Chapter 36 of the Texas Water Code and have the full force and effect of law. The District uses these Rules as guides in the exercise of discretion, where discretion is vested with the District. 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.

RULE 1.4 AMENDING OF RULES:
The Board may, following the notice and hearing process provided in Rule 10.2, 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:
A reference to a title or chapter without further identification is a reference to a title or chapter of the Water Code. A reference to a section or rule without further identification is a reference to a section or rule in these Rules. Construction of words and phrases are governed by the Code Construction Act, Subchapter B,

Chapter 311, Government Code. A reference to a code without further identification is a reference to the most recent edition of Vernon's Texas Codes Annotated and any yet uncodified, but effective, amendments to such codes by the Texas Legislature.

RULE 1.7 METHODS OF SERVICE UNDER THE RULES:
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, or by telephonic document transfer to the recipient's current telecopier number. Service by mail is complete upon deposit in a post office depository box or other official depository of the United States Postal Service. Service by telephonic document transfer is complete upon transfer, except that any transfer occurring after 5:00 p.m. shall 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 or more methods has been attempted and failed, the service is complete upon notice publication in a newspaper of general circulation in Comanche, Erath, Bosque, and Coryell Counties, or by such other method approved by the General Manager.

RULE 1.8 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.

RULE 1.9 REGULATORY COMPLIANCE:
All permittees and registrants of the District shall comply with all applicable rules and regulations of all governmental entities. If District Rules and regulations are more stringent than those of other governmental entities, the District Rules and regulations control.

RULE 1.10 COMPUTING TIME:
In computing any period of time prescribed or allowed by these Rules, order of the Board, or any applicable statute, the day of the act, event, or default from which the designated period of time begins to run is not included, but the last day of the period so computed is 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 neither a Saturday, Sunday, or legal holiday.

RULE 1.11 SHOW CAUSE ORDERS AND COMPLAINTS:
The Board, 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 a person operating within the District to appear before it at a public hearing and require the person to show cause why a suit should not be initiated against the person in a district court for failure to comply with the orders or rules of the Board, the relevant statutes of the State, or failure to abide by the terms and provisions of a permit issued by the District or the operating authority of the District. A hearing under this Rule shall be conducted in accordance with the rules of procedure and practice of the District.

SECTION 2. DISTRICT BOARD OF DIRECTORS:

RULE 2.1 ELECTION OF DIRECTORS:
Election of directors: The Board shall conduct elections of directors in accordance with the District Acts, Chapter 36 of the Texas Water Code, and the Texas Election Code.

SECTION 3. PRODUCTION LIMITATIONS:

RULE 3.1 GRANDFATHER PERMITS:

Subject to these Rules, the District Management Plan, Chapter 36 of the Texas Water Code, the Desired Future Conditions established for the aquifers located in whole or in part within the boundaries of the District, and the directives of the Texas Legislature, the District will by permit authorize a well entitled under these Rules to a Grandfather Permit to produce water in an amount that it was capable of producing and applying to a beneficial use prior to May 11, 2004, for wells located in Comanche and Erath Counties, prior to November 15, 2009, for wells located in Bosque County, and prior to June 15, 2010, for wells located in Coryell County.

RULE 3.2 OPERATING PERMITS:

(a) Subject to these Rules, the District Management Plan, Chapter 36 of the Texas Water Code, the Desired Future Conditions established for the aquifers located in whole or in part within the boundaries of the District, and the directives of the Texas Legislature, and when issuing Operating Permits in accordance with Rule 5.9, the District shall limit the quantity of groundwater produced from all wells on contiguous property to the amount for which the applicant can demonstrate a need and ability to apply the groundwater produced to a beneficial use, provided, however, that:

(1) for an applicant other than a retail public utility, the quantity shall not exceed in any calendar year 3 (three) acre-feet per contiguous acre of land from all wells on the property and owned or leased for the right to produce groundwater by the applicant as designated in the permit application;

(A) for wells drilled or applied for in the Bosque County Management Zone on or after September 11, 2026, the quantity of production in any calendar year shall not exceed the limits established in Appendix A of these Rules.

(B) for wells drilled or applied for in the Coryell County Management Zone on or after September 11, 2026, the quantity of production in any calendar year shall not exceed the production limits established in Appendix B of these Rules.

(2) for an applicant that is a retail public utility, the quantity shall not exceed in any calendar year:

(A) for a well that complies with the spacing requirements set forth under Rule 7.4(a) but does not comply with the spacing requirements set forth under Rule 7.4(f):

(i) 6 (six) acre-feet per contiguous acre of land from all wells on the property and owned or leased for the right to produce groundwater by the retail public utility for any calendar year between May 11, 2004, and the end of calendar year 2008 for a well located in Comanche and Erath Counties, between November 15, 2009, and the end of calendar year 2013 for a well located in Bosque County, or between June 15, 2010, and the end of calendar year 2014 for a well located in Coryell County; and

(ii) 3 (three) acre-feet per contiguous acre of land from all wells on the property and owned or leased for the right to produce groundwater by the retail public utility beginning in calendar year 2009 for a well

located in Comanche and Erath Counties, beginning in calendar year 2014 for a well located in Bosque County, or beginning in calendar year 2015 for a well located in Coryell County, regardless of when the Operating Permit was issued or the well was drilled; or

(B) for a well that complies with the spacing requirements set forth under both Subsections (a) and (f) of Rule 7.4, 6 (six) acre-feet per contiguous acre of land from all wells on the property and owned or leased for the right to produce groundwater by the retail public utility; and

(C) for a well drilled in the Bosque County Management Zone, the quantity of production by a retail public utility in any calendar year shall not exceed the limits established in Appendix A of these Rules.

(D) for a well drilled in the Coryell County Management Zone, the quantity of production by a retail public utility in any calendar year shall not exceed the limits established in Appendix B of these Rules.

(3) the District has not determined that there is insufficient groundwater available in the District under Subsection (b) of this Rule.

(b) After notice and hearing, the District may by order cease the granting of new Operating Permits when the District has determined that there is insufficient groundwater available in the District which would prevent the District from achieving the applicable Desired Future Conditions adopted for the aquifers located in whole or in part within the boundaries of the District and set forth in the District Management Plan, for the issuance of new Operating Permits. The District shall base its determination regarding insufficient availability upon:

(1) the Modeled Available Groundwater calculations determined by the Executive Administrator of the Texas Water Development Board;

(2) the estimated total exempt use in the District; and

(3) the total amount of water estimated to be used under or allocated to:

(A) Grandfather Permits; and

(B) previously issued Operating Permits.

The District expressly reserves the right to reduce the amount of groundwater allocated to or under Operating Permits or Grandfather Permits in order to achieve the goals and objectives of the District Management Plan or to make water available for the issuance of new Operating Permits or for exempt users. The District shall only reduce the amount of groundwater allocated to or under Grandfather Permits after groundwater allocated to or under Operating Permits has been reduced and further reduction is required to achieve the goals and objectives of the District Management Plan or to make water available for the issuance of new Operating Permits or for exempt users.

RULE 3.3 LIMIT SPECIFIED IN OPERATING PERMITS:

Notwithstanding Rule 3.2, the maximum annual quantity of groundwater that may be withdrawn under an Operating Permit issued by the District shall be no greater than the amount specified in the permit or the

amended permit and based on what the well(s) subject to the Operating Permit are capable of producing.

SECTION 4. DISTRICT MANAGEMENT ACTIONS AND DUTIES:

RULE 4.1 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 drawdown 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 Conditions 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 Conditions and the amount of Modeled Available Groundwater corresponding to the most recently approved Desired Future Conditions. 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 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 5. WATER WELL REGISTRATION AND PERMITS:

RULE 5.1 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 5.2 GENERAL REGISTRATION POLICIES AND PROCEDURES:

(a) No person or entity shall drill, operate, modify, complete, change type or location of use, plug, abandon, or substantially alter the size of a well within the District without first registering the well with the District, even though the well may be exempt from the requirement to obtain a permit under District Rule 5.4.

(b) The District staff will review the application for registration and make a preliminary determination on whether the well meets the permit exclusions or exemptions provided in Rule 5.4. Providing the preliminary determination is that the well is excluded or exempt from permitting, the registrant may begin the drilling or other well-related activity immediately upon receiving the approved registration.

(c) If the preliminary determination is that the well is not exempt, the District staff will inform the registrant of any further applications and information required to permit the well under these Rules.

(d) If the preliminary determination is that the well is not exempt, no person may drill, equip, complete, or substantially alter the well without first obtaining the appropriate permit or amendment thereto from the District.

(e) A violation of this Rule occurs on the first day the drilling, operation, equipping, completion, or alteration without the appropriate registration or permit begins and continues each day thereafter until the appropriate registration or permit is issued.

(f) A person or entity seeking to register a well shall provide the District with the following information in the registration application on a form provided by the District upon request by the applicant, which shall be accompanied by the applicable administrative fees, if any, adopted by Board

resolution:

(1) the name, telephone number, fax number, and mailing addresses of the registrant and the owner of the land on which the well is or will be located;

(2) if the registrant 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 existing and proposed use and the amount of water used or to be used for each purpose;

(4) the location of the well;

(5) a water well capping and plugging plan that complies with Rule 11.5 of these rules or a declaration that the applicant will comply with Rule 11.5 and provide a report to the District regarding each capped or plugged well;

(6) a statement that the water withdrawn from the well will be put to beneficial use at all times;

(7) the location of the use of the water from the well;

(8) the maximum pumping capacity of the well, method of withdrawal, size of well (inside diameter of the pump [discharge] column pipe and diameter of the well casing), size of well pump, and estimated depth of each well;

(9) for an existing well, whether any water was produced prior to the date of adoption of these Rules;

(10) the total number of acres of land contiguous in ownership with the land where the well(s) is/are located; and

(11) any other information deemed necessary by the Board.

(g) An approved registration shall provide the owner of a well that existed prior to the date of adoption of a rule governing well spacing or location with evidence of that existence for purposes of exempting the well from the requirement to comply with any well spacing or location requirements of the District.

(h) Failure of the owner of a well to file for and obtain a registration from the District under this Section shall subject the well owner to enforcement under these Rules. Owners of wells in either the Bosque County Management Zone or the Coryell County Management Zone shall be exempt from enforcement of this Rule unless the well owner fails to register their well(s) by March 1, 2027. Failure to register after that date will result in enforcement of the applicable penalties for unregistered wells drilled in either the Bosque County Management Zone or the Coryell County Management Zone.

(i) An approved registration is perpetual in nature, subject to cancellation for violation of these Rules.

(j) All persons or entities who obtain an approved registration are required to allow District staff to

perform water level monitoring, water quality testing, and well investigations in accordance with Section 11 of these Rules.

(k) A person may not change the type of use, location of use of the water produced, location of groundwater withdrawal, or make changes related to the operation of the well that may render the well non-exempt without first applying for and obtaining a registration amendment from the District to authorize the change. Any person who becomes the owner of a currently registered well should, within 60 calendar days from the date of the change in ownership, file an application for a registration amendment to effect a transfer of the registration.

(l) The well registration requirements of this Section 5 are effective May 11, 2004, for any new wells or for equipping, change in type or location of use, or substantially altering the size of an existing well that is located in Comanche and Erath Counties. The well registration requirements of this Section 5 are effective on May 11, 2005, for the operation of an existing well located in Comanche and Erath Counties. The well registration requirements of this Section 5 are effective November 15, 2009, for any new wells or for equipping, change in type or location of use, or substantially altering the size of an existing well that is located in Bosque County. The well registration requirements of this Section 5 are effective on November 15, 2010, for the operation of an existing well located in Bosque County. The well registration requirements of this Section 5 are effective June 15, 2010, for any new wells or for equipping, change in type or location of use, or substantially altering the size of an existing well that is located in Coryell County. The well registration requirements of this Section 5 are effective on June 15, 2011, for the operation of an existing well located in Coryell County.

RULE 5.3 DRILLING AND PRODUCTION REPORTS

(a) An owner of a well that is required to be registered with the District and is exempt from permitting under Rule 5.4(a)(3) and (4), shall file monthly reports with the District indicating the amount of production from the well for the previous month.

(b) Production reports shall be completed on forms prescribed by the District and shall be submitted to the District no later than the 5th day of each month.

