

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

July 14, 2020

## MINUTES OF PUBLIC WORKSHOP

The Board of Directors of the Lone Star Groundwater Conservation District (“District”) met in regular session, open to the public held via a publicly accessible webinar/telephone conference call, within the boundaries of the District on July 14, 2020.

### CALL TO ORDER:

President Harry Hardman presided and called to order the Public Workshop meeting at 3:00 PM, announcing that it was open to the public.

### ROLL CALL:

The roll was called of the members of the Board of Directors, to wit:

Jon Paul Bouché  
Harry Hardman  
Jonathan Prykryl  
Larry A. Rogers  
Jim Spigener  
Stuart Traylor

All members of the Board were present, except Director(s) Bouché, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Samantha Reiter, General Manager; Stacey V. Reese, District Counsel; Jim Thornhill and James Beach, District consultants; District staff and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit “A”.*

### PRAYER AND PLEDGES:

President Hardman called on Director Rogers for the opening prayer and Director Spigener to lead the Pledge of Allegiance and the Pledge of Allegiance to the state flag.

### PUBLIC COMMENTS:

None were received.

## RECEIVE PRESENTATION ON DRAFT OF DISTRICT RULES:

Ms. Stacey Reese, District Counsel, gave a PowerPoint presentation of the District Rules development. She discussed the time frame of March 2019 to the present and the combined process used to produce the District Rules draft. The five Town Hall meetings were platforms for the public to offer revisions to the rules. With the additional information gathered by the Technical Study Group and the Non-Technical Study Group; Ms. Reese compiled the findings into a Draft of the District Rules.

Ms. Reese explained that the preamble and rules had been revised significantly including renumbering and addressing the TWDB judgment, repealing and abolishing the District Regulatory Plan (DRP). This development ensured all invoicing and payment will be done directly by the District, not through a GRP Sponsor and new permittees will not be required to join a GRP. Also, one new rule expresses the process for a permittee to appeal the decision by the GM or Board.

Ms. Reese highlighted changes to the rules in Section 2: Well Registration and Permitting. All exempt wells will need to be registered, and there continues to be conditions that may cause exempt wells to lose their exempt status ie. change in purpose. Non-exempt wells will now be issued according to three aquifer groupings: Chicot and Evangeline, Jasper, and the Catahoula. Further, non-exempt well applications will now require certain wells to provide a hydrological report. This report aides in the collection of valuable aquifer information. The permitted well's criteria for submitting the report, is yet to be determined by the Board of Directors.

Rule 2.11 Renewals states the Board will decide the length of permits and time frame of renewals. In Section 3: Spacing and Location of Wells, the consultants have suggested a simple formula by which to space wells. Within the area of the Chicot and Evangeline aquifers will measure 2 feet per every GPM and within the Jasper aquifer will measure 1.5 feet per every GPM.

Ms. Reese discussed Rules 4 thru 13 noting minimal changes and consisted primarily of memorializing current policy with specifics. Section 14: Aquifer Storage and Recovery discusses a new part of the rules that protects the aquifer storage in which no pumping can exceed the amount of recovery. *A copy of the PowerPoint Rules presentation is hereto attached as Exhibit "B".*

Ms. Reese noted that no decision would be made on the District Rules at the workshop but could be taken at the regular July Board of Directors meeting later in the day.

## RECEIVE QUESTIONS AND INPUT FROM WORKSHOP PARTICIPANTS:

Director Rogers asked for clarification of an exempt well to which Ms. Reese defined as a well having a domestic or agricultural use and does not exceed pumping 25,000 gallons a day. Conversely, a non-exempt well produces in excess of 25,000 gallons a day and has commercial use.

Director Spigener asked for interpretation regarding any future planning of cutbacks in water allocation. Ms. Stacey Reese responded that the reduction rule was deemed invalid and no longer holds authority within groundwater district rules or regulations. Director Spigener also wanted additional information on the well-spacing rule. Ms. Reese explained that the well-spacing rules were intended to protect a smaller well from the impact of being too close in proximity to the larger well, thereby insuring reduction of pressure through pumping.

Director Traylor prompted the group in decision making regarding the GPM threshold amount that wells would reach before requiring a hydrogeological report with permit application and the term of a permit.

**ADJOURN:**

There being no further business, President Hardman adjourned the public workshop at 4:33 PM.

**PASSED, APPROVED, AND ADOPTED THIS 11<sup>th</sup> DAY OF AUGUST 2020.**

  
Larry A. Rogers, Board Secretary

Attachment "A"

Rules Workshop Attendees

**Panelist**

Stacey Reese

Samantha Reiter

Harry Hardman

James Beach

Jonathan Prykryl

Larry Rogers

Jim Spigener

Jon Bouche

**Attendees**

936-441-7833

936-682-3835

Bob Lux

Chris Meeks

John Yoars

Jonathan Smith

Kandice Cabets

Mark Smith

Marty Jones

Matt Corley

Michael Sullivan

Mike Thornhill

Ron Kelling

Tina Felkai

Sue Ellen Myers

Exhibit "B"

# BOARD WORKSHOP ON DRAFT RULES



JULY 14, 2020

# PURPOSE AND GOALS OF WORKSHOP

- Discuss and evaluate draft rules in detail not normally possible at Board meetings.
- Create forum for open and free discussion by and between Board members.
- Evaluate specific recommendations from study groups.
- Answer all questions before board meeting where draft rules will be considered for publication.
- Receive input from the General Manager and consultants.

