MITIGATION MAUAL WORKSHOP

OF

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

The Gonzales County Underground Water Conservation District will hold a Mitigation Manual Workshop on Tuesday, January 20th, 2026, at 5:30 p.m. at the Gonzales County Underground Water Conservation District Office, at 522 Saint Matthew Street Gonzales, Texas. All written comments must be received by January 07, 2026 by 5:00 p.m.

GCUWCD Mitigation Manual Workshop

Jan 20, 2026, 5:30 - 7:00 PM (America/Chicago)

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Agenda is as follows:

- 1. Call to order.
- 2. President of the Board to make comments.
- 3. Receive comments from the public on proposed amendments to the District's Mitigation Manual.
- 4. Adjourn.

The purpose of the workshop is for discussion and clarification of the possible amendments to the District's Mitigation Manual. A quorum of the Board may be in attendance. The Board of Directors and General Manager will be in attendance to answer any questions concerning any possible changes to the mitigation manual. If you require any special assistance to attend the meeting, please call 830.672.1047 at least 24 hours in advance of the meeting to coordinate any special physical access arrangements.



GONZALES COUNTY
UNDERGROUND WATER CONSERVATION DISTRICT

Gonzales County Underground Water Conservation District Mitigation Fund Procedure Manual

Adopted: August 10, 2010 Revised: January 10, 2023 Revised: , 2026

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1.0 INTRODUCTION

The mission of the Gonzales County Underground Water Conservation District (GCUWCD) is to conserve, preserve, protect, and prevent waste of the groundwater resources. The rules of the District require permittees capable of producing greater than 3,000 acre-feet of water per year from the same producer or connected or to be connected to a common gathering/transportation piping system to work with the District in mitigating the effects of large-scale pumping projects on existing permitted wells. This is accomplished through the use of a Mitigation Fund that is funded by the permittees and managed by the District. The permittees recognize and acknowledge that the District may utilize monies in the Mitigation Fund for investigating, evaluating and/or implementing mitigation by either contractors or employees and that the Mitigation Fund may be used to cover administrative expenses, contractor costs, and equipment costs associated with such contractors or employees.

1.1 Mitigation Fund Manual Purpose

The purpose of this manual is to set policies and procedures for managing the Mitigation Fund in an efficient, legal, and fiscally responsible manner. This manual includes information on assessing the effects of drawdown on water wells in the District, determining appropriate mitigation remedies, conducting well mitigation, contracting, recordkeeping and reporting, and management of funds.

1.2 Mitigation Fund Manual Objectives

The objectives of this manual are to:

- · Provide an overview of the Mitigation Fund
- · Provide information on District operational functions
- · Provide information on contracting services
- · Provide information on contractor functions
- · Provide information and guidance on management of the mitigation funds

1.3 Mitigation Fund Area

The area of the District covered by this mitigation fund is bounded on the west by the Gonzales/Wilson/Karnes County lines, on the south by the southern boundary line of the District, on the north by the Gonzales/Guadalupe County Lines, and on the east along the middle of the San Marcos Arch (San Marcos River).

1.4 Wells Covered Under the Mitigation Fund

Wells that qualify for potential mitigation through the Mitigation Fund shall be limited to registered or permitted wells, located in the mitigation fund area described above, that:

- were drilled on or before January 1, 2010;
- were registered with the District on or before June 1, 2010;
- do not produce water for a public water supply, except as provided below for municipal wells;
- meet the criteria for mitigation under the District's Rules and Policies;
- a minimum of two years continuous groundwater production prior to eligibility for mitigation;
- if the aquifer of the water well is undeterminable by a camera survey due to collapsed*
 casing, the landowner must provide screening and depth documentation to be eligible for
 mitigation.

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Wells located on land leased or owned in fee simple determinable by the permit holders contributing to the Fund shall qualify for mitigation from the Fund, but wells located on land leased or owned in fee simple determinable by permit holders subject to mitigation requirements who do not contribute to the Fund shall not qualify for mitigation from the Fund.

Only wells that have been designated by the District as having been affected by pumpage from the Mitigation Fund members are eligible for mitigation. The procedures for assessing effects on wells from the large-scale pumping projects are listed in Sections 3.0, 4.0, and 5.0.