RULE 5.4 PERMIT EXCLUSIONS AND EXEMPTIONS:

(a) The District's permit requirements in these Rules do not apply to:

(1) Drilling or operating a well used solely for domestic use or livestock use or providing water for poultry if the well is located or to be located on a tract of land larger than 10 (ten) acres and drilled, equipped or completed so that the well is incapable of producing more than 25,000 gallons of groundwater per day;

(2) Drilling or operating a well used solely for domestic use or livestock use or providing water for poultry overlying a tract of land equal to or less than 10 (ten) acres that is either drilled, equipped, or completed so that the well is incapable of producing more than 25,000 gallons of groundwater per day and that:

(A) the tract of land was platted prior to May 11, 2004 for a well located in Comanche and Erath Counties, prior to November 15, 2009, for a well located in Bosque County, and prior to June 15, 2010, for a well located in Coryell County; and

(B) the tract of land is not further subdivided into smaller tracts of land after May 11, 2004 for a well located in Comanche and Erath Counties, after November 15, 2009, for a well located in Bosque County, and, after June 15, 2010, for a well located in

Coryell County and prior to the drilling, completion, or equipping of the well.

(3) 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 Texas Railroad Commission 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;

(4) 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;

(5) drilling a water well for temporary use to supply water for a rig that is actively engaged in drilling a groundwater production well permitted by the District; or

(6) A well used for an aquifer storage and recovery project, except as provided under District Rule 5.19.

(b) A well exempted under Subsections (a)(1) or (2) of this Rule will maintain its exemption if title to the well and the underlying land is transferred subsequent to its initial qualification for exemption, as long as the other substantive requirements for exemption are met.

(c) A well exempted under Subsections (a)(3), (a)(4), or (a)(5) of this Rule must be permitted and comply with all District Rules if:

(1) the groundwater withdrawals that were exempted under Subsection (a)(3) are no longer 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;

(2) the groundwater withdrawals that were exempted under Subsection (a)(4) 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; or

(3) the groundwater withdrawals that were exempted under Subsection (a)(5) are no longer used solely to supply water for a rig that is actively engaged in drilling a groundwater production well permitted by the District.

(d) 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:

(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.

(e) A water well exempted under Subsections (a)(1) through (4) of this Rule 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) comply with the requirements of Rule 7.3 regarding the spacing and location of wells, except for wells approved by the Board in either the Bosque County Management Zone or the Coryell County Management Zone on or after September 11, 2026, in which case those wells shall comply with the spacing and location requirements found in Appendix A and Appendix B of these Rules, respectively.

(f) The driller of a new well exempted under Subsection (a) of this Rule shall file the drilling log with the District and shall also file geophysical logs with the District, if available.

(g) A well to supply water for a subdivision of land for which a plat approval is required by Chapter 232, Local Government Code, is not exempted under Subsection (a).

(h) An exemption for a well described in (a)(5) of this Rule may not exceed 180 days; however, a district may grant an extension of the exemption until the well is complete.

(i) 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.

RULE 5.5 GENERAL PERMITTING POLICIES AND PROCEDURES:

(a) Grandfather Permits: An owner of a non-exempt, existing well or well system located in Comanche and Erath Counties that was completed and produced groundwater for beneficial use on or before May 11, 2004, a non-exempt, existing well or well system located in Bosque County that was completed and produced groundwater for beneficial use on or before November 15, 2009, or a non-exempt, existing well or well system located in Coryell County that was completed and produced groundwater for beneficial use on or before June 15, 2010, shall apply to the District for a Grandfather Permit prior to the expiration of the Claims Period. Failure of an owner of such a well to apply for a Grandfather Permit before the expiration of the Claims Period shall preclude the owner from making any future claim or application to the District for a Grandfather Permit for the well and shall cause the owner to forfeit his rights and ability to operate the well under these Rules, unless the owner obtains an Operating Permit that authorizes production from the well. Grandfather Permit applications will not be subject to any administrative fee requirement the Board may establish for processing applications.

Restriction on Location of Withdrawal: The right to produce groundwater from a well under a Grandfather Permit may not be transferred to any other well in the District, except to a replacement well under Rule 6.1 and in accordance with Section 8 of these Rules.

(b) Operating Permits: An Operating Permit is required by the District for drilling, completing,

substantially altering, operating, or producing groundwater from any non-exempt well for which a Grandfather Permit, or amendment thereto has not been issued by the District or timely applied for and awaiting District action. This requirement is effective as of the expiration of the Claims Period as defined in Section 1 of these Rules, for existing wells and as of May 11, 2004, for all new wells located in Comanche and Erath Counties, as of November 15, 2009, for all new wells located in Bosque County, and as of June 15, 2010, for all new wells located in Coryell County. Every person who drills a water well after May 11, 2004, for a well located in Comanche and Erath Counties, after November 15, 2009, for a well located in Bosque County, and after June 15, 2010, for a well located in Coryell County, other than an exempt well as defined in Rule 5.4, must file an application for an Operating Permit on a form approved by the Board. Each Operating Permit application must be accompanied by any applicable administrative fee adopted by the Board. The Board shall set the amount of any administrative fee by resolution. The District shall return the fee to the applicant if the permit location is abandoned without having been drilled or results in a dry hole that has been plugged, upon return and surrender of the permit marked "abandoned" by the applicant. In the event the permit marked "abandoned" is not returned to the District office within 120 days after the date of permit issuance by the District, the administrative fee becomes the property of the District.

(c) Permit Terms:

(1) Operating Permits:

(A) The initial Operating Permit issued by the Board in accordance with Rule 5.9 shall be effective for five (5) years from the date of issuance of the permit An Operating Permit may be renewed in the manner set forth under Subsection (d) of this Rule.

(B) The initial Operating Permit shall include a condition that the permittee begin producing in accordance with the terms and conditions of the permit within nine months from the date of issuance, unless the applicant has applied for and been granted an extension. Such extensions shall only be granted once and shall not be valid for more than an additional six-month period. Thereafter, the permit is voidable by the General Manager and the applicant must file a new Operating Permit application.

(2) Grandfather Permits:

Grandfather Permits are effective as of the date of issuance by the District and are perpetual in nature, subject to being modified and amended in the future in accordance with Chapter 36 of the Texas Water Code, the Desired Future Conditions established for the aquifers located in whole or in part within the boundaries of the District, or to achieve the goals and objectives of the District's Management Plan. Any amendments to a Grandfather Permit shall be made in accordance with District Rule 5.15.

(d) Renewal applications for Operating Permits shall be submitted to the District no later than 60 days prior to the end of the existing permit term.

(1) The District shall, without a hearing, renew or approve an application to renew an Operating Permit before the date on which the Operation Permit expires, provided that:

(A) The application is submitted in a timely manner and accompanied by any required fees in accordance with District rules; and

(B)The permit holder is not requesting a change related to the renewal that would require a permit amendment under District rules.

(2) The District is not required to renew an Operating Permit under District Rule 5.5(d)(1) 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; or

(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 rule.

(3) If the District is not required to renew an Operating Permit under District Rule 5.5(d)(2), the Operating Permit remains in effect until the final settlement or adjudication on the matter of the substantive violation.

(4) 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 Operating Permit under District Rule 5.14, 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 Operating Permit requires a permit amendment.

(5) 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 5.5(d) without penalty, unless subsection (d) of District Rule 5.5(d)(2) applies to the applicant.

(6) The district may initiate an amendment to an Operating Permit, in connection with the renewal of an Operating Permit or otherwise, in accordance with District Rule 5.14. 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 5.6 PERMIT APPLICATION REQUIREMENTS:

(a) Each application for a permit or permit amendment requires a separate application and payment of the associated administrative fee, if such a fee is required. Application forms will be provided by the District and furnished to the applicant upon request.

(b) All permits are granted in accordance with and subject to the provisions of the Rules of the District.

(c) The application for a permit shall be in writing and sworn to.

(d) To the extent the information exists or is available through the exercise of reasonable diligence by an applicant, each permit application shall include the following:

(1) the name, telephone number, fax number, and mailing addresses 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) a location map showing the proposed well location and up to five (5) alternative well locations that meet, if applicable, the District's minimum spacing and location requirements which are applicable to the proposed well, and showing all wells in existence on the date of application within a quarter (1/4) mile radius of the location(s) of the proposed well or well to be modified, which the General Manager may require to be shown on a 7.5 minute United States Department of Interior Topographic Map and/or by latitude and longitude coordinates as measured by a calibrated GPS instrument;

(4) a statement of the nature and purpose of the proposed use and the amount of water to be used for each purpose;

(5) 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;

(6) a water conservation plan or a declaration that the applicant will comply with the District's management plan;

(7) the estimated rate at which water will be withdrawn, the maximum pumping capacity of the well, method of withdrawal, size of well (inside diameter of the pump [discharge] column pipe and diameter of the well casing), size of well pump, and estimated depth of each well;

(8) a water well capping and plugging plan that complies with Rule 11.5 of these Rules or a declaration that the applicant will comply with Rule 11.5 and provide a report to the District regarding each capped or plugged well;

(9) a statement by the applicant that the water withdrawn under the permit will be put to beneficial use at all times;

(10) the location of use of the water from the well;

(11) a drought contingency plan, if the applicant is otherwise required by law to develop a drought contingency plan;

(12) the total number of acres of land contiguous in ownership with the land where the well(s) is/are located;

(13) if the groundwater is to be resold, leased, or otherwise transferred to others, provide the location to which the groundwater will be delivered, the purpose for which the groundwater will be used, and a copy of the legal documents establishing the right for the groundwater to be sold, leased, or otherwise transferred, including but not limited to any contract for the sale, lease, or transfer of groundwater;

(14) a hydrogeologic report performed in accordance with the District's requirements in Appendix C if an application is filed with the District on or after September 11, 2026 for a well to be drilled in either the Bosque County Management Zone or the Coryell County Management Zone and meets the requirements established in Appendix C;

(15) information on whether the applicant is currently producing groundwater under a Grandfather Permit, an Operating Permit, or an exempt well on the same contiguous property as the proposed well; and

(16) any other information deemed necessary by the Board.

RULE 5.7 COMPLETION OF PERMIT APPLICATION REQUIRED:

The District shall promptly consider and act on each administratively complete application for a permit. If an application is not administratively complete, the District may request the applicant to complete the application. The application will expire if the applicant does not complete the application within 90 (ninety) days of the date of the District's request or upon conclusion of an extension granted by the General Manager of the District.

RULE 5.8 PERMITS SUBJECT TO CONDITIONS AND RESTRICTIONS:

Permits issued by the District for permitted wells may be subject to conditions and restrictions placed on the rate and amount of withdrawal, the Rules promulgated by the District, and terms and provisions with reference to the equipping of wells or pumps that 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, or lessen interference between wells.

RULE 5.9 DECISION AND ISSUANCE OF PERMIT:

(a) In deciding whether or not to issue a permit, or an amended permit and in setting the permitted volume or other terms of a permit, the Board shall consider whether:

(1) the application contains all the information requested and is accompanied by the subscribed administrative fees;

(2) the proposed use of water complies with Chapter 36, Water Code, and these District Rules, including the production limitations identified in Section 3 as applicable;

(3) the proposed use of water does or does not unreasonably affect: (1) existing groundwater and surface water resources; (2) existing permit holders; or (3) wells that are registered with the District and exempt from the requirement to obtain an Operating Permit under Rule 5.4.

(4) the proposed use of water is dedicated to a beneficial use;

(5) the proposed use of water is consistent with the District Management Plan;

(6) the applicant agrees to avoid waste and achieve water conservation;

(7) 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;

(8) the District has not issued an order under Rule 3.2 establishing that there is insufficient groundwater availability in the District for the issuance of new Operating Permits;

(9) for those hearings conducted by the State Office of Administrative Hearings, the Board shall consider the proposal for decision issued by the State Office of Administrative

Hearings;

(10) for wells proposed to be drilled in the Bosque County Management Zone, the Board shall evaluate the requirements set forth in Appendix A of these Rules;

(11) for wells proposed to be drilled in the Coryell County Management Zone, the Board shall evaluate the requirements set forth in Appendix B of these Rules; and

(12) for wells proposed to be drilled in either the Bosque County Management Zone or the Coryell County Management Zone that require a Hydrogeological Report, the Board shall evaluate the results of the Hydrogeological Report to help make its determinations under this Rule.

(b) The District, to the extent possible, shall issue permits up to the point the total volume of exempt and permitted groundwater production will achieve the applicable Desired Future Conditions established for the aquifers in the District. In issuing permits, the District shall manage total groundwater production on a long-term basis to achieve the applicable Desired Future Conditions and shall consider:

(1) the Modeled Available Groundwater calculations determined by the Executive Administrator of the Texas Water Development Board;

(2) the Executive Administrator of the Texas Water Development Board's estimate of the current and projected amount of groundwater produced under the exemptions in District Rule 5.4;

(3) the amount of groundwater authorized under permits previously issued by the District;

(4) a reasonable estimate of the amount of groundwater that is actually produced under permits issued by the District; and

(5) yearly precipitation and production patterns.

