



**POLICY REGARDING UTILITY PERMITS
REQUESTED TO BE ISSUED FOR THE PERMIAN HIGHWAY PIPELINE**

WHEREAS, on or about July 30, 2019, Hays County issued Utility Permits to Kinder Morgan Texas Pipeline (“Kinder Morgan”), or its affiliate, in related to the Permian Highway Pipeline;

WHEREAS, on or about March 28, 2020, residents of Blanco County discovered that their well water had been polluted, rendering it undrinkable;

WHEREAS, on or about that same date, Kinder Morgan reported that it experienced drilling fluid loss where it was boring nearby, contaminating the groundwater supply in that area;

WHEREAS, in reaction to the fluid loss, the Oil and Gas Division of the Texas Railroad Commission issued a notice of violation to Kinder Morgan, citing violation of Statewide Rules 8(b) and 20(a) and ordering that a plan regarding safe continuance of pipeline construction;

WHEREAS, Hays County, in reaction to the contamination in Blanco County, knowing that Kinder Morgan’s activities in similar karst formations in Hays County present the same dangers to groundwater supply for Hays County residents, rescinded its issuance of Utility Permits to Kinder Morgan that would allow Kinder Morgan to bore under county roadways; and

WHEREAS, the Hays County Commissioners Court requested that staff create this Policy Regarding Utility Permits Requested to be issued for the Permian Highway Pipeline;

NOW THEREFORE, the Hays County Commissioners Court **ADOPTS** this Policy and **ORDERS** that no Utility Permit shall be issued for the Permian Highway Pipeline until the following conditions are met, to the satisfaction of Hays County:

- Kinder Morgan shall present Hays County with a geological analysis, with particular focus on the presence of karst and/or aquifer recharge features, and a plan for each utility permit to be issued under this Policy that details whether Kinder Morgan believes karst features exist and explains the basis of their decision.
- Kinder Morgan shall agree that if karst features are deemed to exist by their analysis or deemed to exist by the analysis of a Hays County representative, Kinder Morgan shall create a plan to ensure that their activities will not negatively impact the karst features or groundwater quality.
- Kinder Morgan shall agree to deliver a firm schedule of the start date and time of boring operations to the Hays County Director of Transportation and all residential well owners within a 2 mile radius of each bore by certified mail, at least five (5) days prior to the

commencement of boring operations. Mitigation and monitoring plans submitted to the Oil and Gas Division of the Railroad Commission as requested in the notice of violation and/or any other plans requested by State or Federal regulatory authorities related to the incident in Blanco County shall be provided in this notice.

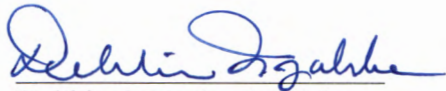
- Kinder Morgan shall agree that if, after a bore's completion, a well owner complains of a change in water quality or water quantity, water samples shall be taken from that well and tested for common water quality parameters as well as for suspended solids. Kinder Morgan may retain its own experts for water quality analysis, but, as a condition of the permit, it shall also pay for expert analysis from either the Barton Springs Edwards Aquifer Conservation District or the Hays Trinity Conservation District. The results of all expert analysis shall be provided to well owners and Hays County officials.
- As a condition of any Utility Permit issued by Hays County, Kinder Morgan shall agree to remediate any negative impacts on the groundwater supply caused by its activities under the Utility Permit, as determined by the analysis of the Groundwater Conservation Districts after the analysis described, above.

AND THEREFORE, the Hays County Commissioners Court further **ORDERS** that this Policy is not meant to augment regulations related to the transportation of vehicles or supplies upon roadways within Hays County, nor is it meant to regulate boring beneath roadways that are not the asset of Hays County.

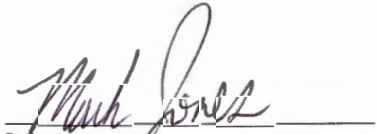
ADOPTED AND ORDERED this the 28th day of April, 2020, as evidenced by the duly-authorized signatures, below.



Judge Ruben Becerra
Hays County Judge



Debbie Gonzales Ingalsbe
Commissioner – Precinct 1



Mark Jones
Commissioner – Precinct 2



Lon A. Shell
Commissioner – Precinct 3



Walt Smith
Commissioner – Precinct 4

Attest: _____
Dr. Elaine Cardenas
Hays County Clerk