SOAH DOCKET NO. 957-17-2582

IN RE THE APPLICATION

BEFORE THE BARTON SPRINGS

OF NEEDMORE WATER LLC FOR HB § EDWARDS AQUIFER

3405 REGULAR PERMIT

§ CONSERVATION DISTRICT

PROTESTANT TESPA'S MOTION FOR REHEARING

To: The Board of Directors ("Board") of the Barton Springs Edwards Aquifer Conservation District ("District") through its attorney, Brian Sledge, 919 Congress Ave. Ste. 460, Austin, Texas 78701:

Protestant, Trinity Edwards Springs Protection Association ("TESPA") files its Motion for Rehearing in the above referenced proceeding pursuant to Section 36.412 of the Texas Water Code. On July 29, 2019, the Board issued a final order granting Needmore Water, LLC's ("Needmore") request to produce just over 289 million gallons a year from the Middle Trinity Aquifer. On September 12, 2019 the Board issued Findings of Fact and Conclusions of Law. For the reasons discussed below, the Board's decision to grant Needmore's permit was arbitrary and capricious, an abuse of discretion, and contrary to Constitutional rights of landowners. Consequently, TESPA requests that the Board grant our Motion for Rehearing and reopen this matter for additional consideration, enabling the Board to address issues that are contrary to applicable law and policy.

INTRODUCTION

Based on the comments made by some of the Directors at the July 29th final hearing (that the Board had no choice, felt hamstrung, and that the process was "ass backwards") and based on the Findings of Fact and Conclusions of Law that the Board adopted, it is obvious that the Board interpreted House Bill 3405 and the District's rules in a way that precluded the Board from denying

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Needmore's permit request. TESPA believes that this interpretation is wrong, and that the Board did not have discretion to deny Needmore's permit because based on the clear language of House Bill 3405 and District rules and based on evidence in the record, Needmore was not eligible to apply for a permit in the first place. We are asking the Board to reconsider our arguments.

ARGUMENT

A. The Board's determination that TESPA is not challenging issues related to the conversion of Needmore's Temporary Permit to a Regular Permit is not rationally based and is contrary to landowners' Constitutional rights.

TESPA has long argued that the Board should never have granted Needmore a Temporary Permit because Needmore did not meet the eligibility requirements in House Bill 3405 and because Needmore falsified critical information in its application. We submitted comments articulating these arguments at the time the Board considered Needmore's Temporary Permit but because House Bill 3405 prohibited hearings on the Temporary Permit, we had no way of formally protesting the District staff's recommendation.

While we felt that House Bill 3405's prohibition on hearings at the Temporary Permit stage raised Constitutional concerns related to due process and open courts, under our interpretation of House Bill 3405 and District Rules, we believed we could raise our arguments at the hearing on the Regular Permit as eligibility is an issue that is clearly related to conversion of Needmore's Temporary Permit into a Regular Permit. However, the Board has determined that TESPA's challenge to Needmore's eligibility is not an issue that is relevant to the hearing on the Regular Permit. Conclusion of Law No. 28 states, "Because TESPA is not challenging any issues regarding conversion of Needmore's Temporary Permit to a regular permit, no material fact is in dispute,

and as a matter of law, there is no basis for a hearing on issues relating to the granting of a Temporary permit under House Bill 3405. 30 TAC 155.505(a)."

The result of this determination is that TESPA, and the affected landowners who are members of TESPA, cannot challenge Needmore's eligibility at all. This interpretation deprives affected landowners from protecting their constitutionally protected property rights and denies them the ability to challenge a fundamental issue in this proceeding - eligibility. In reaching this conclusion, the Board misinterpreted applicable law and ignored evidence that TESPA presented, which demonstrate that TESPA is challenging issues regarding conversion of Needmore's Temporary Permit to a Regular Permit. Based on these errors, TESPA is requesting that the Board conduct a new hearing.