(c) If the Board votes to issue a permit, the well can be drilled according to the terms and conditions of the permit, including the terms and conditions specified in the Board's motion to approve issuance of the permit. Once the well has been drilled and the well logs have been filed with the District in accordance with Rule 5.16, the District will issue the Operating Permit and the well may be operated as set forth in the permit.

(d) The Board may take action on any uncontested permit application at a properly noticed public meeting held at any time after the public hearing at which the application is scheduled to be heard. The board may issue a written order to:

(1) Grant the permit application;

(2) Grant the permit application with special conditions; or

(3) Deny the permit application.

(e) An applicant may, not later than the 20th day after the date the board issues an order granting the permit application, demand a contested case hearing under District Rule 10.3 if the order:

(1) Includes special conditions that were not part of the application as finally submitted; or

(2) Grants a maximum amount of groundwater production that is less than the amount requested in the application.

RULE 5.10 AGGREGATION OF WITHDRAWAL:
A permit or a permit amendment for a well field will aggregate the authorized withdrawal for the entire field as it applies to Sections 3 and 5 of these Rules.

RULE 5.11 EFFECT OF ACCEPTANCE OF PERMIT:
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 contained in the permit and in the District Rules.

RULE 5.12 PERMIT PROVISIONS:
All permits are granted subject to these Rules, orders of the Board, and the laws of the State of Texas. In addition to any special provisions or other requirements incorporated into the permit, each permit issued must contain the following standard permit provisions:

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

(b) This permit confers only the right to operate under the terms and conditions of the permit, and its terms may be modified or amended pursuant to the District Rules or Chapter 36 of the Texas Water Code, as they exist or may be amended, and the directives of the Texas Legislature, or if necessary to achieve the goals and objectives of the District Management Plan. Within 60 calendar days after the date of sale, the Grandfather Permit or Operating Permit holder should notify the District in writing of the name of the new owner of a permitted well. In order for the District to have the most accurate information possible, any person who becomes the owner of a currently permitted well should, within 60 calendar days from the date of the change in ownership, file an application for a permit amendment to effect a transfer of the permit.

(c) The operation of the well for the authorized withdrawal must be conducted in a non-wasteful manner.

(d) The permitted well site must be accessible to District representatives for inspection or to perform water level monitoring, water quality testing, and well investigations in accordance with Section 11 of these Rules, and the permittee agrees to cooperate fully in any reasonable inspection of the well and well site by the District representatives.

(e) 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.

(f) Violation of a permit's terms, conditions, requirements, or special provisions is punishable by

permit revocation, civil penalties, and other enforcement as provided by Section 11 of the District Rules.

(g) The name of the person or entity to whom the permit is issued.

(h) The date the permit is issued.

(i) The date by which the permit must be renewed, if applicable.

(j) The conditions and restrictions, if any, placed on the rate and amount of withdrawal of groundwater.

(k) All permittees granted a Grandfather Permit are required to complete and return to the District a Groundwater Well Status Report distributed by the District in accordance with Rule 5.18.

(l) Any other conditions or restrictions the District prescribes.

(m) Any other information the District determines is necessary.

RULE 5.13 OPERATING PERMIT LIMITATIONS:

It is a violation of these Rules to produce water from a non-exempt well, for which a Grandfather Permit or amendment thereto has not been issued by the District or timely applied for and awaiting District action, without obtaining an Operating Permit from the District or, if applicable, to produce any amount of water in excess of the authorized permit.

RULE 5.14 AMENDMENT OF OPERATING PERMITS:

(a) The application for an Operating Permit amendment shall be in writing and sworn to.

(b) A substantial change to an Operating Permit may be made only after application to and approval by the District to so amend.

(c) A substantial change to an Operating Permit shall not be made prior to notice and hearing.

(d) A substantial change includes a change that would substantially alter the size or capacity of a well, an increase in the annual quantity of groundwater authorized to be withdrawn, a change in type of use or location of use of the water produced, a change of location of groundwater withdrawal except as provided in Section 6 for replacement wells, or the addition of a new well to be included in an already permitted aggregate system.

(e) Upon receipt by the District of information regarding a change concerning a well authorized under an Operating Permit, the General Manager may amend the permit to reflect the change to the well, provided, however, that Board approval is required to amend the permit to reflect a substantial change.

(f) Any non-substantial changes to an Operating Permit, such as a change in ownership of the land the well or well system is located on, may be made by the General Manager upon proper application for a permit amendment to effect a transfer of the permit.

(g) 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 5.15 AMENDMENT OF GRANDFATHER PERMITS:

(a) All amendments to a Grandfather Permit must be applied for through the submission of a Groundwater Well Status Report.

(b) Upon receipt of a Groundwater Well Status Report, the General Manager may amend a Grandfather Permit to reflect changes in the permit described by the Groundwater Well Status Report, except that changes to increase the amount of water produced under a Grandfather Permit or the purpose of use of the water authorized to be produced under a Grandfather Permit require the submission of an Operating Permit application. In terms of an increase in the amount of water produced under a Grandfather Permit, an Operating Permit is only necessary to authorize the amount of water produced in excess of the amount authorized under the Grandfather Permit. In terms of the authorization of a new use that is different from how the water was used prior to May 11, 2004, for wells located in Comanche and Erath Counties, prior to November 15, 2009, for wells located in Bosque County, and prior to June 15, 2010, for wells located in Coryell County, the permittee will no longer have Grandfather Permit status for their well(s) and is required to submit an Operating Permit application for the well(s).

RULE 5.16 DRILLER'S LOGS:

The driller of any water well within the District shall keep an accurate driller's log for each well. The driller shall file a copy of each log and a report detailing the drilling, equipping, and completing of the well with the District within 60 days after the date the well is completed, including whether the well was drilled and completed at an alternative location specified pursuant to Rule 5.6(d)(3). The report shall include all information submitted by the driller to any agency of the State of Texas. The driller shall also file geophysical logs with the District, if available.

RULE 5.17 CONVERSION OF INACTIVE WELL GRANDFATHER PERMITS AND ACTIVE WELL GRANDFATHER PERMITS:

As of May 6, 2010, the District shall no longer distinguish between Active Well Grandfather Permits and Inactive Well Grandfather Permits. Beginning on May 6, 2010, all permits previously designated by the District as Active Well Grandfather Permits or Inactive Well Grandfather Permits are considered to be Grandfather Permits and are subject to the rights and responsibilities assigned to Grandfather Permits as provided in these Rules.

RULE 5.18 GROUNDWATER WELL STATUS REPORT:

(a) A person or entity who has been granted a Grandfather Permit by the District is required to complete and return to the District the Groundwater Well Status Report distributed on a form provided by the District at least once every five (5) years on a schedule to be established by the Board by resolution. The Groundwater Well Status Report will provide information on the permitted well, including whether the well is producing groundwater or has been capped, plugged, or sealed in accordance with Section 11of these Rules, the purpose of use, location of use, and any other information required by the Board. Unless a Groundwater Well Status Report contains information in violation of these Rules or indicates that an Operating Permit is required under Rule 5.15(b), the submission of Groundwater Well Status Reports does not affect the validity of a Grandfather Permit issued by the District.

(b) Failure of a permittee to complete the Groundwater Well Status Report may subject the permittee to enforcement under Section 11 of these Rules.

RULE 5.19 AQUIFER STORAGE AND RECOVERY PROJECTS

(a) The provisions of District Rule 5.19 apply to an ASR recovery well that also functions as an ASR injection well.

(b) A project operator shall:

(1) Register the ASR injection wells and ASR recovery wells associated with the aquifer storage and recovery project with any district in which the wells are located;

(2) Each calendar month by the deadline established by the commission for reporting to the commission, provide the District with a copy of the written or electronic report required to be provided to the commission under Section 27.155, Water Code; and

(3) Annually by the deadline established by the commission for reporting to the commission, provide the District with a copy of the written or electronic report required to be provided to the commission under Section 27.156, Water Code.

(c) If an aquifer storage and recovery project recovers an amount of groundwater that exceeds the volume authorized by the commission 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 5.19(b)(2).

(d) Except as provided by District Rule 5.19(e), 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 the commission.

(e) The ASR recovery wells that are associated with an aquifer storage and recovery project are subject to the permitting, spacing, and production requirements of the District if the amount of groundwater recovered from the wells exceeds the volume authorized by the commission 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 wells that exceeds the volume authorized by the commission to be recovered.

(f) A project operator may not recover groundwater by an aquifer storage and recovery project in an amount that exceeds the volume authorized by the commission to be recovered under the project unless the project operator complies with the applicable requirements of the District as described by this Rule.

(g) The District may not assess a production fee or a transportation 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 aquifer storage and recovery project exceeds the volume authorized by the commission to be recovered.

(h) The District may assess a well registration fee or other administrative fee for an ASR recovery well in the same manner that the District assesses those fees under District Rules 5 and 12.

(i) The District may consider hydrogeologic conditions related to the injection and recovery of groundwater as part of an aquifer storage and recovery 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 6. REWORKING AND REPLACING A WELL:

RULE 6.1 APPLICATION REQUIREMENT:

(a) Under the following conditions, a well owner may apply to re-equip, re-drill, or replace a currently permitted or registered well by filing an application to amend such permit or registration on a form provided by the District upon request:

(1) the replacement well, in order to be considered such, must be drilled within 100 feet of the location of the well to be replaced and comply with Subsection (b) of this Rule;

(2) the replacement well shall not be located any closer to any other permitted well or authorized well site than the well being replaced, unless the new location complies with the minimum spacing and location requirements of these Rules, including the minimum spacing and location requirements for wells located in the Bosque County Management Zone or the Coryell County Management Zone;

(3) the replacement well or pump shall not be larger in size or capacity than the well being replaced so as to substantially alter the size or capacity of the well; and

(4) if a replacement well is drilled, the well owner ceases production from the well being replaced and begins pursuit of compliance with the well plugging requirements of Rule 11.5 for the well being replaced.

(b) If the replacement well is drilled at a distance greater than ten (10) yards (30 feet) from the location of the well to be replaced, then the well owner must seek and obtain a permit amendment from the District as a substantial change pursuant to Rule 5.14 or pursuant to Rule 5.15.

RULE 6.2 NO HEARING OR NOTICE REQUIREMENT:

Except as provided by Rule 6.1(b), applications submitted under this Section 6 may be granted by the General Manager without notice or hearing.

SECTION 7. SPACING AND WELL LOCATION; WELL COMPLETION:

RULE 7.1 SPACING AND LOCATION OF EXISTING WELLS:

Wells drilled prior to May 11, 2004, and located in Comanche and Erath Counties, wells drilled prior to November 15, 2009, and located in Bosque County, or wells drilled prior to June 15, 2010, and located in Coryell County, were required to be drilled in accordance with the state laws in effect, if any, on the date such drilling commenced.

RULE 7.2 ADHERENCE TO LOCATION IN PERMIT:

After an application for an Operating Permit has been granted, the well, if drilled, must be drilled within 10 (ten) yards (30 feet) of the location or alternative location specified in the Operating 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 described in the Texas Water Well Drillers and Pump Installer Administrative Rules, *16 Texas Administrative Code § 76.100*, 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 7.3 SPACING AND LOCATION OF WELLS:

The location of all new exempt or non-exempt wells should be as specified in *16 Texas Administrative Code*

§ 76.100 (Tex. Dept. of Lic. and Reg., Technical Requirements – Locations and Standards of Completion for Wells).

RULE 7.4 SPACING AND LOCATION OF NEW PERMITTED WELLS:

(a) In addition to the requirements in Rule 7.3, the following well spacing shall be required for the drilling of new wells that require an Operating Permit:

Well casing Diameter	Minimum distance from existing registered or or permitted wells and between proposed wells
Up to 4”	300 ft.
>4” up to 5”	400 ft.
>5” up to 6”	500 ft.
>6” up to 7”	600 ft.
>7” but less than 8”	700 ft.
8” but less than 10”	800 ft.
10” or greater	1000 ft.

(b) The well spacing and tract size requirements specified in Appendix A of these Rules shall be required for wells approved by the Board in the Bosque County Management Zone on or after September 11, 2026.

(c) The well spacing and tract size requirements specified in Appendix B of these Rules shall be required for wells approved by the Board in the Coryell County Management Zone on or after September 11, 2026.

(d) An applicant may seek an exception to the spacing requirements of Subsection (a) of this Rule on the grounds that the well or wells proposed in the application will produce groundwater from an aquifer or subdivision thereof other than the aquifer or subdivision thereof from which the existing permitted or registered wells that are closer than the minimum distances are producing. The exception may be granted by the Board only after written notice of a permit hearing has been given by the applicant to all owners of existing permitted or registered wells located within the minimum required distance from the proposed permitted well site, and after a public hearing at which all interested parties have the opportunity to appear and be heard.

