

**IN RE THE APPLICATIONS OF
EVANGELINE LAGUNA L.P.
FOR GROUNDWATER DRILLING
PERMITS AND
TRANSPORTATION PERMIT**

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**BEFORE THE SAN PATRICIO
COUNTY GROUNDWATER
CONSERVATION DISTRICT**

HEARING EXAMINER PROPOSAL FOR DECISION

This case was called to a Preliminary Hearing in the above referenced matter on April 28, 2026, at 1:00 p.m.

The undersigned Hearing Examiner was retained in the above referenced matter by the San Patricio County Groundwater Conservation District (hereinafter sometimes referred to as the "District") to issue a Proposal for Decision addressing the threshold objections of standing with regard to challenges as follows:

- (1) Protests filed by City of Sinton (hereinafter sometimes referred to as "Sinton") and St. Paul Water Supply Corporation (hereinafter sometimes referred to as "St. Paul") to twenty-two (22) water well drilling permits filed by the Applicant, Evangeline Laguna L.P. (hereinafter sometimes referred to as the "Evangeline") associated with the production of the 28,486 ac-ft of groundwater authorized by Permit No. 140 from approximately 23,000 acres in San Patricio County (hereinafter sometimes referred to as the "Evangeline Well Field");
- (2) Protests filed by City of Sinton and St. Paul Water Supply Corporation to the one application for a transport permit filed by the Applicant, Evangeline, associated with the transportation of groundwater authorized by Permit No. 140 from approximately 23,000 acres in San Patricio County (hereinafter sometimes referred to as the "Evangeline Well Field") into Nueces County and then returned into San Patricio County; and
- (3) Protests filed by R.B. Farms Inc. and Ring Bros. Farm and Seed, jointly as to the application for a transport permit filed by Evangeline as described above.

Having considered the evidence and briefs from the parties as to the matters heard on April 28, 2026, it is recommended that 1. the District should grant the Protestants', RB Farms, Inc. and Ring Bros. Farm & Seed joint request for a contested hearing as to the transport permit because Protestants have the requisite personal justiciable interest to establish standing relative to the application, 2. the District should grant the City of Sinton and St. Paul Water Supply Corporation's joint request for a contested hearing as to the transport permit because Protestants have the requisite personal justiciable interest to establish standing relative to the application, and 3. the District should grant the City of Sinton and St. Paul Water Supply Corporation joint request for a contested hearing as to the 22 water drilling permits because Protestants have the requisite personal justiciable interest to establish standing relative to the application.

Background

The parties are familiar with the facts and procedural background, thus we dispense with a recitation of those here except as necessary to explain the basic reasons for our determination. *See* Tex. R. App. P. 47.4.

In 2019, Evangeline secured a permit from the District to produce 28,486 acre-feet of groundwater from the Evangeline Well Field. This Production Permit No. 140, is in full force and effect, and in good standing with the District. Evangeline separately obtained permits to drill two wells – one in 2019 and a second in 2023. None of these initial production permits or well permits were contested.

Evangeline negotiated an agreement with the City of Corpus Christi and its Corpus Christi Water System for the development of the Evangeline Well Field and Production Permit No. 140 to incorporate the authorized water supply into Corpus Christi Water System's water supply inventory. In cooperation with Corpus Christi Water System, Evangeline filed the applications for 22 drilling permits and the transport permit to facilitate the development and production of the existing authorization to produce the 28,486 acre-feet per year of groundwater from the Evangeline Well Field into the Corpus Christi Water System. Specifically, Evangeline filed applications to drill Evangeline Well Nos. 2 through 24 on December 11, 2025. Additionally, Evangeline and the City of Corpus Christi, Texas jointly filed an application with the District for a Groundwater Transport Permit on December 11, 2025. Evangeline's application for the transportation permit addresses the out-of-district transportation of water that will occur when the groundwater from the Evangeline Well Field is moved from the Evangeline Well Field in San Patricio County through the existing Mary Rhodes Pipeline into Nueces County, before it is returned back into San Patricio County to beneficial end-users.

On January 22, 2026, the District published notice of a February 2, 2026, deadline to file protests.

