

Statutory Amendments:

H.B. 1633

Rule 7.3 District Considerations

- (a) Before granting or denying a production permit for a well, or permit amendment under §36.1146, the District shall consider whether:

- (4) the proposed use of water unreasonably affects existing groundwater and surface water resources or existing permit holders, or wells that are registered with the District and exempt from the requirement to obtain a permit District rules;

H.B. 1689

Rule 11.5 Export Fees

The District may use funds obtained from an increase in an export fee imposed under (A) above, after January 1, 2024, only for costs related to assessing and addressing impacts associated with groundwater development, including:

- (i) maintaining operability of wells significantly affected by groundwater development, including wells located outside the District under an interlocal contract;

H.B. 5560

RULE 14.3 Civil Penalties

The maximum penalty was raised from \$10,000/day/violation to \$25,000.

S.B. 7

RULE 1.1 Definitions

(15) "**Brackish Groundwater**" means groundwater that contains 43,000 milligrams per liter or greater of total dissolved solids (Water Code § 15.153(f)).

RULE 1.1 Definitions

Restricts someone from using a long narrow strip like a road for production acreage for a permit

Clarifies

- a monitoring well can be for water levels and/or water quality
- the District can adopt a monitoring well guidance documents with specifications

(18) “**Contiguous acreage**” means land and/or water rights with the same continuous boundary within the District that is owned or legally controlled for the purpose of groundwater withdrawal by the well owner or operator. Land and/or water rights that are owned or legally controlled by the well owner or operator that is separated only by a road, highway or river from other land owned or controlled by the well owner or operator is contiguous. Publicly held rights-of-way, roadways, railways, or other narrow linear properties may not be used for contiguous groundwater production rights, as they do not reflect the cone of depression created by the well(s), prevent groundwater contamination, limit well interference, nor protect property rights.

(34) “**Monitoring Well**” means a well installed to measure or monitor some property of the groundwater or aquifer it penetrates, and does not produce more than 5,000 gallons of groundwater per year. A monitoring well can be used to measure water levels and/or groundwater quality. The District may adopt a guidance document(s) for required monitoring well drilling, equipping, operating, and reporting standards.

Exempt Well Amendments:

Rule 6.1 (a)(1) Domestic & Livestock Exemption

Reverts back to previous rules, which align exactly with § 36.117, Texas Water Code, regarding domestic and livestock exemption:

RULE 6.1 EXCLUSIONS AND EXEMPTIONS

(a) Exempt Water Wells The permit requirements in Section 7 do NOT apply to:

(1) registered existing wells as of _____, 2026:

all groundwater wells in the District that ~~were~~ either drilled, completed, or equipped so that they are incapable of producing more than 25,000 gallons of groundwater per day;

New wells drilled after _____, 2025: in compliance with § 36. 117(b)(1) of the Texas Water Code, a well used solely for domestic use or for providing water for livestock or poultry, if the well is:

(A) located or to be located on a tract of land larger than 10 acres;

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

(C) and only one exempt well is allowed for every 10 acres;

SECTION 6. REGISTRATION OF EXEMPT WELLS

RULE 6.1 EXCLUSIONS AND EXEMPTIONS

Oil & Gas Exemption

Under 36.117, only the temporary rig supply water well used to drill the O&G wells is exempt. After that, the water well is required to be permitted. However, it has become clear that O&G operators need more guidance on the process.

The rules already state that once the well is no longer used to drill the O&G well, that it loses its exemption, as is stated in 36.117(d)(2). The amendment would clarify that the water rig supply well is no longer exempt after the O&G well is completed. At that time, the rule would set a deadline on the well owner to either permit the well or plug it and submit a plugging report.

If the O&G wants to transfer the well (to the surface owner) then they would first have to pay a fee and have the District evaluate the well with a downhole camera to see if properly drilled. This protects the surface owner and the aquifer and encourages plugging of improperly drilled wells.

(a) Exempt Water Wells The permit requirements in Section 7 do NOT apply to:

(2) the drilling of a water well used solely to supply water for a rig that is actively engaged in drilling or exploration operations for an oil or gas well permitted by the Railroad Commission of Texas provided that the person holding the permit is responsible for drilling and operating the water well and the well is located on the same lease or field associated with the drilling rig. Rig supply wells shall comply with well spacing Rule 7.9 and submit an accurate geophysical log for the well to the District, not later than the 60th day after the date of the completion or cessation of drilling, deepening, or otherwise altering the well.