Municipal Wells

Municipal Wells within the mitigation fund area may qualify for mitigation only when the municipality demonstrates that:

- the well is used as part of an essential public water system;
- the municipality has no reasonable alternative source of water to offset the impairment;
- mitigation is necessary to maintain minimum service reliability or public health protection.

Oil and Gas Conversions (P-13)

Oil and gas wells converted to groundwater production well will be subject to the following requirements before being eligible for mitigation:

- documentation of full compliance with the Texas Department of Licensing & Regulation (TDLR) standards for conversion wells and The Railroad Commission of Texas documentation;
- Verification that the casing, cementing, and construction meet or exceed the requirements for a water well in the District rules;
- · A downhole camera survey demonstrating structural integrity and sustainability for longterm groundwater production

Conversion wells that do not meet these standards shall be excluded from mitigation eligibility.

Mitigation Fund Contact Information

District contact information for the mitigation fund is listed below:

Gonzales County Underground Water Conservation District

522 Saint Matthew Street

P.O. Box 1919

Gonzales, TX 78629

Phone: 830,672,1047

Fax: 830.672.1387

PRE-MITIGATION ASSESSMENT 2.0

The District will take a proactive approach to mitigating Carrizo Aquifer wells in the mitigation fund area. This approach will allow the District to mitigate wells at a mutually agreeable time before the well owners encounter an emergency situation.

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Once the mitigation fund is in place, the District will begin conducting a pre-mitigation assessment of Carrizo Aquifer wells to identify wells that will potentially require future mitigation. The District will use its well registration database to identify the registered Carrizo Aquifer wells. The District will then contact the well owners to gather well completion, pump settings, and water level information. If the information required is not available, the District or its contractor will mobilize to the field and acquire the information from the well site.

The pre-mitigation assessment information will be used to plan a cost-effective mitigation effort within the mitigation fund area. A Groundwater Availability Model (GAM) may be used to estimate the approximate dates that these wells will encounter drawdown's that will exceed pump depths. The District may also use actual drawdown data from the District monitoring well network to assist with determining when and which wells to mitigate. Qualified wells that require mitigation within the first ten years, after initial adoption of this manual, will be mitigated as soon as possible. Wells that require mitigation after ten years will be mitigated on a yearly basis with the District attempting to stay ten years ahead of the drawdown effects.

It may be determined that the most cost-effective mitigation efforts is to lower the pump gradually to extend the lifetime of the existing water well.

3.0 HANDLING MITIGATION ASSESSMENT REQUESTS

All requests for mitigation fund work must be reviewed and pre-approved by the District and all mitigation fund work must be completed by the District's approved contractors. No mitigation work will be conducted on wells that are not timely registered with the District. A request for mitigation fund work shall be submitted to the District on a Mitigation Assessment Request Form (MARF). A copy of a MARF is included in Appendix A. In an emergency situation, such as an incident that occurs on the weekend, verbal approval from the District to the District's approved contractors shall suffice in lieu of a completed MARF. A MARF must be completed and signed by all parties as soon as possible to document the mitigation assessment request.

The following information is required to properly assess a mitigation fund request:

- The name, address, and contact number of the registered well owner.
- · The location of the well.
- The well completion information (casing diameter, screen type, total depth, etc.)
- · The aquifer in which the well is completed.
- · The depth to pump setting
- The reason for the mitigation request (i.e. water level decline or water quality degradation)
- The date the well problem was first encountered.

The District or its contractor may also need to schedule a time and date to meet at the well site to collect the following data, as needed:

- · Current water level.
- Water quality data (field measurements).
- · Camera survey.
- Water quality sample for laboratory analysis (only if field measurements and/or camera survey warrant).

By signature on the MARF, the well owner grants access to District personnel and/or its contractor to perform the mitigation assessment activities.

3.1 Priority Assessment

Claims will be considered for reimbursement in the following order and must be in continuous use one year prior to request:

- Residential home with a sole source of water from an existing Carrizo well and one or more residents over 65 years of age.
- Residential home with a sole source of water from an existing Carrizo well irrespective of any resident's age.
- Residential home with a livestock concurrent use of groundwater from an existing Carrizo well.
- 4. Primarily livestock use of water from an existing Carrizo well.
- A secondary residential home with a sole source of water from an existing Carrizo well irrespective of any resident's age.
- Any non-residential from an existing Carrizo well, including any well for business or commercial purposes.