# PROCESS AND REVIEW

**March 2019** Held Board workshop on Chapter 36.

**April 2019** Held 5 Town Hall Sessions for public input.

**May 2019** Formed Technical, Non-technical study groups

- Each group is comprised of 3 directors, consultants (technical and legal) and the General Manager.

**May 2019-June 2020**

- Each group met regularly over 14 months to review current rules and discuss potential changes.
- Technical consultants performed various analyses, which were shared and discussed with each group.
- Each study group made recommendations.
- Based on study group recommendations, legal counsel prepared draft rules with technical and operational input.

**July 2020** Board workshop and meeting to review, edit, and approve draft rules for publication.

# PREAMBLE AND SECTION 1

## **Preamble:**

- Revised to address the judgment and new management plan, and repeal of all phases of the regulatory plan.
- Changes will formally abolish LVGU designation, and reduction/conversion and GRP requirement.
- All permitting, invoicing and payment will be directly with District (not by or through a GRP Sponsor).

## **Rule 1.12: Appeal Process**

- Creates a process to appeal a GM or Board decision

## **Rule 1.18: Procedure, Conduct, Decorum**

- Memorializes current policy and practice



# SECTION 2: WELL REGISTRATIONS AND PERMITTING

## **Rule 2.2: Exempt well statuses preserved**

## **Rule 2.3: Almost all exempt wells must register**

- 60-day grace period; unregistered wells not considered in spacing or impact analysis

## **Rule 2.4: Historic Use Permits preserved but:**

- Subject to adjustments & maximum allowable pumping rate; changes other than reduction/transfer require Operating Permit

## **Rule 2.5: Permits issued by Aquifer**

- Chicot/Evangeline
- Jasper
- Catahoula (lower water fee, no DFC currently, less restrictive spacing)

## **Rule 2.6: New application requirements**

- Information regarding ownership, service, demands, and a hydrogeological report for certain applications
- Rationale behind requirements

# SECTION 2: CONT'D

## **Rule 2.7: Administrative completeness process**

## **Rule 2.8: Considerations for granting or denying Operating Permit**

## **Rule 2.9: All Historic Use Permits and Operating Permits**

- Annual limits, max pumping rate, subject to adjustments

## **Rule 2.11: Renewals**

- 1 year, 5 or 10 year, 30 year (transport, brackish) or perpetual

## **Rule 2.12: Amendments**

- GM can approve minor amendment; amendment applies prospectively

## **Rules 2.13-2.16: Replacement/Alteration, Other Permits**

- Substantial alteration requires amendment or Operating Permit
- GM can approve replacement, test holes, emergency & temporary permits subject to appeal

## **Rule 2.17: Transfer of Well Ownership**

- Registrations and permits are transferrable with documentation

# SECTION 3: SPACING AND LOCATION OF WELLS

## **Rule 3.1: Spacing for Existing Wells**

- All existing wells are grandfathered in under current rules

## **Rule 3.2: Spacing for all New Wells**

- 50 feet from property line ( gen. Texas Dep't Licensing & Regulation)

## **Rule 3.3: Spacing for New, Non-exempt Wells**

- Spacing from all registered & permitted wells based on production capacity of new, non-exempt well
  - Chicot/Evan.: not less than 2 feet multiplied by Max. Allow. Pumping Rate (gpm)
  - Jasper: not less than 1.5 feet multiplied by Max. Allow. Pumping Rate (gpm)
  - Catahoula: not less than 1 feet multiplied by Max. Allow. Pumping Rate (gpm)
- Rationale for scope and application

## **Rule 3.4: Exceptions to Spacing Requirements**

- Application must include hydrogeological report; automatically granted if same owner; granted without hearing if obtain waivers; hearing required for all other requests

# SECTION 4: PRODUCTION LIMITS AND DROUGHT BUFFER

## **Rule 4.1: Annual Production Limitations**

- Annual Production Limitations will be assigned for existing permits and determined for all new permits
- All permits are subject to proportional adjustments or other adjustments/reductions as authorized under rules

## **Rule 4.2: Temporary Drought Buffer**

- Authorizes Board by resolution to adopt a drought buffer temporarily increasing Annual Production Limitations based on conditions reported by TWDB:
  - D0 abnormally dry conditions: up to 5%;
  - D1 drought-moderate or D2 drought-severe: up to 10%; and
  - D3 drought-extreme or D4 drought-exception: up to 15%.

