

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

**January 14, 2020**

## MINUTES OF PUBLIC HEARING ON PERMIT APPLICATIONS

The Board of Directors of the Lone Star Groundwater Conservation District (“District”) met in regular session, open to the public, in the Lone Star GCD – James B. “Jim” Wesley Board Room located at 655 Conroe Park North Drive, Conroe, Texas, within the boundaries of the District on January 14, 2020.

### **CALL TO ORDER:**

Vice President Hardman called to order the Public Hearing on Permit Applications at 6:00 PM announcing the meeting 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. Also, 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” to the Regular Board of Directors Meeting minutes.*

### **PRAYER AND PLEDGES OF ALLEGIANCE:**

Vice President Hardman called on Director Traylor for the opening prayer and Director Bouché to lead the Pledge of Allegiance and the Pledge of Allegiance to the state flag.

### **PUBLIC COMMENTS:**

No comments were received.

Ms. Reiter briefed the Board on permit applications received for the month. Applications for consideration and recommended for possible approval included the below:

**1. Premier Shell Investments, LLC**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 245,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**2. Jack McClanahan (1212 Old 105)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 350,000 gallons for 2019 and 575,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**3. C&R Water Supply Inc (Bee Creek Estates)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 2,447,900 gallons for 2019 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**4. Mike Bulger/The Carriage House**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 150,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**5. C&R Water Supply Inc (Creekside Acres)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 2,000,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**6. Conroe ISD (Moorehead Jr. High)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 6,001,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**7. Crystal Springs Water (Forest Trace)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 12,000,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**8. Crystal Springs Water (Country West/Western Hills)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 10,000,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**9. Crystal Springs Water (Timberland Estates)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 20,000,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**10. Crystal Springs Water (Whispering Pines)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 500,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**11. Crystal Springs Water (Tower Glenn Estates)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 2,000,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**12. Crystal Springs Water (Afton Park Civic Imp. Assoc)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,000,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**13. Crystal Springs Water (Bennett Woods)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 3,000,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**14. Aqua Texas, Inc. (Cimarron Country)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 5,030,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**15. Aqua Texas, Inc. (Lake Conroe Village)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 7,803,000 gallons for 2020 and annually thereafter. Based on

technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**16. Aqua Texas, Inc. (Timberloch Estates)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 4,770,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**17. Aqua Texas, Inc. (Turtle Creek)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 3,473,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**18. Tom Martin – Highway 59 North Real Estate Venture**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 25,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**19. Kingwood 360 Storage LLC A Delaware Limited Liability Company**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 8,000 gallons for 2019 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**20. Riley Epps**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 300,000 gallons for 2019 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**21. Farrell Road Development**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 20,000 gallons for 2019 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**22. Map Land Co. 1, LLC**

Applicant is requesting registration and construction of a new well and production authorization in the amount of 150,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**23. Pine Knob Estate Water Inc. (Rayford Park)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 60,000 gallons for 2019 and 200,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**24. Chambers Tegel, LLC**

Applicant is requesting registration and construction of four (4) new wells and production authorization in the amount of 47,000,000 gallons for 2020 and 70,000,000 gallons for 2021 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**25. Jim Carter**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 450,000 gallons for 2019 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**26. Believers Fellowship Church**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 155,000 gallons for 2019 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**27. Conroe DTP, LLC**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 200,000 gallons for 2019 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**28. Dollar General Store #19411**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 600,000 gallons for 2019 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**29. Ernan Puebla (32855 Karen Drive)**

Applicant is requesting registration and construction of a new well and production authorization in the amount of 285,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

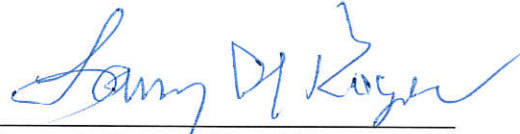
**30. Ernan Puebla (32815 Karen Drive)**

Applicant is requesting registration of an existing well and production authorization in the amount of 285,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

Ms. Reiter reported that there were thirty applications for this month. Also, items #3, #19, #20, #21, #21, #25, #26, #27, and #28 requested increase of production for 2019 only. Following Ms. Reiter's report, Director Traylor motioned to approve items #1-30, as recommended by the General Manager. Director Prykryl seconded. Motion approved.

Vice President Hardman adjourned the public hearing on permit applications at 6:01 PM.

