### LONE STAR GROUNDWATER CONSERVATION DISTRICT

### January 12, 2021

### MINUTES OF REGULAR MEETING

The Board of Directors of the Lone Star Groundwater Conservation District ("District") met in regular session, open to the public, held in person in the Lone Star GCD – James B. "Jim" Wesley Board Room located at 655 Conroe Park North Drive, Conroe, Texas, and remotely via the publicly accessible webinar/telephone conference call within the boundaries of the District on January 12, 2021.

### **CALL TO ORDER:**

President Hardman presided and called to order the regular Board of Directors meeting at 6:03 PM, announcing that it was open to the public.

### **ROLL CALL:**

The roll was called of the members of the Board of Directors, to wit:

Jon Paul Bouché Harry Hardman Jonathan Prykryl Larry A. Rogers Jim Spigener Stuart Traylor

All members of the Board were present, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Samantha Reiter, General Manager; Stacey V. Reese, District Counsel; District staff; and members of the public. Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".

### **PUBLIC COMMENTS:**

Mr. Matt Corley, of the San Jacinto River Authority, made public comment via ZOOM. While sharing his computer screen, he proceeded to give highlights from a PowerPoint presentation, 2020 Static Well Level Report/The Woodlands Division. He mentioned that the static well levels are taken biannually, in February and October. Evangeline static well levels from 1990-2020, indicated an inverse relationship between static well levels and groundwater pumpage amount. In 2015 the pumpage dropped off significantly, due to the introduction of surface water. He identified the Upper Jasper static water levels from 2010-2020, which reported a good rebound to static water levels. In the years 2015-2017, the water supply used was 65% surface water.

Throughout the years, SJRA has reduced the surface water and groundwater blend to 50/50 beginning in mid-2017. In 2019, GRP budget restraints caused a further reduction to 35% surface water blend and a dip in the static well water levels occurred during the production year. There are currently three PAM sites in The Woodlands that offer subsidence data and information. PAM #13 acts as a basis of reference for groundwater levels, as it is the oldest with the most data available. There is a newly installed CORS site in SJRA Lift Station No. 27 located in The Woodlands and offers daily information on water levels. A copy of his full presentation is attached hereto as Exhibit "B".

Mr. Simon Sequeira, Quadvest owner, referred to his letter sent to the board outlining some issues of concern and requested the LSGCD Board to review the following:

- 1. Whether combining well records in the Chicot, Evangeline, and Jasper aquifers into one group for a statistical analysis is an appropriate use of the best available science,
- 2. Whether it is arbitrary and capricious to limit all non-subsidence district areas of GMA 14 to less subsidence than is acceptable within the subsidence districts, and
- 3. Whether some areas of GMA 14 are to be limited in availability simply because of low levels of future demand without considering the fair share rights of the owners in those areas or the capacity of the reservoir to produce water when there is potential demand

A copy of the Sequeira letter of December 11, 2020 is attached hereto as Exhibit "C".

President Hardman mentioned that his letter and concerns had been forwarded to the District's technical consultants.

Ms. Betty Born Avery, Director of Conroe MUD #1, voiced her apprehension regarding GMA 14's lack of comparison between the historical perspectives of Harris County and its drawdowns, and the absence of Harris County in many of the presentations. Also, of concern was a seemingly one-sided view of Montgomery County and the lack of comparison with the TCEQ and the number of water wells. She mentioned the subsidence issue in the northwest area of Harris County, and requested awareness of aquifer recharge.

### **EXECUTIVE SESSION:**

After a proper and legally sufficient announcement to the public by President Hardman, the Board of Directors recessed into a Closed Executive Session at 6:29 PM pursuant to Texas Government Code, Sections 551.071, to consult with the District's attorney regarding pending or contemplated litigation, settlement offers, personnel matters (§551.074), or on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, Chapter 551, Government Code.

### RECONVENE IN OPEN SESSION:

Following Executive Session, the Board reconvened in Open Session and President Hardman declared it open to the public at 7:16 PM.

### APPROVAL OF THE MINUTES:

President Hardman stated the Board would consider the meeting minutes as listed for approval on today's agenda. Without further discussion, upon a motion by Director Spigener seconded by Director Prykryl, the Board approved the meeting minutes as presented.

- a) December 8, 2020, Special Board Meeting
- b) December 8, 2020, Public Hearing on Permit Applications
- c) December 8, 2020, Regular Board of Directors Meeting

### REVIEW OF UNAUDITED FINANCIALS FOR THE MONTH OF DECEMBER 2020:

Ms. Samantha Reiter reported that for the month of December 2020, income was \$401,831 and expenses were \$138,434 resulting in a net income of \$263,397. Year-to-date net income is \$2,156,593. Total cash was \$2,163,265.

a) Review 4<sup>th</sup> Quarterly Investment Report 2020
 Ms. Reiter referred directors to the report in their packet.

### DISCUSSION, CONSIDERATION, AND POSSIBLE ACTION TO REVIEW AND/OR FORM BOARD COMMITTEES AND APPOINTMENT OF COMMITTEE CHAIRS:

President Hardman requested that this item be tabled until February's meeting.