First, the law clearly allows the District to consider factors related to the Temporary Permit process when evaluating whether to convert a temporary permit into a regular permit under House Bill 3405. As TESPA explained in its Motion for Summary Disposition, HB 3405 describes the District's actions as "converting" a Temporary Permit into a Regular Permit – one, streamlined process for the District to issue permits to eligible applicants. Only eligible applicants could apply for a Temporary Permit, and obtaining a Temporary Permit was a prerequisite to receiving a Regular Permit. This is supported by the District's own statement on page 2 of the District's Preliminary Decision to issue Needmore a Regular Permit where the District lists the factors it reviewed in making its Preliminary Decision. Under "Application Review of the Regular Production Permit," the third factor the District considered was to "Confirm eligibility for a Temporary/Regular Production Permit (District Rule 3-1.55.1(A))."

The Board's determination in Conclusion of Law No 28. prohibits TESPA and the numerous landowners impacted by production from Needmore's well who are members of TESPA, from

challenging Needmore's eligibility – an issue that the District considered pursuant to its rules when it recommended that Needmore's Temporary Permit be converted into a Regular Permit. It is absurd and unreasonable to interpret HB 3405 in a way that prohibits an affected party from challenging the basis upon which a permit was granted, yet this is exactly what the Board's determination in Conclusion of Law No. 28 does. For this reason, TESPA objects to Conclusion of Law No. 28.

B. The Board erroneously determined that Needmore was eligible to apply for a Temporary Permit.

First, the Board erroneously interpreted language in House Bill 3405 and the District's own rules describing the eligibility requirements for a landowner to apply for a Temporary Permit. Section 4(c) of House Bill 3405 states, "A person **operating** a well before the effective date of this Act or who **has entered** into a contract before the effective date of this Act...shall file an administratively complete permit application with the district..."

The District enacted rules implementing HB 3405. Rule 3-.55.1 states, "A person eligible for a Temporary Production Permit or Temporary Well Drilling Authorization may apply and be issued authorization to drill, operate, or perform another activity related to the nonexempt well pursuant to the following provisions." The rule goes on to state the eligibility criteria as follows:

Eligibility criteria. Persons who meet the following criteria and who submit an administratively complete permit application on or before September 19, 2015, may be issued a Temporary Production Permit or Temporary Well Drilling Authorization.

1. The person *is operating* an existing nonexempt well on or before

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¹ HB 3405 § 4(c). HB 3405 is codified at Special District Local Laws Code, Chapter 8802.

- June 19, 2015;
- 2. The person has entered into a contract on or before June 19, 2015 to operate an existing nonexempt well; or
- 3. The person has entered into an existing contract on or before June 19, 2015 to drill or complete a new nonexempt well. The person would only be eligible for a Temporary Well Drilling Authorization. (emphasis added)

However, in Finding of Fact No. 69, the Board determined "House Bill 3405 provides that to be eligible for a Temporary Permit an applicant must have either been operating a well before the effective date, June 19, 2015, or have entered into a contract before the effective date, June 19 2015." (emphasis added). This slight change in language from "operating" to "have been operating" significantly alters the meaning of the statute and District rules to allow a landowner who had operated a well at some point in the past to apply for a Temporary Permit. It also leads to the Board's erroneous conclusion in Conclusion of Law No. 19 that "Under Section 4(c) of House Bill 3405, a well is not required to be operating on the effective date of the statute."

The language of Section 4(c) of HB 3405 and District Rule 3-.55.1, however, expressly require current operation of a well before the effective date, not past operation of a well before the effective date. Section 4(c) states, "A person **operating** a well before the effective date of this Act or who **has entered** into a contract before the effective date of this Act...shall file an administratively complete permit application with the district..."