Where multiple Carrizo wells exist on a single property, only one well may qualify for a mitigation claim. As a general standard business and commercial wells will not be subject to mitigation claims. In the event adequate funding is available, the Board may consider an exception to the general standard and any Board ruling will be final. The Board will consider any such claims on a case-by-case basis,

The Board will adopt a revised Mitigation Claim Evaluation form to establish the priority clam system. The Mitigation Manager and the landowner will have to initial and date the priority classification.

In the event funding is unavailable at the time of initial evaluation of the mitigation claim, the landowner may be reimbursed when funding is available. The maximum mitigation reimbursement is \$40,000.00, and the well owner must agree that any costs accrued over \$40,000.00 is at the well owner's expense.

This policy will be subject to review and revision in the event further significant funding is available to the District. All other District policies and procedures regarding the handling of mitigation claims shall remain in force.

4.0 ASSESSING DRAWDOWN EFFECTS ON WELLS

4.1 Aquifers

The mitigation fund is funded by permittees with well fields that pump greater than or equal to 3,000 acre-feet per year from the Carrizo Aquifer. Wells completed in the Carrizo Aquifer will experience the greatest drawdown effects from the pumpage in these well fields. Therefore, the mitigation fund will predominantly assist Carrizo Aquifer well owners.

Groundwater availability models indicate that some leakage will occur from the Queen City and Wilcox aquifers into the Carrizo Aquifer over time due to the Carrizo Aquifer pumpage. The District monitors water levels in wells in each of these aquifers and will use the actual water level data to assess drawdown effects from Carrizo Aquifer pumpage on the Queen City and Wilcox Aquifers.

4.2 Water Levels

The District monitors water levels in the Carrizo, Wilcox, Queen City, and Sparta Aquifers across the District. The District will use this data to determine the actual drawdown that occurs in the aquifers. The drawdown will be computed from historical water level measurements on September 2002 adopted by the Board (Resolution 12-03), or subsequent measurements by District personnel using

water wells or monitoring wells. For newly installed monitoring wells or existing wells added to the monitoring well network after December 31, 2001, a groundwater availability model may be used to compute the historic water level in the well that would have occurred at the monitor well location in 2002. Alternatively, a comparison of data from a December – January timeframe in both the year in which drawdown is assessed and in the historic period may be used.

This historical water level will be used to determine the depth for lowering pumps in an aquifer and to deepen or drill new wells.

4.3 Camera Surveys

Camera surveys may be used to assess easing construction details in water wells, if deemed necessary to the evaluation. A camera survey may also be used to locate the depth of reduced easing diameters or impediments to lowering pumps in wells.

4.4 Timeline for Assessing Drawdown Effects

The District will commence assessment on any mitigation request from qualifying well owners within 21 days of receiving a properly completed MARF. In emergency situations the District will act as soon as possible to alleviate the problem.

5.0 ASSESSING WATER QUALITY EFFECTS ON WELLS

5.1 Aguifers

The mitigation fund is funded by permittees with well fields that pump greater than or equal to 3,000 acre-feet per year from the Carrizo Aquifer. Wells completed in the Carrizo Aquifer will experience the greatest effects from the pumpage in these well fields. Therefore, the mitigation fund will predominantly assist Carrizo Aquifer well owners.

Groundwater availability models indicate that some leakage will occur from the Queen City and Wilcox aquifers into the Carrizo Aquifer over time due to the Carrizo Aquifer pumpage. The District monitors water quality in wells in each of these aquifers and will use this water quality data to assess the effects from Carrizo Aquifer pumpage on the Queen City and Wilcox Aquifers.

5.2 Water Sampling

Water sampling may be required to assess water quality complaints. If required, the District will collect samples for major cation and anion analyses to assess whether pumpage from the mitigation fund entities has caused the water quality concern.

5.3 Camera Surveys

Camera surveys may be used to assess water quality concerns, if deemed necessary to the evaluation. A camera survey will be used to assess well casings for corrosion or easing damages that may be causing water quality concerns.

5.4 Timeline for Assessing Water Quality Effects

The District will commence assessment on any mitigation request from qualifying well owners within 21 days of receiving a properly completed MARF. In emergency situations the District will act as soon as possible to alleviate the problem.

