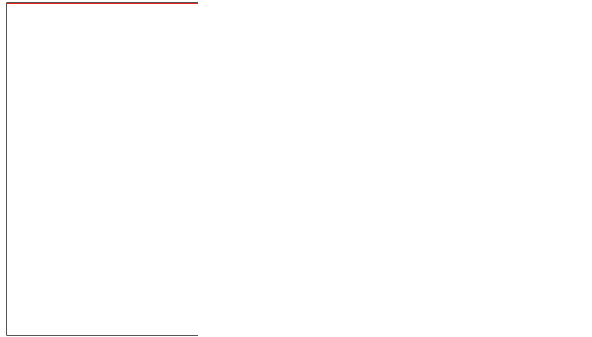


ADVERTISEMENT

Spurs lore: 'Spurs nuns' merch | Framed prints | Special newspaper



BUSINESS

Central Texas town overpumping water amid ramp-up of SpaceX rocket testing

The city of McGregor faces fines for pulling too much from the Trinity Aquifer for three straight years.

By **Brandon Lingle**, Staff Writer

June 26, 2026





Cattle graze on land surrounding SpaceX's engine test facility in McGregor.
Brandon Lingle/San Antonio Express-News



Listen Now:
Central Texas town overpumping water amid ramp-up of SpaceX test fires
About 9 Minutes

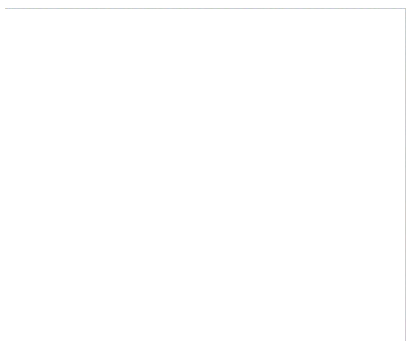
1x

Everlit

SpaceX's rocket engine testing in Central Texas has led the small town of McGregor to pump too much water from the Trinity Aquifer for three years in a row.

The [Southern Trinity Groundwater Conservation District](#), which is responsible for managing groundwater around Waco, has cited the city for overpumping its wells since 2023, records show. The town's top water user each of those years was Elon Musk's space firm.

ADVERTISEMENT
Article continues below this ad



The highest over-limit drawdown came last year, when the municipal utility produced nearly 258 million gallons of water, almost 103 million gallons more than its permitted 155 million gallons.

RELATED: ['Intense' sonic booms, 'daily bombardment': More than 150 Texas homeowners suing SpaceX](#)

While two new companies have landed in McGregor during the three-year period, SpaceX has consumed roughly double the amount of the next highest user each year since 2023.



Want more Express-News?

Make us a Preferred Source on Google to see more of us when you search.

[Add Preferred Source](#)

McGregor has been pulling more water than the total allotted under both a 2016 permit it opened to support [SpaceX](#) and its historic use permit, according to the conservation district, which assigned the violations to the "City of McGregor/SpaceX."

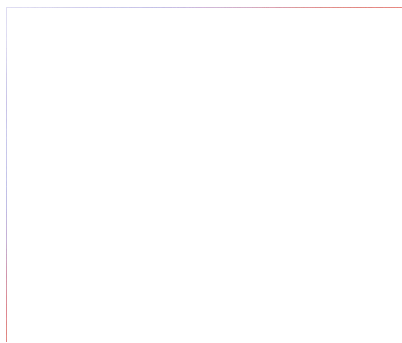
Water issues have plagued SpaceX and other Musk-owned companies in Texas, including Tesla Inc. and the Boring Co.

The water woes join a growing list of concerns over SpaceX's work in McGregor. Last month, 76 homeowners in the area sued the company over noise and vibrations from the engine tests that they allege have damaged their homes.

Top consumer

Since 2003, SpaceX has leased land from the city to test-fire rocket engines. The company now has 4,323 acres at the site about 20 miles west of Waco. The complex occupies part of a former bomb plant and Superfund site that the Pentagon turned over to the city two decades ago.

ADVERTISEMENT
Article continues below this ad



SpaceX's work there has grown rapidly over recent years as it has at its other bases in Texas. The firm has outfitted 16 test stands at the site.

The number of test firings for Falcon 9 and Starship rocket engines at McGregor has skyrocketed since 2023 as SpaceX has been seeking to break its own launch records and racing to meet NASA contract deadlines.

As of September 2024, SpaceX had performed more than 7,000 tests at the site, averaging seven a day, Gwynne Shotwell, SpaceX's president and chief operating officer, said in testimony to the Texas Legislature.