On February 2, 2026, City of Sinton and St. Paul Water Supply Corporation filed 22 protests to twenty-two (22) water well drilling permits with the District. There was no objection to the Hearing Examiner as to timeliness of the filing of said protests.

On February 2, 2026, City of Sinton and St. Paul Water Supply Corporation filed a protest as to the application for a transport permit filed by Evangeline with the District. There was no objection to the Hearing Examiner as to timeliness of the filing of said protests.

On February 2, 2026, R.B. Farms Inc. and Ring Bros. Farm and Seed, jointly filed a protest as to the application for a transport permit filed by Evangeline with the District. There was no objection to the Hearing Examiner as to timeliness of the filing of said protests.

On March 27, 2026, the Hearing Examiner noticed the parties and set forth a briefing schedule with briefs due on or before April 14, 2026 at 5:00 p.m. and replies were due on or before April 17, 2026 at 5:00 p.m. On April 14, 2026, City of Sinton and St. Paul Water Supply Corporation submitted a joint brief before 5:00 p.m. On April 14, 2026, R.B. Farms Inc. and Ring Bros. Farm and Seed submitted a joint brief before 5:00 p.m. On April 14, 2026, Applicant, Evangeline submitted a brief before 5:00 p.m. On April 17, 2026, City of Sinton and St. Paul Water Supply Corporation submitted

a joint reply before 5:00 p.m. On April 17, 2026, Applicant, Evangeline submitted a joint reply before 5:00 p.m. All briefs and replies were submitted timely and reviewed by the Hearing Examiner.

On April 28, 2026, at 1:00 p.m., the Hearing Examiner convened the hearing at the time and date specified in the notice via Zoom. The District's General Manager posted notice of the public hearing and reserved the County Commissioners Courtroom in the Sinton County Annex for hearing participants and members of the public to attend the hearing and to connect via Zoom, in accordance with the Texas Open Meetings Act.

On April 28, 2026, City of Sinton, St. Paul Water Supply Corporation, R.B. Farms Inc., Ring Bros. Farm and Seed, and the General Manager of the San Patricio County Groundwater Conservation District participated in the Preliminary Hearing. The parties stipulated that the General Manager of the District and the Applicant are automatic parties in these contested matters. The Hearing Examiner adopted the stipulations and designated the General Manager of the District and the Applicant as parties to the contested applications.

On April 28, 2026, during the aforementioned Preliminary Hearing, the parties, R.B. Farms Inc., Ring Bros. Farm and Seed announced that the Hearing Examiner should liberally construe the protest filed on February 2, 2026, by R.B. Farms Inc. and Ring Bros. Farm and Seed, as to the application for a transport permit filed by Evangeline with the District to include a protest to twenty-two (22) water well drilling permits filed by Evangeline with the District. Applicant, Evangeline objected to notice and to timeliness of the "filing" of said protests. The Hearing Examiner bifurcated the objections of timeliness and standing as to the Protestants, RB Farms, Inc. and Ring Bros. Farm & Seed regarding challenges to twenty-two (22) water well drilling permits. The Hearing Examiner noticed the parties that these objections will be heard by the Hearing Examiner on June 25, 2026, if after review of briefs and replies by the parties, the Hearing Examiner denies the objections as to timeliness of said protests. The Hearing Examiner determined the bifurcation promotes administrative efficiency and affords notice to the Applicant that the Protestants, RB Farms, Inc. and Ring Bros. Farm & Seed intended to challenge the twenty-two (22) water well drilling permits as well with Mr. Ring's notice of protest filed on February 2, 2026.

Presentation of testimony and evidence concluded on April 28, 2026.

Findings of Fact and Conclusions of Law

- A. Whether the Protestants, Sinton and St. Paul have standing as automatic parties to contested applications of the 22 drilling permits and the one transport permit and whether the Protestants, R.B. Farms Inc. and Ring Bros. Farm and Seed have standing due to District's rules defining "automatic parties" to contested applications of the transportation permit?