The word "operating" is the present tense form of "to operate." This means that a person had to be presently operating a well to be eligible to apply for a HB 3405 Permit – very different from saying that a person must "have been operating a well." Furthermore, when the second clause of 4(c) related to contracts is examined, it is obvious that the intent of the Act was to permit only those persons *currently or presently* operating a well to apply for a Temporary Permit. This is the

most reasonable and logical reading of the statute. The second clause uses the *present perfect* tense of "to enter" — "has entered." The present perfect tense is used to describe an action that happened at an unspecified time before the present. The use of the present perfect tense makes clear that only those persons who had entered into a contract at a time before the effective date are eligible to apply for a Temporary Permit. Had the drafters intended to allow a person who had been operating a well in the past prior to the effective date of the Act to apply for a Temporary Permit, the drafters would have used the present perfect tense "has operated," just as they did for the language related to contracts or "has been operating," rather than the present tense "operating." The Board overlooks this obvious grammatical distinction in the plain language of the statute.

Under the District's interpretation, a person who had been operating his well in 1875 could apply for and receive a Temporary Permit – because he had been operating the well before June 19, 2015. Obviously, this was not HB 3405's intent. The District's interpretation of HB 3405 leads to an absurd result. It would allow landowners to resurrect old, abandoned wells and take advantage of the expedited, less stringent permitting process under HB 3405. Courts will "apply the plain meaning of the text unless a different meaning is supplied by legislative definition or *is apparent from the context or the plain meaning leads to absurd results.*" *Marks v. St. Luke's Episcopal Hosp.*, 319 S.W.3d 658, 663 (Tex.2010).

Second, the Board ignored evidence and did not consider relevant factors demonstrating that Needmore was not eligible to apply for a Temporary Permit; therefore, the Board acted arbitrarily and in a capricious manner when it granted Needmore a Regular Permit. The Board ignored the fact that staff made a legal determination that Needmore's well was abandoned under District Rules and that as a matter of law, the well had not been in operation for six consecutive months. Additionally, the Board actually determined in Finding of Fact No. 16 that "[t]he Temporary

Permit contained a condition prohibiting authorized operation of the well until it was operable and repaired in compliance with State and District Well Construction standards." This determination supports the argument that Needmore was not eligible. Based on the above errors, the Board erroneously determined in Conclusion of Law No. 20 that Needmore met all of the requirements of House Bill 3405.

Under case law, an agency abuses its discretion when it fails to consider legally relevant factors.² An agency decision—here, a decision to approve Needmore's permit—is arbitrary if it fails to follow the clear, unambiguous language of its own regulations.³ The clear, unambiguous language of the District's rules states that an applicant must be operating a well at the time House Bill 3405 became effective. The Board's failure to consider legally relevant factors, such as the staff's determination that the well was abandoned, makes its decision arbitrary, and the Board's Order that this permit be granted lacks a rational basis in the record. For these reasons, TESPA opposes Finding of Fact No. 16 and No. 69, and Conclusion of Law No. 19 and No. 20.

C. The Board acted arbitrarily and ignored evidence that Needmore submitted false information in its application.

The Board had the legal authority to revoke Needmore's Temporary Permit and deny the Regular Permit based on the fact that Needmore submitted false information in its application. BSEACD Rule 3-1.55.2 (D)(11) states, "[a] finding that false information has been supplied shall be grounds for immediate revocation of a permit." The Board, however, ignored its own rules which direct the Board to revoke a permit when an applicant submits false information.

² Kawasaki Motors Corp. USA v. Texas Motor Vehicle Com'n, 855 S.W.2d 792, 795 (Tex. App.—Austin 1993); see also Consumers Water, Inc. v. Pub. Util. Comm'n of Texas, 774 S.W.2d 719, 721 (Tex. App.—Austin 1989).

³ Public Utility Com'n of Texas v. Gulf States Utilities Co., 809 S.W.2d 201, 207 (Tex. 1991).

