

**PROPOSED AMENDMENTS TO THE TEMPORARY RULES
OF THE
NORTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT**

Set forth below are proposed amendments to the rules of the District. The proposed changes would amend District Temporary Rules in order to clarify the District's exemptions from the water use fee payment requirement, and to clarify water use fee payment and reporting requirements for certain non-exempt wells. In addition, the proposed rules amendments would establish a method for the Board to annually adopt a water use fee rate for the District. The proposed amendments to the rules read as follows:

Rule 2.1 Wells Exempt from Water Use Fee Payment, Metering, and Reporting Requirements of These Temporary Rules.

- (a) The requirements of these Temporary Rules relating to the payment of water use fees under Section 6, the requirement to install and maintain a meter under Section 7, and the requirement to report to the District the amount of water produced from a well under Section 3 do not apply to the following types of wells:
1. All wells, existing or new, of any size or capacity that are used solely for domestic use, livestock use, poultry use, or agricultural irrigation use;
 2. An existing well or new well that is not a public water supply well and:
 - (A) does not have the capacity, as equipped, to produce more than 40 gallons per minute, except as provided by Subsection (b) of this rule; and
 - (B) is used in whole or in part for any purpose of use other than solely for domestic, livestock, poultry, or agricultural irrigation use; or
 3. Leachate wells and monitoring wells.
- (b) For purposes of determining whether the exemption set forth under Subsection (a)(2) applies, the capacity of a well that is part of a well system shall be determined 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 greater than 40 gallons per minute, the well system and the individual wells that are part of it are not exempt from the water use fee payment, metering, and reporting requirements of these rules.
- (d) A well exempted under Subsection (a)(2) will lose its exempt status if, while the well was registered as an exempt well, the District determines that the well had the capacity, as equipped, to produce more than 40 gallons per minute. Such wells are subject to the water use fee payment, metering, reporting, and other requirements of these Temporary Rules, and may be subject to enforcement under Section 8.

Rule 2.2 Wells Subject to Water Use Fee Payment, Metering, and Reporting Requirements of These Temporary Rules

- (a) All wells not described as exempt under Rule 2.1 are subject to the water use fee payment, metering, reporting, and other requirements of these Temporary Rules, except as provided under Rule 2.3. Such wells include all public water supply wells and all wells or well systems with a capacity, as equipped, to produce more than 40 gallons per minute that are used in whole or in part for any purpose of use other than solely for domestic use, livestock use, poultry use, or agricultural irrigation use.
- (b) Any well that is subject to fee payment under this rule and that provides water for both exempt purposes and purposes not exempt under Rule 2.1 or Rule 2.3 shall pay the water use fee rate established by the District for all water produced from the well, unless the owner or operator can demonstrate through convincing evidence to the satisfaction of the District that a system is or will be in place so as to assure an accurate accounting of water for each purpose of use. Subject to the District's discretion, a well owner or operator that can demonstrate an accurate accounting of water produced for each purpose of use shall only be subject to the water use fee payment and reporting requirements of these Temporary Rules for water produced from the well for non-exempt purposes of use.

Rule 3.6 General Provisions Applicable to Registrations.

- (c) Upon approval or denial of an application, the General Manager shall inform the registrant in writing by regular mail of the approval or denial, as well as whether the well meets an exemption provided in Rule 2.1 or Rule 2.3 and whether it is subject to the metering, water use fee payment, or reporting requirements of these Rules.

Rule 3.8 Transfer of Well Ownership

- (b) Within 90 days after the date of a change in ownership of a well that is not exempt under District Rule 2.1 from the water use fee payment, metering, and reporting requirements of these rules, the new well owner (transferee) shall submit to the District, on a form provided by the District staff, a signed and sworn-to application for transfer of ownership.

Rule 6.1 Water Use Fees.

- (a) A water use fee shall be established by the Board annually at least 60 days before the end of the calendar year to be applied to the groundwater pumpage in the ensuing calendar year for each well not exempt under Rule 2.1 or Rule 2.3. The Board may adjust the rate from time to time. The rate shall not exceed twenty (20) cents per 1,000 gallons of groundwater produced. For fees applied to groundwater produced in calendar year 2012, the Board may adopt the rate schedule at any time before January 1, 2012, and shall thereafter notify by regular mail the owner or operator of each registered well that is required to pay the fee. Beginning on October 1, 2010, a water use fee of three (3) cents

~~per 1,000 gallons of groundwater produced shall be applied to the groundwater production of each well not exempt under Rule 2.1 or Rule 2.3.~~

Rule 6.4 Well Registration Fees

The owner of any new well for which drilling commences on or after October 1, 2010, including a new well exempt under Rule 2.1, shall submit payment to the District of a \$500 non-refundable well registration fee per well, which is due by the same deadline established under these rules for registration of the well. The well registration fee must be received by the District in order for the District to find a registration application administratively complete. The purpose of the well registration fee is to cover the administrative costs to the District associated with registering the well and administering the rules of the District related to the well. The amount of the well registration fee has been determined by the District to be less than the actual administrative costs to the District of registering the well and administering the rules of the District with respect to the well, even in light of anticipated revenues to be received from the Water Use Fee.