# SECTION 5: WELL COMPLETION

## **Rule 5.1:**

- Requires all owners or operators to prevent the pollution or harmful alteration of groundwater.

## **Rule 5.2:**

- Requires all owners to comply with the Texas Department of Licensing and Regulation's rules on well drillers and well pump installers, regardless of whether the well is required to obtain a permit from the District.

**No other substantive changes**

# SECTION 6: MANAGEMENT ZONES, PROPORTIONAL ADJUSTMENTS

## **Rule 6.1: Purpose**

- Defines purpose of rules

## **Rule 6.2: Management Zones**

- Authorizes a management zone to:
  - assess water availability and water quality,
  - establish more restrictive spacing requirements, or
  - limit and/or adjust total production.

## **Rule 6.3: Proportional Adjustments**

- Tied to achievement of a desired future condition
- May be applicable to all permits in the affected aquifer or management zone on a pro rata basis
- Authorizes issuances of new permits to provide an opportunity for a fair share
- Early conversion credit may offset adjustment if fees are paid

# SECTIONS 7-8: TRANSPORT AND FEES

## **Rule 7.1: General Provisions**

- No export permit; authorized in Operating Permit

## **Rule 8.1: Water Use Fees**

- Early conversion credit may offset an overproduction disincentive fee provided all water use fees are paid

## **Rule 8.3: Groundwater Transport Fee**

- Transport fees do not apply to:
  - a retail public utility whose service area is located both inside and outside of the District; or
  - against a person who uses the water outside the boundaries if the property where the well is located and the water is used is contiguous and owned by the same person.

# SECTION 9-10: REBATES AND METERING

## Water Use Rebate Fee Program

- Will continue
- Encourages conservation and offers a rebate up to 10%

## Rule 10.9 Surface Impoundments

- Removes the restriction on the amount of water that can be put into a surface impoundment for irrigation or other purposes
- Retains the conservation standards for losses and the metering and reporting requirements
- Rationale for changes



# SECTIONS 11-12: REPORTING AND ENFORCEMENT

- **No substantive changes**
- **General Manager summary of current rules**

# SECTION 13: HEARINGS

Clarifies the process for each hearing:

## **Rule 13.2: Rulemaking and Management Plan Hearings**

- 20 day notice; authorizes emergency rules

## **Rule 13.3: Permit Application Hearings**

- 10 day notice
- hearing on all major amendments or any minor amendments GM recommends
- administrative completeness

## **Rules 13.3.1- 13.3.5**

- Request for a contested case hearing; request for removal to SOAH; process for preliminary hearing and hearing on the merits; appeal process

## **Rule 13.4 Show Cause and Enforcement Hearings**

- 20 day notice on contested matters

## **Rule 13.5 Desired Future Conditions Hearings**

- 90 day comment period
- 10 day notice of hearing

# SECTION 14 AQUIFER STORAGE AND RECOVERY

## **Rule 14.1 Registration Required**

- Project operator of ASR project must register injection and recovery wells and provide all reports submitted to TCEQ

## **Rule 14.2 Authorized Recovery by TCEQ**

- No permit required or water use fees owed on injection or recovery authorized by TCEQ
- District may assess well registration or admin fee

## **Rule 14.3 Exceeding Authorized Recovery Volume**

- Subject to spacing, permitting, metering, production limits and fees to volume that exceeds TCEQ authorization

## **Rule 14.4 Desired Future Conditions Planning**

- May consider hydrogeological conditions of ASR project in connection with DFC planning

# SECTION 15: BRACKISH GROUNDWATER PRODUCTION ZONES

## Rule 15.1 Rules for Permits for Brackish Zones

- New bill last session
- If TWDB designates brackish groundwater production zone over any part of District, District may adopt rules and shall adopt rules within 180 days of receiving a petition.
- Permits can be obtained for certain projects.
- TWDB conducts technical review of applications.
- Will expand if TWDB designates zone and/or District receives petition.

# DECISIONS TO CONFIRM OR MAKE

**Rule 1.12:** GM authority; appeal of decisions by GM and Board

**Rule 2.3:** exempt well registration; 60 day grace period; unregistered wells not part of analysis

**Rule 2.6(b)(16): Hydrogeological Report- gpm**

**Rule 2.11: Permit Term – perpetual or term**

**Rule 2.12:** amendments apply prospectively

**Rule 3.3:** Spacing: 50 foot property line; gpm for non-exempt

**Rule 4.2:** Drought Buffer: between 5-15% temporary increase

**Rule 6.3:** Proportional Adjustments- apply pro rata; five years to comply; issue new permits; ECC

**Rule 8.3:** Groundwater Transport Fee- expand exception

**Rule 10.9:** Surface Impoundments: remove restriction on amount but maintain limit on losses and reporting/metering requirements



# QUESTIONS

**Questions?**  
**Discussion?**