(b) The District may require a well to be permitted by the District and to comply with all District rules if:

(2) the purpose of a well exempted under Subsection (a)(2) is no longer used solely to supply water for a rig that is actively engaged in drilling or exploration operations for an oil or gas well permitted by the Railroad Commission of Texas.

(A) The rig supply water well will no longer be exempt once the oil/gas well is completed. The water well owner must immediately, but no later than 90 days after the oil and gas well is completed, do one of the following:

(i) submit an administratively complete permit application to the District for the water well that includes a geophysical log of the water well; or

(ii) plug the water well and submit a state plugging report to the District.

RULE 6.2 REGISTRATION OF EXEMPT WELLS

Clarify that an exempt well application can require this information that is already required in the application process. This language is already stated in Rule 7.2 (24) for both “permit and registration application”—just want to be even more clear it applied to both permits and registrations.

Also clarifying in 6.2(f), 7.4(b), and 9.2 the definition of when a well is considered by the District to be “completed.”

- (a) New exempt water wells shall be drilled, equipped and maintained so as to conform with the Texas Department of Licensing and Regulation’s requirement, as well as the District's Rule 7.9(a)(1) and Section 9 requiring location spacing and installation of casing, pipe, and fittings to prevent the escape of groundwater from a groundwater reservoir to any reservoir not containing groundwater and to prevent the pollution or harmful alteration of the character of the water in any groundwater reservoir. And a registration application may also require additional information, including but not limited to: a physical address of the well site location, a legal description of the property (plat or survey); a site map that shows the location and distance of the proposed well to existing wells, property lines, septic tank, drain field, structures, neighboring septic systems if located closer than 100 feet and any other sources of contamination within 50 feet; and a copy of the warranty deed, a construction diagram for well construction and/or plugging, pump specifications (including type, horsepower, and pump curve).

A well is completed when it has been drilled and constructed to permit specifications, had a pumping test performed, a well report submitted to the District and the State, and well a geophysical log submitted to the District, if required.

**RULE 7.1. Permit to Produce Groundwater
("Production Permit")**

**(f) Delegation of Authority to the GM to Grant Permits for
Smaller Wells**

Currently all wells over 17gpm must have a permit notice and hearing and are required to be acted on by the Board.

Chapter 36 allows the Board to adopt in its rules which permit applications have to have permit hearings and be acted on by the Board, and which permit applications do not.

This rule proposes that the GM be able to grant well applications under 50 acre-ft, as long as they meet all of the District's rules.

This will speed up the permitted process for smaller wells, as requested by some landowners and well drillers.

- (f) The General Manager is authorized to grant and issue administratively complete permit applications and permit amendment applications without further notice, public hearing, nor action by the Board, permits for groundwater production for 50 acre-feet per year or less, if the application meets the requirements of the District's Rules. The General Manager shall provide reports of the granted permits/permit amendments to the Board.

The granting of authority to the General Manager to grant a permit if the above criteria is met is permissive and not mandatory. The permit application may be acted on by the Board after public notice and hearing, if the public would be better served.

Rule 7.2 Permit Applications

Require documentation that affects the transfer of groundwater rights be filed in the county deed of records.

minor language is suggested to enhance the Hydrogeological Study requirements, such as including the District-approved best available data and alignment with the DFCs.

Requires rig supply wells that become permitted wells to include a geophysical log of the existing well with the permit application to ensure drilled and permitted properly.

All legal documents affecting the legal authority to produce groundwater on real property in Atascosa, Karnes, Frio, and Wilson counties are required to be filed with the applicable county deed records in full compliance with Chapter 12 of the Texas Property Code regarding the recording of instruments.

...The model aquifer parameters should be developed based on a review of available hydrogeological data including the District-approved best available data and the most recent TWDB-approved version of the GAM

...(iii) An estimate of the water-level drawdown that can be caused by pumping the well(s) at the permitted rate for one year, ten years, thirty years, and fifty years, or a timeframe aligning with the District's adopted Desired Future Conditions, at a distance of one, five, and ten miles radius from the well(s). Water-level drawdown contours shall be shown at intervals sufficient to determine drawdown. The estimate of pumping effects shall be developed using the District-approved best available data and the most recent TWDB-approved version of the GAM, as applicable.