### PRESENTATION BY UNITED STATES GEOLOGICAL SURVEY (USGS) REGARDING GROUNDWATER STUDIES AND PROGRAMS FOR MONTGOMERY COUNTY:

Mr. Jason Ramage, hydrologist for USGS, joined the ZOOM meeting for his presentation. His discussion focused on the groundwater-level altitudes and changes in the Evangeline and Jasper aquifers during 2020. He pointed out that the Chicot and Evangeline aquifers are hydraulically connected, meaning that withdrawals from one aquifer can affect heads in the other aquifer.

He summarized 1-year (2019-2020) changes as the following:

- Chicot approximately 41% declines in the 1 to 10 ft. range
- Evangeline approximately 49% declines in the 1 to 10 ft. range
- Jasper approximately 49% declines in the 1 to 10 ft. range.

He summarized 5-year (2015-2020) changes as the following:

- Chicot approximately 57% rises in the 1 to 10 ft, range
- Evangeline approximately 27% rise in the 1 to 10 ft. range and approximately 24% decline in 1-10 ft. range
- Jasper approximately 65% greater than 10 ft. rise

A significant decline of 99% occurred in the water level altitudes in the Jasper aquifer over the period of 2000-2020. Mr. Ramage used a USGS published report for the basis of

his presentation. This report can be accessed via the following link: https://pubs.usgs.gov/sir/2020/5089/sir20205089.pdf

Ms. Reiter explained that USGS is handling the Gulf 2023 model, that at a later date they could return to the District and present their results.

### RECEIVE LEGISLATIVE COMMITTEE REPORT:

President Hardman apprised the Board that he had a very positive and substantive meeting with Senator Nichols and his legislative counsel. President Hardman and the committee discussed some of the important pending House and Senate bills of which Senator Nichols is very much aware. Continued open communication about the District's concerns with the vice-chairs of the Natural Resource Committee; Senator Creighton and Representative Metcalf; is anticipated.

### RECEIVE INFORMATION FROM DISTRICT'S TECHNICAL CONSULTANTS REGARDING SUBSIDENCE STUDIES AND/OR DISCUSSION REGARDING THE SAME:

a) <u>Discussion, consideration, and possible action to approve Subsidence Study Phase 2 Scope of Work.</u>

Ms. Reiter discussed the DFC Committee meeting in which the path forward for Phase 2 and overall study were identified. A revision process is underway to finalize the scope of work for the board's review; before it goes out for public comment.

### GROUNDWATER MANAGEMENT AREA 14 - UPDATE THE BOARD ON THE ISSUES RELATED TO JOINT PLANNING ACTIVITIES AND DEVELOPMENT OF DESIRED FUTURE CONDITIONS IN GMA 14:

a) <u>Discussion</u>, consideration, and possible action on any items related to Lone Star GCD's proposal(s) to and/or participation in GMA

Ms. Reiter discussed two goals for the next GMA 14 meeting on January 20th. First, the feasibility of achieving the DFC. Second, the final factor of establishing a DFC, which focuses on other relevant information pertaining to the DFCs.

Ms. Reiter apprised the group of her assignment from the September GMA 14 meeting to take a poll of the cost of water in Montgomery County. Ms. Jennifer Thayer spearheaded that poll and accomplished that task.

DISCUSSION OF POSSIBLE ACTION TO ISSUE A SHOW CAUSE ORDER DIRECTING THE FOLLOWING PERMITTEES, OR THEIR DESIGNATED REPRESENTATIVE TO APPEAR AT A SHOW CAUSE HEARING:

- 1) CWE Utilities HUP057A/OP03-0015C
- 2) CWE Utilities (Garden West) OP-14081801

Ms. Reiter was unable to make a connection with the CEO of CWE Utilities until the day of this meeting. It is hoped that a resolution of this matter can be achieved. This agenda item will take no action at this time.

### GENERAL MANAGER'S REPORT:

Ms. Samantha Reiter's communicated with the Board that she was notified that James Beach is no longer employed at WSP, is in the process of forming his own company. A contract is pending with the District.

Ms. Jennifer Thayer provided an update on the District's 2019-2020 Groundwater Education program. Due to COVID-19 and the subsequent school shutdown, the District reached out to the Resource Action Program where the district achieved a 30% discount on the Water Wise materials. Total enrollment for the school year was 688 students: about half the number of previous years. She is currently looking into an education hybrid product to serve all students including those students using online classes. Typically, the water class is taught in the spring as an enhancement to the science curriculum.

### **GENERAL COUNSEL'S REPORT:**

Ms. Reese apprised the Board on three topics. The Fazzino case has been continued until late spring or early summer. Ms. Reese has reviewed the Strategic Water Planning study and discovered that both subsidence and socio-economic implications had been addressed and found acceptable. This study was conducted by LBG-Guyton and Associates and approval by The City of Conroe, Woodlands Water and SJRA as these entities were represented on the District's Board of Directors. Quadvest did not oppose the findings of the study. Thirdly, was TWCA's bill which Ms. Reese worked on through the Groundwater Committee; to address which DFC to use in the case of a water district's DFC when ruled unacceptable. The bill references the DFC which has been the most recently adopted.

### **NEW BUSINESS:**

No new business.

### ADJOURN:

There being no further business, Director Traylor motioned to adjourn the meeting and Director Bouché seconded. The meeting was adjourned at 8:01 PM.

PASSED, APPROVED, AND ADOPTED THIS 9th DAY OF FEBRUARY 2021.