First, Needmore neglected to mention on the application and in a supplemental response to the District that the well was not currently in operation at the time House Bill 3405 became effective. Second, in the descriptive statement on the application, Needmore stated, "[w]ell D...is used for irrigation on the ranch property." This statement is false. According to the *Application Summary and Staff Review*, which is based on statements from the ranch manager and onsite observations, the well had never been used for irrigation. Needmore representatives also led staff to believe that the well was being used for wildlife management purposes pursuant to a wildlife management plan, but there is no evidence in the record that the plan supports the well being used for this purpose.

Furthermore, in an in-person meeting with District staff and the Applicant's representatives, the District's General Counsel asked the Applicant's consultant, Kaveh Korzad, specifically whether the reservoir on Needmore Ranch contained any groundwater from the well. According to District's notes from the meeting, Mr. Korzad indicated that it did not. This is a false statement because District staff subsequently learned that in the past the well was used intermittently to supply water to the pond.

Finally, in a supplemental letter dated October 9, 2015 sent to the District, the Applicant stated that major water improvements had been made on the property to support future plans of a three-pasture rotation. Specifically, the Applicant indicated that a 2.5-mile pipeline had been constructed on the ranch to provide reliable water within the pasture. However, the District discovered that the pipeline is actually a Shell Oil pipeline. Given these mischaracterizations, which are based on uncontroverted facts, a number of conclusions of law in the Order do not have a rational basis.

D. The District improperly designated the use type associated with Needmore's permit as Agricultural and Wildlife Management

TESPA intended to make arguments at the hearing on the merits related to the District's improper designation of the use type associated with Needmore's permit; however, the Administrative Law Judge dismissed our case on an erroneous legal conclusion that the Board adopted in Conclusion of Law No. 28 - that we were not challenging any issues related to the Regular Permit. In the Rule 11 Agreement, TESPA did not limit its challenge to whether the District should have issued a temporary permit to Needmore. TESPA agreed to narrow the focus of its contest to issues related solely to the eligibility of Needmore's application pursuant to HB 3405 § 4(c) and § 4(d). Specifically, TESPA agreed to withdraw and limit pre-filed testimony for certain witnesses and agreed to not offer or present evidence beyond evidence supporting the narrowed issues related to eligibility of Needmore's application pursuant to HB 3405 § 4(c) and § 4(d). TESPA did not limit its challenge to whether the District should have issued the temporary permit to Needmore as Conclusion of Law No. 28 erroneously holds. This Conclusion misinterprets the Rule 11 Agreement and incorrectly holds, "[b]ecause TESPA is not challenging any issues regarding the conversion of Needmore's temporary permit to a regular permit, no material fact is in dispute and, as a matter of law, there is no basis for a hearing on issues relating to the granting of temporary permit under HB 3405. 1 Tex. Admin. Code § 155.505(a). Essentially, the Board's decision is that TESPA "Rule 11'd" itself out of a hearing, which is an absurd result.

Furthermore, because the Board erroneously concluded that TESPA limited its argument to whether the District should have issued a temporary permit to Needmore, the Board incorrectly conflates Section 4(c) and (d) of House Bill 3405. As stated, previously, TESPA limited its challenge to Section 4(c) and 4(d) in House Bill 3405. In TESPA's Motion for Summary

Disposition, TESPA focused on whether Needmore was eligible to apply for a Temporary Permit based on the fact that Needmore was not currently operating a well under 4(c). TESPA did not, however, address any of the other issues in 4(d) that the District evaluated at the regular permit stage, such as whether the person's drilling, operating, or other activities associated with the well are consistent with the authorization sought in the permit application – issues which are relevant to a regular hearing and which under the Administrative Procedures Act, TESPA is entitled to argue. Under Section 2001.051(2) of the Government Code, "[i]n a contested case, each party is entitled to an opportunity to respond and to present evidence and argument on each issue involved in the case.

