

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

November 12, 2019

## 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 November 12, 2019.

### CALL TO ORDER:

President Melder 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  
Webb Melder  
Jonathan Prykryl  
Larry A. Rogers  
Jim Spigener  
Stuart Traylor

All members of the Board were present, with the exception of Director(s) Hardman, 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:

President Melder called on Director Spigener for the opening prayer and Director Prykryl 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. Drilling Specialties Company, A Division of Chevron Phillips Chemical**

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.

**2. Mexico Cantera**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 15,000 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.

**3. Woodlands Nursery Tree Farm LLC**

Applicant is requesting an amendment to an Operating Permit for drilling authorization only. No additional production authorization is being requested at this time. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**4. Spring Creek Feed Center**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 110,000 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. Conroe Storage Group, LLC**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 45,000 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.

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

Applicant is requesting an amendment to an Alternative Water Source Permit for an increase in production authorization in the amount of 5,000,000 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.

**7. HMW Special Utility District (Mink Branch)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 6,000,000 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. HMW Special Utility District (Pleasant Forest)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 8,000,000 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. Stanley J. Sauers**

Applicant is requesting registration of an existing well and production authorization in the amount of 175,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to authorize **conditional** approval for that which is requested contingent on installation of a meter and payment of back 9 2, 5water use fees.

**10. Shameem Aslam (Express Grocery Store)**

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

**11. Aqua Pure (Peach Creek Plantation)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 4,000,000 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. KDL Ventures, LLC**

Applicant is requesting registration and construction of two new wells and production authorization in the amount of 60,000 gallons for 2019 and 80,000 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.

**13. Clean Energy Texas LNG**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 5,200,000 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. P & S Properties, LLC**

Applicant is requesting registration and construction of a new well and production authorization in the amount of 65,000 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 highlighted Item #9 as this was a conditional approval upon installation of water meter and payment of back water fees. Also, items #2, #5, and #10 requested increase of production for 2019 only. Following Ms. Reiter's report, Director Spigener motioned to approve items #1-14, as recommended by the General Manager. Director Traylor seconded. Motion approved.

President Melder adjourned the public hearing on permit applications at 6:03 PM.

**PASSED, APPROVED, AND ADOPTED THIS 10<sup>th</sup> DAY OF DECEMBER 2019.**

  
Stuart Traylor, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

November 12, 2019

## 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 November 12, 2019.

### CALL TO ORDER:

President Melder presided and called to order the regular Board of Directors meeting at 6:00 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  
Webb Melder  
Jonathan Prykryl  
Larry A. Rogers  
Jim Spigener  
Stuart Traylor

All members of the Board were present, with the exception of Director(s) Hardman, 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 President Melder, the Board of Directors recessed into a Closed Executive Session at 6:03 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 Melder declared it open to the public at 6:40 PM.

**APPROVAL OF THE MINUTES:**

President Melder 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 Rogers, the Board approved the meeting minutes as presented.

- a) October 8, 2019, Public Hearing on Permit Applications
- b) October 8, 2019, Regular Board of Directors Meeting

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

Ms. Samantha Reiter reported that for the month of October 2019, income was \$75,501 and expenses were \$94,682 resulting in a net loss of \$19,161. Year-to-date net income is \$496,200. Total cash was \$783,725.

**DISCUSS, CONSIDER AND TAKE ACTION AS NECESSARY AUTHORIZING THE GENERAL MANAGER TO SECURE AND FINALIZE A \$500,000 LINE OF CREDIT WITH FIRST FINANCIAL BANK ON BEHALF OF LSGCD, CONTINGENT ON FINAL TERMS:**

General Manager, Ms. Samantha Reiter, discussed the need for a credit line since the previous had lapsed and not been renewed. It was first reserved in 2015 at the time of the litigation. No action was taken but it will be revisited at December's Board of Directors Meeting.

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

Ms. Reiter did not have a report from the consultants but stated they planned to meet the following week.