Larry A. Rogers, Board Secretary

## SIGN IN SHEET

January 12, 2021 Board Meeting

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail	Would you like to receive LSGCD updates & information?	
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1	Jet Mille	Pinelingt TX	CATAS P GAMAIL	7	
	BEH JOYEN AVER	COPICE TX			

Exhibit "A"



655 Conroe Park North, Couroe, TX 77303 Ptr. (936) 494-3436 Metro; (936) 441-3437 www.lonestarged.org

### Speaker Request Form

hose wanting to comment or register support for or against a specific agenda item are asked to fill out the Speaker Request Form.

Name of Organization
Speaker's Official Capacity DIFEC AUF (GN POS ML4 F

Agenda Item No.:

□ FOR (If applicable) □ AGA INST (If applicable)

Registering Position, NOT Testifying \_\_

To speak on an item not listed on the agenda, please indicate area of interest:

Please remember to step to the lectern as soon as you are recognized by the chair, state your name before beginning your presentation. If you have written notes you wish to present to the Board, PLEASE FURNISH AN EXTRA COPY FOR DISTRICT FILES.

Please see the <u>back of this comment card for additional</u> procedures, practices and notes followed and/or requested by the District when making public comment.

Thank you for your cooperation.

### January 2021 Board Meeting Zoom Online Attendees

### Attendees:

Matt Corley

Jason Ramage

Glenna Sloan

John Yoars

James Beach

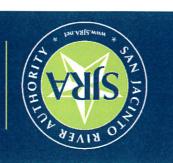
Simon Sequeira

John Ellis

Tina Felkai

936-545-7005

### San Jacinto River Authority



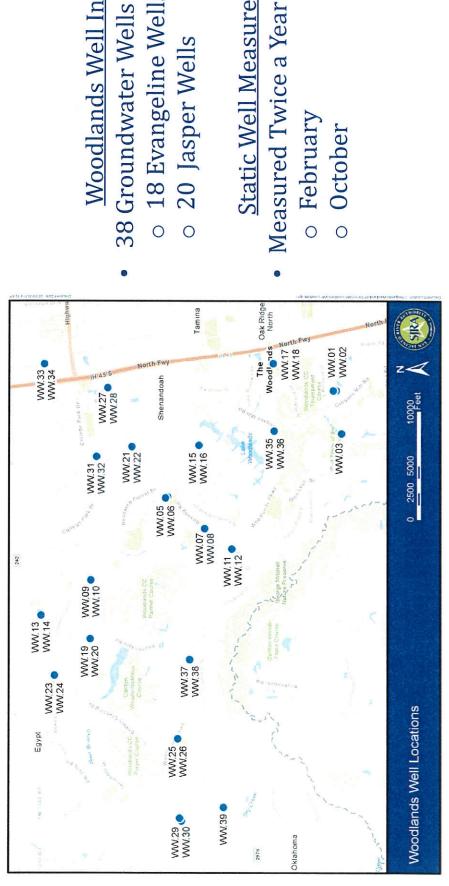
# 2020 Static Well Level Report







## SJRA Woodlands Wells

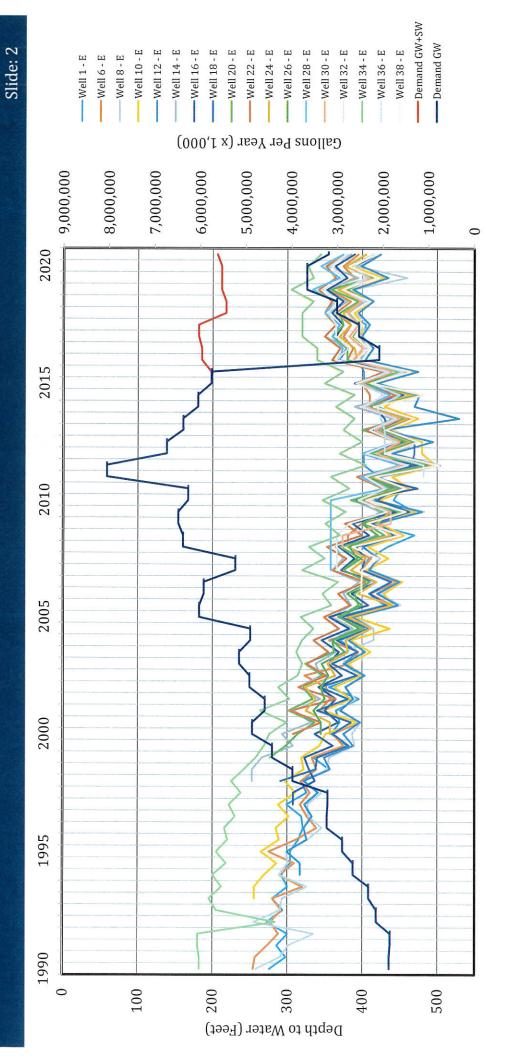


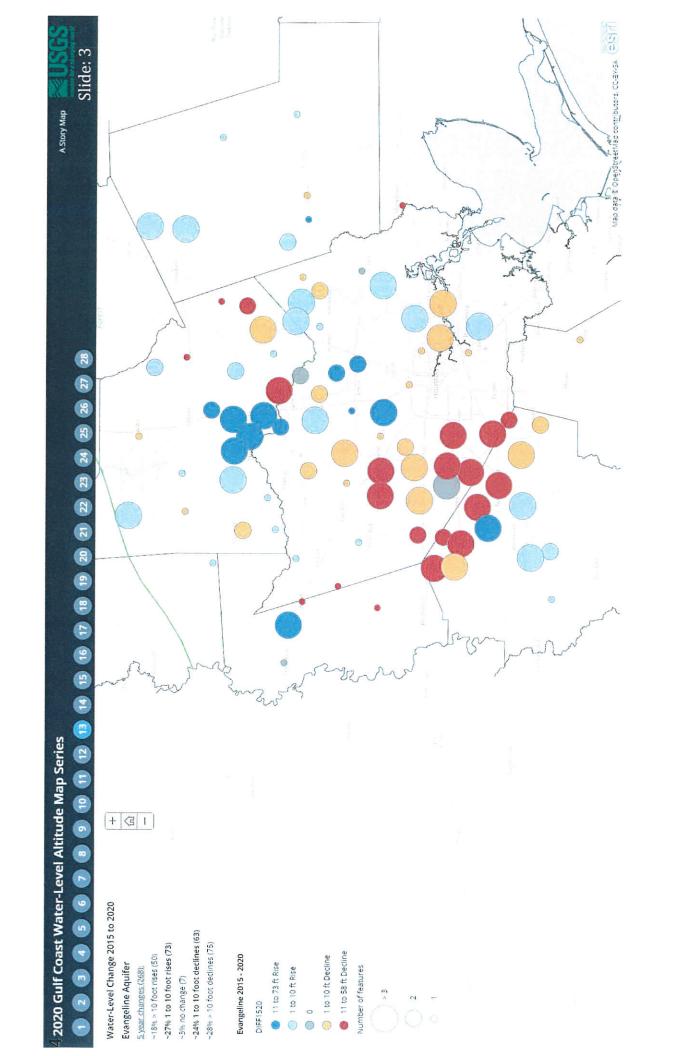
### Woodlands Well Info

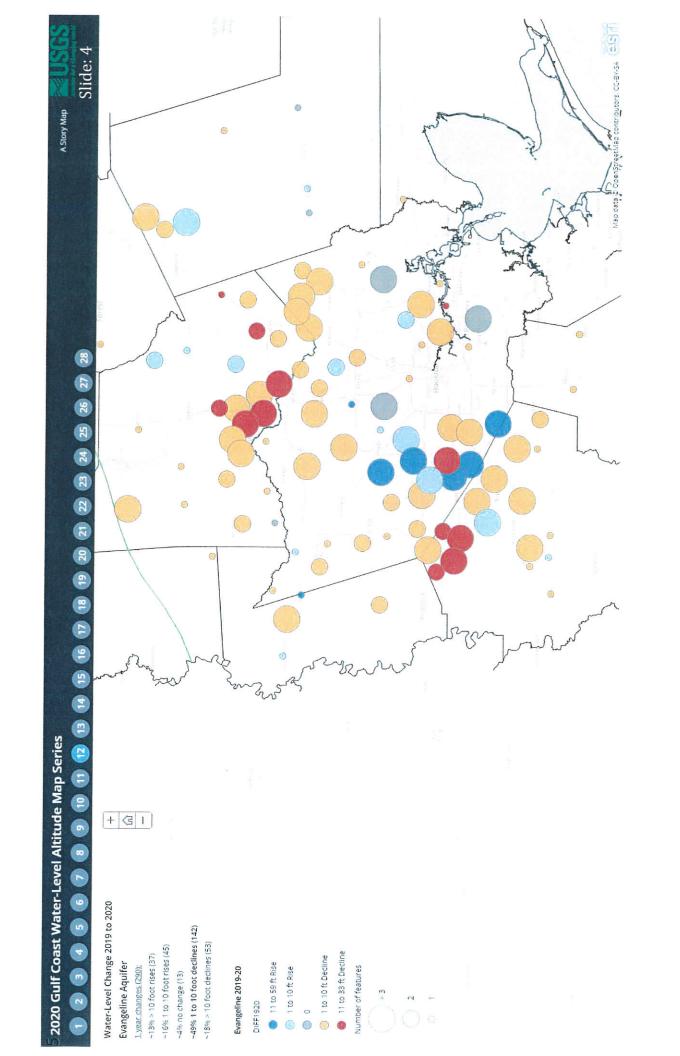
- 38 Groundwater Wells
- o 18 Evangeline Wells
  - o 20 Jasper Wells