**PASSED, APPROVED, AND ADOPTED THIS 11<sup>th</sup> DAY OF FEBRUARY 2020.**



Larry A. Rogers, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

January 14, 2020

## MINUTES OF REGULAR MEETING

The Board of Directors of the Lone Star Groundwater Conservation District (“District”) met in regular session, open to the public, in the Lone Star GCD - James B. “Jim” Wesley Board Room located at 655 Conroe Park North Drive, Conroe, Texas, within the boundaries of the District on January 14, 2020.

### CALL TO ORDER:

Vice President Hardman presided and called to order the regular Board of Directors meeting at 6:01 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. Also, 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:

None were received.

### EXECUTIVE SESSION:

After a proper and legally sufficient announcement to the public by Vice President Hardman, the Board of Directors recessed into a Closed Executive Session at 6:02 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 Vice President Hardman declared it open to the public at 7:01 PM.

**APPROVAL OF THE MINUTES:**

Vice 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 Bouché; seconded by Director Prykryl, the Board approved the meeting minutes as presented.

- a) December 10, 2019, Public Hearing on Permit Applications
- b) December 10, 2019, Regular Board of Directors Meeting

**REVIEW OF UNAUDITED FINANCIALS FOR THE MONTH OF DECEMBER 2019:**

Ms. Samantha Reiter reported that for the month of December 2019, income was \$210,343 and expenses were \$115,120 resulting in a net income of \$95,223. Year-to-date net income is \$1,600,000. Total cash was \$1,200,000.

- a) Review 4<sup>th</sup> Quarterly Investment Report 2019

At the beginning of the 4<sup>th</sup> Quarter our Money Market and TexPool accounts totalled \$306,969. At the end of the quarter those accounts totalled \$1,245,959. Our deposits exceeded our expenses by \$938,042. Interest earned was \$946.

**DISCUSS, CONSIDER AND TAKE ACTION AS NECESSARY CONCERNING ELECTION OF OFFICERS:**

District Counsel, Ms. Stacey Reese, explained that with Director Melder's resignation in December, the office of President of the Board holds vacancy. The bylaws require the Board to elect a new President and other officers as needed.

Vice President Hardman opened the floor to take nominations for the office of President. Director Traylor nominated Harry Hardman as President. Director Spigener seconded. Motion carried with 5 votes yea and 1 abstention vote by Vice President Hardman.

With Director Harry Hardman being voted as Board President, a vote for Board Vice President was required. Director Spigener motioned for Stuart Traylor to be elected to the office of Vice President. Director Prykryl seconded. Motion passed unanimously.

Director Traylor's new board appointment left the Board Secretary position vacant. Director Traylor motioned for Larry Rogers to be elected to the office of Secretary. Director Spigener seconded. Motion passed unanimously.



As an aside, President Hardman stated that Director Spigener remained the Treasurer.

**DISCUSS, CONSIDER AND TAKE ACTION AS NECESSARY AUTHORIZING THE BOARD PRESIDENT, GENERAL MANAGER AND/OR GENERAL COUNSEL TO EXECUTE MEDIATION DOCUMENTS PERTAINING TO PENDING MEDIATION WITH TEXAS WATER DEVELOPMENT BOARD:**

Ms. Reese explained that the mediation meeting is scheduled for January 23, 2020; with Howard Seitzman as designated mediator. She stated that a draft of the mediation agreement had been given to the directors. The mediation process consisted of approving the mediation agreement, approving the District's representatives to attend the mediation and authorizing these representatives to negotiate a potential resolution. The final step would bring the tentative resolution back for the board's approval.

Director Rogers motioned to approve the mediation agreement. Director Traylor seconded. Motion carried.

Director Traylor motioned to approve the representatives including: President Hardman, Director Spigener, General Manager Reiter and District Counsel Reese and grant them negotiating power in the mediation process pending final approval by board. Director Bouché seconded. Motion carried.

**DISSUSS, CONSIDER AND TAKE ACTION AS NECESSARY REGARDING INTERVIEWS, SELECTION, AND/OR CONTRACTS WITH ADDITIONAL DISTRICT TECHNICAL CONSULTANT:**

Ms. Reiter explained that she had sent out six Requests for Information (RFIs) to select an additional District technical consultant. Three responses were received by LRE, R. W. Harden and WSP (formerly LGB – Guyton). Ms. Reiter and Mr. Thornhill conducted phone interviews with consultants and provided their notes and answers to the questions in a packet for the board's review. Director Rogers complimented Ms. Reiter's production of such a helpful packet of information. Ms. Reiter summarized each firm's qualifications and experience for the Board.

Director Spigener motioned to solicit WSP as an additional technical consultant firm. Director Rogers seconded. Motion carried.