Protestants argue at the outset that the District has already determined that the Protestants are automatically designated parties because the parties timely filed an objection to the applications for twenty-two (22) water well drilling permits and the transport permit. Protestants cite the rules adopted in December 2016 and were amended in 2026 by the San Patricio County Groundwater Conservation District establish that the protestants are automatically designated parties because they timely filed objections to the applications.

The Legislature enacted laws to create groundwater districts to regulate the drilling and production of groundwater pursuant to laws passed by the Legislature. *See generally* Tex. Water Code Chapter 36. San Patricio County Groundwater Conservation District established and adopted rules in December 2016 that were amended in 2026. The San Patricio County Groundwater Conservation District Rules defined “Party” as any person, whether as an owner, lessee, tenant or operator, who operate a water well within the boundaries of the District, or who is or may be affected by either granting or denying an application. The San Patricio County Groundwater Conservation District Rules further defined the following persons shall be automatically designated parties in any contested case: (1) the General Manager of the District; (2) the applicant; (3) any other person who timely files an objection to an application; and (4) any other person designated by the Board or Presiding Officer at a contested case hearing. Chapter 8817 of the Texas Special District Laws Code applies to the San Patricio County Groundwater Conservation District. Section 8817.005 of the Texas Special District Laws Code states that “except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district. Districts may adopt additional notice and hearing procedures beyond the statutory minimums. Section 36.415 of the Tex. Water Code requires groundwater conservation districts to adopt procedural rules for permit hearings and to limit participation in contested hearings to individuals with “a justiciable interest” affected by the issuance of the permits. Rule 18 of the Rules of San Patricio County Groundwater Conservation District recites the that only persons with a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest within the District’s regulatory authority and affected by a permit or permit amendment application may be admitted as parties. Persons who only have an interest common to members of the public may not be admitted as parties. Accordingly, Protestants argument that they have standing because the rules of the District that defined a party provide that they are automatically parties due to their timely filed protests lacks merit and the argument conflates the procedural designation as a “party” with the constitutional/statutory standing issue. The District does not have unfettered discretion in granting contested hearings, but rather may define who may participate procedurally, but general principals of standing remain governed by the Tex. Water Code and Rule 18 within the District’s Rules, which is consistent with the burden established by the Tex. Water Code in order to establish standing. The timely protest may permit the protestants to participate in the preliminary hearing as a party under the District’s procedural rules but in a contested case, ultimate participation remains subject to the standing requirement imposed by Tex. Water Code § 36.415 and applicable Texas standing jurisprudence.

The critical or threshold question in determining contested-case hearing requests is whether a party has a personal justiciable interest as set forth within Chapter 36 of the Tex. Water Code. *See* Tex. Water Code § 36.415(b)(2). Additionally, pursuant to Texas jurisprudence, the person requesting the hearing is an “affected person.” *See* Texas Comm’n on Env’tl. Quality v. City of Waco, 413 S.W.3d 409, 417 (Tex. 2013). An “affected person” under the Water Code is “a person who has a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest affected by the administrative hearing. An interest common to members of the general public does not qualify as a personal justiciable interest. *See* Tex. Water Code § 5.115(a), and City of Waco, 413 S.W.3d at 417. District Rules incorporate this concept together with the Tex. Water Code. Although City of Waco arose under the Texas Commission on Environmental Quality permitting framework, the same personal justiciable interest principles apply through Tex. Water Code § 36.415 and Rule 18 of the District’s Rules. The rules of districts should be read together with, and consistently with, the Tex. Water Code. Accordingly, to establish standing, protestants have the burden to establish a personal justiciable interest as follows: “a concrete and particularized injury in

fact, not common to the general public, that is (1) actual or imminent; (2) fairly traceable to the issuance of the permit as proposed; and (3) likely to be redressed by a favorable decision on its complaint. *City of Waco*, 413 S.W.3d at 417; *see also* *Heckman v. Williamson County*, 369 S.W.3d 137, 155 (Tex. 2012). At the preliminary standing stage, the Hearing Examiner evaluates whether the evidence demonstrates a reasonable probable injury sufficient to establish standing, not whether the alleged impacts have been conclusively proven.

- B. Whether the Protestants, Sinton and St. Paul have the requisite personal justiciable interest to justify a contested hearing of the 22 drilling permits and the one transport permit?