An applicant may also seek an exception to the spacing requirements of Subsection (a) of this Rule if the applicant presents waivers signed by all landowners and water 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 General Manager, may waive certain spacing requirements for the proposed well location and notify the Board at the next scheduled Board meeting. The General Manager reserves the right to present any exception application at the next scheduled Board Meeting that the General Manager determines to need Board approval.

(e) For purposes of this Rule, a permitted or registered well is “existing” if it has already been authorized by the District or if the District has received an administratively complete application for the well.

(f) In addition to the requirements set forth under Subsection (a) of this Rule, a well for an applicant that is a retail public utility and that seeks authorization to utilize the production limitations set forth for Operating Permits under Rule 3.2(a)(2)(B) shall be drilled at a minimum distance of 500-feet from all property lines on the property where the well is to be located.

RULE 7.5 STANDARDS OF COMPLETION FOR WELLS:
Standards of completion shall be as specified in *16 Texas Administrative Code § 76.100 (Tex. Dept. of Lic. and Reg., Technical Requirements – Locations and Standards of Completion for Wells).*

RULE 7.6 STANDARDS OF RE-COMPLETIONS FOR WELLS:
Standards of re-completion shall be as specified in *16 Texas Administrative Code § 76.103 (Tex. Dept. of Lic. and Reg., Technical Requirements – Recompletions).*

SECTION 8. MANAGEMENT ZONES:

RULE 8.1 DESIGNATION OF MANAGEMENT ZONES:
Using the best available hydrogeologic and geographic data available, the Board may, by resolution, divide the District into one or more management zones for the administration of groundwater management and regulation in the District. Designated management zones shall serve as areas for which the District shall determine water availability if necessary to avoid impairment of and is consistent with the achievement of the applicable Desired Future Conditions established for the aquifers located in whole or in part within the boundaries of the District, authorize total production, establish proportional reduction of production amongst classes of permittees, and within which the District may allow the transfer of wells and/or the right to produce water as set forth in these Rules. The District shall attempt to delineate management zones along boundaries that, to the extent practicable, will promote fairness and efficiency by the District in its management of groundwater, while considering hydrogeologic conditions, and the ability of the public to identify the boundaries based upon land surface features.

RULE 8.2 ADJUSTMENT OF PRODUCTION AMOUNT BASED ON GROUNDWATER AVAILABILITY:

(a) Upon the initial designation of management zones and every five years thereafter, the District shall use the best available scientific information, including but not limited to Groundwater Availability Models established for the area and information regarding the saturation rate of aquifers within the District, to determine the annual amount of groundwater available for withdrawal in each management zone that will avoid impairment of and is consistent with the achievement of the applicable Desired Future Conditions established for the aquifers located in whole or in part within the boundaries of the District, 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 and exempt users in each management zone. The District may utilize data obtained from monitoring wells or a monitoring well network to make a determination under this Subsection.

(b) As determined by the Board, if the total amount of production within a management zone is less than or equal to the amount of groundwater available for withdrawal within the management zone under Subsection (a), production amounts authorized under Grandfather Permits and Operating Permits may remain the same or be increased in the management zone in a manner that will not impair and is consistent with the achievement of the applicable Desired Future Conditions established for the aquifers located in whole or in part within the boundaries of the District, as set forth under Rule 8.3.

(c) As determined by the Board, if the total amount of production within a management zone is greater than the amount of groundwater available for withdrawal within the management zone under

Subsection (a), production amounts may be decreased proportionally among all permittees in the management zone if necessary to avoid impairment of and to achieve the Desired Future Conditions established for the aquifers located in whole or in part within the boundaries of the District, with any necessary reductions being applied first to Operating Permits and, subsequently, if production is still greater than availability, to Grandfather Permits, as specifically set forth under Rule 8.3.

RULE 8.3 PROPORTIONAL ADJUSTMENT:

(a) The Board, by resolution, may establish proportional adjustment regulations to alter the amount of production authorized in a designated management zone if necessary to avoid impairment of and to achieve the applicable Desired Future Conditions established for the aquifers located in whole or in part within the boundaries of the District. When establishing proportional adjustment regulations for a management zone, the Board may first set aside an amount of water equal to an estimate of total exempt use within the management zone. After setting aside an amount of water for exempt use, to the extent remaining water is available, the Board may allocate water to Grandfather Permits. If there is insufficient water available to satisfy all Grandfather Permits, the Board may allocate available water among the Grandfather Permits by reducing the amount authorized under each on an equal percentage basis until the total authorized production equals the amount of water available within the management zone. The Board may prohibit groundwater from being authorized for production under Operating Permits if there is insufficient groundwater availability to satisfy all Grandfather Permits and exempt use, subject to Subsection (d) of this Rule.

(b) If there is sufficient water to satisfy all Grandfather Permits and exempt use within a management zone, the Board may then allocate available water among existing Operating Permits based on their previously permitted amounts. If there is insufficient water availability to satisfy all existing Operating Permits, the Board may allocate the remaining water availability among the Operating Permits by reducing the amount previously authorized under each on an equal percentage basis until the total authorized production equals water available within the management zone. The Board may prohibit water from being authorized for production under new Operating Permits if there is insufficient water available to satisfy all existing Operating Permits, subject to Subsection (d) of this Rule.

(c) If there is sufficient water to satisfy all Grandfather Permits, exempt use, and existing Operating Permits within a management zone, the Board may then allocate available water to applications for new Operating Permits, or amendments to Grandfather Permits or Operating Permits that contemplate increased use without the transfer of another permitted right, subject to Subsection (d) of this Rule.

(d) When establishing proportional adjustment regulations for a management zone that contemplate the reduction of authorized production or prohibit new or increased production, the Board may consider the time reasonably necessary for water users to secure alternate sources of water, including surface water, by economically feasible means and may incorporate such time considerations in the adoption of the proportional adjustment regulations. The Board may also include provisions in the proportional adjustment regulations that facilitate cooperative arrangements between permittees within a management zone to diminish the impacts to the permittees in complying with the regulations. Notwithstanding anything to the contrary in these Rules, the Board may grant a permit to an applicant whenever it is found upon presentation of adequate proof that there is no other adequate and available substitute or supplemental source of water, including surface water, at prices competitive with those charged by suppliers of surface water within the District.

RULE 8.4 ISSUANCE OF NEW OPERATING PERMITS:

In a management zone where the Board has previously established proportional adjustment regulations pursuant to Rule 8.3, new Operating Permits may be issued by the District for production in a management zone only if the management zone contains water available for permitting after the District has made any and all proportional adjustments to existing permits in a manner that will not impair and is consistent with the achievement of the applicable Desired Future Conditions established for the aquifers located in whole or in part within the boundaries of the District.

RULE 8.5 TRANSFER OF GRANDFATHER PERMIT AND/OR OPERATING PERMIT:

If management zones have been designated by the District, the District may authorize a permittee to transfer a permittee's Grandfather Permit or Operating Permit only within the same management zone, subject to and as provided under these Rules and the District's Management Plan.

RULE 8.6 BOSQUE COUNTY MANAGEMENT ZONE

(a) The Bosque County Management Zone is 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 in Bosque County.

(b) The boundaries of the Bosque County Management Zone follow the contiguous boundaries of Bosque County.

(c) The rules governing the management of the Bosque County Management Zone apply only to certain wells drilled and approved by the Board in Bosque County, as detailed in Appendix A of these Rules.

(d) Metering requirements, well spacing requirements, tract size requirements, production limitations, and other requirements applicable only to wells drilled or approved by the Board in the Bosque County Management Zone are located in Appendix A of these Rules.

RULE 8.7 CORYELL COUNTY MANAGEMENT ZONE

(a) The Coryell County Management Zone is 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 in Coryell County.

(b) The boundaries of the Coryell County Management Zone follow the contiguous boundaries of Coryell County.

(c) The rules governing the management of the Coryell County Management Zone apply only to certain wells drilled or approved by the Board in Coryell County, as detailed in Appendix B of these Rules.

(d) Metering requirements, well spacing requirements, tract size requirements, production limitations, and other requirements applicable only to wells drilled or approved by the Board in the Coryell County Management Zone are located in Appendix B of these Rules.

SECTION 9. PROHIBITION OF WASTE:

RULE 9.1 GENERAL PROHIBITION:

No person or entity under the jurisdiction of the District shall intentionally or negligently commit waste. Groundwater produced from within the District shall not be used in such a manner as to constitute waste as defined in Texas Water Code § 36.001.

RULE 9.2 SUBSURFACE POLLUTION:

No person shall pollute or harmfully alter the character of the groundwater reservoir of the District by causing or allowing the introduction of salt water or other deleterious matter from another stratum or strata, from the surface of the ground or from the operation of a well.

RULE 9.3 SURFACE POLLUTION:

No person shall pollute or harmfully alter the character of the groundwater reservoir by activities on the surface of the ground that cause or allow pollutants to enter the reservoir through recharge features, whether natural or manmade.

RULE 9.4 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 Board determines that an emergency exists, requiring 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 15 days or until a hearing can be conducted.

SECTION 10. HEARINGS:

RULE 10.1 TYPES OF HEARINGS:

(a) The District conducts three general types of hearings:

(1) Permit hearings involving permit matters, in which the rights, duties, or privileges of a person are determined after an opportunity for an adjudicative hearing;

(2) Rulemaking hearings involving 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; and

(3) Hearings on the Desired Future Conditions proposed for the District.

(b) Permit Hearings: The District shall hold a permit hearing on permit applications and permit amendments requiring a substantial change. The District may hold a hearing on permit amendments not requiring a substantial change, permit renewals, and permit revocations or suspensions. A permit hearing must be conducted by a quorum of the Board, 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 the State Office of Administrative Hearings if required under Rule 10.4. The General Manager may, at his discretion, follow provisions of this Section, for actions not requiring a hearing.

(c) Hearings on Motions for Rehearing: Motions for Rehearing will be heard by the Board in the manner prescribed for permit hearings under this Section.

(d) Rulemaking Hearings: The District shall hold a rulemaking hearing as required by these Rules to consider adoption of a new District Management Plan or revising an existing District Management Plan or to amend the District Rules or adopt new District Rules. A public hearing may also be held under the rulemaking hearings procedures set forth under this Section on any matter 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 10.2 NOTICE AND SCHEDULING OF HEARINGS:

(a) Notices of all hearings of the District shall be prepared by the General Manager.

(b) For all rulemaking hearings, the notice shall include:

(1) the subject matter of the hearing;

(2) the time, date, and place of the hearing;

(3) a location or Internet site at which a copy of the proposed rule may be reviewed or copied; and

(4) any other information deemed relevant by the General Manager or the Board.

(c) For all permit hearings, the notice 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;

(5) a brief explanation of the proposed action, including any requested amount of groundwater, the purpose of the proposed use, and any change in use, if applicable; and

(6) any other information the Board or General Manager deem appropriate to include in the notice.

(d) For permit hearings, not less than ten days prior to the date of the hearing, the General Manager shall:

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

(2) provide notice to the county clerk of Comanche, Erath, Bosque, and Coryell Counties, whereupon such county clerk shall post the notice on a bulletin board at a place convenient to the public in the county courthouse; and

(3) provide notice by:

(A) regular mail to the applicant;

(B) regular mail, facsimile, or electronic mail to any person who has requested notice under Subsection (e); and

(C) regular mail to any other person entitled to receive notice under the Rules of the District.

(e) A person may request notice from the District of a permit hearing relating to a permit. 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 email to the person in accordance with the information provided by the person is proof that notice was provided by the District. Failure by the District to provide written notice to a person under this Subsection does not invalidate any action taken by the Board.

(f) For rulemaking hearings, not less than 20 days prior to the date of the hearing, notice shall be published by the General Manager once in one or more newspapers of general circulation in the counties served by the District, and make available a copy of all proposed rules at a place accessible to the public during normal business hours and on the District's Internet site, in addition to posting the notice in the manner provided for permit hearings under Subsection (d) of this Rule.

(g) 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. The District may schedule as many applications for consideration at one Permit Hearing as deemed desirable. Except as provided in the Open Meetings Law, any hearing may be continued from time to time and date to date without notice after the initial notice. 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.

(h) In addition to the other notice requirements under this Rule, a landowner seeking an exception from the board under Rule 7.4 to the spacing requirements for new wells shall not less than 14 days prior to the date of the hearing provide written notice by certified mail to all owners of existing permitted or registered wells located within the minimum required distance from the proposed permitted well site. The notice shall include the information set forth under Subsection (a) of this Rule, the nature of the exception for which the applicant is seeking approval, and information calculated to apprise the recipient of the notice that the proposed well of the applicant will be located closer to the well of the recipient than the minimum distances set forth under Rule 7.4.