Analysis of the impact of the proposed pumping on the drawdown, including identification of the impacts on the achievement of the District's adopted Desired Future Conditions;

(19) state the depth of the water-bearing formation which the applicant proposes to utilize for the well. If the well is an existing rig supply well that no longer qualifies for the exemption under Rule 6.1, then the permit application shall include a geophysical log, as specified by the General Manager.

Rule 7.2 PERMIT APPLICATIONS (cont.)

Require a geophysical log to be submitted with State well reports for new wells 1000gpm +

- (27) for wells to be permitted over 999 gpm and wells that were first registered as a rig supply well, an accurate and fully completed geophysical log of the water well is required to be submitted with the State of Texas Well Report form, under Rule 9.2, which shall be submitted to the District not later than the 60th day after the date of the completion or cessation of drilling, deepening, or otherwise altering the well.

RULE 7.3 DISTRICT CONSIDERATIONS

- Adds “actual” to clarify the beneficial use of the well, as opposed to speculative uses

- (4) the proposed use of water is dedicated to an actual beneficial use and whether sufficient evidence of an intended actual beneficial use is presented;

RULE 7.6 STANDARD PERMIT PROVISIONS

- the chemical notification was required several years ago in response to sand mine concerns.
- Requires filing forms with EUWCD that permittee files with TCEQ regarding use of chemicals

- (a) If applicable to the permitted use, Permittee is required to notify the District prior to any use of flocculants, coatings, chemicals, or other additives (collectively “chemicals”), provide to the District water quality samples taken from the site, and simultaneously submit to the District all related documents that are filed with TCEQ. The District may also access the site to take water quality samples.

RULE 7.7 OPERATING PERMIT LIMITATIONS

- removes ability to use more than 2 acre-feet/acre/year

- (a) Maximum Authorized Withdrawal. It is a violation of these Rules to withdraw any amount of water over the authorized permit limits. ~~In the event of drought, a permittee may produce additional groundwater above permitted amount equal to the balance of groundwater permitted but not used in previous 2 years such that the rolling three year average use never exceeds the annual maximum amount allowed on the permit.~~

Spacing and Permitted Production Requirement Amendments

Rule 7.9(a)

- Clarifies rule regarding spacing from property line to not allow well owner to use road or other property not owner by well owner
- Reiterates 811 call before dig TDLR requirement

Clarifies that spacing is from the well owner's adjacent property line

Texas law, through the Texas Department of Licensing and Regulation, requires property owners and excavators to call 811 to have possible electrical, water, gas or other lines at least two business days before digging commences.

Rule 7.9 (b)(4)and (c)(4)

Clarify to add the word **contiguous** to production acreage requirement and removes gallons/acre/year and leaves 2 ac-ft/ac/yr

Clarify in retail water utility rule adopted in 2025 that if a well is drilled inside the CCN/service area, the 600 gallons/service connection/day production permit cap still applies. Also clarify that for transport permits, the 2 acre-ft/ac/yr has to be met. (Authorized by 36.116(c) and 36.117(j))

- (1) Subject to limitations imposed upon withdrawals as specified under these rules, a person may be permitted to produce wells on their property, or property for which person can show possession of **contiguous** groundwater production rights, up to a maximum production of ~~652,000 gallons per acre per year~~ 2 acre-feet/acre/year. The authorized withdrawal amount of groundwater is stated in each well permit as the rate of production, which authorizes a maximum gpm production, not to exceed a specified number of acre-feet of groundwater production each year.

(A) A retail public water utility shall comply with 7.9(b)(1-3) if:

- i. it seeks an operating permit in excess of the allowance listed in 7.9(b)(4)(A), (B), above; or
- ii. the water well is outside of its CCN or service area; or
- iii. the water will be used outside the District.

(B) 7.9(b)(4)(C)(iii), above, does not apply to a retail public water, if:

- i. the well was completed and permitted before August 21, 2026; and
- ii. the well is used only within the originally permitted retail public water utility's CCN, and not transferred; and
- iii. the well is in full compliance with all District rules by December 1, 2026; and
- iv. the well permit does not expire any time after December 1, 2026. If a retail water utility's well permit expires without proper renewal after December 1, 2026, then the retail water utility shall fully comply with 7.9(b)(4)(C).