In reviewing the record, as to protestants Sinton and St. Paul, the affidavit of Wade Oliver together with maps attached to the affidavit (attached to Sinton's and St. Paul's Initial Brief) and the sworn testimony of Wade Oliver, a licensed professional geoscientist in the State of Texas, provide that in his opinion, that Sinton and St. Paul are likely to experience *injury in fact* including significant negative effects on the level and quality of groundwater in their wells if the District issues the 22 requested drilling permits. Sinton owns and operates three public water supply wells within the boundaries of the District for municipal use that were drilled between 1983 and 1993, serving approximately 2,000 residents. Mr. Oliver further testified that no other sources of groundwater are reasonably available to Sinton. St. Paul owns and operates two public water supply wells within the boundaries of the District for municipal use that were drilled between 1967 and 1995, serving approximately 240 customers. Mr. Oliver further testified that no other sources of groundwater are reasonably available to St. Paul. Sinton and St. Paul have each relied on groundwater as their sole source of public water supply for decades to the present. Mr. Oliver also testified about the quality of the water from Sinton's wells and St. Paul's wells, that both protestants do not need further treatment of their water other than chlorination before it's provided to customers and they do not have treatment available should the need develop for further treatment of the groundwater in order to provide it to customers. Sinton and St. Paul have a vested right to the groundwater beneath their property. Mr. Oliver testified that Sinton and St. Paul both draw water from the same aquifer as the proposed 22 drilling permits by the Applicant. The aquifer is the Gulf Coast Aquifer, particularly the Chicot and Evangeline formations. Mr. Oliver testified that each of the Applicant's wells, 2-24, have a large pumping production, 1500 gallons per minute, and collectively they will also produce a large volume of water but the production Permit 140 was applied for seven years ago without a protest. The total pumping and transportation by the collective wells of the applicant is 4 times the total other pumping of all other wells in San Patricio County. Mr. Oliver testified that the result is likely a drawdown of the groundwater of Sinton and St. Paul's groundwater wells and is likely to negatively impact Sinton and St. Paul's wells and the quality of groundwater. He further testified that brackish groundwater is far more prevalent in San Patricio County than fresh groundwater. That water level decline as well as water quality changes induced by the production of the Evangeline project (the 22 wells collectively and independently) is likely to impact Sinton and St. Paul's ability to continue to provide water to their customers. Mr. Oliver also testified there is also a likelihood that Sinton and St. Paul's wells are reasonably probable to become unusable. Mr. Oliver testified it is reasonably probable that subsidence will impact on the property of Sinton and St. Paul, lowering the elevation of the land, which will be a permanent impact and likely will subject the property to flooding due to change in the way water flows and likely cause damage to pipelines, wells, infrastructure, and foundations of the buildings.

Further, Mr. Oliver's testimony provided that such injuries constitute an invasion of Sinton and St. Paul's legally protected interests in the groundwater beneath their property, which they have relied on for decades and that they have expended funds, including constructing, maintaining, and operating their wells. The testimony supported that such injury is concrete and particularized, and actual and imminent, and not conjectural or hypothetical. The testimony of Mr. Oliver further analyzed the District's groundwater drawdown models which were admitted into evidence as Sinton and St. Paul's Exhibit 5, showed there will be impacts on Sinton and St. Paul, areas outside of the areas with the Evangeline wells. Mr. Oliver's testimony was that the injuries are likely, not merely speculative. For standing purposes, Protestants are not required to prove actual realized harm at this preliminary stage, but only a reasonable probably injury distinct from that suffered by the general public.

The testimony and evidence of Sinton and St. Paul supported that the injury is directly traceable to the District's issuance of the permits and not caused by the actions of third parties unrelated to the permits.

Finally, the testimony supported that the injury will be redressed or avoided by denial of the requested permits. The requested permits are distinguishable from the Production Permit No. 140 that is already in full force and effect. Although Production Permit No. 140 remains in effect, the requested drilling permits and transportation permit are necessary operational components for practical implementation of the authorized production. The presently contested permits are not merely ministerial approvals because they authorize the physical infrastructure necessary to implement the approved production. Denial of those permits would substantially impede, delay, or limit the proposed groundwater withdrawals and transportation activities and therefore provides sufficient redressability for standing purposes. Thus, the testimony and evidence supports that the injury will be redressed or avoided by denial of the requested permits with the analysis stated hereinabove.