Director Bouché motioned to amend the Thornhill contract. Director Prykryl seconded. Motion carried.

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

General Manager, Samantha Reiter, directed the Board to the handout of Mr. Thornhill's report. In the handout it showed the division of labor tasks which was made prior to termination of the Harden Hydrogeology contract. Mr. Thornhill had set a date of February for completion of

Phase I of the subsidence study. President Hardman advised that in working with WSP, the new consultant needs to be made fully aware of the division of labor and the deadline.

**RECEIVE INFORMATION AND/OR STATUS UPDATE REGARDING THE TWO STUDY GROUPS ON PROPOSED DRAFT RULES:**

Ms. Stacey Reese reported work on draft rules had been delayed pending the choice of a new hydrology consultant. Focus remained on the management plan and preparation for the mediation meeting. Once the mediation is completed; the groups will move forward.

**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) Discussion, consideration, and possible action on any items related to Lone Star GCD's proposal(s) to and/or participation in GMA 14

Ms. Reiter reported that the GMA 14 had not met since the December meeting; and that January 29<sup>th</sup> is the next scheduled meeting.

**GENERAL MANAGER'S REPORT:**

Ms. Reiter announced a future activity in which the District was asked to participate. J.J. Hollie, CEO and president of The Woodlands Area Chamber of Commerce, is hosting a Water Forum on March 17<sup>th</sup> from 4 pm to 6 pm. Other forum participants include Woodlands Water and Quadvest, while an invitation had been sent to SJRA. Ms. Reiter explained the goal of the forum was to allow the Chamber membership access to the different positions on water supply and management in Montgomery County. President Hardman announced that the District would be a participant.

Ms. Reiter also announced that the 2019 Annual Pumpage Report was due February 15, 2020. She will present stats at the next board meeting. The District's Rules require an annual pumpage report from all operating permittees.

On another matter, Ms. Reiter referred to the board handout of the 2019 Texas 4-H Water Ambassadors Program. She noted that the results of this program proved beneficial. The 2020 application process was open beginning March 15<sup>th</sup> and ending May 1<sup>st</sup>. Further, our 2019 sponsored Water Ambassador, Max O'Brien, was desirous of participating a second year. She also mentioned the possibility of the District becoming part of an Advisory Board Committee. Ms. Jennifer Thayer, District Education and Conservation Coordinator, would also be considering a second candidate for a water ambassador sponsorship.

- a) Discuss, consider and take action as necessary regarding the completion of second driveway to be cost-shared with City of Conroe.

Ms. Reiter stated the cost of the driveway would be \$11,600. Our cost then would be half of that amount which is \$6,700. Since a motion to accept was not made, the item was not considered.

**GENERAL COUNSEL’S REPORT:**

Ms. Reese announced that the District’s representatives would be in Austin next Thursday, January 23<sup>rd</sup> for mediation with the Texas Water Development Board regarding the Management Plan appeal.

Ms. Reese apprised the Board of the interim charges that were issued by the Senate and the House. The Senate is holding a joint meeting with two committees: The Water and Rural Affairs Committee and the Natural Resources and Economic Development Committee. This meeting will be on January 22 at 10 am in Austin. One of the main initiatives is to study groundwater regulation in the joint planning process. Ms. Reese plans to attend this meeting and report pertinent information to the District.

Finally, Ms. Reese pointed to the handout regarding the Attorney General’s opinion in the Guadalupe and Blanco River Authority lack of taxing authority. She identified the gist of the opinion as the river authority does not have taxing authority. The creation of a new water district may impose taxes and discussion of how that tax money can be used to rebuild the dam and aid that area.

**NEW BUSINESS:**

There was none.

**ADJOURN:**

There being no further business, upon a motion made by Director Bouché and seconded by Director Spigener, the meeting was adjourned at 7:46 PM.

**PASSED, APPROVED, AND ADOPTED THIS 11<sup>th</sup> DAY OF FEBRUARY 2020.**

  
Larry A. Rogers, Board Secretary



# SIGN IN SHEET

January 14, 2020  
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?
N	Doug Miller	Pinehurst TX 77362	dfwash@gmail.com	Y
No	Jonathan Smith	Porter SWD		
N	TINA FELKAI	CONROE, TX	ON FILE	
N	GLENNASCOAN	SHENANDOAH	" "	"
N	Suellen Myers	The Woodlands 77381	" "	" "
N	Penny Bradshaw	The Woodlands TX 77381	" "	Y
N	JENNIFER SEALE	CONROE TX 77303		
	Jim Seale	Conroe, TX 77303		
N	Michael Sullivan	Conroe TX		N