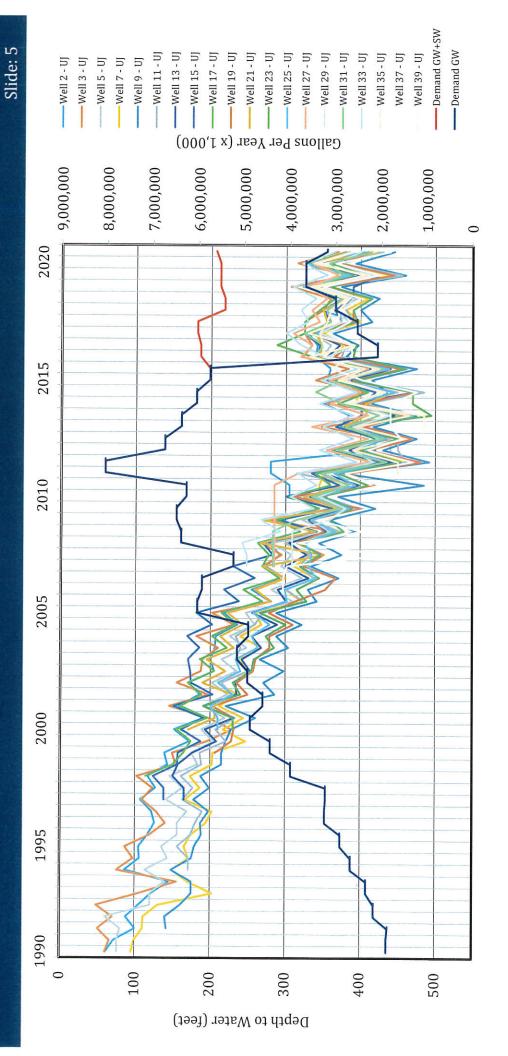
## Static Well Measurements

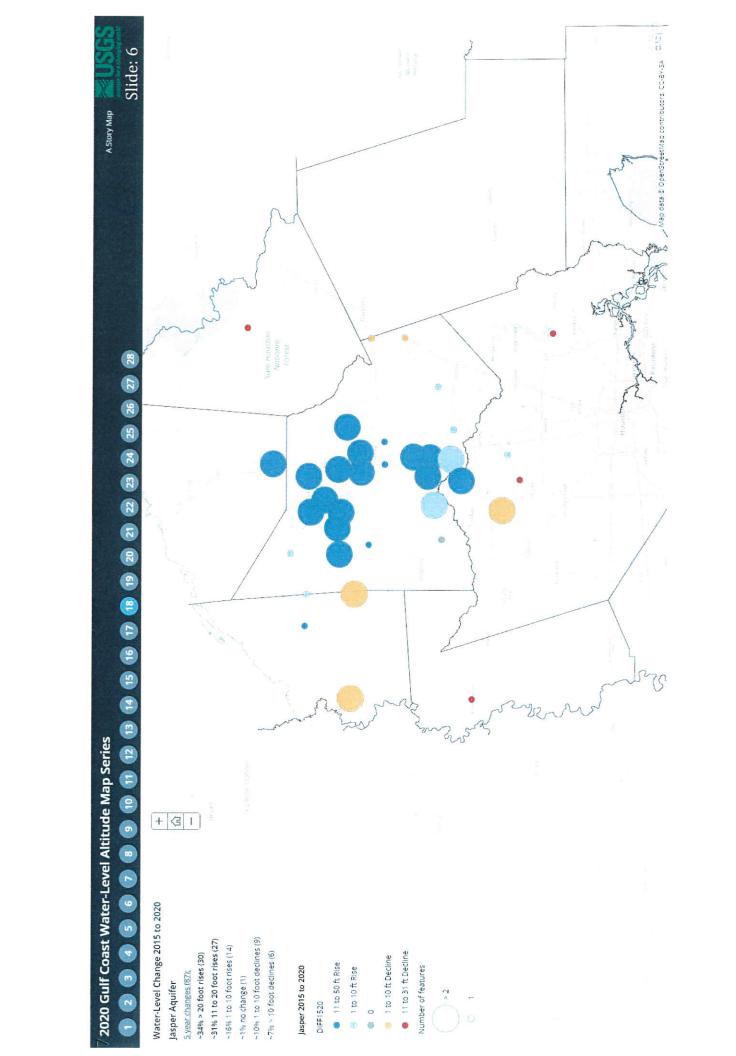
- February
  - o October

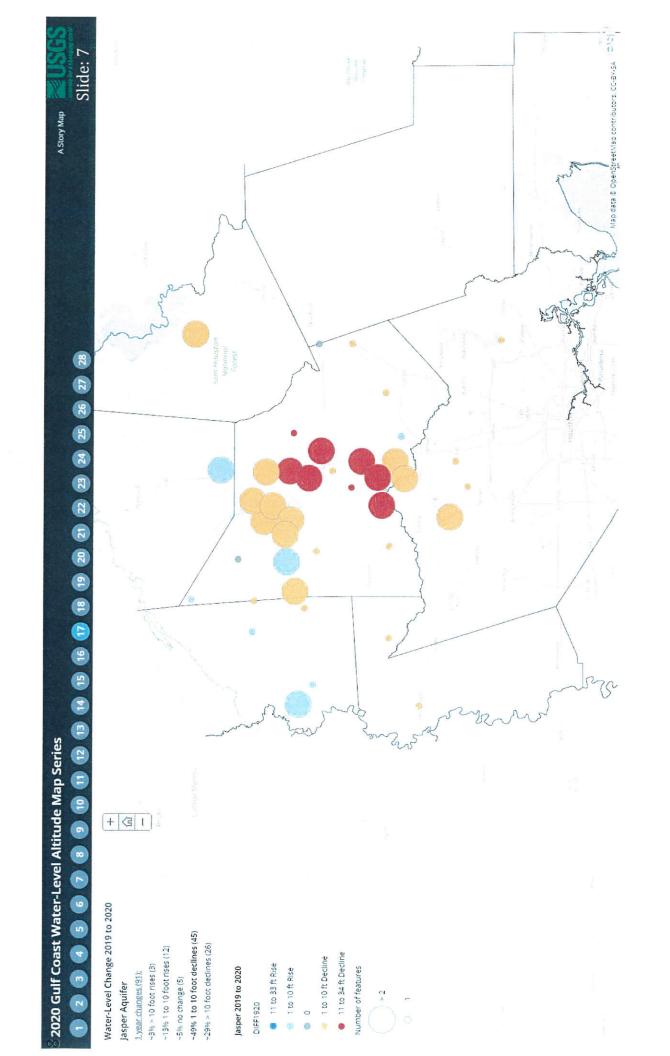




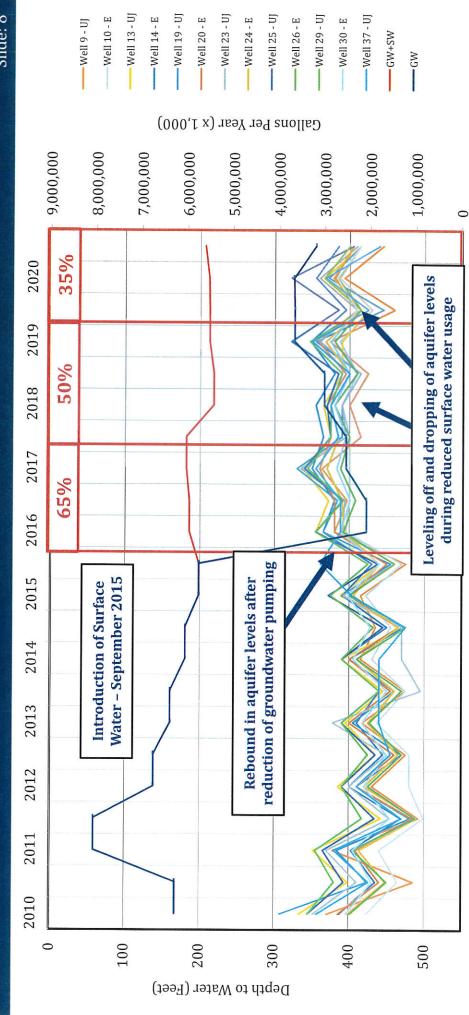




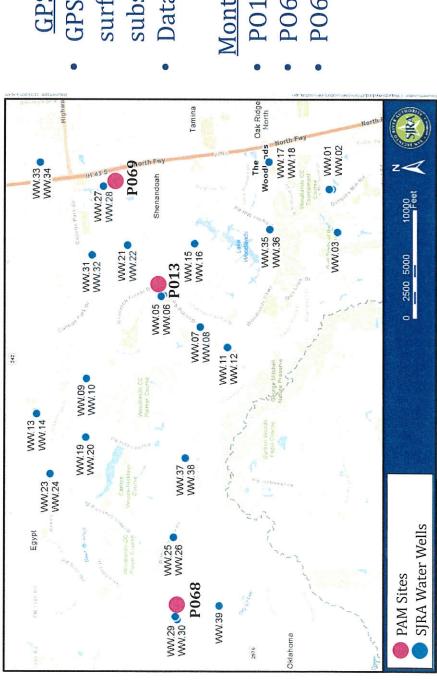