Accordingly, under the criteria set forth in the *City of Waco* case and Tex. Water Code § 36.415(b)(2), Sinton and St. Paul have a *justiciable interest* related to a legal right, duty, privilege, power, or economic interest within the District's regulatory authority, and have demonstrated a concrete and particularized injury in fact, not common to the general public, that is (1) actual or imminent; (2) fairly traceable to the issuance of the permit as proposed; and (3) likely to be redressed by a favorable decision on its complaint and accordingly, Sinton and St. Paul should be granted standing to contest the 22 drilling permits and the one transport permit.

- C. Whether the Protestants, R.B. Farms Inc. and Ring Bros. Farm and Seed have the requisite personal justiciable interest to justify a contested hearing of the one transport permit?

In reviewing the record, as to protestants R.B. Farms Inc. and Ring Bros. Farm and Seed, Mr. Ring testified that he operates R.B. Farms Inc. and together with his brother, he operates Ring Bros. Farm and Seed. Mr. Ring testified that operating these businesses involves agricultural production activities on all the properties he owns that are located within San Patricio County, Texas. He further testified that he has been farming for 47 years on these properties. He testified that 917 acres are contiguous with the ranch where the Evangeline Well Project is located and with St. Paul. Mr. Ring

also testified that 470 acres of that is accessible to irrigation. He also testified that within the next mile, they have 250 acres that is not irrigated and within 3 to 4 miles, they have 800 acres that is all accessible to irrigation. He also testified that he has a rented piece of farm land with 340 acres that is within 3 and a half miles of the Evangeline Well Project. Mr. Ring testified that lives right across from the Evangeline Well Project. Further, Mr. Ring testified that he needs a lot of water to run his agricultural productions and he relies on groundwater to run the operations. Further, Mr. Ring testified that the groundwater used to run these operations comes from wells on his properties or rain water and there are no other sources of water. Mr. Ring testified he has 5 irrigation wells and other smaller wells, and the oldest well was drilled in 1955 and the newest well was drilled in 2003. The five irrigation wells draw from the Gulf Coast Aquifer, particularly the Chicot and Evangeline formations. Mr. Ring testified that he uses 1300 acre-feet per year of water. He has made investments relying on the use of the groundwater. He has made investments in the wells such as maintenance, changing pumps, running electricity down to the wells which can be a substantial initial financial burden when putting in the well in addition to the costs of drilling the well. Mr. Ring testified that if water levels in the aquifer drop that it in reasonable probability will cause a financial impact on him and impact his wells. Mr. Ring testified that if he is financially impacted then it affects his businesses. Mr. Ring testified that he has recognized ownership interests in the groundwater beneath his properties under Texas law. Mr. Ring testified that he is a member of the District. Mr. Ring testified that accordingly he is familiar with the Evangeline project and the amount of water the project will use. He testified that initially the Evangeline project reported it would use 28 million gallons a day and it will draw from the Gulf Coast Aquifer, particularly the Chicot and Evangeline formations, the same as his wells.

Mr. Ring testified about the Technical Memorandum from Steve Young, a hydrologist employed by INTERA Inc, dated January 7, 2026 as to the drawdown maps attached to the memo. Mr. Ring testified as follows: In drawdown map showing projections for 5 years, his wells fall within the 10 feet to 20 feet drawdown area on the map. In drawdown map showing projections for 15 years, his wells fall within the 20 feet to 30 feet drawdown area on the map. In drawdown map showing projections for 30 years, his wells fall within the 30 feet to 50 feet drawdown area on the map.

Mr. Ring testified that if the water levels dropped consistent with the Applicant's drawdown map, that his businesses will be impacted as well as his livelihood and living situation. The drawdown levels likely will impact his wells and in order to continue his operations, he will need to make modifications to the wells, which will significantly financially affect him.

