

# BEFORE READING THE FOLLOWING PAGES, DETERMINE BELOW IF YOUR WELL IS EXEMPT

If you own or operate a water well in Hood County, Montague County, Parker County, or Wise County (the boundaries of the Upper Trinity Groundwater Conservation District), then **please read the following carefully**. You may have certain legal obligations depending on the size of your well(s) or how you use the water produced from your well(s).

- Do you own or operate a water well—regardless of its size—that produces water used exclusively for: domestic use (typical single-family household use), watering livestock, watering poultry, agricultural irrigation, or any combination of these?
- Do you own or operate a well used for any other use (for example: small business, manufacturing, industrial, oil and gas supply, or public water supply) that is: not capable of producing more than 25 gallons per minute, or two or more such wells tied to a system with a combined capacity of not more than 30 gallons per minute?

If you answered **YES** to either one of these questions, then each well that you own or operate that meets either set of conditions is considered an "exempt well". Under the temporary District Rules, which were recently adopted, having an "exempt well" means that you are exempt from the requirements to pay fees for water produced from the well, well metering requirements, water use reporting requirements, and mandatory well registration requirements.

You may, at your own discretion, choose to voluntarily register your existing exempt wells after January 1, 2009, to help ensure that any new, larger wells in the area are drilled far enough away from your existing wells to help prevent interference. Well registration for existing wells is free. You may obtain a form from the District website, [www.uppertrinitygcd.com](http://www.uppertrinitygcd.com), to voluntarily register your existing well after January 1, 2009.

A “new” well drilled on or after January 1, 2009, must be registered with the District before drilling, even if the well is "exempt" as described above.

If you own or operate only exempt wells in the District, then you do not need to read any further. **If you own or operate any wells in the District that do not qualify as "exempt wells" above, PLEASE READ THE FOLLOWING PAGES, as you have certain legal obligations that you need to be aware of.**

### **EXECUTIVE SUMMARY OF KEY REQUIREMENTS THAT APPLY ONLY TO WELLS NOT DESCRIBED ON PAGE 1 AS "EXEMPT"**

If you own/operate a groundwater well in the District that is not “exempt” as described on page 1 and in more detail later in this document, it is important to recognize certain obligations that these Temporary Rules may create for you, which are described in summary form below.

#### **Well Registration**

All non-exempt wells drilled before January 1, 2009, must be registered with the District **between January 1, 2009 and July 1, 2009.**

All “new” wells drilled on or after January 1, 2009, must be registered with the District before drilling commences, regardless of whether the well qualifies for an exemption under the Rules. The requirements for registering all new wells can be found at District Rule 3.5. Registration of such **new** wells is subject to payment of a \$175 administrative fee and submission to the District of a refundable well report deposit prior to drilling.

#### **Well Metering**

Each non-exempt well in the District must be equipped with a water meter that complies with the technical requirements of Section 8 of the District's Rules by **January 1, 2009.**

#### **Water Production Reports and Meter Logs**

Starting on **January 1, 2009**, the owners or operators of each non-exempt well must begin recording monthly the amount of groundwater produced by the well and maintain a water meter log of those amounts. This requirement can be found at District Rule 8.6.

Except for persons participating in the Early Fee Payment Incentive Program under Rule 7.4, all fees for groundwater production or transport in a calendar year must be paid to the District semi-annually. Fees for water produced or transported between January 1<sup>st</sup> and June 30<sup>th</sup> each year are due to the District by September 1 of the same calendar year; fees for water produced or transported between July 1<sup>st</sup> and December 31<sup>st</sup> each year are due to the District by March 1 of the following calendar year. The rules

relating to water production reports, including a list of all information required to be contained in each report, can be found at District Rule 3.10. The rules governing groundwater transport reports can be found at District Rule 6.2.

