



# BOARD MEETING

JUNE 13, 2023

LSGCD



**NOTICE OF HEARINGS AND MEETINGS  
OF THE BOARD OF DIRECTORS OF THE  
LONE STAR GROUNDWATER CONSERVATION DISTRICT**

*To be held on Tuesday, June 13, 2023  
Lone Star GCD – James B. "Jim" Wesley Board Room  
655 Conroe Park North Drive  
Conroe, Texas 77303*

**NOTICE OF PUBLIC HEARING ON  
PERMIT AND PERMIT AMENDMENT APPLICATIONS**

**TUESDAY, JUNE 13, 2023, AT 6:00 P.M.**

*Held In Person with the option for Public Comment  
Remotely by Publicly Accessible Videoconference  
(The videoconference opens at 5:45 P.M.)*

1. Call to Order and Declare Hearing Open to the Public
2. Roll Call
3. Prayer and Pledges of Allegiance
4. Any Public Comments or Requests to Contest and General Manager Permit Hearing Report and Recommendation on Granting, Denying, or Amending Applications for the following Operating Permits and/or Meter Exemptions:
  - i. Quadvest, LP. (Mill Creek), for a proposed amendment to OP-19071801A-CHEV, for a proposed Evangeline aquifer well to be drilled at 27660 N. Creek Dr., Magnolia, hydrogeological report submitted with application, increase of 85 mg for the Evangeline annually, Public Supply (PWS) and Irrigation use, spacing exception for District Rule 3.2 and 3.3 requested, (Driller of record: Johnston Water Well);
  - ii. NextEra Water Texas, LLC (Yesterdays Crossing), for a proposed amendment to OP-06042501-JSPR, increase of 3 mg for the Jasper annually, FM 2854 - Keenan Rd. Approx 20000 Blk Key Map 153G, Montgomery, (Lat. 30/21/35 Long. 95/40/29), Public Supply (PWS) use;
  - iii. Montgomery County MUD #164, for a proposed amendment to OP-19012902B-CHEV, increase of 60 mg in the Evangeline annually, Approx 730 ft west of the Intersection of Leafy Lane and FM 3083, Conroe, (Lat. 30/14/24 Long. 95/18/53), Public Supply (PWS) and Irrigation use;
  - iv. Wood Trace MUD No. 1, for a proposed amendment to OP-07020801E-JSPR, increase of 75.0008 mg for the Jasper annually, 207 ½ Coe Rd, Pinehurst, Public Supply (PWS) and Irrigation use;
  - v. Jorge and Lorena Macias, for a proposed operating permit for existing Evangeline aquifer well not to exceed 0.3 mg in the Evangeline annually, 10746 Deer Hill Dr., Montgomery, Public Supply use;
  - vi. Utilities Investment Company, Inc. (Cielo Subdivision), for a proposed Evangeline aquifer well to be drilled at 10495 Airport Rd., Conroe, not to exceed 27 mg in the Evangeline annually, Public Supply (PWS) and Commercial use, (Driller of record: Johnston Water Well);
  - vii. Montgomery County MUD #89 (Also MUD 88), for a proposed amendment to OP03-0043-CHEV, increase of 72 mg for the Evangeline annually, 29722 ½ Legends Ridge Dr. #1, Spring, Public



- viii. Supply (PWS) use and Commercial; Montgomery County MUD #112, for a proposed amendment to OP-06080402L-JSPR, increase of 39.5 mg the Jasper annually, 110 Autumn Forest, Conroe, Public Supply (PWS) and Irrigation use;
- ix. New Horizons, for a proposed amendment to OP-04042701B-CHEV, increase of 0.375 mg for the Chicot annually, 18642 Hwy 59 S., New Caney, Commercial and Irrigation use;
- x. Peaceful Pines RV Park (BJZ Interest), for a proposed amendment to OP-18102201A-CHEV, Chicot aquifer well to be drilled at 16981 Old Houston Rd., Conroe, change in water use type from commercial to public water supply (PWS), and increase of 0.2 mg for the Chicot annually, Public Supply (PWS) use, (Ballard Water Well);
- xi. Alberto Diez Rojo, for a proposed Jasper aquifer well to be drilled at 191 South Pine Dr., Montgomery, not to exceed 1.5 mg in the Jasper annually, Commercial and Irrigation use, (Driller of Record: Eastex Well Service);
- xii. East Montgomery County MUD 12, for a proposed amendment to OP-19060701-CHEV, increase of 70 mg annually, 1162 feet East and 1427 feet North of the intersection of Kropik Rd and SH 242, New Caney, Public Supply (PWS) use;
- xiii. Far Hills Utility District (AWS Production Well), for a proposed amendment to AWS-15120101-CAT, increase of 41 mg annually, 10320 Cude Cemetary Road, Willis, Public Supply (PWS) use;
- xiv. Geovanny Auz, for a proposed Evangeline aquifer well to be drilled 1106 FM 1485, City of Cut & Shoot, not to exceed 2 mg annually, Commercial use (Driller of record: Zavala Drilling);
- xv. Audubon Magnolia Development, LLC (MUD #1), for a proposed amendment to OP-23050101-CHEV, to convert test hole to supply well at 0.61 miles South-Southeast of intersection of SH 249 and FM 1488, Magnolia, and to increase allocation to 50 mg annually, Public Supply (PWS) use;
- xvi. Johnston Water Utility, LLC, for a proposed amendment to OP-05062001-CHEV, increase of 37 mg annually, 38048 Windy Ridge Trail, Magnolia, Public Supply (PWS) use, and
- xvii. FM 1485 C-Store, for a proposed Chicot aquifer well to be drilled at 282 Ed English Dr., Ste A, Shenandoah, not to exceed 1 mg annually, Commercial use (Driller of record: To be Determined).