Rule 7.9 (f)

Amendment would limit wells on smaller tracts less than 10 acres by limiting the gpm capability of the well, instead of having to be metered. This protects property rights, does not allow smaller tracts to have more water rights than its acreage allows, and prevents interference of wells of many small tracts in the same area.

For context, a 9 acre tract under our rules would be allowed 18 acre-feet/year. However, a 17gpm would allow 28 ac-ft/year. A 12 gpm well would max allow 19 acre-feet /year.

RULE 7.10 EXCEPTION TO SPACING RULE:

Instantaneous Production Limits for Smaller Tracts

If an administratively complete permit application for a well is submitted to the District after August 21, 2026, on a tract of land that is less than ten (10) acres, then the applicant is limited to one well with a pump capability not to exceed twelve (12) gallons per minute (GPM). The capability of the pump installed on the well shall be verified by the District. The well is not required to be metered. However, if the applicant requests over 12GPM, but has less than 10 acres, then the well will be required to be metered and required to comply with metered reporting to the District.

- (a) ...A spacing waiver may only be applied for and potentially granted for:
 - (1) the well to well spacing requirement in under Rule 7.9 (a)(2), and (3); and
 - (2) if a well is requested to be drilled less than fifty (50) from the well owner's property line, as specified in Rule 7.9(a)(1).

- (d) The waiver only applies to spacing requirements. Production acreage requirements cannot be waived under this rule.
- (e) All waivers under this Rule in Atascosa, Karnes, Frio, and Wilson counties are required to be filed with the applicable county deed records in full compliance with Chapter 12 of the Texas Property Code regarding the recording of instruments.

Rule 7.11 Large Scale Groundwater Pumping Projects

Clarifies:

- permittee will have to install the monitoring well at their expense
 - permittee must work with the District on the locations of the monitoring wells and if there is an alternative on drilling a new monitoring well, such as equipping existing wells.
 - the District will take two baseline static water level measurements of the wells before production begins.
 - compliance with the rules is required for all well fields over 5000 acre-feet if the tracts are in the same area, but not contiguous. This attempt to avoid loopholes of requiring all contiguous acreage for large production fields that have a cumulative effect.
 - the curtailment is mandatory and part of the production permit to manage expectations and avoid litigation if curtailment is triggered.
- (a) An entity(ies) with permitted groundwater pumping wells located within the District capable of yielding greater than 5,000 acre/feet of groundwater annually from 2,500 acres or more of contiguous property shall, prior to the production of groundwater, the entity shall install and maintain at least three (3) District-approved monitoring wells within 50 feet of the subject property boundaries, the location of which are subject to approval by the District. The applicant/permittee shall install the new monitoring wells at its expense and may use alternative monitoring options from existing wells only at the District's agreement.

Within 30 days following completion of the monitoring wells and before production begins, the District will record at least two baseline static water level BSWL) within the wells.

- (f) Whether a permit(s) is associated with a Large Scale Groundwater Pumping Project shall be determined by the District. A Large Scale Groundwater Pumping Project may include different well owners/permittees. Well owners/permittees/permit applicants may not divide a Large Scale Groundwater Pumping Project into smaller projects to avoid the District's Large Scale Groundwater Pumping Project rules.
- (g) If existing permits are amended to trigger the Large Scale Groundwater Pumping Projects thresholds in this rule, then the existing and amended permits for the wells/well system shall comply with this rule.
- (h) This rule shall be a permit condition for qualifying wells in order to achieve the adopted Desired Future Conditions, as required by Chapter 36 of the Texas Water Code.
- (i) The District may require that the monitoring well(s) be equipped with automated pressure transducers that utilize cellular and satellite telemetry to transmit water level measurement data directly to the District. The pressure transducer(s) shall be calibrated for accuracy at least annually, with a calibration verification submitted to the District.