**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 updated that the GMA 14 meeting had been rescheduled for November 13th at 1:00 pm at the Harris-Galveston Subsidence office. The District had submitted a proposal for the groundwater availability model scenario to be considered by the GMA 14. Lone Star's technical consultant will be on hand to make the presentation at the GMA 14 November meeting.

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

Ms. Stacey Reese summarized that the technical consultants had completed their technical analysis. The expectation is to resume the study groups at the beginning of December. The results of the workshop will likely be presented at the December Board meeting.

**DISCUSS, CONSIDER AND TAKE ACTION AS NECESSARY AUTHORIZING THE GENERAL MANAGER AND GENERAL COUNSEL TO MAINTAIN THE DISTRICT'S UIC WASTE INJECTION WELL MONITORING PROGRAM FOR GROUNDWATER QUALITY PROTECTION INCLUDING WITHOUT LIMITATION INVESTIGATING AND/OR PROTESTING ANY APPLICATION WHOSE PROPOSED INJECTION MAY AFFECT THE QUALITY OF GROUNDWATER IN MONTGOMERY COUNTY:**

Ms. Reiter reported that the District received notice that Denbury Onshore had filed an application for a new saltwater injection well on October 23. As a matter of protocol, the District filed a protest on the injection well application. Ms. Reese explained that there is a service that tracks and notifies the District on TCEQ and Railroad Commission applications that could affect groundwater quality. Once notified, the District must quickly file a protest within 15 days. Further the District works with a group that evaluates the application for any potential harm to Montgomery County groundwater. Director Bouché motioned that the District continue with its UIC waste injection well monitoring program. Director Spigener seconded. Motion carried.

**GENERAL MANAGER'S REPORT:**

Ms. Reiter reported that the 2020 permit renewals had been mailed and this year Declaration of Intent forms were offered to allow permittees within GRPs to select their allocation; due to the Final Judgment issued in May. The Permitting staff had worked tirelessly to complete this large task.

She met with Larry Sparks and Jim Murley concerning the K & K Construction Company's gravel pit and the pumpage of water from that site. Mr. Thornhill had previously produced a report that a similar complaint had come to the Board's attention last year. Ms. Reiter did not think the situation had improved and desired to follow up with Mr. Thornhill to see if his report needed to be updated or amended.

The next subject was the collection of ongoing delinquent water fees. The District is currently working with those permit holders to collect.

Lastly, an interlocal agreement with USGS needs to be reviewed and considered. The particulars of a renewal agreement will be presented at the December meeting.

**GENERAL COUNSEL'S REPORT:**

Ms. Reese updated the Board on two items. The first is LSGCD's request to the Texas Water Development Board for a mediator regarding the Management Plan appeal. Currently, a mediator has not been selected.

The second item was the Texas Senate Interim Charges from the Lt. Governor which are available online. Ms. Reese will keep the Board updated if any pertain to groundwater.

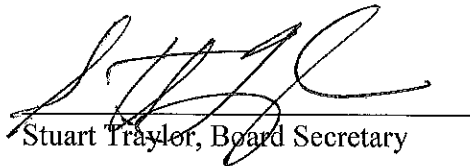
**NEW BUSINESS:**

None was received.

**ADJOURN:**

There being no further business, upon a motion made by Director Bouché and seconded by Director Spigener, the meeting was adjourned at 7:33 PM.

**PASSED, APPROVED, AND ADOPTED THIS 10<sup>th</sup> DAY OF DECEMBER 2019.**

  
Stuart Traylor, Board Secretary





# SIGN IN SHEET

November 12, 2019  
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	Kevin Eickelburg	Stembridge, TX	-	-
N	Doug Miller	Pinehurst TX 77362	dguash@gmail.com	Y
No	Jonathan Smith	Porter sud	JSmith@PorterSud.com	I
N	TINA FELIKAI	CONROE TX	ON FILE	
N	Mark Smith	Conroe	-	N
No	Scott Cusner	THE WOODLANDS	ON FILE	NO