5. Discussion, consideration, and possible action on the following Operating Permits and/or Meter Exemptions:

- i. Quadvest, LP. (Mill Creek), for a proposed amendment to OP-19071801A-CHEV, for a proposed Evangeline aquifer well to be drilled at 27660 N. Creek Dr., Magnolia, hydrogeological report submitted with application, increase of 85 mg for the Evangeline annually, Public Supply (PWS) and Irrigation use, spacing exception for District Rule 3.2 and 3.3 requested, (Driller of record: Johnston Water Well);
- ii. NextEra Water Texas, LLC (Yesterdays Crossing), for a proposed amendment to OP-06042501-JSPR, increase of 3 mg for the Jasper annually, FM 2854 - Keenan Rd. Approx 20000 Blk Key Map 153G, Montgomery, (Lat. 30/21/35 Long. 95/40/29), Public Supply (PWS) use;
- iii. Montgomery County MUD #164, for a proposed amendment to OP-19012902B-CHEV, increase of 60 mg in the Evangeline annually, Approx 730 ft west of the Intersection of Leafy Lane and FM 3083, Conroe, (Lat. 30/14/24 Long. 95/18/53), Public Supply (PWS) and Irrigation use;
- iv. Wood Trace MUD No. 1, for a proposed amendment to OP-07020801E-JSPR, increase of 75.0008 mg for the Jasper annually, 207 ½ Coe Rd, Pinehurst, Public Supply (PWS) and Irrigation use;
- v. Jorge and Lorena Macias, for a proposed operating permit for existing Evangeline aquifer well not to exceed 0.3 mg in the Evangeline annually, 10746 Deer Hill Dr., Montgomery, Public Supply use;
- vi. Utilities Investment Company, Inc. (Cielo Subdivision), for a proposed Evangeline aquifer well to be drilled at 10495 Airport Rd., Conroe, not to exceed 27 mg in the Evangeline annually, Public Supply (PWS) and Commercial use, (Driller of record: Johnston Water Well);
- vii. Montgomery County MUD #89 (Also MUD 88), for a proposed amendment to OP03-0043-CHEV, increase of 72 mg for the Evangeline annually, 29722 ½ Legends Ridge Dr. #1, Spring, Public Supply (PWS) use and Commercial;
- viii. Montgomery County MUD #112, for a proposed amendment to OP-06080402L-JSPR, increase of 39.5 mg the Jasper annually, 110 Autumn Forest, Conroe, Public Supply (PWS) and Irrigation use;