(i) For hearings that the District is required to hold for the adoption of its Desired Future Conditions, not less than ten days prior to the date of the hearing, the District shall post notice that includes the following information:

(1) the proposed Desired Future Condition(s) and a list of any other agenda items;

(2) the date, time, and location of the meeting or hearing;

(3) the name, telephone number, and address of the person to whom questions or requests for additional information may be submitted;

(4) the name of the other groundwater districts in the same Groundwater Management Area as the District; and

(5) information on how the public may submit comments.

The notice required under this subsection shall be provided in the same manner as that for rulemaking hearings under Subsection (f) of this Rule.

RULE 10.3 CONTESTED CASE PERMIT HEARINGS; DESIGNATION OF PARTIES:

(a) The following may request a contested case hearing on an application for a permit or permit amendment:

(1) the General Manager;

(2) the applicant; or

(3) an affected person.

(b) A request for a contested case hearing must substantially comply with the following:

(1) 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;

(2) 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 he or she will be affected by the activity in a manner not common to members of the general public;

(3) set forth the grounds on which the person is protesting the application;

(4) request a contested case hearing;

(5) be timely under Subsection (d); and

(6) provide any other information required by the public notice of application.

(c) 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.

(d) A hearing request is considered timely if it complies with Rule 10.3(b) and:

(1) it is submitted in writing to and received by the District prior to the date of the hearing and action by the Board on the application; or

(2) the person appears before the Board at the hearing and opposes the application.

Requests for contested case hearings to be conducted by the State Office of Administrative Hearings made under Rule 10.4 shall be made in writing and submitted to the District by facsimile,

mail, hand delivery, or electronic mail no later than five days prior to the date the hearing on the application is scheduled to begin.

(e) 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 the hearing and may:

(1) determine that a hearing request does not meet the requirements of Subsection (b) and deny the request;

(2) determine that the person requesting the hearing is not an affected person related to the application and deny the hearing request;

(3) determine that a hearing request meets the requirements of Subsection (b), and designate the matter as a contested hearing upon determining that the person is an affected person; or

(4) refer the case to an evidentiary hearing. The Presiding Officer may hold a hearing on any issue related to the determination of whether to declare a matter as a contested case.

(f) A matter is considered to be contested if a hearing request is made pursuant to Subsection (b), made in a timely manner pursuant to Subsection (d), and declared as such by the Presiding Officer. Any case not declared a contested case under this Rule is an uncontested case.

(g) Preliminary Hearing to Designate Parties.

(1) Parties to a contested permit hearing will be designated as determined by the Presiding Officer. The Presiding Officer shall make a decision on party status at a preliminary hearing held prior to the commencement of the evidentiary hearing on the application. Unless the District is required to contract with the State Office of Administrative Hearings under Rule 10.4, the District may conduct the preliminary hearing to determine party status on the same day and immediately before the evidentiary hearing on the application is scheduled to begin.

(2) The General Manager and the applicant are automatically designated as parties.

(3) 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.

(4) 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.

(5) If the Board determines that no person who requested a contested case hearing has standing or that no justiciable issues are raised, the board may take any action authorized under District Rule 5.9(d).

(h) 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.

(i) All testimony presented in a contested case hearing shall be subject to cross-examination.

(j) 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 communication with District staff.

(k) 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.

RULE 10.4 CONTESTED CASE HEARINGS CONDUCTED BY THE STATE OFFICE OF ADMINISTRATIVE HEARINGS:

(a) If requested by the applicant or other party to a contested case hearing, the District shall contract with the State Office of Administrative Hearings to conduct the hearing.

(b) The Board shall determine whether the hearing held by the State Office of Administrative Hearings will be held in Travis County or at the District office or other regular meeting place of the Board.

(c) The party requesting that the hearing be conducted by the State Office of Administrative Hearings 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.

(d) An administrative law judge who conducts a contested case hearing shall consider applicable district rules or policies in conducting the hearing, but the District may not supervise the administrative law judge.

(e) The District shall provide the administrative law judge with a written statement of applicable rules or policies.

(f) The District 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.

(g) In a proceeding for a permit application or amendment in which the District has contracted with the State Office of Administrative Hearings for a contested case hearing, the Board has the authority to make a final decision on consideration of a proposal for decision issued by the State Office of Administrative Hearings administrative law judge consistent with Section 2001.058, Government Code.

(h) 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:

(1) That the administrative law judge did not properly apply or interpret applicable law, District rules, written policies provided under Water Code Section 36.416(e), 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.

(i) A final decision issued by the Board on consideration of a proposal for decision issued by the State Office of Administrative Hearings administrative law judge must be in writing and must either adopt the proposed findings of fact and conclusions of law as proposed by the administrative law judge or include revised findings of fact and conclusions of law consistent with Rule 10.4(h).

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

(k) Notwithstanding any other Rule, if a motion for rehearing is filed and granted by the Board under Rule 10.12, 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.

(l) Notwithstanding any other Rule, the Board is considered to have adopted a final proposal for decision of the administrative law judge as a final order on the 181st day after the date the administrative law judge issued the final proposal for decision 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.

(m) A proposal for decision adopted under Rule 10.4(l) is final, immediately appealable, and not subject to a request for rehearing.

RULE 10.5 GENERAL PROCEDURES FOR PERMIT HEARINGS CONDUCTED BY THE DISTRICT:

(a) Authority of 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 hearing date set by the General Manager in accordance with Rule 10.2;

(2) convene the hearing at the time and place specified in the notice for public hearing;

(3) designate the parties to a hearing;

(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 person participating in 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) exercise any other appropriate powers necessary or convenient to effectively carry out the responsibilities of Presiding Officer; and

(12) determine how to apportion among the parties the costs related to:

(A) a contract for the services of a presiding officer; and

(B) the preparation of the official hearing record.

(b) Hearing Registration Forms: Each person attending and participating in a hearing of the District must submit on a form provided by the District the following information: the person's name; the person's address; who the person represents if other than himself; whether the person wishes to testify; and any other information relevant to the hearing.

(c) For permit revocation hearings, suspension hearings, or hearings for a permit amendments for a non-substantial change, the Presiding Officer may implement these procedures for permit hearings in a manner as the Presiding Officer deems appropriate and not calculated to prejudice the rights of the permittee.

(d) 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.

RULE 10.6 PERMIT HEARINGS CONDUCTED BY THE DISTRICT—APPEARANCE; PRESENTATION; TIME FOR PRESENTATION; ABILITY TO SUPPLEMENT; CONDUCT AND DECORUM; WRITTEN TESTIMONY:

(a) Any interested person 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 or representative may present evidence, exhibits, or testimony, or make an oral presentation as determined by the Board. Any partner may appear on behalf of a partnership. A duly authorized officer or agent of a public or private corporation, political subdivision, governmental agency, municipality, association, firm, or other entity may appear on behalf of the entity. A fiduciary may appear for a ward, trust, or estate. 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 presentation.

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

(d) If the Board has not acted on the application, in the discretion of the Presiding Officer, any person who testifies at a hearing may supplement that testimony by filing additional written material with the Presiding Officer within 10 days after the date of conclusion of the hearing. A person who files additional written material with the Presiding Officer 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. Cumulative, repetitive, and unduly burdensome evidence filed under this Subsection will not be considered by the Board.

(e) Every person, 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: When a proceeding will be expedited and the interest of the persons participating in the hearing will not be prejudiced substantially, testimony may be received in written form. The written testimony of a witness, either in narrative or question and answer form, may be admitted into evidence upon the witness being sworn and identifying the testimony as a true and accurate record of what the testimony would be if given orally. On the motion of a party to the hearing, the Presiding Officer may exclude written testimony if the person who submits the testimony is not available for cross-examination by phone, a deposition before the hearing, or other reasonable means.

RULE 10.7 PERMIT HEARINGS—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 or other proceeding 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 or other proceeding.

RULE 10.8 PERMIT HEARINGS—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 the evidentiary portion 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 10.10 for a method of recording the hearing.

RULE 10.9 PERMIT HEARINGS—CONTINUANCE:

Except as provided for in 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, 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 of other proceeding will be delivered at a reasonable time to persons who submitted a hearing registration form under Rule 10.5(b), and any other person the Presiding Officer deems appropriate, but is not necessary to post or publish a notice of the new setting. A continuance may not exceed the time limit set forth in these Rules, including in Rule 10.4, and the Texas Water Code for the issuance of a final decision.

RULE 10.10 PERMIT HEARINGS— PROPOSAL FOR DECISION:

The Presiding Officer shall determine whether to submit a Proposal for Decision ("PFD") to the Board under this Rule. If the Presiding Officer determines to submit a PFD, it must: (1) be submitted within 30 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, each designated party, and each person who provided a comment, each of whom 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 a final hearing. The parties may present oral argument at a final hearing to summarize the evidence, present legal argument, or argue an exception to the PFD.

RULE 10.11 PERMIT HEARINGS—BOARD ACTION:

(a) Within 60 days after the final hearing date is concluded, the Board must take action on the subject matter of the hearing.

(b) For a contested case hearing in which the District has contracted with the State Office of Administrative Hearings to conduct the hearing, the Board must take action on the subject matter of the hearing in accordance with Rule 10.4.

(c) Notwithstanding any language in these Rules to the contrary, for purposes of making a final decision on a permit or permit amendment application, a concurrence of a majority of the directors eligible to vote is sufficient for taking an action on the application.

RULE 10.12 PERMIT HEARINGS—REQUEST FOR REHEARING AND APPEAL:

An applicant in a contested or uncontested hearing on an application or a party to a contested hearing may appeal a decision of the Board on a permit or permit amendment application by making a request in writing to the Board. A party seeking to appeal a decision by the Board must request written findings of fact and conclusions of law not later than the 20th day after the date of the Board's decision unless the Board issued findings of fact and conclusions of law as part of the final decision. On receipt of a timely written request for findings of fact and conclusions of law regarding a decision of the Board on a permit or permit amendment application, the Board shall make written findings of fact and conclusions of law. The Board shall provide certified copies of the findings of fact and conclusions of law to the person who requested them, and to each designated party, not later than the 35th day after the date the Board receives the request.

A party to a contested hearing may request a rehearing not later than the 20th day after the date the Board issues the findings of fact and conclusions of law. 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 party requesting a rehearing must provide copies of the request to all parties to the hearing. A rehearing, as described in this Rule, is mandatory before any appeal to District Court may be brought in relation to any Board decision on a permit or permit amendment application. Any appeal to District Court shall be limited to the issues and grounds raised in the motion for rehearing. 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. If the rehearing request is granted by the Board, the date of the rehearing will be within 45 calendar days thereafter. 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. 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 10.13. PERMIT HEARINGS—DECISION; WHEN FINAL:

(a) 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.

(b) Except as provided by Subsection (c), an applicant or a party to a contested hearing may file a suit against the district under Section 36.251, Texas Water Code, to appeal a decision on a permit or permit amendment application not later than the 60th day after the date on which the decision becomes final.

(c) An applicant or a party to a contested hearing may not file suit against the District under Section 36.251, Texas Water Code, if a request for rehearing was not filed on time.

RULE 10.14 CONSOLIDATED HEARING ON PERMIT 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.

RULE 10.15 RULEMAKING HEARING PROCEDURES:

(a) General Procedures: Rulemaking hearings shall be conducted by or before a quorum of the Board. 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.

(b) 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 given in accordance with Rule 10.2; provided, however, that the Presiding Officer may grant additional time for the submission of documents.

(c) 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.

(d) 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.

RULE 10.16 PETITION TO CHANGE RULES:

(a) If a person has a real property interest in groundwater and the property that gives rise to the real property interest is located within the boundaries of the District, then the person may petition the District to adopt a rule or modify a rule adopted under Chapter 36 of the Texas Water Code.

(b) A petition submitted under this Rule must be submitted on the *Petition to Change Rules* form provided by the District. A petition submitted under this Rule must include the following information:

(1) the text of the proposed rule or rule modification;

(2) an explanation of why adoption of the proposed rule or rule modification is necessary to be consistent with: (i) ownership and rights recognized under Section 36.002 of the Texas Water Code; or (ii) conservation or beneficial use of the groundwater resources located in the District;

(3) a request that the District provide notice of a rulemaking hearing for the Board of the District to consider the petition submitted by petitioner;

(4) proof that the person submitting the petition has a real property interest in groundwater and that the property that gives rise to said real property interest is located within the boundaries of the District; and

(5) the full name of the person submitting the petition and the person's contact information, including phone number, physical address, and email address if any.

(c) A person submitting a petition under this Rule must appear at the next Board meeting after the date of submission of the petition and must present the proposed rule or rule modification to the Board along with an explanation of why it should be adopted.

