

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

June 13, 2023

## 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 and 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 June 13, 2023.

### CALL TO ORDER:

President Spigener called to order the Public Hearing on Permit Applications at 6:08 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  
Jonathan Prykryl  
Janice Thigpen  
Stuart Traylor  
Jim Spigener  
Garry Dent  
Kenneth Earnest-Absent

Six 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; 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.*

### PUBLIC COMMENTS:

No comments were received.

Ms. Hein stated there are 17 permit applications before you today. Please note that Item 1 has been removed at the request of the permittee. Of the remaining 16 items, nine (9) include

requests for an increase in allocation, two (2) are requested to add a new well and allocation to an existing permit, four (4) requests for a new permit including a new well, and finally one request to permit an existing well. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested

## **June 2023 Permit Hearing GM Recommendations:**

### **1. ~~Quadvest, L.P. (Mill Creek)~~**

~~Applicant is requesting an amendment to an Operating Permit OP-19071801-CHEV for registration of a new Evangeline Aquifer well and an increase in production authorization in the amount of 85,000,000 gallons for 2023 and annually thereafter. Application pulled from public hearing at permittee's request.~~

### **2. NextEra Water Texas, LLC (Yesterdays Crossing)**

Applicant is requesting an amendment to an Operating Permit OP-06042501-JSPR for an increase in production authorization in the amount of 3,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

### **3. Montgomery County MUD #164**

Applicant is requesting an amendment to an Operating Permit OP-19012902-CHEV for an increase in production authorization in the amount of 60,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

### **4. Wood Trace MUD No. 1**

Applicant is requesting an amendment to an Operating Permit OP-07020801-JSPR for an increase in production authorization in the amount of 75,000,800 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

### **5. Jorge and Lorena Macias**

Applicant requesting registration of an existing Evangeline Aquifer well and production authorization in the amount of 300,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

### **6. Utility Investment Company, Inc. (Cielo Subdivision)**

Applicant is requesting registration of a new Evangeline Aquifer well and production authorization in the amount of 27,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

### **7. Montgomery County MUD #89 (Also MUD 88)**

Applicant is requesting an amendment to an Operating Permit OP03-0043-CHEV for an increase in production authorization in the amount of 72,000,000 gallons for 2023 and annually thereafter. Based

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

**8. Montgomery County MUD #112**

Applicant is requesting an amendment to an Operating Permit OP-06080402-JSPR for an increase in production authorization in the amount of 375,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**9. New Horizons**

Applicant is requesting an amendment to an Operating Permit OP-04042701-CHEV for an increase in production authorization in the amount of 70,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**10. Peaceful Pines RV Park (BJZ Interest)**

Applicant is requesting an amendment to an Operating Permit OP-18102201-CHEV for a change in water use type from commercial to public water supply, registration of a new Evangeline Aquifer well, and an increase in production authorization in the amount of 200,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**11. Alberto Diez Rojo**

Applicant is requesting registration of a new Jasper Aquifer well and production authorization in the amount of 1,500,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**12. East Montgomery County MUD 12**

Applicant is requesting an amendment to an Operating Permit OP-19060701-CHEV for an increase in production authorization in the amount of 70,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**13. Far Hills Utility District (AWS Production Well)**

Applicant is requesting an amendment to an Operating Permit AWS-15120101-CAT for an increase in production authorization in the amount of 41,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**14. Geovanny Auz**

Applicant is requesting registration of a new Evangeline Aquifer well and production authorization in the amount of 2,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**15. Audubon Magnolia Development, LLC (MUD #1)**

Applicant is requesting an amendment to an Operating Permit OP-23050101-CHEV to convert a test hole to a supply well in the Evangeline Aquifer, and an increase in production authorization in the amount of 50,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**16. Johnston Water Utility, LLC**

Applicant is requesting an amendment to an Operating Permit OP-05062001-CHEV for an increase in production authorization in the amount of 37,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**17. FM 1485 C-Store**

Applicant is requesting registration of a new Chicot Aquifer well and production authorization in the amount of 1,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

Treasurer Prykryl motioned to approve item #2-17, as recommended by the General Manager. Secretary Thigpen seconded. Motion passed.

**ADJOURN:**

There being no further business, President Spigener motioned to adjourn the public hearing on permit applications. The meeting was adjourned at 6:15 pm.

**PASSED, APPROVED, AND ADOPTED THIS 11th DAY OF JULY 2023.**



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Janice Thigpen, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

June 13, 2023

## MINUTES OF REGULAR MEETING

The Board of Directors of the Lone Star Groundwater Conservation District (“District”) met in regular session, open to the public and 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 June 13, 2023.

### CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:15 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  
Janice Thigpen  
Stuart Traylor  
Jonathan Prykryl  
Jim Spigener  
Garry Dent  
Kenneth Earnest -Absent

Six 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; and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".*

### PUBLIC COMMENTS:

Shannon Marsh: Shannon Marsh expressed concerns about overproduction fines and violations received by their organization. They had filed three permit applications, two of which were approved without issues. However, the third application faced delays due to not meeting Lone Star's criteria. Shannon argues that they shouldn't be forced to pay the violation fee for an application that took months to process and was finally approved. Ms. Reese clarified that the violation was not on the agenda for discussion that evening. If Shannon refuses to sign the consent

order, a hearing will be scheduled at a later date. The Board of Directors thanked Mr. Marsh for their public comment and states that further discussion can occur during the hearing.

Simon Sequoia: Mr. Sequoia requested to make public comment on the 2022 Overpumpage fees. In particular, Mr. Sequoia wished to draw the Board's attention to the current overpumpage fine rate of \$6.00/1000 gallons. Mr. Sequoia requested that the Board review the District Rules that allows for the \$6.00/1000 overproduction fine to ensure it is fair and reasonable.

#### **APPROVAL OF THE MINUTES:**

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

- a) May 9, 2023, Public Hearing on Proposed Adoption of Groundwater Management Plan
- b) May 9, 2023, Hearing on Permit and Permit Amendment Applications
- c) May 9, 2023, Show Cause Hearing on Enforcement Matters
- d) May 9, 2023, Regular Meetings

#### **COMMITTEE REPORTS:**

##### **A. Budget & Finance Committee – Jonathan Prykryl, Chair**

- 1) Brief the Board on the Committee's activities since the last regular Board meeting - Director Prykryl stated that there was nothing new to report. He anticipates a meeting to take place during the summer.
- 2) Review of unaudited financials for the month of May 2023 – Ms. Reiter reported the income for the month of May 2023 came in at \$1,606,273.95 and our expenses totalled \$156,163.04 resulting in a net income of 1.4 million our year-to-date net income as of the end of May and totalled 1.7 million and our total cash on hand as you all are aware is came in at just under just over 5 million.
- 3) Discussion, consideration and possible action regarding Resolution #23-004 Reviewing and Approving Investment Policy and Investment Strategies – Ms. Reiter reported that they need to review and reapprove their investment policy. She clarified that no changes have been made to the policy and that Ms. Reiter, along with Treasurer Prykryl and President Spigener as past Treasurer, have undergone public funds and investment training to ensure compliance. Ms. Reiter emphasizes that the policy is a standard one that requires annual re-adoption, and the only modification made is updating the dates to reflect the current day's consideration for readoption.

President Spigener called for a motion, Treasurer Prykryl moved to approve the Investment Policy and Investment Strategies, Vice President Traylor Seconded the motion. President Spigener called for a vote, motion passed.

- 4) Discussion, consideration and possible action regarding approval of landscape enhancements – Ms. Reiter informed the board that she has been discussing landscaping options with President Spigener. They have researched various companies and found one that offered competitive pricing. To carry out the landscaping work, they contracted with PGS. Ms. Reiter mentioned that the landscaping quote and payment check are included in the board packets. However, since the payment amount exceeds Mr. Reiter’s authorization limit, board approval is required to proceed with the payment.

There was no further discussion, Director Brochure moved to approve the payment to PGS, Director Traylor second the motion. President Spigener called for a vote, the motion passed.

**B. External Affairs Committee – Jim Spigener, Chair**

- 1) Brief the Board on the Committee’s activities since the last regular Board meeting – President Spigener acknowledges that the legislative session has been exceptionally busy, particularly in relation to water matters. The session recently adjourned on May 29th. The District's legislative team is actively engaging with legislators and staying informed about ongoing legislative issues. President Spigener emphasizes the importance of maintaining a legislative presence even after the session has ended.
- 2) Discussion, consideration, and possible action on any items related to communications and/or legislative matters pertaining to Lone Star GCD – Ms. Reese gave an update on the 2023 Texas Legislative Session and bills of interest to Lone Star GCD. A copy of her presentation will be attached to the Board Packet.
- 3) Discussion, consideration, and possible action regarding District consultant contracts – Nothing to report on

**C. DFC & Technical Committee – Stuart Traylor, Chair**

- 1) Brief the Board on the Committee’s activities since the last regular Board meeting – Vice President Traylor informed the board that the committee has not met since the previous board meeting. The District sent out an email with an informational one-pager and a request for participation in Phase III of the Subsidence Study. As of the meeting, District staff received responses from two entities. Ms. Reiter shared that MUD 89's Board President and Spring Creek MUD also have expressed interest in learning more about the study shortly before the Board Meeting. President Spigener explains that the District is actively seeking sites for coring and wells with reliable log information. Porter SUD has offered land for potential use, and Southern Montgomery County MUD has expressed interest and wants to participate in stakeholder meetings. President Spigener suggested a meeting with Southern Montgomery County MUD and possibly the DFC Committee. Ms. Reese asks about feedback from The Woodlands or SJRA regarding a potential site in The Woodlands area, to which Ms. Reiter responded that no response was received. Ms. Reiter reiterates that Spring Creek MUD is seeking more information, and MUD 89 has a well in the area with potential locations. Treasurer Prykryl noted that JSRA and The Woodlands Water Agency

have not reached out to offer support or assistance in Phase III of the Subsidence Study.