Rule 7.12 Replacement Wells

Clarify that a replacement application is required and can be administered by District staff (not the Board) if the criteria is met that:

- (1) An existing well may not be replaced unless the existing well has a well registration or well permit from the District, as applicable. Before replacement
- (2) of the well commences, a well replacement application must be filed with the District to verify the well status.
- (3) A replacement well must be completed in the same aquifer as the well it replaces, and shall not be drilled, equipped, or completed so as to increase the rate of production of water from the well it replaces, otherwise, the well shall be considered a new well for which an application must be made.

RULE 7.13 MONITORING WELLS

Requires monitoring well(s) with automated pressure transducers for power generation and data centers.

The District requires permittees that meet the following criteria to provide a well for monitoring purposes to the District in accordance with the monitoring well criteria and standards adopted by the Board:

- (a) permittee is permitted for over 4000 acre-feet/year; and
- (b) permittee received a permit for a new well or amendment a permit on an existing well to increase annual production after April 25, 2025.

Monitoring wells shall be required for permits for power generation and/or data/computing centers, at permittee's expense, which shall be equipped with automated pressure transducers that utilize cellular and satellite telemetry to transmit water level measurement data directly to the District. The location and specifications of the monitoring well(s) shall be approved by the District. The pressure transducer(s) shall be calibrated for accuracy at least annually, with a calibration verification submitted to the District. The monitoring well(s) may also be required for water quality testing.

RULE 8.1 REPORTING OF GROUNDWATER PRODUCTION

Agricultural irrigation / livestock: Annually

Brackish: Quarterly

Rig Supply: Monthly

Mining Monthly

Public Water Supply: Monthly

Power Generation & Data Centers: Continuous

All other permitted (industry): Quarterly

(a) The following permittees and registrants shall be equipped with a water flow meter(s) and file with the District reports in the time frame listed below that describes the metered amount of water produced and used for the permitted or registered purpose. Such report shall be filed on the appropriate form(s) provided by the District within fifteen (15) days of the first of each month:

- (1) permits to produce water for purposes of use other than agricultural irrigation or livestock and that are not listed specifically below---QUARTERLY REPORTING;
- (1) permits to produce brackish groundwater under Rule 10.1—QUARTERLY REPORTING;
- (3) exempt registered wells that are solely used for oil and gas rig supply wells under Rule 6.1(a)(2)—MONTHLY REPORTING;
- (4) exempt registered wells associated with a mining permit issued by the Railroad Commission of Texas under Chapter 134, Natural Resources Code, under Rule 6.1(a)(3)—MONTHLY REPORTING; and
- (5) permits to produce water for power generation and data/computing centers)— CONTINUOUS REAL-TIME REPORTING; and
- (6) permits to produce water for public water supplies—MONTHLY REPORTING.

Well Specifications

Rule 9.1 Location of Wells

Currently, wells must be drilled within 30 feet of the permitted location that was noticed for the permit hearing and granted by the Board.

- (a) After an application for a well permit has been granted, the well must be drilled within thirty (30) feet of the location specified in the permit. The General Manager may approve prior to drilling a location that is greater than thirty (30) feet of the location specified in the permit, and make the permit amendment accordingly, only if the location is on the same tract of real property, meets all State and District well spacing criteria, does not require a well spacing waiver, and the well spacing circumference specified in Rule 7.9(a)(2) or (3) is completely within the permittee's tract of real property, for which they control the legal right to produce groundwater.
- (b) A well shall be located at a site not generally subject to flooding; provided however, that if a well must be placed in a flood-prone area, it shall be completed with a watertight sanitary well seal, so as to maintain a junction between the casing and pump column, and a steel sleeve extending a minimum of the greater of thirty-six (36) inches above ground level or twenty-four (24) inches above the Base flood elevation and twenty-four (24) inches below the ground surface.

Rule 9.2 Minimum Standards of Well Completion

Allows District to adopt additional RRC P-13 conversion/completion and plugging requirements

Clarifies that the State of Texas Well Report must be completely and accurately filled out.

Adds that a pump installers report will also be required.

- required instead of meters for non-exempt small tract size wells
- This will reduce workload for staff and assist in the verification of permitted production rates.

Requires geophysical logs for registered/permitted rig supply well and wells over 999 gpm
(also required in permit application section in Rule 7.2(27))

(a) ...The District may adopt additional minimum standards of well completion in a separate guidance document if an oil/gas well is being converted to a water well (Texas Railroad Commission Form P-13 well).

