Exhibit"B"

PUBLIC WORKSHOP ON DRAFT RULES

AUGUST 4, 2020

PURPOSE AND GOALS OF WORKSHOP

- Receive input from the public on the proposed amendments.
- Answer questions, if possible, on the proposed amendments.
- Collect information to evaluate whether the proposed amendments should be adopted or if further changes should be considered.

Proposed Substantive Changes

Preamble:

- Repeals all phases of the District's Regulatory Plan

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

Rule 2.3: **Most exempt wells must register**

- 60-day grace period; unregistered not considered in analysis

Rule 2.5: Permits issued by Aquifer

- Chicot/Evangeline, Jasper, Catahoula

Rule 2.6: New application requirements

- Ownership, service area, demands, hydro report

Proposed Substantive Changes Cont'd

Rule 2.11: Renewals

- Perpetual; formal (every 5 years) and informal reviews

Rule 2.12: Amendments

- GM approves minor; apply prospectively

Rule 2.17: Transfer of Well Ownership

- Registrations/permits are transferrable w/ documentation

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 (TDLR)

Proposed Substantive Changes Cont'd

Rule 3.3: Spacing for New, Non-exempt Wells

- Spacing from wells based on production capacity

Rule 3.4: **Exceptions to Spacing Requirements**

- Hydro report; automatic; waivers; hearings

Rule 4.1: **Annual Production Limitations**

- Assigned/determined; subject to adjustments

Rule 4.2: Temporary Drought Buffer

- temporarily increasing Annual Production Limitations

Rule 6.2 Management Zones

- Spacing; water quality; limit production

Rule 6.3 Proportional Adjustments

- Tied to DFC; applicable to all permits; new use

Proposed Substantive Changes Cont'd

Rule 8.1: Water Use Fees

- Early conversion credit can be used as offset

Rule 8.3: Groundwater Transport Fee

- Expands exception to all similarly situated as MUDs

Rule 10.9 Surface Impoundments

- Removes restriction; retains conservation standards

Section 14 Aquifer Storage and Recovery

- Regulation for volume exceeding TCEQ authorization

Section 15 Brackish Production Zones

- New law; will expand if receive designation or petition

Public Comment and Questions

Comments

Questions