**D. Rules, Bylaws & Policies Committee – Jim Spigener, Chair**

- 1) **Brief the Board on the Committee’s activities since the last regular Board meeting**  
– President Spigener informed that the District initially opened the Rules for a 60-day comment period, but received feedback indicating that many people did not have the opportunity to provide input. To ensure comprehensive feedback, the District will reopen the comment period for an additional 30 days, closing on July 13th. The board will study the feedback received and organize a workshop to discuss potential changes based on the received comments. The District is committed to a serious and genuine improvement process. It is important to note that the existing rules must be followed until the proper process of rule change is completed.
  
- 2) Discussion and possible action regarding written public comments on District rules  
– Ms. Reiter stated that during overpumpage meetings, she and Ms. Hein have been taking notes and encouraging others to provide written feedback to the Rules Committee. Ms. Reese added that written comments are preferred due to their ease of tracking and reference compared to verbal comments. President Spigener clarified that any letters received in the past 90 days will be considered as comments. Both Mr. Spigener and Ms. Reese emphasized that there is no specific deadline for passing the new rules and changes can be made as necessary. The objective is to gather feedback, conduct the workshop, and implement changes efficiently, without unnecessary delays. Proposed rules are expected to be ready in early fall and adopted before the year ends.

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

The technical consultants do not have any additional updates to provide regarding the project.

**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** – President Spigener reported, during the last GMA (Groundwater Management Area) meeting, the Texas Water Development Board (TWDB) presented the Gulf 2023 Model. It was revealed that the model was developed for a subsidence district without input from any groundwater conservation district (GCD). Many attendees, including the District, expressed dissatisfaction with the model and a desire to modify it to suit the GCD’s needs. An agreement was reached with TWDB and the GMA 14 voting members regarding the future process for making changes to the proposed model following a procedure previously implemented in GMA 12. President Spigener,



emphasized the importance of obtaining coring samples and compaction data to supplement the extrapolated data present in the Gulf 2023 model, particularly for the Jasper aquifer. They mentioned plans to collaborate with other GMA members and establish a better relationship with the TWDB. Overall, President Spigener considered the meeting fruitful and anticipated reconvening in late fall. The TWDB will hold meetings with technical consultants to discuss GCDs' comments on the model and determine if further adjustments are necessary. The next GMA meeting is expected to take place in September. The President Spigener expressed disappointment with the weak responses and lack of action from the GMA regarding their comments.

b) Discussion, consideration, and possible action to designate a district representative(s) for joint planning in management area – Ms. Reese advised, according to Chapter 36, the presiding officer has the authority to designate representatives, and currently, Ms. Reiter holds that role, with the President serving as an alternate when the General Manager is unavailable. However, Ms. Reiter will no longer fulfill that position, so a replacement needs to be identified. While the board is not required to take action on this, in the past, there has been a vote on the matter. Director Bouché suggested nominating Director Earnest, as he is a geologist and would be a suitable choice, but he is currently in Japan. Ms. Reese suggested to table the discussion and revisit it the July meeting.

#### **GENERAL MANAGER'S REPORT:**

Ms. Reiter reported that in addition to discussing overpumpage violations, she with District staff, including Kirstin, Darlene, and Dawn from the permitting department, have been working to educate permit holders about the processes and current rules. They have made good progress and received valuable feedback, which will be compiled and provided to the Rules Committee. A new employee, Justin Saenz, will be joining as the Education and Conservation Outreach Coordinator, starting on Monday. Justin's experience with Texas Agrilife and his involvement in education area expected to significantly contribute to the growth of the education department. Conference updates were shared, including two directors signing up for TAGD's annual groundwater summit, with Kirstin and Justin also attending. Job postings for Public Affairs and Communications Director and General Manager were announced, and resumes have been received and will be considered by the Board. Ms. Reiter concluded by expressing gratitude to the Board of Directors, district staff, and permittees during her 13 years with the District. Ms. Reiter made the difficult decision to resign from the District effective June 15<sup>th</sup>.

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

Ms. Reese stated she had nothing to report at this time.