(b) State of Texas Well Reports

Water well drillers, who shall be licensed by the State of Texas, must indicate the method of completion performed on an accurate and fully completed State of Texas Well Report form, which shall be submitted to the District not later than the 60th day after the date of the completion or cessation of drilling, deepening, or otherwise altering the well.

(c) District Pump Installation Report

Well drillers, pump installers, and/or well owners are required to submit a District Pump Installation Report upon completion or cessation of drilling, or otherwise modifying of a well that accurately reflects the pump settings on the well. The accurate and fully completed Pump Installation Report shall be submitted by the pump installer with the above-required State Well Report or within sixty (60) days of pump alteration to any groundwater well by driller, pump installer, or well owner and shall be completed on a District-approved form.

(c) Geophysical Log

An accurate and fully completed geophysical log of the water well is required to be submitted with the State of Texas Well Report form, under Rule 9.2, which shall be submitted to the District not later than the 60th day after the date of the completion or cessation of drilling, deepening, or otherwise altering the well, for the following wells:

- (1) registered rig supply wells;
- (2) rig supply wells that seek a permitted use; and
- (3) wells permitted over 999 gpm,

RULE 9.3 PERSONS AUTHORIZED TO DRILL:

Only licensed water well drillers, in good standing with the Texas Department of Licensing and Regulation, may drill water wells within the District. The District may prohibit the drilling of any new wells in the District by a well driller or owner until pending enforcement actions on the well driller or owner are addressed and satisfied.

Rule 9.6 Verification of Well Registration/ Permit

Well pumps and equipment shall only be installed or serviced in wells registered with the District. The District shall be notified of the existence and location of the well. Upon request, the District will quickly provide verification of a well's registration or permit status.

Transport Permits

1. Clarifies that all rules that apply to production permits also apply to transport permits.
2. Requires more information about the impact of the production on DFCs, management plan, MAGs
3. Clarifies that the applicant must submit an effective mitigation plan
4. Clarifies metering and monitoring well requirements
5. Allows GM to grant admin complete transport permit applications for well in existence in 1997 or before for average of five years of transport from 2021-2025 only if registered/permitted, not expired, and not in violation.
6. *Issues re some land owners and industry who are exporting water without authorization

RULE 11.1. Permit Required

Groundwater produced from a well within the District may not be transported outside the District's boundaries unless the Board has issued the well owner/operator a transport permit for the specified amount of water to be exported and associated permit requirements, except as provided within these Rules.

RULE 11.2. Applicability

- (a) A District-issued transport permit is required for all water that is transported out of the District. A transport permit amendment is required for any changes to the terms of a transport permit, including but not limited to changes the amount of groundwater to be transported. Any transport of water out of the District that is not authorized by a transport permit violates District Rules and is subject to immediate enforcement under Section 14 of the District's Rules.
- (b) The District may not prohibit the export of groundwater if the purchase was in effect on or before June 1, 1997. However, any increase of the amount of groundwater to be transferred under a continuing arrangement in effect before that date may only be transported out of the District if authorized by a transport permit.
- (c) The General Manager is delegated the authority to issue transport permits for the transfer of groundwater outside the District's boundaries, without further notice, public hearing, nor action by the Board, if:
 - (1) the well was in existence prior to January 1, 2026,
 - (2) the well is registered/permitted with the District;
and

- (3) the well owner/operator can provide evidence of the actual volume of water that was transported out of the District from January 1, 2021, to December 31, 2025.

If the listed conditions are met, the General Manager may issue the transport permits for the average of the annual volume of water transported from the well(s) between January 1, 2021, to December 31, 2025, as supported by the submitted evidence. This provision does not apply to a well for which the registration/permit was allowed to expire after December 1, 2026, or if the registration/production permit/transport permit terms/District Rules are violated.

The granting of authority to the General Manager to grant a permit if the above criteria is met is permissive and not mandatory. The transport permit application may be acted on by the Board after public notice and hearing, if the public would be better served.

This provision and delegation of authority to the General Manager to issue the limited transport permit herein expires July 1, 2027.

