

Neches and Trinity Valleys Groundwater Conservation District Proposed 2026 District Rules — Questions & Answers

A plain-language comparison of the current Rules with the proposed amendments

The District has proposed a comprehensive update to its Rules. The questions below summarize how the proposed Rules differ from the current Rules and the separate Rules for Hearings. This summary is for general information only; where it differs from the adopted Rules, the Rules control.

Q. Why are the Rules being changed?

A. The proposed Rules reorganize and modernize the District's regulations. The current Rules are arranged as fifteen numbered "Rules," with hearing procedures kept in a separate document. The proposed Rules are reorganized into thirteen chapters that bring permitting, well construction, fees, metering, hearings, conservation, drought, and enforcement together in one document. The goal is to align the Rules with Texas Water Code Chapter 36 and to manage production toward the District's adopted Desired Future Conditions (DFCs).

Q. What is the biggest change to how groundwater production is permitted?

A. The proposed Rules create two classes of operating permits. **Historic Operating Permits (HOPs)** are based on historic use, including permits issued prior to May 1, 2026. Every operating permit issued before that date is automatically reclassified as a HOP in its currently authorized amount, for its existing purpose of use. **Non-Historic Operating Permits (NOPs)** are permits issued on or after May 1, 2026, or for new or increased production. NOPs are limited by the acreage the applicant owns or leases over the aquifer, using a per-acre water allocation factor set by the Board. The current Rules do not draw this historic-versus-new distinction. A landowner with several wells on the same contiguous acreage and the same use may ask to combine their HOPs into one; and if land tied to a HOP is sold off and separately permitted, the historic permit's authorized amount is reduced accordingly.

Q. Are my existing (historic) water rights protected?

A. Existing permits are carried forward as HOPs in their current authorized amounts and are protected ahead of new uses. However, the proposed Rules add a one-time review: before January 1, 2029, the District will review any HOP whose highest annual production during 2021–2025 was less than 80% of its authorized amount. If the authorized amount is found to unreasonably exceed the real and current need for the water, that permit may be reduced or cancelled in whole or in part. Permits not put to beneficial use for three consecutive years may also be reduced or cancelled, after notice and an opportunity for a hearing.

Q. What permits does a new well need?

A. It depends on the well. A **non-exempt well** needs two permits: before drilling, a **well construction permit** (the proposed Rules' name for what the current Rules call a drilling permit), and before producing water, an **operating permit**. A well construction permit lasts 120 days and does not by itself authorize pumping. The General Manager may issue well construction permits and operating permits of up to 15 acre-feet per year; the Board acts on operating permits over 15 acre-feet per year, on groundwater exportation permits, and on any permit over 1,000 acre-feet per year. An **exempt well** — a small domestic or livestock well that meets the exemption limits — does not need an operating permit or a well construction permit to produce water; it only needs to be registered with the District.

Q. What information must a permit application include now?

A. The proposed Rules spell out application requirements in far greater detail than the current Rules. An operating permit application must use the District's form and include the source aquifer, the maximum pumping rate, and the purpose and amount of use — with a showing of a real and current need and that the amount requested is economically reasonable. It must give the well's GPS location accurate to within 10 feet and its distance to the two nearest property lines, a map of all wells within a half-mile and within the required spacing, and proof of the contiguous acreage tied to the permit. Applications to withdraw 100 acre-feet per year or more must include a hydrogeological study by a licensed professional that models the projected 1-, 10-, 30-, and 50-year impacts. Large municipal, agricultural, and industrial users must also submit engineer reports with conservation history and an economic analysis of alternative supplies.

Q. Will the new Rules tie total production to the Desired Future Conditions?

A. Yes. The proposed Rules state that the combined average annual production from the District's managed aquifers may be no greater than the amount needed to achieve the adopted DFC. If reductions become necessary, they are applied in order: first by lowering the per-acre allocation factor for NOPs (but never below a "baseline" factor that protects each landowner's fair share), and only then by reducing HOP amounts proportionally across all historic permits. The current Rules contain no comparable production-limit formula.

Q. How do the well spacing rules change?

A. Spacing becomes based on a well's capacity rather than a single fixed setback. Under the current Rules, a new non-exempt well generally must be at least 50 feet from the nearest property line, with the Board able to set other distances. The proposed Rules require a new well to be set back from the property line by the greater of 50 feet or 1 foot per gallon-per-minute of authorized capacity, and at least 2 feet per gallon-per-minute away from any existing or already-approved well. Applicants may seek an exception using site-specific geologic data, or obtain a waiver signed by affected nearby well owners (production may be limited as a condition).