(d) If a person is unable to comply with any of the procedures set forth in Subsections (b) or (c) of this Rule, then on the same day that the person submits a petition under this Rule to the District, the person must also submit to the District 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. Failure to adhere to any of the procedures set forth in Subsections (b) or (c) of this Rule, and failure to timely submit a written explanation and request as described herein will result in automatic denial of the petition. Upon receipt of a written explanation and request as described herein, the Board may, at its sole discretion, waive any procedure set forth in Subsections (b) or (c) of this Rule.

(e) Not later than the 90th day after the date the District receives a petition under this Rule, the District must: (1) deny the petition and provide an explanation for the denial; or (2) grant the petition and engage in rulemaking consistent with the granted petition.

(f) Nothing in this Rule may be construed to create a private cause of action in relation to a decision to accept or deny a petition filed under this Rule.

RULE 10.17 APPEAL OF DESIRED FUTURE CONDITIONS:

(a) Not later than the 120th day after the date on which the District adopts a Desired Future Condition under Section 36.108(d-4), Texas Water Code, an "affected person" may file a petition with the District requiring that the District contract with the office to conduct a hearing appealing the reasonableness of the Desired Future Condition. The petition must provide evidence that the District did not establish a reasonable Desired Future Condition of the groundwater resources in the groundwater management area.

(b) Not later than the 10th day after receiving a petition described by Subsection (a), the District shall submit a copy of the petition to the development board. On receipt of the petition, the development board shall conduct:

(1) An administrative review to determine whether the desired future condition established by the district meets the criteria in Section 36.108(d); and

(2) A study containing scientific and technical analysis of the desired future condition, including consideration of:

(A) The hydrogeology of the aquifer;

(B) The explanatory report provided to the development board under Section 36.108(d-3);

(C) The factors described under Section 36.108(d); and

(D) Any relevant:

(i). Groundwater availability models;

(ii). Published studies;

(iii). Estimates of total recoverable storage capacity;

(iv). Average annual amounts of recharge, inflows, and discharge of groundwater; or

(v). Information provided in the petition or available to the development board.

(c) The development board must complete and deliver to the office a study described by District Rule 10.16(b)(2) not later than the 120th day after the date the development board receives a copy of the petition.

(d) For the purposes of a hearing conducted under District Rule 10.16;

(1) The office shall consider the study described by District Rule 10.16(b)(2) and the Desired Future Conditions explanatory report submitted to the development board under Section 36.108(d-3), Texas Water Code, to be part of the administrative record; and

(2) The development board shall make available relevant staff as expert witnesses if requested by the office or a party to the hearing.

(e) Not later than the 60th day after receiving a petition under District Rule 10.16(a), the District shall:

(1) Contract with the office to conduct the contested case hearing requested under District Rule 10.16; and

(2) Submit to the office a copy of any petitions related to the hearing requested under District Rule 10.16(a) and received by the district.

(f) A hearing under District Rule 10.16 must be held:

(1) At the District office or regular meeting location of the board; and

(2) In accordance with Chapter 2001, Government Code, and the rules of the office.

(g) During the period between the filing of the petition and the delivery of the study described by District Rule 10.16(b)(2), the District may seek the assistance of the Center for Public Policy Dispute Resolution, the development board, or another alternative dispute resolution system to mediate the issues raised in the petition. If the District and the petitioner cannot resolve the issues raised in the petition, the office will proceed with a hearing as described by this section.

(h) The district shall provide:

(1) General notice of the hearing; and

(2) Individual notice of the hearing to:

(A) The petitioner;

(B) Any person who has requested notice;

(C) Each nonparty district and regional water planning group located in the same management area as a district named in the petition;

(D) The development board; and

(E) The Commission.

(i) Before a hearing conducted under this section, the office 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) Which affected persons shall be named as parties to the hearing.

(j) The petitioner shall pay the costs associated with the contract for the hearing under this section. The petitioner shall deposit with the District an amount sufficient to pay the contract amount before the hearing begins. After the hearing, the office may assess costs to one or more of the parties participating in the hearing and the District shall refund any excess money to the petitioner. The office 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.

(k) On receipt of the administrative law judge's findings of fact and conclusions of law in a proposal for decision, including 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), Government Code.

(1) If the District vacates or modifies the proposal for decision, 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.

(l) If the District in its final order finds that a Desired Future Condition is unreasonable, not later than the 60th day after the date of the final order, all districts in GMA 8 shall reconvene in a joint planning meeting for the purpose of revising the Desired Future Condition found to be unreasonable. The districts in GMA 8 shall follow the procedures in Section 36.108, Water Code, to adopt new Desired Future Conditions applicable to the district that received the petition.

(m) A final order by the District finding that a Desired Future Condition is unreasonable does not invalidate the adoption of a Desired Future Condition by a district that did not participate as a party in the hearing conducted under this section.

(n) The administrative law judge may consolidate hearings requested under this section 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.

(o) A final District order issued under District Rule 10.16 may be appealed to a district court with jurisdiction over any part of Bosque, Comanche, Coryell, or Erath Counties. An appeal under this subsection must be filed with the district court not later than the 45th day after the date the District issues the final order. The case shall be decided under the substantial evidence standard of review as provided by Section 2001.174, Government Code.

(1) If the court finds that a Desired Future Condition is unreasonable, the court shall strike the Desired Future Condition and order the districts in GMA 8 to reconvene not later than the 60th day after the date of the court order in a joint planning meeting for the purpose of revising the applicable Desired Future Condition. The districts in the management area shall follow the procedures in Section 36.108, Water Code, to adopt new Desired Future Conditions applicable to the district that received the petition.

(2) A court's finding under District Rule 10.16(o) does not apply to a Desired Future Condition that is not a matter before the court.

SECTION 11. INVESTIGATIONS AND ENFORCEMENT:

RULE 11.1 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, including but not limited to water level monitoring, water quality testing, and well investigations. 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 Chapter 36 of the Texas Water Code.

RULE 11.2 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 11.3 RULE ENFORCEMENT:

(a) If it appears that a person or entity has violated, is violating, or is threatening to violate any provision of the District Rules, the Board of Directors may institute and conduct a suit in a court of competent jurisdiction in the name of the District for injunctive relief, recovery of a civil penalty in an amount set by District Rule per violation, both injunctive relief and a civil penalty, or any other appropriate remedy. 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: (1) $25,000.00 per day per violation; or (2) a lesser amount based on the severity of the violation set forth in a civil

penalty schedule which the Board of Directors may adopt from time to time via resolution in a properly noticed meeting, which civil penalty schedule is incorporated by reference into these Rules and shall constitute a Rule of the District for all purposes. Each day that a violation continues shall be considered a separate violation. Notwithstanding the foregoing, the Board of Directors may initiate and conduct a civil suit for recovery of a civil penalty greater than the maximum penalty established by law in Section 36.102, Texas Water Code, if the District determines that the person gained an economic benefit greater than the maximum penalty as a result of the violation of the District's Rules.

(b) A penalty under this Section is in addition to any other penalty provided by law and may be enforced by filing a complaint in a court of competent jurisdiction in the county in which the District's principal office or meeting place is located.

(c) If the District prevails in a suit to enforce its Rules, the District may seek and the court shall grant, in the same action, recovery of attorney's fees, costs for expert witnesses, and other costs incurred by the District before the court. The amount of attorney's fees awarded by a court under this Rule shall be fixed by the court.

(d) Any permit issued by the District may be revoked for violation of District Rules, Chapter 36, Water Code, or violations of the terms and conditions of the permit.

RULE 11.4 SEALING OF WELLS:

(a) 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 will be sealed when:

(1) no application has been made or no permit has been issued, as required by these Rules, for a permit to drill, operate, complete, equip, or substantially alter a water well which is not excluded or exempted from the permitting requirements of these Rules; or

(2) the Board has denied, canceled or revoked a permit; or

(3) an owner of a non-exempt well will no longer operate the well.

(b) The well may be sealed by physical means, including plugging or rendering inoperable, and tagged to indicate that the well has been sealed by order of the District. The District may recover costs incurred for sealing a well under this Rule from the owner of the well. Other appropriate action may be taken as necessary to preclude operation of the well or to identify unauthorized operation of the well.

(c) 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.

(d) The owner of the well may appeal the decision of the Board to seal the well by filing a written request for a hearing before the Board, in which case the Board will hear the owner's appeal at the next regular Board meeting for which notice has not already been published. The owner may also take corrective action to address the cause for which the District sealed the well and thereafter

request the District to remove the seal at the General Manager's discretion.

RULE 11.5 CAPPING AND PLUGGING OF WELLS:

(a) The District shall 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 commingling 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.

(b) A deteriorated or abandoned well or a well replaced pursuant to Rule 6.1 must be plugged in accordance with the Texas Department of License and Regulation, Water Well Drillers and Pump Installers Administrative Rules (16 Texas Administrative Code, 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.

(c) A driller, licensed pump installer, or well owner that plugs an abandoned or deteriorated well in the District shall 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. The District shall furnish plugging report forms on request.

(d) The District shall enforce compliance with these Rules and Chapter 1901 of the Texas Occupations Code related to wells located in the boundaries of the District.

(e) The District may bring an action to enjoin a person from violating these Rules or Chapter 1901 of the Texas Occupations Code.

(f) The District may enforce by injunction or other appropriate remedy in a court any rule, decision, determination, or order adopted or entered under Chapter 1901 of the Texas Occupations Code that is related to the plugging of water wells.

(g) The District may bring an action to recover a civil penalty under Chapter 1901 of the Texas Occupations Code for a violation of Chapter 1901 related to the plugging of water wells. The District may bring the action in the county in which:

(1) the offending activity occurred; or

(2) the person engaging in the activity resides.

(h) 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 Chapter 36 of the Texas Water Code.

(i) Reasonable expenses incurred by the District in plugging or capping a well constitutes a lien on the land on which the well is located.

(j) 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:

(1) the existence of the well;

(2) the legal description of the property on which the well is located;

(3) the approximate location of the well on the property;

(4) the failure or refusal of the owner or lessee, after notification, to close the well within thirty (30) days after the notification;

(5) the closing of the well by the District, or by an authorized agent, representative, or employee of the District; and

(6) the expense incurred by the District in closing the well.

RULE 11.6: WELL REGISTRATION AND PERMIT APPLICATION PROCESSING

Well registrations and any permit-related 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; nor will any application be accepted for filing or processing if the applicant, driller, operator, or owner of the well:

(1) is delinquent in paying any fee required or outstanding judgement obtained by the District;

(2) has been properly notified of a possible rules violation or 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; or

(3) has not paid a civil penalty, has otherwise failed to comply with an order resulting from a final adjudication of a violation of a District permit, order, or rule or a judgment from a court of proper jurisdiction.

Any change in the identity of a driller on any well registration or permit-related registration must be communicated and approved by the General Manager

SECTION 12: TRANSPORT OF GROUNDWATER

RULE 12.1 GROUNDWATER TRANSPORT FEE:

No permit other than a Grandfather Permit or an Operating Permit is required to transport groundwater produced in the District for use outside of the District. However, the District may impose a reasonable fee or surcharge for transportation of groundwater out of the District in an amount not to exceed 20 cents per thousand gallons of groundwater to be transferred out of the District. Effective January 1, 2024, the maximum allowable rate the District may impose for an export fee or surcharge under this Rule increases by three percent each calendar year. An export fee or surcharge imposed, or an increase in an imposed export fee or surcharge, is not valid unless it is approved by the Board after a public hearing. The District may only use funds obtained from the export fee rate increase under this Rule for costs related to assessing and

addressing impacts associated with groundwater development as provided by Texas Water Code Section 36.207.

A permittee who transports groundwater for use outside of the District shall be metered in accordance with Rule 13.1, keep a monthly log of meter readings of groundwater produced and transported out of the District, and shall provide the District with a report of monthly and annual groundwater produced and transported for the previous calendar year on a form provided by the District no later than January 15 of each year.

RULE 12.2 AMENDMENT OF PERMIT:
In accordance with Rule 5.14(c), the permit under which the groundwater will be transported must be amended to reflect any change in location or type of use of the water produced.

SECTION 13: METERS AND VOLUNTARY METERING PROGRAM

RULE 13.1 METERS REQUIRED FOR CERTAIN WELLS:

(a) A meter is required for the production or transport of any groundwater for use inside or outside of the District for any activity for which a fee that is based on the amount of groundwater produced or transported is required to be calculated under these Rules. The owner of a well required to be metered under this Rule shall equip the well with a flow measurement device meeting the specifications of these Rules and shall operate the meter on the well to measure the cumulative amount of groundwater required to be measured.