As stated above, the Board improperly designated the use type associated with Needmore's permit contrary to the District's rules state law. Section 4(d) of HB 3405 mandates, "The temporary permit issued under this subsection shall provide the person with retroactive and prospective authorization to drill, operate, or perform another activity related to a well for which a permit is required by the district... if: (1) the person's drilling, operating, or other activities associated with the well are consistent with the authorization sought in the permit application..." (emphasis added). In other words, a person could only get a Temporary Permit for a use consistent with the current operation of the well. If the person was using the well to irrigate crops, under HB 3405 he could not get a permit to sell water to a city because these are distinct, separately defined categories of uses. Likewise, if a person was using the well to provide water to a watering hole for free ranging wildlife, he could not obtain a permit to use water to irrigate crops.

The authorization that Needmore sought in its application was for "Agricultural Irrigation," however, as explained below, Needmore had never actually conducted any irrigation on the Ranch.

Under the District's rules in place at the time Needmore applied for a HB 3405 Temporary Permit, Agricultural Irrigation Use was defined as follows:

the use associated with providing water for application to plants or land in connection with cultivating the soil to produce crops for human food, animal feed, or planting seed or for the production of fibers; the practice of floriculture, viticulture, silviculture, and horticulture including the cultivation of plants in containers or non-soil media by a nursery grower; or planting cover crops, including cover crops cultivated for transplantation, or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure.

When Needmore applied for a HB 3405 permit, the well had never been used for any of the activities described above in the District's definition of Agricultural Irrigation Use, effective at the time Needmore applied for its permit. Needmore did not disclose this fact to the District. In fact, Needmore falsely stated on the application that the well was an "existing irrigation well." *See* Item 6 on both the Temporary and Regular Permit Applications.

The District only learned that Needmore was not irrigating the property on an October 14, 2015, site visit to Needmore Ranch. District staff discovered that Needmore was not currently irrigating the property and that moreover, no irrigation had ever taken place on the ranch. Field notes taken by District staff during this site visit to the property and obtained by TESPA through an Open Records Request, explain that upon visiting the property, staff learned that groundwater had never been used for irrigation and that Needmore had never constructed an irrigation distribution system on the ranch. According to the staff notes, during the onsite visit, Needmore's hydrogeologist stated that the referenced irrigated areas on the application were actually "proposed" projects.

In addition, staff learned that the well on Needmore Ranch had only been used intermittently to provide water to a pond that was used for recreational purposes and, allegedly as a watering hole for wildlife. As a result of the site visit, the District determined that Needmore was engaging in Wildlife Management activities, not activities associated with Agricultural Irrigation. Under the District's rules, Wildlife Management was defined as "the watering and/or feeding of freeranging, non-caged, wild animals under a management plan approved by Texas Parks and Wildlife, US Fish and Wildlife Service, or other governmental agency with authority to approve and regulate wildlife management plans." Wildlife Management was not a specific use type under the District's rules, rather it was an activity permitted under the use type, Agricultural Livestock Use, defined as "the use associated with the watering, raising, feeding, or keeping of livestock for breeding purposes or for the production of food or fiber, leather, pelts or other tangible products having a commercial value; wildlife management; and raising or keeping equine animals." The District, therefore, determined that the appropriate use consistent with Section 4(d)(1) of HB 3405 was Agricultural Livestock. As a result, on October 19, 2015, the District issued a Temporary Production Permit to Needmore for "Agricultural Livestock" use. However, as stated above, there is no evidence in the record that the Wildlife Management plan supported Well D being used for wildlife purposes; therefore, the District's determination that Needmore was using Well D for Wildlife Management/Agricultural Livestock use was arbitrary.

In its October 19, 2015, letter issuing the Temporary Permit, the District explained,

"The relevant use type for issuance of the Temporary Production Permit is determined by evaluating the period of time Well D operated before the effective date of HB 3405 (June 19, 2015). The September 19, 2015, Needmore permit application indicated both general and agricultural use types prior to June 19, 2015,

however, the information provided was insufficient to clearly designate the primary use type.