#### **EXECUTIVE SESSION:**

The Board recessed at 7:01 PM into a closed Executive Session pursuant to Texas Government Code, Sections 551.074 to discuss personnel matters and annual review of the General Manager, and 551.071 to consult with the District's attorney regarding pending or contemplated litigation, settlement offers, 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 regarding any agenda item on any of the Board meetings or hearing posted for today.

**RECONVENE IN OPEN SESSION:**

**DISCUSS, CONSIDER AND TAKE ACTION AS NECESSARY RELATED TO THE RESIGNATION OF THE GENERAL MANAGER:**

Following Executive Session, the Board reconvened in Open Session and President Spigener declared it open to the public at 9:00 PM

During the resumed Regular Meeting, item #11 on the agenda involved the consideration and action on the resignation of the General Manager, Ms. Reiter. The board reluctantly accepted her resignation, and it was decided that Ms. Hein would take on some of the General Manager's responsibilities until a new General Manager is appointed. The specific tasks that Ms. Hein will assume are still being determined, and a finalized list will be prepared in due course. As a result of the additional duties as a permit director, a salary increase for Ms. Hein was recommended.

President Spigener called for a motion, Vice President Traylor moved to accept the resignation of the General Manager and give General Manager atheization to Ms. Hein as Permitting Director with a salary increase to match the added responsibility. Director Dent second the motion. President Spigener called for a vote, motion passed.

**NEW BUSINESS:**

Nothing to report on currently.

**ADJOURN:**

There being no further business, Vice-President Traylor motioned to adjourn the meeting and Treasurer Prykryl seconded. The meeting was adjourned at 9:02 PM.

**PASSED, APPROVED, AND ADOPTED THIS 13th DAY OF JUNE 2023.**

  
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Janice Thigpen, Board Secretary



Board of Directors Meeting

Legislative Update

June 13, 2023



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## Bills Sent to Governor (6/18 veto deadline)

- HB 1971 (Ashby) (signed, effective immediately)**
  - 180-days to issue decision after receipt of final PFD from SOAH
  - 90 days to make decision after motion for rehearing
  - Director disqualification
- HB 2443 (Harris) (signed, effective 9/1/23)**
  - Allows certain person to petition a GCD to adopt or change certain rules
- HB 3059 (King)**
  - Max increase on export fees; used for mitigation, monitoring, AWS
- HB 3278 (Price)**
  - GCD summary/materials on DFC posted on internet for 30 days
- HB 3440 (Canales)**
  - requires posting of agenda and notice for districts w/ website



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## Bills Sent to Governor Cont'd

6. **SB 28 (Perry/King)**
  - water infrastructure and new water supply funding (\$1 billion, must be approved by votes in November)
7. **SB 1746 (Perry, Bell)**
  - Exemption for water well for temporary use to supply water for rig drilling groundwater well
8. **SB 2440 (Perry)**
  - on groundwater availability certificates
9. **HB 3744 (Goldman)**
  - License/exam: water well drillers and water well pump installers
10. **HB 2759 (Thompson, Perry) (signed, effective 9/1/23)**
  - Establishes TexMesonet Hydrometeorology Network/Ad. Com.



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## Bills Sent to Governor Cont'd

11. **SB 1047 (Perry, Tepper) (signed, effective immediately)**
  - Activities of Texas Produced Water Consortium
12. **SJR 75 (Perry, King)**
  - Const. am. creating Texas Water Fund to finance water projects administered by TWDB (fund will be used to transfer money to other funds or accounts administered by TWDB)
13. **SB 1080**
  - Gives LPGCD express authority to develop mitigation reimbursement program to address excessive drawdown that results in nonproductive wells or not achieving DFC



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## Tracked Bills that Didn't Pass

1. HB 2735 (King) Security bond for lawsuit/permit contest
2. HB 3990 (Kacal) Study of surface water/groundwater interaction
3. HB 4444 (King) Waste beneficial use
4. HB 4532 (Kacal) Modeling Sustained Groundwater Pumping
5. HB 4891 (Rogers) Relating to achievement of DFCs
6. HB 5052 (Gerdes) Consider exempt wells in permitting
7. HB 5122 (Lopez) restrict use of water from an exempt well for irrigation of turf grass or ornamental landscape
8. HB 5302 (Kacal) petition of GCD before TCEQ
9. SB 156 (Perry) atty fees, DFC, petition GCD, notice to well owners
10. SB 2291 (Zaffirini) Fund for plugging abandoned/deteriorated wells



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# Questions?



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# SIGN IN SHEET

June 13, 2023

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail	Would you like to receive LSGCD updates & information?
NO	Melissa Kapsen	Katy, TX 77493	mkapsen@mdswater.com	Yes
Yes	Shannon & Tracy Marsh	New Waverly 77358	Marshwaterman@aol.com	Yes
Yes	Simon Szwarc	Magnolia, TX 77348	simon@guestvision.com	Yes