6.0 DETERMINING APPROPRIATE MITIGATION REMEDIES

Once the District or its contractor has conducted a mitigation assessment of a qualified well the District will contact the well owner to discuss the appropriate mitigation remedy. Mitigation remedies may include, but are not limited to, lowering pumps in wells, installing a new pump in a well that was previously flowing, replacing a well with a stock tank, or drilling a new well. The District, in consultation with its water well drilling contractor, will determine which remedy or remedies should be applied based upon the information obtained from the well assessment activities.

6.1 Wells with Declining Water Levels

Mitigation for well owners that have or will experience water level declines below the current pump setting in the well due to effects of large-scale pumpers may include dropping the pump in the well to a depth that will exceed the anticipated 50-year water level declines (approximately 150 – 200 feet below water levels in 2002) in the Carrizo Aquifer.

Mitigation for well owners in which a pump can not be lowered due to restrictions in the well or reduced casing size may include properly plugging and abandoning the well and drilling of a new replacement well.

Mitigation for well owners in which a pump can not be lowered due to the shallow depth of the well may include properly plugging and abandoning the well and drilling of a new replacement well to a deeper depth in the Aquifer or in another suitable Aquifer.

6.2 Flowing Wells

Mitigation options for well owners with wells that have ceased flowing due to water level declines due to the effects of large-scale pumpers may include one of the following:

- Installation of an electric pump system.
- · Installation of a solar pump system.
- · Replacement of the well with a stock tank.

7.0 CONDUCTING WELL MITIGATION

7.1 Well Mitigation Agreement

Prior to beginning any mitigation work, the well owner must sign the Mitigation Work Order Form (MWOF) accepting the mitigation work selected and approved by the District and granting access to District personnel and/or the District's contractor to perform the mitigation activities. A copy of the District MWOF is included in Appendix B.

7.2 Contractor Scheduling

A well owner may select from the list of pre-qualified water well drillers, as provided in Section 8.0 of this Manual, to conduct mitigation work. If the selected water well driller is unable to accept the mitigation work at the time of selection, due to other obligations, the well owner may either select another pre-qualified water well driller or agree to abide by the selected water well drillers schedule. In the latter circumstance, the selected water well driller would be under no obligation to meet the District's timeline for starting the mitigation work.

7.3 Well Mitigation Work

The District shall issue the selected water well driller a completed MWOF that describes the work to be performed and the pre-determined costs to complete the work. No mitigation work shall be performed without first receiving a MWOF from the District. Costs incurred for any work conducted by a water well driller without a signed MWOF will not be paid. In an emergency situation, such as an incident that occurs on the weekend, verbal approval from the District to the District's approved contractors shall suffice in lieu of a completed MWOF. A MWOF must be completed and signed by all parties as soon as possible to document the work conducted for the emergency situation.

If, during the course of the mitigation work, unforeseen conditions occur that require changes in the work described in the MWOF a water well driller must first get an amendment to the MWOF approved by the District before conducting the changed scope of work. Except under unforeseen and emergency circumstances, the costs incurred for any work conducted by a water well driller without an amended MWOF will not be paid.

All mitigation work must be completed to the satisfaction of the District in order to receive payment.

7.4 Timeline for Starting Scheduled Work

A water well driller selected for mitigation work shall begin work on site within 7 days of receiving notification (MWOF) by the District. In emergency situations the selected water well driller shall begin work on site within 48 hours of notification (MWOF) by the District.

7.5 Standard Practices

All water well drillers contracted for mitigation work with the District shall use standard practices acceptable to the Texas Department of Licensing and Regulation for Water Well Drillers and Water Well Pump Installers and rules of the Gonzales County Underground Water Conservation District.

7.6 Completion of Mitigation Work

The selected water well driller shall use reasonable due diligence in accordance with standard practices for water well drillers and pump installers for completing the approved mitigation work in a timely matter. Upon completion of the mitigation work, the water well driller and well owner shall sign off on the MWOF. The completed and signed MWOF shall be submitted to the District for final approval of the work and payment.

8.0 MITIGATION FUND CONTRACTORS

The District will solicit bids from and contract with several qualified water well drilling and pump installation companies, duly licensed in the State of Texas, to provide mitigation services under the Mitigation Fund Agreements. Contracting with more than one water well drilling company will ensure that a water well driller will be available in emergency situations.

