

STAKEHOLDER WORKSHOP ON CURRENT RULES

Prepared for Lone Star
GCD Special Board Meeting
September 12, 2023



COMMON COMMENTS

1. **Aquifers of the District**

- Why Chicot/Evangeline are combined
- Allocation splits and spacing

2. **Hydrogeological Report**

- Statutory authority to require report
- Need for report; cost

3. **Application Process/Demand Calculation**

- Statutory authority to ask for information
- Cumbersome
- Takes too long

4. **Penalties for Overproduction**

- Authority to enforce/penalty is excessive
- Change terminology to “fees” or “surcharge”
- Should not be penalized if exceed annual authorization

5. **Drought Buffer**

- Need more certainty/clarification on drought buffer

6. **Spacing Rules**

- Authority to enforce
- Combination of Chicot/Evangeline



1. Aquifers of the District

Comment

- Authority
- Combination of Chicot/Evangeline
- Allocation splits
- Spacing

Response

- §36.101: reservoir or subdivision
- §36.116: different rules for reservoir and subdivision of reservoir
- §36.0015: best available data & science
- Connectivity varies; applicant can offer proof that there is no connectivity in a local area; hydro reports help ascertain local conditions
- If designate Chicot and Evangeline as separate aquifers, would have to further allocate authorization
- Spacing for Chicot/Evangeline was developed based on aquifer conditions



2. Hydrogeological Reports

Comment

- Statutory authority
- Need for report
- Cost

Response

- §36.113 (catch-all for application)
 - Must have a rule specifying info
 - Info must be reasonably related to issue authorized to consider
 - Required to consider impacts
 - Rule 2.6(b)(15); guidelines
- Required by statute to consider whether application unreasonably affects existing resource and users
- Only require for system that is 700 gpm or greater and for spacing variances
- Info will also be used in local model
- Applicant bears; combine requests; 12% of applications over last 12 months required hydro report



3. Application Process/Demand Calculation

Comment

- Authority to ask for info
- Takes too long
- Cumbersome

Response

- §36.116: Demand based (limit on wells)
- §36.113: Catch-all for application
- Rule 2.6(b)(3): purpose of use, amount for each purpose, and how amount of water requested addresses an existing or projected water supply need or demand
- Rule 2.6(b)(6): location of use of water
- Rule 13.3(g) Technical Review: 60 days to review application; can ask for more info and 60 days restarts
- Once administratively complete, application is set at next possible hearing date (monthly permit hearings)
- Rules versus process



4. Penalties for Overproduction

Comment

- Authority
- Terminology
- Should not be penalized
- Disincentive penalty is excessive

Response

- § 36.102: by rule may set reasonable civil penalty for violations not to exceed \$10,000/day/violation; each day is separate violation; §36.205 fees
- Rule 2.d(o): violation occurs on day that production limit is first exceeded and continues as separate violation each day of continued production until approval.
- Rule 2.12(a): No retroactive amendments
- Change penalty to “fee” or “surcharge”
- Charged with conserving resource and achieving DFC
- Penalty was increased in 2020; will review amounts as part of this process
- Concerned about treating permit holders differently



5. Drought Buffer

Comment

- Need more certainty and clarification

Response

- Enacted buffer for 2023
- Board needs discretion on when and how much to enact based on conditions
- Drought contingency plans important
- Considering suggestions

6. Spacing Rules

Comment

- Authority

- Combination of Chicot/Evangeline

Response

- §36.002: ownership does not prohibit GCD from limiting or prohibiting the drilling of a well for failure or inability to comply with spacing rules
- §36.101: may adopt spacing rules
- §36.116: may adopt rules based on property line and pumping capacity
- §36.117: Cannot regulate production of exempt wells
- Exempt wells are required to comply with Rule 3.2 spacing
- Exempt wells typically in Chicot



Questions?