- ix. New Horizons, for a proposed amendment to OP-04042701B-CHEV, increase of 0.75 mg for the Chicot annually, 18642 Hwy 59 S., New Caney, Commercial and Irrigation use;
- x. Peaceful Pines RV Park (BJZ Interest), for a proposed amendment to OP-18102201A-CHEV, Chicot aquifer well to be drilled at 16981 Old Houston Rd., Conroe, change in water use type from commercial to public water supply (PWS), and increase of 0.2 mg for the Chicot annually, Public Supply (PWS) use, (Ballard Water Well);
- xi. Alberto Diez Rojo, for a proposed Jasper aquifer well to be drilled at 191 South Pine Dr., Montgomery, not to exceed 1.5 mg in the Jasper annually, Commercial and Irrigation use, (Driller of Record: Eastex Well Service);
- xii. East Montgomery County MUD 12, for a proposed amendment to OP-19060701-CHEV, increase of 70 mg annually, 1162 feet East and 1427 feet North of the intersection of Kropik Rd and SH 242, New Caney, Public Supply (PWS) use;
- xiii. Far Hills Utility District (AWS Production Well), for a proposed amendment to AWS-15120101-CAT, increase of 41 mg annually, 10320 Cude Cemetary Road, Willis, Public Supply (PWS) use;
- xiv. Geovanny Auz, for a proposed Evangeline aquifer well to be drilled 1106 FM 1485, City of Cut & Shoot, not to exceed 2 mg annually, Commercial use (Driller of record: Zavala Drilling);
- xv. Audubon Magnolia Development, LLC (MUD #1), for a proposed amendment to OP-23050101-CHEV, to convert test hole to supply well at 0.61 miles South-Southeast of intersection of SH 249 and FM 1488, Magnolia, and to increase allocation to 50 mg annually, Public Supply (PWS) use;
- xvi. Johnston Water Utility, LLC, for a proposed amendment to OP-05062001-CHEV, increase of 37 mg annually, 38048 Windy Ridge Trail, Magnolia, Public Supply (PWS) use, and
- xvii. FM 1485 C-Store, for a proposed Chicot aquifer well to be drilled at 282 Ed English Dr., Ste A, Shenandoah, not to exceed 1 mg annually, Commercial use (Driller of record: To be Determined).

6. Adjourn or continue permit hearing in whole or in part.

The above agenda schedules for the meetings and hearings of the District represent an estimate of the order for the indicated items and are subject to change at any time.

*These public hearings and meetings are available to all persons regardless of disability. If you require special assistance to attend the meeting or hearing, please contact the Lone Star GCD at 936/494-3436 at least 24 hours in advance of the meeting.*

At any time during one the above meetings or hearings and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the Lone Star Groundwater Conservation District Board may meet in executive session on any of the above agenda items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gift (§551.073); personnel matters (§551.074); deliberation regarding security devices (§551.076); and deliberation regarding cybersecurity (§551.089). Any subject discussed in executive session may be subject to action during an open meeting.

### **Certification**

I, the undersigned authority, do hereby certify that on June 9, 2023, at or before 5:00 p.m., I posted and filed the above notices of meeting(s) and hearing(s) with the Montgomery County Clerk's office and also posted a copy in the front window of the Lone Star GCD office in a place convenient and readily accessible to the general public all times and that it will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with the Texas Government Code, Chapter 551.



/s/ Samantha Stried Reiter

---

Samantha Stried Reiter, General Manager  
Lone Star Groundwater Conservation District



## ***NOTICE OF REGULAR MEETING OF THE BOARD OF DIRECTORS***

**TUESDAY, JUNE 13, 2023, AT 6:00 P.M.**

(TO BEGIN UPON ADJOURNMENT OF THE ABOVE LISTED PUBLIC HEARINGS)

***Held In Person with the option for Public Comment  
Remotely by Publicly Accessible Videoconference  
(The videoconference opens at 5:45 P.M.)***

The Board of Directors may discuss, consider, and take action, including expenditure of funds, on any item or subject matter posted in this agenda.

1. Call to Order and Declare Regular Meeting Open to the Public
2. Roll Call
3. Public Comment on any agenda item or any other matter (Public comment is limited to a maximum of 3 minutes per speaker); *See Comment Card for Other Guidelines and Procedures.*
4. Executive Session - The Board will recess for a closed Executive Session pursuant to Texas Government Code, section § 551. 074 (personnel matters) and section §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 hearings posted for today.

No action will be taken in Executive Session.

5. Re-convene in Open Session.
6. Discuss, consider, and take action as necessary concerning approval of Meeting Minutes:
  - 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 Meeting
7. Committee Reports:
  - A. Budget & Finance Committee – Jonathan Prykryl, Chair
    - 1) Brief the Board on the Committee's activities since the last regular Board meeting.
    - 2) Review of unaudited financials for the month of May 2023 – Samantha Stried Reiter