8.1 Contractor Qualifications

Contractors engaged in work for the District shall:

 Be a company engaged in the business of providing water well drilling and pump services for a minimum of five years within the last seven years. Recent start-up businesses do not meet the requirements of this contract. A start-up business is defined as a new company that has no previous operational history or expertise in the relevant business and is not affiliated with a company that has that history or expertise.

- Be a licensed Water Well Driller in the State of Texas with a current license issued by the
 Executive Director pursuant to the Texas Occupations Code, Chapter 1901 and maintain the
 license throughout the term of the contract.
- Be a licensed Water Well Pump Installer in the State of Texas with a current license issued by the Executive Director pursuant to the Texas Occupations Code, Chapter 1902 and maintain the license throughout the term of the contract.
- Be located within a 70-mile radius of the District boundaries.
- Be in good financial standing, not in bankruptcy, current in payment of all taxes and fees as required by law.
- Have sufficient personnel and equipment to handle all Mitigation Fund service requests from the District.

8.2 Insurance

Before being qualified to perform any mitigation work, a contractor must provide and maintain a certificate of insurance, at contractor's expense, covering all the activities to be performed by contractor's company or contractor's subcontractors, as described below.

- · Statutory workers' compensation insurance valid in the State of Texas is required.
- Comprehensive General Liability Insurance, covering liability, including but not limited to Public Liability, Personal Injury, and Property Damage, with coverage of at least \$1,000,000 per occurrence.
- All insurance shall be placed with insurance companies licensed to do business in the State of Texas, and/or acceptable to the District.
- The Comprehensive General Liability Insurance policy must include GCUWCD as an
 additional insured during the duration of the contract with GCUWCD. Any coverage
 afforded the District, the Certificate Holder, as an Additional Insured shall apply as primary
 and not excess to any insurance issued in the name of the District.
- Comprehensive Automobile Liability Insurance covering the use of all vehicles used by the
 contractor, whether owned, hired or non-owned. This insurance shall be in at least the
 following amounts: bodily injury: \$500,000 per person; \$1,000,000 per occurrence; and
 property damage: \$500,000 per occurrence.
- Contractor shall give the District unqualified prior written notice of cancellation or diminution of said insurance coverage ten (10) days prior to the effective date of any such cancellation or diminution.

8.3 Contract Terms

The mitigation fund contracts shall be valid for a three-year period with an option to extend. A copy of the District Mitigation Fund Services Contract is included in Appendix C.

8.4 Unit Costs

The District will reimburse contractors for mitigation work performed based on the attached Unit Cost Schedules. These schedules shall be reviewed by the District every year and provided to qualified contractors when changes are made. Copies of the initial Unit Cost Schedules are included in Appendix D.

8.5 Payment Terms

Contractors will be reimbursed for mitigation work performed under a Mitigation Work Order Form (MWOF) at the rates identified in the Unit Cost Schedule. Except in unforeseeable or emergency circumstances no contractor costs will be reimbursed without an approved MWOF. The MWOF must be agreed to by the District and Contractor prior to beginning any work (signatures on MWOF required) and the mitigation work performed must be approved by the District (signature on MWOF required) before any payments to the contractor will be made.

Contractor payments must be approved by the District Board of Directors prior to payment. MWOF payments will be mailed out on the following work day after approval at the monthly board meeting or the contractor can pick up the check at the District office.

8.6 Damages

The contractor is responsible for any damages to property that occurs during the course of conducting mitigation activities.

9.0 MITIGATION FUND MANAGEMENT

The District has an investment policy which is in compliance with various provisions of Texas law relating to the investment and security of funds of districts. As of the inception of the Mitigation Fund, Sections 36.155 and 36.156 of the Texas Water Code and Chapters 2256 and 2257 of the Government Code are applicable to the investment of the District's funds, including the investment of the Mitigation Fund. The investment policy addresses the methods, procedures, and practices that must be used to ensure effective and judicious fiscal management of the District's funds.

The District purchases various insurance policies, including the bonding of all directors and employees of the District.

10.0 RECORDKEEPING AND REPORTING

The District shall maintain records and supporting documentation for all mitigation fund work in accordance with the District Bylaws.

By January 31st of each year following the creation and initial funding of the Mitigation Fund, the District shall provide all participating permittees an accounting of Mitigation Fund revenues and expenses, information regarding the water well drillers qualified to perform mitigation work, and a report summarizing the mitigation claims that were inspected, evaluated or mitigated.