

LONE STAR GROUNDWATER CONSERVATION DISTRICT

December 10, 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 December 10, 2019.

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

All members of the Board were present, with the exception of Director(s) Melder, 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. Floyd Woodson Jr.

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 320,000 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.

2. Rebel Contractors, Inc.

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 40,000 gallons for 2019 and 300,000 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. Borski's Tavern

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 175,000 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.

4. Butera RV Park II

Applicant is requesting registration and construction of a new well and production authorization in the amount of 5,000,000 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.

5. City of Shenandoah

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 38,129,531 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. Tranquility Ranch Sand & Gravel

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,500,000 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.

Ms. Reiter reported that there were six applications for this month. Also, items #3, and #6 requested increase of production for 2019 only. Following Ms. Reiter's report, Director Rogers motioned to approve items #1-6, as recommended by the General Manager. Director Spigener seconded. Motion approved.

Vice President Hardman adjourned the public hearing on permit applications at 6:04 PM.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF JANUARY 2020.



Stuart Traylor, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

December 10, 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 December 10, 2019.

CALL TO ORDER:

Vice President Hardman presided and called to order the regular Board of Directors meeting at 6:04 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) Melder, 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 6:04 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 7:15 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) November 12, 2019, Public Hearing on Permit Applications
- b) November 12, 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 November 2019, income was \$1,210,850 and expenses were \$118,783 resulting in a net income of \$1,092,067. Year-to-date net income is \$1,593,375. Total cash was \$1,064,217.

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, stated that she had not been able to schedule a meeting with the banking institution and would like to postpone the discussion until next month. No action was taken but it will be revisited at January's Board of Directors Meeting.

DISCUSS, CONSIDER AND TAKE ACTION AS NECESSARY REGARDING THE COMPLETION OF SECOND DRIVEWAY TO BE COST-SHARED WITH CITY OF CONROE:

Ms. Reiter explained that the city street engineer approached the District and asked that it be considered to finish a second driveway and sharing the costs with the District. The businesses surrounding LSGCD all have two driveways. Ms. Reiter received an estimate of \$6,700 to build the culvert and the safety end treatment for the second driveway. Timing of a decision is an issue, as the street project is scheduled to be finished mid-January. After further discussion, Vice President Hardman announced the tabling of this item until next month's meeting.

DISSUSS, CONSIDER AND TAKE ACTION AS NECESSARY CONCERNING APPROVAL OF JOINT-FUNDING AGREEMENT WITH USGS FOR THE PERIOD OF 01.01.20 THROUGH 12.31.20:

Director Rogers referred to the previous joint-funding agreement review as compared to the new agreement and found it amenable. Director Speigner motioned to approve the joint-funding agreement with USGS. Director Traylor seconded. Motion passed.

DISCUSS, CONSIDER AND TAKE ACTION AS NECESSARY ON YEAR-END PROFESSIONAL SERVICES REVIEW:

General Manager, Samantha Reiter, named the current four professional service contractors. Director Spigener motioned to terminate the Harden Hydrology contract. Director Bouché seconded. Motion passed.

Director Spigener requested that Ms. Reiter initiate the search to replace Harden Hydrology. Director Spigener motioned to authorize the General Manager and the District Counsel to take whatever actions necessary to properly complete the termination of the Harden Hydrology contract. Director Traylor seconded. Motion passed.

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

Ms. Reiter received a report from Mr. Thornhill but due to unforeseen circumstances; Phase 1 of the study will not meet its deadline. This is due to additional efforts to prepare for the Management Plan Hearing, detailed reviews necessary for the GMA 14 meeting and other GMA 14 matters, the complexities of the rule-making process and personal matters. Phase I of the study will not meet its deadline. A new completion deadline for Phase I is anticipated for the end of January.

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

Ms. Stacey Reese reported that the work on the draft rules is continuing and when the District decides to contract with a new hydrology consultant, they would quickly be brought up to speed.

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 met on November 13th where representatives voted to deny the request to expedite the schedule for the third round of DFCs. The representatives also voted to decide which groundwater availability model scenarios would be run by the GMA 14 consultants. Mr. Thornhill presented the District's request

of the DFC based on common reservoir; which is a new process for GMA 14. GMA 14 allowed the presentation which generated much discussion. A motion was made to authorize GMA 14 consultants to use the model run proposed by the Southeast Texas GCD. Afterward, this study could be used as the basis for Lone Star GCD's process with the common reservoir. Further, the GMA 14 allowed Mr. Thornhill to work with the GMA 14 representative, Wade Oliver, to make amendments and redistribute pumping within the model. A second motion was made to approve the proposed run by Brazoria County; making all three of the proposed runs approved.

The next GMA 14 meeting is planned for January 29th where partial results of the model runs will be presented.

GENERAL MANAGER'S REPORT:

Ms. Reiter reported that the District has received partial payment from permit holders and will continue to collect delinquent water use fees. The District is continuing to work with permit holders in hopes of receiving full payment.

On another matter, Ms. Reiter announced receipt of President Melder's resignation letter; resigning as a Board of Director and President of the LSCGD's Board. The letter stated Director Melder was not in a position to hold over and his resignation would be effective as of December 10, 2019.

GENERAL COUNSEL'S REPORT:

Ms. Reese announced that the District had selected a mediator to work with the District and the Texas Water Development Board regarding the Management Plan appeal. Currently no specific date had been set for this mediation; but likely to occur this January.

During the November Board of Directors meeting, the Denbury application protest was discussed. No activity the application protest has occurred; so no further information as to timing, etc is available at this time.

Ms. Reese apprised the Board concerning Mr. Melder's resignation, stating there is now a vacancy until the Board appoints a replacement. That position is up for election in November of 2020.

NEW BUSINESS:

The election of new officers was suggested by District Counsel.

ADJOURN:

There being no further business, upon a motion made by Director Bouché and seconded by Director Spigener, the meeting was adjourned at 8:45 PM.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF JANUARY 2020.



Stuart Traylor, Board Secretary



SIGN IN SHEET

December 10, 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 | TINA FELKAI | CONROE TX | ON FILE | |
| IF needed Renewed Or Permit | Kenny Eric Kolberg | Shenandoah, TX | .. | - |
| N | Scott Custer | The Woodlands, TX | - | N |
| N | Bob Bagley | Conroe, TX | ON File | |
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www.lonestargcd.org

Speaker Request Form

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

Date of Meeting: 12/10/2019

Name: Kenny Eickelberg

Address: 2955 N J45

City: Shenandoah State: TX Zip: 7738

Email: KEICKELBERG@SHENANDOAH.TX.US

IF SPEAKING FOR AN ORGANIZATION:

Name of Organization City of Shenandoah

Speaker's Official Capacity Engineering Manager

Agenda Item No.: 10

- FOR (If applicable)
- AGAINST (If applicable)

Registering Position, NOT Testifying _____

To speak on an item not listed on the agenda, please indicate area of interest: Representing Owner Requesting Permit modification

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

Thank you for your cooperation.