Supplemental information provided in response to the District's written requests and information obtained from the District's October 14, 2015, site visit indicated that the well was used solely to supplement a ponded water feature which is used primarily for recreation (swimming, fishing, and boating) and for wildlife. On the basis of this information, the District is initially characterizing the use type for Well D as Agricultural Livestock."

Section 4(d)(1) of HB 3405 states that the Temporary Permit "shall provide the person with retroactive and prospective authorization to…operate…a well for which a permit is required by the district…if (1) the person's drilling, operating, or other activities associated with the well are consistent with the authorization sought in the permit application." In other words, a person would not have authorization to operate under a Temporary Permit if the person's activities associated with the well were not consistent with the authorization.

By issuing the Temporary Permit for Agricultural Livestock Use, which includes irrigation for cattle and not limiting the use to Wildlife Management, the District impermissibly expanded the types of activities Needmore could pump groundwater for—activities it had not been engaging in at the time it applied for a permit under HB 3405.

Furthermore, it its November 15, 2016, proposal to issue Needmore a Regular Permit, the District has once again impermissibly expanded the types of activities for which Needmore can use groundwater from the well. On April 28, 2016, prior to issuing its preliminary decision to grant Needmore a Regular Production Permit, the District adopted new rules adding a new definition --

Agricultural Use, which included several types of activities, such as the cultivation of crops for human consumption, the practice of floriculture, and horticulture, and wildlife management, among other uses.

Agricultural Use is defined as: the use of groundwater for any of the following activities, including irrigation to support these agricultural uses:

- cultivating the soil to produce crops for human food, animal feed, or planting seed or for the production of fibers;
- 2. the practice of floriculture, viticulture, silviculture, and horticulture, including the cultivation of plants in containers or non-soil media, by a nursery grower;
- raising, feeding, or keeping animals for breeding purposes or for the production of food
 or fiber, leather, pelts, or other tangible products having a commercial value (Commercial
 Livestock Use);
- 4. planting cover crops, including cover crops cultivated for transplantation, or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure;
- 5. engaging in wildlife management as defined in the District's Rules and as referenced under a written in-effect wildlife management plan;
- 6. raising or keeping equine animals; or
- 7. aquaculture, or active farming of fish, crustaceans or mollusks.

Under the new rules, the definitions for Agricultural Livestock Use and Agricultural Irrigation
Use were deleted and the uses associated with these definitions were added to the definition of
Agricultural Use. As explained above, under the District's previous rules in place at the time

Needmore applied for its Temporary and Regular Permit in September 2015, Wildlife Management fell under the use type Agricultural Livestock, which is why the District granted Needmore's Temporary Permit for the use type Agricultural Livestock. Wildlife Management activities were not part of the definition of Agricultural Irrigation Use, which was an entirely separate definition and use type. However, the current rules adopted on April 28, 2016, created a new definition for Agricultural Use, which includes both Agricultural Livestock and Agricultural Irrigation.

On November 15, 2016, the District issued a proposed Regular Production Permit to Needmore for 289,080,000 gallons of groundwater a year associated with "Agricultural Use," which as explained above combined both the old definition of "Agricultural Livestock" and "Agricultural Irrigation." The result is that Needmore can now use water from the well to grow crops, whereas before under the Temporary Permit, Needmore could only engage in Agricultural Livestock activities. This is an impermissible expansion of the use associated with the well because it is contrary to Section 4(d)(1)'s requirement that the operating activities associated with the well be consistent with the authorization sought.