Mr. Ring testified he is worried about salinity. Mr. Ring testified that he protested the transport permit but because exporting the water out of the county will cause the cone of depression to widen and draw areas not originally affected. Mr. Ring testified that the transport permit is indispensable to the project operation. However, Mr. Ring admitted that the transport of the water itself is not a problem and that he had not done any studies on whether the transport of the water itself will cause a problem. However, Mr. Ring testified that the transport of water is reasonably probable to cause an injury. Mr. Ring testified that the water being transported out of the county is an essential component to the project. Mr. Ring supported his testimony conclusion with evidence from Mr. Oliver's testimony as well as his own about the operational component of the project. Mr. Ring further testified from Mr. Young's maps on drawdown levels together with Mr. Oliver's testimony as it related to drawdown levels. Mr. Ring's testimony further identified that his wells and

property fall within the areas that are shown to be affected by drawdown levels. The evidence supports that the requested transportation permit is an essential operational component of the proposed groundwater production project, and the implantation of the project is reasonably probable to impact Protestants' groundwater interests. In conclusion, the testimony and evidence supports the finding that the transport permit is indispensable to the project operation.

The testimony supported that the transport of water is reasonable probable to cause an injury to R.B. Farms Inc. and Ring Bros. Farm and Seed that is likely concrete and particularized, and actual and imminent, and not conjectural or hypothetical. The drawdown levels and the derogation of water quality is likely to impact the protestants wells and ability to conduct agricultural activities on his farms. The protestants likely will be financially be impacted by the need to mitigate effects on their wells and this will impact their business, livelihood, and living conditions. Finally, the testimony supported that the injury will be redressed or avoided by denial of the requested transport permit. Accordingly, under the criteria set forth in the *City of Waco* case and Tex. Water Code § 36.415(b)(2). The analysis is as stated above under the analysis of Protestants, Sinton and St. Paul, that the requested permits are distinguishable from the Production Permit No. 140 that is already in full force and effect. The requested drilling permits and transportation permit are necessary operational components for implementation of the authorized production, and denial of those permits would substantially prevent, delay, or limit the proposed groundwater withdrawals. Thus, the testimony and evidence supports that injury will be redressed or avoided by denial of the requested transportation permit with the analysis stated hereinabove.

Accordingly, under the criteria set forth in the *City of Waco* case and Tex. Water Code § 36.415(b)(2), R.B. Farms Inc. and Ring Bros. Farm and Seed have a *justiciable interest* related to a legal right, duty, privilege, power, or economic interest within District's regulatory authority and have demonstrated a concrete and particularized injury in fact, not common to the general public, that is (1) actual or imminent; (2) fairly traceable to the issuance of the permit as proposed; and (3) likely to be redressed by a favorable decision on its complaint and accordingly, R.B. Farms Inc. and Ring Bros. Farm and Seed should be granted standing to contest the one transport permit by Evangeline.

Recommendation


For the foregoing reasons, the undersigned hearings examiner proposes that the Board, having considered the filings of Protestants, Sinton and St. Paul, grant the Protestants' requests for a contested case hearing because Protestants have the requisite personal justiciable interest to establish standing relative to the application on the 22 drilling permits and the one transport permit.

For the foregoing reasons, the undersigned hearings examiner proposes that the Board, having considered the filings of Protestants, R.B. Farms Inc. and Ring Bros. Farm and Seed, grant the Protestants' requests for a contested case hearing because Protestants have the requisite personal justiciable interest to establish standing relative to the application on the one transport permit.

The issue as to standing as to Protestants, R.B. Farms Inc. and Ring Bros. Farm and Seed was bifurcated by the Hearing Examiner, with briefs on the issue of the objection to the timeliness of the protest and as to standing to be submitted on or before May 22, 2026, at noon and replies to be

submitted on or before May 29, 2026, at noon. The Hearing Examiner noticed the parties that these objections shall be heard by the Hearing Examiner on June 25, 2026, if after review of briefs and replies by the parties, the Hearing Examiner denies the objections as to timeliness of said protests or the Hearing Examiner believes a Preliminary Hearing is necessary in order to properly rule on the objections.

SIGNED this 14th day of May, 2026.



Alicia Franklin York, Hearing Examiner