(b) A meter is required for the production of groundwater from any new well approved by the Board in the Bosque County Management Zone or the Coryell County Management Zone on or after September 11, 2026. The owner of a new well required to be metered under this Rule shall equip the well in accordance with the specifications detailed in Appendix A and Appendix B to these Rules, respectively.

(c) A mechanically driven, totalizing water meter is the only type of meter that may be installed on a well required to be metered under this Rule. The totalizer must not be resetable by the permittee and must be capable of a maximum reading greater than the maximum expected pumpage or amount transported during the permit term. 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 accuracy set forth in the American Water Works Association standards for cold-water meters as those standards existed on May 11, 2004, or later.

(d) The water meter must be installed according to the manufacturer's published specifications in effect at the time of the meter installation, or the meter's accuracy must be verified by the permittee in accordance with Rule 10.5. If no specifications are published, there must be a minimum length of five pipe diameters of straight pipe upstream of the water meter and one pipe diameter of straight pipe downstream of the water meter. These lengths of straight pipe must contain no check valves, tees, gate valves, back flow preventers, blow-off valves, or any other fixture other than those flanges or welds necessary to connect the straight pipe to the meter. In addition, the pipe must be completely full of water throughout the region. All installed meters must measure only groundwater.

(e) Each meter shall be installed, operated, maintained, and repaired in accordance with the manufacturer's standards, instructions, or recommendations.

(f) The owner of a well is responsible for the installation, operation, maintenance, and repair of the meter associated with the well.

(g) Bypasses are prohibited unless they are also metered.

RULE 13.2 METERING AGGREGATE WITHDRAWAL:

Where wells that are required to be metered under these Rules are permitted in the aggregate, or are collectively combined to operate under one permit issued by the District, one or more water meters may be used for the aggregate well system if the water meter or meters are installed so as to measure the groundwater produced or transported from all wells covered by the aggregate permits. The provisions of Rule 13.1 apply to meters measuring aggregate pumpage or aggregate transport.

RULE 13.3 ACCURACY VERIFICATION:

(a) **Meter Accuracy to be Tested:** The General Manager may require the permittee, at the permittee's expense, to test the accuracy of a water meter and submit a certificate of the test results. The certificate shall be on a form provided by the District. The General Manager may further require that such test be performed by a third party qualified to perform such tests. The third party must be approved by the General Manager prior to the test. Except as otherwise provided herein, certification tests will be required no more than once every three years for the same meter. If the test results indicate that the water meter is registering an accuracy reading outside the range of 95% to 105% of the actual flow, then appropriate steps shall be taken by the permittee to repair or replace the water meter within 90 calendar days from the date of the test. The District, at its own expense, may undertake random tests and other investigations at any time for the purpose of verifying water meter readings. If the District's tests or investigations reveal that a water meter is not registering within the accuracy range of 95% to 105% of the actual flow, or is not properly recording the total flow of groundwater withdrawn from the well or wells, the permittee shall reimburse the District for the cost of those tests and investigations, and the permittee shall take appropriate steps to bring the meter or meters into compliance with these Rules within 90 calendar days from the date of the tests or investigations. If a water meter or related piping or equipment is tampered with or damaged so that the measurement of accuracy is impaired, the District may require the permittee, at the permittee's expense, to take appropriate steps to remedy the problem and to retest the water meter within 90 calendar days from the date the problem is discovered and reported to the permittee.

(b) **Meter Testing and Calibration Equipment:** Only equipment capable of accuracy results of plus or minus two percent of actual flow may be used to calibrate or test meters.

(c) **Calibration of Testing Equipment:** All approved testing equipment must be calibrated every two years by an independent testing laboratory or company capable of accuracy verification. A copy of the accuracy verification must be presented to the District before any further tests may be performed using that equipment.

RULE 13.4 REMOVAL OF METER FOR REPAIRS:

A water meter may be removed for repairs and the well remains operational provided that the District is notified prior to removal and the repairs are completed in a timely manner. The readings on the meter must be recorded immediately prior to removal and at the time of reinstallation. The record of pumpage must include an estimate of the amount of groundwater withdrawn during the period the meter was not installed and operating.

RULE 13.5 WATER METER READINGS:

The permittee of a well required to be metered under Rule 13.1 must read each water meter associated with the well and record the meter readings and the actual amount of pumpage or transport in a log at least monthly. The logs containing the recordings shall be available for inspection by the District at reasonable business hours. The information regarding the amount of groundwater produced or transported must be furnished to the District annually no later than February 1 on a form provided by the District.

RULE 13.6 VOLUNTARY METERING PROGRAM

(a) The owner of one or more existing wells that is not able to produce the maximum amount of groundwater authorized under Rule 3.2 from those wells may voluntarily apply to the District for participation in the District's Voluntary Metering Program. The owner is required to provide proof through meter readings that the maximum amount of groundwater authorized under Rule 3.2 cannot be produced because the total amount of production from all existing wells on the owner's contiguous property is actually less than what the approved registration form and/or permit indicates all of the wells are capable of producing. For purposes of this rule, "existing wells" means registered exempt wells and wells operating under Grandfather Permits or Operating Permits previously issued by the District as of the date that the application for participation in the Voluntary Metering Program is submitted to the District.

(b) All applications submitted to the District to participate in the Voluntary Metering Program must be in writing and sworn to. The District will develop a Voluntary Metering Program application form and will furnish the application form upon request.

(c) An applicant must choose one (1) of the following options in order to show proof that the existing well(s) located on contiguous property do not produce the maximum amount of groundwater authorized under Rule 3.2:

(1) Wait to Drill Option: Requires the submission of a Voluntary Metering Program application to the District, and after approval by the Board, the owner must meter all existing wells on the property and report meter readings to the District on a monthly basis on a form provided by the District for not less than one (1) calendar year from the date the existing well(s) begin producing groundwater after the meter(s) are installed and sealed. Upon sufficient proof at the end of the one (1) calendar year period that the applicant produces less than the maximum amount of groundwater authorized under Rule 3.2, the owner may apply for a new Operating Permit if the owner intends to drill a new non-exempt well that requests approval to produce the remaining amount of groundwater that is not being produced and that is authorized under Rule 3.2. If the owner intends to drill a new exempt well and also produces groundwater under a previously issued Operating Permit, the owner may submit a registration application for the drilling of the new exempt well and may apply for an Operating Permit amendment that requests approval to produce the remaining amount of groundwater that is not being produced and that is authorized to be produced under Rule 3.2; or

(2) Proceed to Drill Option: Requires the submission of a Voluntary Metering Program application and either: (i) an Operating Permit application for the drilling of a new non-exempt well; or (ii) an Operating Permit amendment application and a registration application for the drilling of a new exempt well. Upon approval of both applications by the Board, the owner may drill the new well at his or her own risk. The well owner is required to meter the new well and all existing wells on the contiguous property and report

meter readings to the District on a monthly basis on a form provided by the District for not less than one (1) calendar year from the date the wells begin producing groundwater after the meters are installed and sealed. The well owner is responsible for ensuring that he or she does not produce more than the amount authorized under Rule 3.2 and is subject to fines assessed under the District's civil penalty schedule adopted in accordance with Rule 11.3(a) for any overproduction. A new Operating Permit issued under this Subsection (c)(2) is valid only for the one (1) calendar year period from the date the meters are installed and sealed. Upon sufficient proof at the end of the one (1) calendar year period that the owner has not produced more than the amount authorized under Rule 3.2 from all wells on the contiguous property, the District shall issue a new Operating Permit that authorizes production so that the owner can produce up to the maximum amount authorized under Rule 3.2.

(d) The District shall prepare and make available a Voluntary Metering Program Manual that provides information on the types of District-approved meters that must be used to participate in the Voluntary Metering Program and that provides specific information on the installation and sealing of meters.

(e) Participation in the Voluntary Metering Program requires that the following conditions be met:

(1) each section of the application form submitted to the District has been accurately completed;

(2) the owner agrees to meter all existing and new wells on the property and to submit meter readings on a monthly basis for a minimum of one (1) calendar year from the date the wells begin producing groundwater after the meters are installed and sealed;

(3) the owner agrees to continue submitting meter readings on a quarterly basis after the expiration of the one (1) calendar year period;

(3) the owner adheres to one (1) of the options provided in Subsection (c) of this rule;

(4) the owner agrees that the applicant is responsible for meter purchasing, installation, maintenance, and all other costs associated with participation in the Voluntary Metering Program and that the District is not liable for any costs related to participation in the Voluntary Metering Program;

(5) the owner agrees that all meters will be installed and sealed in accordance with the Voluntary Metering Program Manual;

(6) the owner agrees any production over the amount authorized in Rule 3.2 from all wells on the property will result in the assessment of fines assessed under the District's civil penalty schedule adopted in accordance with Rule 11.3(a);

(7) the owner agrees that District agents and employees shall be provided access to the property where the wells are located in accordance with Rule 11.1;

(8) the owner agrees that any manipulation of, tampering with, or removal of a meter that is not in compliance with the provisions of the Voluntary Metering Program Manual will result in fines assessed under the District's civil penalty schedule adopted in accordance with Rule

11.3(a); and

(9) the owner is in compliance with all District rules and with all requirements of the Voluntary Metering Program throughout the duration of the owner's participation and a failure to comply with this rule or the Voluntary Metering Program Manual will result in fines assessed under the District's civil penalty schedule adopted in accordance with Rule 11.3(a) and will require any new wells drilled pursuant to the Voluntary Metering Program to be capped or plugged.

(f) The Board shall review an application submitted under this rule and shall consider whether all of the requirements in Subsection (e) have been met in making a decision on an application to participate in the Voluntary Metering Program.

(g) After an application to participate in the Voluntary Metering Program is approved by the Board, the owner shall file a form in the deed records of the county or counties where the wells and property subject to the Voluntary Metering Program are located and shall provide proof to the District that the form has been properly filed. Such a form will put prospective purchasers of the wells and/or property on notice that the wells on the property are participating in the District's Voluntary Metering Program and that failure to continue participation in the program will require all new wells that were drilled pursuant to the Voluntary Metering Program to be capped or plugged. The District shall develop and make available the form for filing in the deed records under this subsection.

[*Appendices to Follow*]

APPENDIX A: RULES OF THE BOSQUE COUNTY MANAGEMENT ZONE

Section 1. METERING REQUIREMENTS:
A meter is required for the production of groundwater from any new well located in the Bosque County Management Zone that meets the following criteria:

(1) Non-exempt well requiring an Operating Permit;
(2) Well is drilled on or after September 11, 2026; and
(3) Well is completed and capable of producing greater than thirty (30) gallons per minute.

The owner of a new well required to be metered under this Rule shall equip the well with a flow measurement device meeting the specifications of these Rules and shall operate the meter on the well to measure the cumulative amount of groundwater required to be measured.

If a permittee desires to drill a new well and aggregate the production from the new well into an existing permit, the owner of the well will be required to meter both the new well and all of the existing wells contributing to the aforementioned permit to ensure the aggregated well system stays in compliance with the production limitations outlined in the existing permit and Section 3 of Appendix A.

Section 2. WELL SPACING AND TRACT SIZE REQUIREMENTS:
The location of all new exempt or non-exempt wells should be completed as specified in 16 Texas Administrative Code § 76.100 (Tex. Dept. of Lic. and Reg., Technical Requirements – Locations and Standards of Completion for Wells). In addition to the foregoing, the following minimum well spacing distances and tract sizes shall be required for the drilling of any new non-exempt well completed in the Bosque County Management Zone that requires an Operating Permit and is approved by the Board of Directors on or after September 11, 2026:

Column Pipe Size	BCMZ Well Spacing	Bosque Property Line
≤ 1¼"*	300 ft	50 ft
1½"*	400 ft	100 ft
2"*	550 ft	150 ft
> 2–4"*	750 ft	250 ft
> 4–6"**	1,000 ft	500 ft

*** Wells for a retail public utility applicant shall be drilled at a minimum distance of 500-feet from all property lines on the property where the well is to be located**

**** Wells with a column pipe greater than 6" are not permitted in this Management Zone.**

Minimum tract size: 5 acres for any tract subdivided on or after September 11, 2026.

Section 3. PRODUCTION LIMITS:
The District shall limit the quantity of groundwater produced from all wells drilled on contiguous property located in the Bosque County Management Zone to the amount for which the applicant or well owner can demonstrate a need and ability to apply the groundwater produced to a beneficial use, provided, however, that the quantity shall not exceed in any calendar year 1 (one) acre-feet per contiguous acre of land from all wells on the property and owned or leased for the right to produce groundwater by the applicant as designated in the permit application.