The company holds more than \$4 billion in NASA contracts for Starship Moon missions under the Artemis Program, which is already years behind schedule. The rush to get Starship operational for Artemis work has meant more frequent and longer-

lasting test fires of the Raptor engines, which are louder and more powerful than the Falcon 9's Merlin engines.

ADVERTISEMENT
Article continues below this ad



Each test fire is estimated to consume tens of thousands of gallons of water. Accordingly, McGregor's water use has spiked and continues to climb despite multiple warnings from regulators.

Since last June, SpaceX at McGregor consumed 89.5 million gallons, almost double the amount of the next-highest user, Knauf Insulation, which consumed 45.9 million, according to city records provided to Hearst Texas.

From June 2024 through June 2025, SpaceX used 82.2 million gallons. The second-highest corporate user was Messer LLC, which produces gas products, with 37.7 million gallons. SpaceX used 87.3 million gallons from June 2023 to June 2024.

The company's annual water use is comparable to that of a town of 2,000 to 3,000 people, but it's less than that of some large industrial users, which consume billions of gallons annually.

ADVERTISEMENT
Article continues below this ad

Overpumping

McGregor city officials have said in their responses to the district that they're adding infrastructure and seeking a new permit to cover the demand, but that application is held up until the city settles the overpumping violations.

The amount of water overdrawn by McGregor has grown exponentially since 2023, according to the violations. The 102.5 million gallons pulled over its permitted allowance last year was five times the 19.2 million gallons overdrawn in 2024, which was nearly three times greater than 6.7 million pulled in 2023.

The district said it had used an incorrect formula in calculating its numbers in its original violations and later adjusted the overdrawn amounts to slightly lower amounts.

ADVERTISEMENT
Article continues below this ad

“The corrections did not resolve the violation of over production,” the district said.

The district has demanded that the city obtain rights for the extra water and pay a fine to resolve the violations. It also threatened legal action for civil penalties and an injunction.

READ NEXT: [Wildlife service sued over ‘sweetheart’ land deal with SpaceX](#)

The district hasn’t disclosed the penalty amount, but overpumping can draw heavy fines. In one recent case, the Hays Trinity Groundwater Conservation District fined Aqua Texas \$448,000 for pulling 89 million gallons more than permitted. That case [remains pending in federal court](#).

ADVERTISEMENT
Article continues below this ad

Jacob Hinson of the engineering firm [Walker Partners](#) responded on behalf McGregor, writing that the city is setting up a system to provide reclaimed wastewater to SpaceX and other industrial users. It’s also buying surface water from a wholesaler and said it could be back in compliance this year.

He added that the city wants more groundwater rights, but a permit application for the request “is still not under consideration due to this and other violations.”

A district official said it's in talks with McGregor and hopes to have a resolution by the end of the month.

Separately, the utility has four active violations with the [Texas Commission on Environmental Quality](#), including one for "failure to provide water system operating records."

ADVERTISEMENT
Article continues below this ad

City officials haven't responded to requests for comment.

Outspoken

One of the most outspoken critics of McGregor's deals with SpaceX is [Dennis Fehler](#), 78, a fourth-generation native of the area. He thinks SpaceX isn't paying enough and the city is missing a chance for more revenue that could improve life for residents.

The Harvard graduate and retired landscape architect, turned musician and artist, has been tracking developments at the old bomb plant since moving back to McGregor in 2003. His work picked up in 2016 as SpaceX ramped up its testing.

ADVERTISEMENT
Article continues below this ad

"I think (SpaceX) ought to be paying a lot for that water," he said. "Right now, I can't even get the city in McGregor to realize they have control of the water prices."

He's a regular attendee at city meetings, providing a perspective based on research supported by artificial intelligence, public information requests and lots of phone calls and emails to officials and state agencies.

"The City Council can say we can charge whatever the hell we want," he said. "I say we triple the price, I say we quadruple the price, and fight from there."

His frustrations led him to launch a Facebook group, "[McGregor Water Streets and Taxes](#)," to keep tabs on the city's decisions. It has 1,700 members.

ADVERTISEMENT
Article continues below this ad

[Shop Spurs Gear](#)



**CELEBRATE
THE RUN**

Grab our limited-edition issue to own a piece of history.

RACE FOR SEIS

SPURS 1

Spurs-Knicks matchup: What to know. M3

GET YOURS NOW

San A

R FOR

SPURS 1

Spurs-Knicks

On Friday, he announced the creation of a petition to change or remove McGregor's mayor, [Jim Lilley](#), over the water issues. Lilley, who ran unopposed, took office in 2024.

"One year (of overpumping) can be explained," Fehler wrote. "Three years in a row is a pattern."

"The purpose is to make clear that McGregor taxpayers and registered voters want a change in direction on water, aquifer protection, public accountability, and the way major industrial decisions are pushed through City Hall," he wrote.