### **Water Use Fees – No Taxes**

Because **the District is prohibited by law from assessing property taxes or other taxes to support its operations**, the District is required to establish groundwater production fees to generate the revenues necessary to manage local groundwater resources. The Board has set the fee for water use during calendar year 2009 at **22 cents per thousand gallons** of water produced. **Only water produced from non-exempt wells is subject to a water use fee.** The Rules relating to water use fees can be found at District Rule 7.1. Owners of non-exempt wells who desire to obtain a discount of up to 10 percent on the total amount of fees due may wish to participate in the District's **Early Fee Payment Incentive Program**, which can be found at District Rule 7.4, and which requires well registration by **March 1, 2009**.

The District Rules can be found at [www.uppertrinitygcd.com](http://www.uppertrinitygcd.com)

## **DETAILED SUMMARY OF TEMPORARY RULES**

### **Well Registration**

Well registration allows the District and its staff to develop a thorough, reliable understanding of well placement and well use patterns in the District. As a well owner, having your well appropriately registered with the District helps to ensure that new wells meet the appropriate spacing requirements from your registered well and accordingly helps to protect your well from interference and related concerns.

All groundwater wells that do not qualify for an exemption under the Rules (as discussed in detail below) for which drilling commenced before January 1, 2009, must be registered with the District **between January 1, 2009, and July 1, 2009**. Owners of wells that are considered exempt under the Rules and for which drilling commenced before January 1, 2009, may, at their own discretion, register their exempt wells with the District. Once again, the benefit of registering the well is to the well owner to ensure new, potentially large, wells will have to be drilled at a safe location from your well. Wells that are not registered with the District will not enjoy this protection. The requirements for registering these existing wells can be found at District Rule 3.4.

All groundwater production wells drilled on or after January 1, 2009, must be registered with the District, regardless of whether the well qualifies for an exemption under the Rules, before drilling commences. The requirements for registering all new wells can be found at District Rule 3.5. The requirement for submitting a well report deposit can be found at District Rule 7.7. **For new wells only** (those for which drilling commenced on or after January 1, 2009), registration is subject to payment of a \$175 administrative fee prior to drilling to fund the costs of the District's registration program.

## Is Your Well Exempt from These New Requirements?

As mentioned above, the District has developed exemptions from key components of its temporary regulatory program for certain classes of wells. A well that qualifies as an exempt well under District Rule 2.1 is exempt from (a) the assessment and payment of water use fees, (b) the requirement to install and maintain a flow meter, and (c) the requirement to report annually the amount of water produced from the well.

The District has developed two main types of well exemptions: (1) an exemption based on how the water from the well is being used, and (2) an exemption based on how much water the well or well system is capable of pumping. A well need only qualify for one type of exemption to be excluded from the fees, reporting, and metering requirements applicable to all non-exempt wells.

**Use-based exemption:** all wells of any size or capacity that are used solely for domestic use, for agricultural irrigation, or for providing water for livestock or poultry. It is important to recognize that the District has adopted detailed definitions of the terms "domestic use," "agricultural irrigation," "livestock," and "poultry" in District Rule 1.1. Please review each of these definitions carefully to determine whether any well you own or operate might qualify for an exemption based on any of these particular uses. The use-based exemption can be found at District Rule 2.1(a)(1).

**Production capacity exemption / individual well:** Your well is exempt from the fee payment, metering, and reporting provisions of the new rules if, as equipped, it is not capable of pumping more than 25 gallons per minute and it is used in whole or in part for at least one of the following:

- commercial use;
- industrial use;
- municipal use;
- manufacturing use;
- public water supply use;
- oil, gas or other hydrocarbon production or exploration use; or
- any use other than exclusive domestic, livestock, poultry or agricultural irrigation use.

The production capacity exemption for individual wells can be found at District Rule 2.1(a)(2).

For a **well system**, which is a system of wells connected to a common distribution system, the system capacity is calculated by taking the sum of the capacities of each of the individual wells, as equipped, in the system. If the total sum of the capacities is equal to or less than 30 g.p.m., the well system and the individual wells that are part of that system are exempt. If the total sum of the capacities is greater than 30 g.p.m., then the system and its component wells are not exempt from the fee, metering, and use reporting requirements of the District's Rules. The production capacity exemption for well systems can be found at District Rule 2.1(b).

In addition to the three main types of well exemptions discussed above, the District has exempted all leachate wells and monitoring wells from its regulatory requirements.