# Static Well Levels (2010-2020)



# Montgomery County PAM Sites



## GPS Port-a-Measure (PAM)

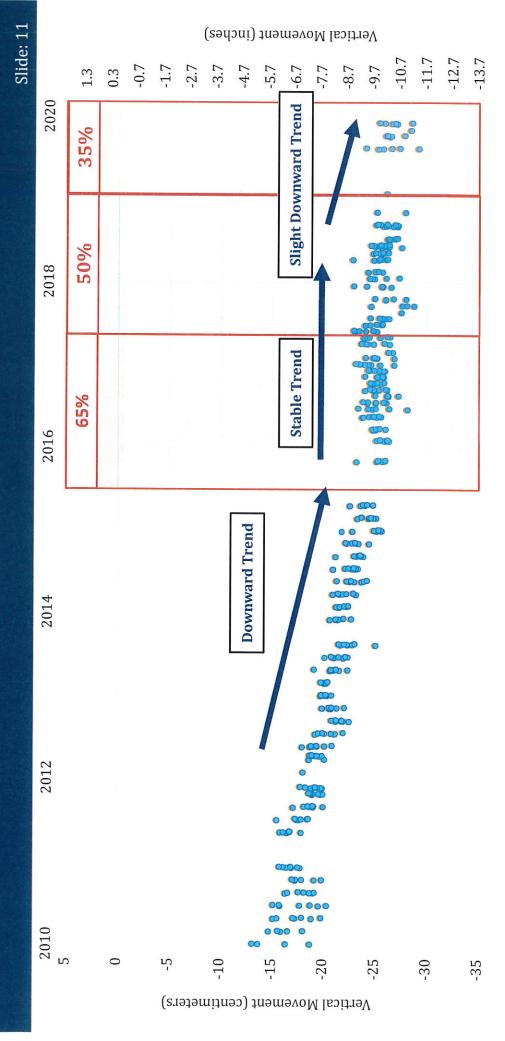
- GPS PAM sites provide landsurface elevation or subsidence measurements.
- Data is collected periodically.