RULE 11.3. Application

An application for a transport permit must be filed in the District office and must include all the information required for a production permit, plus the following information:

- (b) the projected effect of the proposed groundwater transport on aquifer conditions, depletion, subsidence, or effects on existing permit holders or other groundwater users within

the District, including:

- (1) a hydrogeological report by a registered professional in hydrogeology assessing the impact of the proposed well on existing wells and the aquifer from which withdrawals are proposed;
- (2) information describing the projected effect of the proposed transporting of water on aquifer conditions, depletion, subsidence, or effects on existing permit holders or other groundwater users within the District;
- (3) information regarding the impact of the project on the achievement of the District's management plan, including impacts the desired future conditions and modeled available groundwater.
- (4) the names and addresses of the landowners and ~~or~~ registration/permit holders and the location of their water wells, who are located within a one-mile radius of the applied-for well from which water to be transported to the proposed receiving area is to be produced. The applicant will pay for the District to send written notice to these landowners and well owners, as a pass-through expense, including sending notice to landowners and well owners in neighboring groundwater conservation districts at the General Manager's discretion; and
- (5) a proposed comprehensive plan of the applicant to effectively mitigate adverse hydrogeologic impacts of the proposed transport of water from the District with criteria provided by the General Manager.

RULE 11.4. Hearing and Permit Issuance

- (a) Applications for transport permits are subject to the hearing procedures provided by these Rules in Section 13. Applications and permits for transport permits are subject to the permitting provisions provided by these Rules that are applicable to production permits.
- (b) In determining whether to issue a permit to transfer groundwater out of the District, the Board shall be fair, impartial, and nondiscriminatory and shall consider the permits considerations provided by these Rules for production permits, as well as the following factors when deciding whether to issue or impose conditions on a drilling, operating, or transport:

- (d) In addition to conditions provided by Section 36.1131, Texas Water Code, the operating permit to transport water out of the District shall specify:

- (4) reporting requirements, including but not limited
- (i) to flow meter installation, testing, and regulation calibration,
 - (ii) submission of production reports to the District,
 - (i) separate meter requirements for exported water from non-exported permitted water;

- (5) the installation and reporting of monitoring wells, which shall be equipped with automated pressure transducers that utilize cellular and satellite telemetry to transmit water level measurement data directly to the District. The pressure transducer(s) shall be calibrated for accuracy at least annually, with a calibration verification submitted to the District.
- (6) affected existing well assistance provisions, if applicable;
- (7) the required submission of all groundwater conveyance and user agreements related to the export permit;
- (8) water conservation and drought contingency plans; and
- (9) periodic review and permit limitations based on aquifer conditions and required enforcement of the adopted desired future conditions.

F. Production Fees

The District is authorized to charge limited production fees in Ch. 36, but it does not. This rule would allow the District to adopt production fees on entities that are tax-exempt so that they pay their share of the District's management of the water, since they do not pay property taxes. The limit is \$10/ac-ft/yr (\$1 for ag). The rule is verbatim to Ch. 36.

RULE 15.3 PRODUCTION FEES ON TAX-EXEMPT REAL PROPERTY:

Pursuant to § 36.205(c) of the Texas Water Code, the District may assess production fees based on the amount of water authorized by permit to be withdrawn from a well or the amount actually withdrawn. The District may assess the fees in lieu of, or in conjunction with, any taxes otherwise levied by the district. A district may use revenues generated by the fees for any lawful purpose. Production fees shall not exceed:

(1) \$1 per acre-foot payable annually for water used for agricultural use; or

(2) \$10 per acre-foot payable annually for water used for any other purpose.

The Board may establish production fees as part of its schedule of fees for persons/entities that are exempt from paying property taxes to the District.

**RULE 16.1 ACTIONS BASED ON AQUIFER
RESPONSE TO PUMPING**

DFC Threshold Level 1

(K) If the District's Large-Scale Production Rule 7.11 and/or Brackish rules in Section 10 are invalidated by a court or the Texas Legislature, then the following rule is applicable to all wells permitted in the District after August 21, 2026, in order to protect and preserve historic or existing use in the District to the maximum extent practicable:

If at any time the District's monitoring in the aquifer falls below 65% of the applicable desired future condition adopted under Section 36.108(d-1a), Texas Water Code (DFC Threshold Level 1) pumping for all wells permitted in the District after August 21, 2026, shall be curtailed to one (1) acre-feet/acre/year.