Q. Do the rules for exempt (domestic and livestock) wells change?

A. Yes. The current Rules exempt wells used solely for domestic or agricultural use that cannot produce more than 36,000 gallons per day, with no acreage requirement. The proposed Rules exempt a well used solely for domestic use or for livestock, poultry, or wildlife only if it cannot produce more than 25,000 gallons per day and sits on a tract of at least 10 acres. A separate exemption covers a domestic-only well that cannot produce more than 1,500 gallons per day where no public water supply is available to the property. Wells that already qualified as exempt before the new Rules take effect remain exempt.

Q. Is groundwater taken outside the District treated differently?

A. Yes. To use groundwater outside the District's boundaries, a person generally needs a **groundwater exportation permit** in addition to an operating permit, and pays a groundwater export fee — a negotiated amount or 20 cents per 1,000 gallons, increased 3% each year — on top of production fees. Certain arrangements are exempt, such as long-standing exports in place before June 11, 2003 (with no increase in amount), water made into a finished manufactured product within the District, and water delivered to customers outside the District under a historic permit and a certificate of convenience and necessity. Exportation permits are issued by the Board and may be eligible for a contested case hearing.

Q. How are fees and reporting affected?

A. Under the proposed Rules, production fees are based on the maximum amount authorized by the permit (agricultural use carries no production fee). Beginning January 1, 2027, they are billed in advance and due by January 31, with the Board able to allow quarterly installments; production during 2026 stays on the current basis — paid in arrears on the amount actually produced. Late payments carry a penalty of the greater of \$50 or 10% (up to 30 days late), rising to the greater of \$100 or 50% after 30 days, and producing groundwater while delinquent is a major violation. Export fees (20 cents per 1,000 gallons, escalating 3% per year) apply in addition to production fees. The proposed Rules also require an annual groundwater-use report by January 30 each year.

Q. What metering is required?

A. All non-exempt wells must be metered with a District-approved meter that meets industry accuracy standards. The District may require accuracy testing — at the permittee's expense — no more than once every three years, and a meter found outside 95%–105% accuracy must be repaired or replaced. Owners read their meters at least monthly and report annual use to the District. Wells that qualified as exempt before the Rules take effect are not newly required to install a meter.

Q. Who can request a contested case hearing on a permit application?

A. The proposed Rules limit formal contested case hearings to the largest applications. A contested case hearing may be requested only for groundwater exportation permits or for operating permits of more than 1,000 acre-feet per year, and only by the applicant or an affected person with a personal, justiciable interest.

For all other applications, the Board acts after at least 10 days' notice and an opportunity for public comment, without a contested case. The current framework instead keyed hearing rights to distance — owners within ¼ mile of a well (or ½ mile for export/transfer permits).

Q. Does anything change for enforcement?

A. The proposed Rules consolidate inspection, investigation, and enforcement into one chapter and set civil penalties of not less than \$100 and not more than \$25,000 per violation per day. The current Rules provide for civil penalties up to \$10,000 per day. Both versions allow the District to seek injunctions and other remedies and require Board authorization before suit.

Q. Does the District plan for drought?

A. Yes. The proposed Rules include a drought contingency plan with four stages — Stage 1 (Conservation), Stage 2 (Alarm), Stage 3 (Critical), and Stage 4 (Emergency). During Stages 2 through 4, non-exempt groundwater may not be used to fill or refill ponds, and the Board may set curtailment levels by resolution.

Q. What are the key dates, and how will the Rules be adopted?

A. Key dates include May 1, 2026 (the dividing line between Historic and Non-Historic Operating Permits), January 1, 2027 (production fees move to advance billing), and before January 1, 2029 (the one-time review of under-used historic permits). The District is gathering public input at stakeholder meetings on June 30 and July 1, 2026, and the Board will hold a public hearing and potentially take action on the proposed Rules on July 16, 2026 at 1:00 p.m.

Q. Where can I read the full proposed Rules and comment?

A. The complete proposed Rules are posted on the District's website, and copies are available from the District office. The District encourages well owners, permittees, and landowners to review the full text and take part in the public process — including the stakeholder meetings on June 30 and July 1, 2026, and the Board's public hearing and vote on July 16, 2026 — before the Rules are adopted. Questions may be directed to the District office.

This Q&A is a general summary prepared to help the public understand the proposed changes. It is not legal advice and does not replace the official Rules. Where this summary and the adopted Rules differ, the Rules govern.