## Montgomery County PAM Sites

•	P013	2000
•	P068	2011
•	P069	2011

PAM 13 Data

Vertical Movement (inches)



## CORS Site Installation

### **CORS Details**

- Continually Operating Reference Station (CORS)
- Collects GPS data 24 hours a day every day of the year.
- SJRA Lift Station No. 27 located at 144 South Tranquil Path, The Woodlands, Texas 77380
- Installation Date: October 2020

### **Partners**





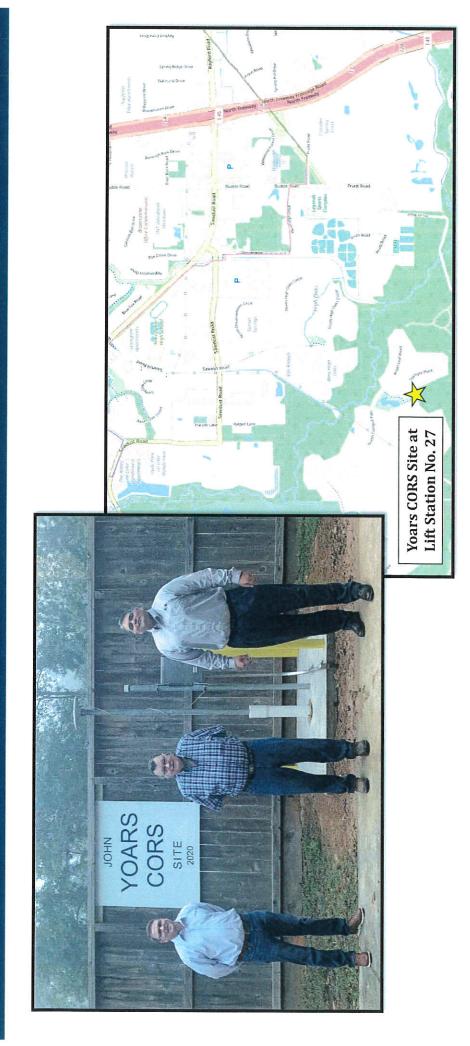






Special Thank You to John Yoars (WWA MUD 36 Director)

## Yoars CORS Site





## Questions

December 11, 2020

Lone Star Groundwater District Board of Directors 655 Conroe Park North Dr Conroe, TX 77303

Subject: LSGCD Presentation on GMA 14 Meeting on Considerations of Private Property Rights and GMA 14 Methods Used for Formulating Desired Future Conditions

As you may be aware, GMA 14's last joint planning meeting on November 18, 2020. The focus of this meeting was the consideration of private property rights in the selection of a desired future condition (DFC). To meet this statutory requirement, GMA 14 presented a legal panel that discussed a wide span of legal issues. The presentation was a bit long, yet one common agreement amongst the panel was the DFCs adopted must be able to support fair share regulations.

Much of the GMA 14 panel presentation was pertinent to legal issues not specific to the DFCs impact on private property rights. Different opinions were provided about a variety of legal topics including constitutional issues, takings, differences in surface water and groundwater ownership, consideration of other statutory factors, negligence, the rights of neighbors, permitting, and other day-to-day district administration. It was a widely cast legal rainbow. One lawyer even stated, "You are going to hear from five different lawyers today, and if we don't have opinions from five different time zones I will be astounded".

While it was a good discussion of groundwater law, my takeaway is because of the length of the panel discussion and the wide range of legal topics, GMA 14 representatives may not have come away with clear directions on how private property rights must be honored in defining and adopting DFCs. This would apply to both the selection of a DFC and the appropriateness of the area a DFC is defined for.

For reference, in 2016 Quadvest, the City of Conroe, and others filed petitions claiming the prior DFCs adopted by LSGCD were unreasonable. One claim in the petitions was DFCs adopted by county boundary, including Montgomery County and every other county in GMA 14, were unreasonable. In the GMA 14 meeting, only limited presentation and little discussion occurred amongst the GMA 14 panelists about the appropriateness of county-based DFCs, and the ability of the potential DFCs to provide the structure for districts to adopt fair share regulations.

### **LSGCD Board Meeting Presentation**

At the December LSGCD Board meeting, a presentation was provided summarizing the GMA 14 meeting. The District presentation was very helpful as its distilled portions of the GMA 14

meeting and appeared to specify a couple of District regulatory policies into a few key takeaways.

These identified principles were:

- 1. Regarding subsidence, the standard in Chapter 36 is that a groundwater owner has the right to produce groundwater provided they do not negligently cause subsidence. This means there is recognition that some level of subsidence can and will occur with new production. From a practical standpoint, this should be obvious based on the necessity of providing long-term water supplies, the availability of groundwater in the Gulf Coast aquifer system, and the historical experience in our region where even the subsidence districts have allowed many feet of subsidence over decades of active regulation.
- 2. As stated in the LSGCD management plan, LSGCD recognizes the necessity to conform to fair share-based regulations even though the term fair share has not been defined in Chapter 36. My research indicates that fair share is also not defined in Rule 3 that governs oil and gas regulation. I offer that fair share is a legal construct the courts have used to measure the fairness of a regulatory action. As was presented by LSGCD legal counsel fair share basically means a fair opportunity to produce groundwater. Even laymen can understand this.
- 3. The last item presented in the LSGCD recognition is that even in the case where one owner's production may affect neighboring or more distant properties, if an application is submitted to the LSGCD that conforms to District rules the application will be approved.

These takeaways form a basis for LSGCD to regulate groundwater production, and for Quadvest and other water users to rely upon for long-term water planning. The adoption of such policy principles provides surety in regulation, and more informed decisions for long-term water planning and delivery of water supplies. As such, I recognize the LSGCD Board's leadership in these areas.