The District's Preliminary Decision to issue the Regular Permit states, "The District has further processed the application for conversion of the Temporary Production Permit to a Regular Historical Production Permit to authorize withdrawal of an annual permitted volume of approximately 289,080,000 gallons per year of groundwater from the Trinity Aquifer. The Applicant will continue to operate the existing well for wildlife management and future agricultural uses." This statement makes clear that the Regular Permit is based on the historical use of the well, which the District determined was for Wildlife Management, thus Needmore should not be able to use groundwater from the well to conduct any type of irrigation activities

because doing so is contrary to Section 4(d)(1) of HB 3405. However, by assigning the new "Agricultural Use" definition to the proposed permit and stating that Needmore can engage in "future agricultural uses," the District is permitting Needmore to engage in uses that are not consistent with the past use of the well contrary to HB 3405. Nowhere in HB 3405 does it state that the District has the authority to change the use type in the Regular Permit that was associated with the Temporary Permit.

Furthermore, by applying the new definition of Agricultural Use to Needmore's Regular Permit application, the District has essentially allowed Needmore to change the use type under its HB 3405 permit without triggering a permit amendment, which is contrary to the District's rules. On March 23, 2016, prior to the District formally adopting the rules on April 28, 2016, TESPA submitted comments to the District making this argument.

District Rule 3-1.55.4 governs the process the District follows to convert Temporary Permits to Regular Permits. Rule 3-1.55.4(D) states, "All Regular Production Permits are granted subject to the Rules, regulations, Orders, special provisions, and other requirements of the Board and the laws of the State of Texas." Under Rule 3-1.9(A), changing the use type of a permit is considered a major amendment. Under Rule 3-1.9(B), "Major amendments shall be subject to all the requirements and procedures applicable to issuance of a Production Permit for a new well or, if applicable, a Transport Permit. Under Rule 3-1.9(C), "Amendments to change the use type of a Production Permit will require the recalculation of the permitted volume to be commensurate with the reasonable non-speculative demand of the new use type." 3-1.9(C).

Because under the proposed rules the District has expanded the definition of Agricultural Use to include Wildlife Management, Needmore could engage in any of the activities defined as

Agricultural Use, for example irrigation for crops, without triggering a change in use type and recalculation of the permitted volume as described above in 3-1.9(C).

Needmore has argued that it can support its requested volume of 289,080,000 gallons of groundwater a year without wasting water by conducting extensive agricultural irrigation operations on the property – something that Needmore would not have been permitted to do if the District had not expanded the definition of Agricultural Use and impermissibly applied it to Needmore.

Moreover, the District acted arbitrarily when it assigned Wildlife Management as the use type. As described above, the District assigned Wildlife Management as the use type because Needmore stated that groundwater from the well had been used to fill a pond for wildlife under a wildlife management plan approved by Texas Parks and Wildlife. However, Needmore's Wildlife Management Plan does not reference Well D at all and does not specify that Well D is used to fill a pond for wildlife management purposes. Consequently, Finding of Fact No. 9 is erroneous, and the District ignored legally relevant evidence and acted arbitrarily when it issued Needmore's permit for Agricultural use premised on Wildlife Management.

CONCLUSION

The Board's decision to grant Needmore a permit when Needmore was not even eligible to apply for a permit was flawed, and it is especially concerning because of the tremendous volume of water that Needmore now has the right to pump and the potential impacts this pumping will cause to the aquifer and nearby landowners. Needmore's permit is currently the largest groundwater permit that the Board has issued in the Middle Trinity Aquifer.

TESPA is requesting that the Board conduct a new hearing to consider our arguments again and to correct errors that the Board made, which we describe above. Needmore is not entitled to

receive a Regular Permit under House Bill 3405. District staff determined that Needmore's well was abandoned, therefore, Needmore was not eligible to apply for a permit under House Bill 3405. Moreover, Needmore took advantage of the expedited, less stringent permitting process that House Bill 3405 created for eligible wells – misrepresenting critical facts on its application. The Board has the legal authority to deny Needmore's permit.

Respectfully,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing TESPA's Response to Needmore and BSEACD has been sent to all parties of record via e-mail on this the 2nd of October, 2019, addressed as follows:

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