### Well Metering

For each well in the District that does not qualify for an exemption under District Rule 2.1, the well owner must equip the well by **January 1, 2009**, with a water meter that complies with the technical requirements of Section 8 of the District's Rules.

### Water Production Reports and Meter Logs

Beginning January 1, 2009, each well that does not meet an exemption described above must begin to record monthly the amount of groundwater produced by the well and to maintain a water meter log of those amounts. This requirement can be found at District Rule 8.6.

Not later than September 1 and March 1 of each year, except for those persons participating in the Early Fee Payment Incentive program detailed in Rule 7.4, the owner of any non-exempt well within the District must submit a water production report containing the information detailed by District Rule 3.10.

Similarly, with certain exceptions, a person who produces water from a well within the District to be used at any point outside the boundaries of the District must submit a groundwater transport report providing information similar to what is required in the water production report for in-district water production and use. The rules governing groundwater transport reports can be found at District Rule 6.2.

### Water Use Fees

Because the District is prohibited by law from assessing property taxes or other taxes to support its operations, the District is required to establish groundwater production fees to generate the revenues necessary to manage the groundwater resources of the four-county District. The Board has set the fee for water use during calendar year 2009 at 22 cents per thousand gallons of water produced. Only water produced from non-exempt wells is subject to a water use fee. Water use fees, except for persons participating in the Early Fee Payment Incentive Program detailed in Rule 7.4., are due on September 1 for water produced or transported between January 1<sup>st</sup> and June 30<sup>th</sup> of the current calendar year and on March 1 of the following year for water produced or transported between July 1<sup>st</sup> and December 31<sup>st</sup> of the current calendar year, as detailed in Rule 7.3 (a). The Rules relating to water use fees can be found at District Rule 7.1.

For groundwater that is being produced from within the boundaries of the District but is being transported for use at some point outside the District's boundaries, the Rules require the payment of a 50 percent export surcharge, in addition to the District's groundwater production fee, for each 1,000 gallons of water transported. These fees, too,

are due on September 1 of the current year for water produced or transported between January 1<sup>st</sup> and June 30<sup>th</sup> of the current calendar year and on March 1 of the following year for water produced or transported between July 1<sup>st</sup> and December 31<sup>st</sup> of the current calendar year as detailed under District Rule 7.3 (a), except for persons participating in the Early Fee Payment Incentive Program detailed in Rule 7.4. The Rules relating to groundwater transport fees can be found at District Rule 7.2.

#### Early Fee Payment Incentive

To encourage early participation in the District's regulatory program, the Board has developed an annual pre-pay discount and a quarterly pre-pay discount of 10 percent and 5 percent, respectively, of the water use fees and groundwater transport fees otherwise owed. If you are interested in taking advantage of this fee discount program, please review District Rule 7.4 for details.

To take advantage of the 10 percent discount program, total water use for calendar year 2009 must be estimated and the discounted fees on that estimated use must be submitted by March 1, 2009. The Board has developed rules for addressing instances of overestimation (resulting in overpayment based on actual use) and underestimation (resulting in underpayment based on actual use) in District Rule 7.4(b).

Alternatively, a well owner or operator may submit water use fee payments for groundwater production on a quarterly basis and qualify for a 5 percent discount on fees. To qualify, the well owner or operator must take final meter readings at the end of each quarter (March, June, September, and December) of calendar year 2009 and submit the water production records and corresponding discounted water use fee payments to the District no later than 30 days after the end of each quarter.

The Board recognizes that its Rules present many changes to comprehend and digest over the course of the ensuing months. It is important to consider, however, that the main components of the District's rules—water use fees, well metering, water production reporting—are each critical components to the District's success in managing and preserving the water resources of Hood, Montague, Parker and Wise Counties. Without your participation, and the participation of the other well owners and operators in the District, it would be impossible for the District to carry out its charge to preserve the groundwater resources in the District, encourage the effective recharge of our aquifers, and to protect against waste of the resource.

The Temporary District Rules governing water wells can be found on the District's website at the following address: [www.uppertrinitygcd.com](http://www.uppertrinitygcd.com)