### **GMA 14 Candidate DFCs**

Regarding GMA 14's candidate DFCs, I share a few details I have become aware of in the method used to create these. The GMA 14 method for defining a DFC is based on consideration of three criteria. These criteria are:

- 1. The % available drawdown remaining in 2080,
- 2. A limit of 1 foot of average subsidence from 2010 to 2080, and
- 3. A limit of future groundwater availability of 30,000 acre-feet per year above the county-based demands in the state water plan.

The first criterion is explained by GMA 14 as the % drawdown remaining in the Year 2080. To implement this criterion, it is believed that for each county well records from Chicot, Evangeline, and Jasper wells were all combined together in one collective group, and then a statistical approach was applied to the group as a whole to measure compliance with the 70% criterion for the county. It is common knowledge that these different reservoirs are not all the same — as demonstrated by LSGCD's well spacing regulations adopted by reservoir, and GMA 14's history of adopting different DFCs for the Chicot, Evangeline, and Jasper aquifers.

Quadvest recommends that if a % available drawdown approach is going to be used by GMA 14, then it should be conducted separately and independently for each reservoir that is going to be assigned a DFC. Quadvest believes it is not the best available science to assume all wells are in the same, common reservoir, yet then create separate DFCs for the reservoirs. For instance, shallow Chicot wells should not be considered in the DFCs adopted for the Jasper aquifer.

The second criteria regarding 1 foot of average subsidence by county — this is quite remarkable given this criterion does not recognize the amount of subsidence that has been allowed historically under the regulations of Houston-Galveston Subsidence District, nor the amount of acceptable historical and future subsidence in the Fort Bend Subsidence District's regulatory plan. Quadvest believes this 1-foot limiting approach when applied to a county, is contradictory to providing a fair opportunity to produce groundwater for every owner of a common, subsurface reservoir. GMA 14 has not identified a specific reason that each county in GMA 14 should be limited to 1-foot average subsidence, when the subsidence districts have historically allowed, and are allowing into the future, greater amounts of subsidence than 1 foot.

Quadvest understands the last criterion is a limit of 30,000 acre-feet above a county's projected demand in the State Water Plan. For instance, Hardin County's future demand is assumed to grow very little through 2070 and be near 7,720 acre-feet per year. The GMA 14 pumping limit then assigned to Hardin County is 37,720 acre-feet per year even though neither the % available drawdown limit, nor the 1-foot average subsidence limit is ever reached with this amount of pumping. The assumed 30,000 acre-foot per year limit for groundwater availability severely limits potential future utilization of groundwater in regional water planning. Report 365 of the Texas Water Development Board identifies a large, regional geographic area where "the Gulf Coast aquifer system is capable of producing large quantities of good quality water." The geographic area includes portions of Liberty, Harden, Tyler, Jasper, and Newton counties. Report 365 further states "Additional supplies of groundwater could be developed in the five counties if needed for local use or for transport to an area with a water need." For your information, outside of Montgomery County, LSGCD's Run D does not recognize the ability of the aquifers to produce water at higher rates than just meeting in-county demands.

GMA 14's DFC approach does not appear to recognize the fair opportunity that is to be provided to each owner of groundwater located within the boundaries of the common, subsurface reservoir. Rather, GMA 14 is using county-based accounting to balkanize different management standards (and water planning availability) proposed for different county areas.

This county-based approach will aggravate achieving these DFCs via regulations as production in one county can, and will, affect one or more adjacent DFCs. In the past DFC petitions, the petitioners indicated that county-based management areas do not identify the most appropriate areas for management of the groundwater resources. Simply, county areas are too small to encompass the regional effects of groundwater production in the Gulf Coast aquifer system. Thus, they are unreasonable for a basis of regulations.

During the last round of GMA 14 activities and in response to Quadvest's and other entities comments, GMA 14 representatives eventually decided to adopt a second set of DFCs. These DFCs applied to the entire area of GMA 14. Quadvest suggests that GMA 14 should first delineate the most appropriate boundaries of the common, subsurface reservoirs in consideration of hydrogeologic conditions and the potential for future use in GMA 14. Then adopt a DFC for this delineated common reservoir boundary. Further study is recommended to determine if this area is GMA 14 or some other boundaries. This would be a large step for establishing a fair share management program that provides water use alternatives for long-term, water planning.

Quadvest requests that the LSGCD Board review, understand, and decide whether:

- 1) Whether combining well records in the Chicot, Evangeline, and Jasper aquifers into one group for a statistical analysis is an appropriate use of the best available science,
- 2) Whether it is arbitrary and capricious to limit all non-subsidence district areas of GMA 14 to less subsidence than is acceptable within the subsidence districts, and
- 3) Whether some areas of GMA 14 are to be limited in availability simply because of low levels of future demand without considering the fair share rights of the owners in those areas or the capacity of the reservoir to produce water when there is potential demand.

If you have comments on these issues, then the next GMA 14 meeting is scheduled for January 20, 2021. One topic of this meeting is the feasibility of achieving DFCs. This topic brings to light how regulations would be adopted that achieve the DFCs. The regulations would need to be based in a <u>fair opportunity to produce groundwater for the owners of the common reservoir</u>.

Thank you for consideration of my comments and your continued efforts to build a reliable and dependable regulatory program for the future of Montgomery County and other areas of GMA 14.

Sincerely,

Simon Sequeira

Quadvest