If the applicant or well owner has already obtained or applied for a non-exempt operating permit(s) to produce groundwater in excess of one (1) acre-feet per contiguous acre of land before September 11, 2026, the applicant or well owner shall be prohibited from obtaining additional authorization to produce

groundwater in excess of the volume established in the applicant or well owner's current permit(s) or application. In such circumstance, the applicant or well owner would be authorized to pursue an application to drill a new well, and if approved by the District in accordance with the requirements and criteria established in these Rules, the production volume in the applicant or well owner's existing permits would be reallocated such that the total authorized production volume from the existing well(s) and new well(s) does not exceed the volume the applicant or well owner is currently entitled to produce under their existing permits.

If the applicant is a retail public utility, the quantity of production from wells applied for after November 05, 2026, shall not exceed 1 (one) acre-feet per contiguous acre of land from all wells on the property and owned or leased for the right to produce groundwater in a single calendar year. Notwithstanding the foregoing, if the retail public utility applicant or well owner has already obtained or applied for a non-exempt operating permit(s) to produce groundwater in excess of one (1) acre-feet per contiguous acre of land before November 05, 2026, the retail public utility shall be prohibited from obtaining additional authorization to produce groundwater in excess of the volume established in the retail public utility's current permit(s) or application. In such circumstance, the retail public utility would be authorized to pursue an application to drill a new well, and if approved by the District in accordance with the requirements and criteria established in these Rules, the production volume in the applicant or well owner's existing permits would be reallocated such that the total authorized production volume from the existing well(s) and new well(s) does not exceed the volume the applicant or well owner is currently entitled to produce under their existing permits.

Section 4. HYDROGEOLOGIC REPORT REQUIREMENTS:

All new non-exempt wells that are capable of producing in excess of one hundred (100) GPM and approved by the Board in the Bosque County Management Zone on or after September 11, 2026 are required to submit a Hydrogeological Report as part of a permit application. Hydrogeological reports required for wells located in the Bosque County Management Zone must comply with the requirements set forth in Appendix C of these Rules.

APPENDIX B: RULES OF THE CORYELL COUNTY MANAGEMENT ZONE

Section 1. METERING REQUIREMENTS:
A meter is required for the production of groundwater from any new well located in the Coryell County Management Zone that meets the following criteria:

(1) Non-exempt well requiring an Operating Permit;
(2) Well is drilled on or after September 11, 2026; and
(3) Well is completed and capable of producing greater than thirty (30) gallons per minute.

The owner of a new well required to be metered under this Rule shall equip the well with a flow measurement device meeting the specifications of these Rules and shall operate the meter on the well to measure the cumulative amount of groundwater required to be measured.

If a permittee desires to drill a new well and aggregate the production from the new well into an existing permit, the owner of the well will be required to meter both the new well and all of the existing wells contributing to the aforementioned permit to ensure the aggregated well system stays in compliance with the production limitations outlined in the existing permit and Section 3 of Appendix B.

Section 2. WELL SPACING AND TRACT SIZE REQUIREMENTS:
The location of all new exempt or non-exempt wells should be completed as specified in 16 Texas Administrative Code § 76.100 (Tex. Dept. of Lic. and Reg., Technical Requirements – Locations and Standards of Completion for Wells). In addition to the foregoing, the following minimum well spacing distances and tract sizes shall be required for the drilling of any new non-exempt well completed in the Coryell County Management Zone that requires an Operating Permit and is drilled after September 11, 2026:

Column Pipe Size	CCMZ Well Spacing	Coryell Property Line
≤ 1¼"*	300 ft	50 ft
1½"*	500 ft	100 ft
2"*	750 ft	200 ft
> 2–4"*	1,000 ft	300 ft
> 4–6"**	1,500 ft	600 ft

*** Wells for a retail public utility applicant shall be drilled at a minimum distance of 500-feet from all property lines on the property where the well is to be located**

**** Wells with a column pipe greater than 6" are not permitted in this Management Zone.**

Minimum tract size: 5 acres for any tract subdivided on or after September 11, 2026.

Section 3. PRODUCTION LIMITS:
The District shall limit the quantity of groundwater produced from all wells drilled on contiguous property located in the Coryell County Management Zone to the amount for which the applicant or well owner can demonstrate a need and ability to apply the groundwater produced to a beneficial use, provided, however, that the quantity shall not exceed in any calendar year one half of one (0.5) acre-feet per contiguous acre of land from all wells on the property and owned or leased for the right to produce groundwater by the applicant as designated in the permit application.

If the applicant or well owner has already obtained or applied for a non-exempt operating permit(s) to produce in excess of one half of one (0.5) acre-feet per contiguous acre of land before September 11, 2026, the applicant or well owner shall be prohibited from obtaining additional authorization to produce

groundwater in excess of the volume established in the applicant or well owner's current permit(s) or application. In such circumstance, the applicant or well owner would be authorized to pursue an application to drill a new well, and if approved by the District in accordance with the requirements and criteria established in these Rules, the production volume in the applicant or well owner's existing permits would be reallocated such that the total authorized production volume from the existing well(s) and new well(s) does not exceed the volume the applicant or well owner is currently entitled to produce under their existing permits.

If the applicant is a retail public utility, the quantity of production from wells applied for after November 05, 2026, shall not exceed one half of one (0.5) acre-feet per contiguous acre of land from all wells on the property and owned or leased for the right to produce groundwater in a single calendar year. Notwithstanding the foregoing, if the retail public utility applicant or well owner has already obtained or applied for a non-exempt operating permit(s) to produce groundwater in excess of one half of one (0.5) acre-feet per contiguous acre of land before November 05, 2026, the retail public utility shall be prohibited from obtaining additional authorization to produce groundwater in excess of the volume established in the retail public utility's current permit(s) or application. In such circumstance, the retail public utility would be authorized to pursue an application to drill a new well, and if approved by the District in accordance with the requirements and criteria established in these Rules, the production volume in the applicant or well owner's existing permits would be reallocated such that the total authorized production volume from the existing well(s) and new well(s) does not exceed the volume the applicant or well owner is currently entitled to produce under their existing permits.

Section 4. HYDROGEOLOGIC REPORT REQUIREMENTS:

All new non-exempt wells that are capable of producing in excess of one hundred (100) GPM and approved by the Board in the Coryell County Management Zone on or after September 11, 2026 are required to submit a Hydrogeological Report as part of a permit application. Hydrogeological reports required for wells located in the Coryell County Management Zone must comply with the requirements set forth in Appendix C of these Rules.

APPENDIX C: HYDROGEOLOGICAL REPORT REQUIREMENTS

Hydrogeological reports required to be submitted in connection with a permit application for a well located in the Bosque County Management Zone or the Coryell County Management Zone must comply with the requirements set forth in this Appendix C.

I. Introduction

A. Hydrogeological Reports that meet the criteria in these guidelines must be included with administratively complete applications for any of the following:

1. requests to drill and operate a proposed new well or well system (aggregate capacity based on gallons per minute (GPM) in same ownership or system, same zone) as of September 11, 2026, reaches the threshold below:

Zone	Trigger	Required Testing
Bosque	100–199 GPM (single or aggregate)	1 test well: geophysical log + 36-hr pumping test
Bosque	200+ GPM (single or aggregate)	2 well array, 1 pumping well + 1 observation well, 36-hr test, aquifer properties report
Coryell	100+ GPM (single or aggregate)	2-well array: 1 pumping well + 1 observation well, 36-hr test, aquifer properties report

2. requests to modify or increase an existing well or well system that results in an increase of production as of September 11, 2026 or the date of the last Hydrogeological Report submitted with a permit or permit amendment application approved by the Board of Directors, whichever is more recent; and/or

3. exception to spacing requirements for wells covered by (1) or (2) above.

B. Purpose of the Hydrogeological Report is to provide the District with hydrogeological information addressing the impacts of the proposed well on existing wells and in relation to the Desired Future Condition (DFC) for the applicable aquifer, as required by Sections 36.113(d) and 36.1132 of the Texas Water Code.

C. Reports submitted pursuant to District Rules and these guidelines are required to be sealed by a Professional Geoscientist or Professional Engineer licensed in the State of Texas.

D. Hydrogeological Reports submitted to the District should follow the chronological order of the criteria set forth in Section II.

E. The District will not begin evaluating a Hydrogeological Report until the District has received payment of the Hydrogeological Report Review Fee from the applicant. The District's current Hydrogeological Report Review Fee is $2,500. Full payment of the District's Hydrogeological Report Review Fee is a requirement for an application to be considered administratively complete.

II. Required Content of Hydrogeological Reports

A. Well construction specifics must include the following:

1. Details on all aspects of well.

2. Schematic well construction diagram.

3. Lithologic description of geology anticipated during well drilling.

4. Identify specific location through maps:

a. Maps showing location of property relative to county level, location of well relative to property boundaries, and other relevant features.

B. Discussion of hydrogeologic setting must include the following:

1. Identification of the aquifer.

2. Discussion of surface and subsurface geology at well site.

a. Include whether there is any occurrence of any significant groundwater recharge features such as outcrop, surface water bodies, caves, sinkholes, faults or other geologic features.

3. Include depth interval of proposed water bearing zone and identify target production zone.

4. Provide anticipated thickness of water bearing zone.

5. Identify whether the target production zone is anticipated to be confined or unconfined.

6. Provide estimates of thickness of confining layer at well site location.

7. Provide for single-well tests (Bosque 100–199 GPM tier only) specific aquifer parameters at the well site, including transmissivity, hydraulic conductivity and storativity based on the Texas Water Development Board (TWDB) approved Groundwater Availability Model for the aquifer.

a. Provide a discussion of the variability of wells in the area, if applicable.

8. Provide for multi-well tests (Bosque 200+ GPM, and all Coryell projects) calculated transmissivity and storativity values from observation well-data. When evaluating impact from proposed production, the applicant should use locally derived estimates from pumping tests unless there is a valid reason to use other data or assumptions.

a. Provide a discussion of the variability of wells in the area, if applicable.

9. Identify all registered wells within a 5-mile radius of the proposed well using publicly-available District well database.

a. Include an estimation of the following for each registered well identified within the radius:

i. Current static water level

ii. Depth of well

iii. Available drawdown

1. static water level minus bottom of well

2. static water level minus bottom of aquifer

iv. Distance to the proposed well

10. Include identification of streams or springs within 5-mile radius of the proposed well.

C. Water quality analysis must include the following:

1. Include discussion of known quality in the area based on literature and well reports.

D. Interference analysis must include the following:

1. Provide quantitative analysis that shows the projected impacts from 1) the proposed production from the well or well system (if applicable) and 2) the well or well system (if applicable) running 100% of the simulation periods. The applicant is required to include any existing well within a well system when performing the interference analysis for new well applications. NOTE: Applicant is advised to work with District Staff on the proposed production volume prior to performing the analysis.

a. Simulation results must be included showing drawdown at 24 hours, 30 days, 1 year, 10 years, and 30 years (contoured with the smallest contour equal to 1-foot water level decline).

i. Include discussion of the methodology used for estimating drawdown, including software that was used, the assumptions and/or solution method employed.

ii. Include illustration and/or maps showing the estimated cone of depression. If there is more than one well in the group, two maps should be included demonstrating:

1. contours for impacts from pumping the proposed well only; and

2. contours for impacts from all wells in the system.

2. For well systems, include a discussion of the amount or degree of interference that each of the system wells may exert on other same system wells.

3. Include a discussion of the estimated impacts on existing registered wells identified under Section II(B)(9) of these guidelines. The estimated impacts shall be included in a table for each simulated result. The table shall include the drawdown and percentage impact based on available drawdown above the bottom of the aquifer of the registered well.

E. Modeled Available Groundwater (MAG) Analysis

1. Discussion of the proposed pumping amount in relation to the MAG.

F. Copies of the modeling files must be submitted with the report.

III. Post-Drilling Requirements

A. Mandatory requirements:

1. Geophysical logs required to be submitted upon completion of the well.

a. Geophysical logs must consist of a resistivity or induction curve and a spontaneous potential or gamma ray curve at a minimum.

b. Geophysical logs performed in the initial open-borehole are required and will consist of resistivity (self potential and gamma ray at a minimum).

c. Wells cased with PVC require induction and gamma ray logs.

d. All digital log files to be submitted in LAS format as well as printed.

2. All public water supply sampling completed in accordance with TCEQ/EPA requirements must be submitted to the District.

B. Must provide if available:

a. Digital or tabulated data of water levels measured during drawdown, specific capacity, or pumping test;

b. Field parameters of specific conductivity, temperature and pH of measurements made during the drawdown or pumping test; and/or

c. Any laboratory analysis completed on samples collected from the well after construction and development.

IV. Additional Construction Requirements

A. Measuring tube at least one inch in diameter to be installed from the well head to the bottom most screen interval in all new wells with a capacity to produce 100 GPM or more.

1. The measuring tube shall be a separate PVC pipe connected/adjacent to the casing.