- 3) Discussion, consideration and possible action regarding Resolution #23-004 Reviewing and Approving Investment Policy and Investment Strategies – Samantha Stried Reiter
- 4) Discussion, consideration and possible action regarding approval of landscape enhancements – Samantha Stried Reiter
- B. External Affairs Committee – Jim Spigener, Chair
  - 1) Brief the Board on the Committee’s activities since the last regular Board meeting
  - 2) Discussion, consideration, and possible action on any items related to communications and/or legislative matters pertaining to Lone Star GCD
  - 3) Discussion, consideration and possible action regarding District consultant contracts.
- C. DFC & Technical Committee – Stuart Traylor, Chair
  - 1) Brief the Board on the Committee’s activities since the last regular Board meeting
- D. Rules, Bylaws & Policies Committee – Jim Spigener, Chair
  - 1) Brief the Board on the Committee’s activities since the last regular Board meeting
  - 2) Discussion and possible action regarding written public comments on District rules
8. Receive information from District’s technical consultants regarding subsidence studies and/or discussion regarding the same – Samantha Stried Reiter and/or District’s technical consultant(s).
9. Groundwater Management Area 14 – update the board on the issues related to joint planning activities and development of desired future conditions in GMA 14 – Samantha Reiter and/or District’s technical consultant(s).
  - a) Discussion, consideration, and possible action on any items related to Lone Star GCD’s proposal(s) to and/or participation in GMA 14.
  - b) Discussion, consideration, and possible action to designate a district representative(s) for joint planning in management area.
10. General Manager’s Report – The General Manager will brief the Board on pertinent operational and management issues that the District, its employees, or consultants have encountered since the last regular Board meeting. – Samantha Stried Reiter
11. Discuss, consider and take action as necessary related to the resignation of the General Manager.
12. General Counsel’s Report – The District's legal counsel will brief the Board on any pertinent legal issues and developments impacting the District since the last regular Board meeting, and legal counsel's activities on behalf of the District, including without limitation: waste injection well monitoring activities and injection well applications filed at the Railroad Commission of Texas or the Texas Commission on Environmental Quality, including



District protests or other actions regarding same; District Rules enforcement activities; District Rules and regulations, permitting and District Management Plan development or implementation issues; groundwater-related legislative activities; joint planning and desired future conditions development activities; contemplated and/or pending litigation involving the District; developments in groundwater case law and submission of legal briefs; legislation or legislative activities; contractual issues related to the District; open government, open records requests, policy, personnel, election matters and financial issues of the District; and other legal activities on behalf of the District. – Stacey V. Reese.

13. New Business.

14. Adjourn.

The above agenda schedules for the meetings and hearings of the District represent an estimate of the order for the indicated items and are subject to change at any time.

*These public hearings and meetings are available to all persons regardless of disability. If you require special assistance to attend the meeting or hearing, please contact the Lone Star GCD at 936/494-3436 at least 24 hours in advance of the meeting.*

At any time during one the above meetings or hearings and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon’s Texas Codes, Annotated, the Lone Star Groundwater Conservation District Board may meet in executive session on any of the above agenda items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gift (§551.073); personnel matters (§551.074); deliberation regarding security devices (§551.076); and deliberation regarding cybersecurity (§551.089). Any subject discussed in executive session may be subject to action during an open meeting.

### **Certification**

I, the undersigned authority, do hereby certify that on June 8, 2023, at or before 5:00 p.m., I posted and filed the above notices of meeting(s) and hearing(s) with the Montgomery County Clerk’s office and also posted a copy in the front window of the Lone Star GCD office in a place convenient and readily accessible to the general public all times and that it will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with the Texas Government Code, Chapter 551

/s/ Samantha Stried Reiter

---

Samantha Stried Reiter, General Manager  
Lone Star Groundwater Conservation District



# NextEra Water Texas, LLC (Yesterdays Crossing)

Attn: Christina Akly  
6710 Spring Stubner Rd, Ste 709 PMB 1051  
Spring, TX 77389

Permit No. OP-06042501A

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	3.000
<b>GM Recommendation (MG):</b>	3.000
<b>Water use:</b>	Public Supply (PWS)
<b>Location:</b>	FM 2854 - Keenan Rd. Approx 20000 Blk Key Map 153G, Montgomery (Lat. 30/21/35 Long. 95/40/29)
<b>Well Registration:</b>	N/A
<b>Depth (ft):</b>	N/A
<b>Diameter (in):</b>	N/A

## Information

1. **Amend** permit - add well to aggregate system. Permit Term: commencing June 13, 2023, in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests to increase allocation by 3,000,000 gallons for the Jasper.
5. Applicant currently has an OP in the amount of 8,000,000 gallons for the Jasper. Amount available pending approval of this application equals 11,000,000 gallons for the Jasper.
6. Applicant's reported pumpage for 2021 equals 10,351,000 gallons.
7. **District Staff Technical Review and Recommendation:** Applicant currently holds OP-06042501 with an allocation of 8,000,000 gallons for the Jasper. Applicant uses the water from these allocations to provide water service to residential, irrigation, and commercial connections. Applicant is requesting an additional 3,000,000 gallons for the Jasper annually. If approved the allocation will be 11,000,000 gallons for the Jasper annually. Applicant provides public supply water to 33 residential connections, one irrigation connection and 6 commercial connections. District staff have reviewed the information supplied and recommend to the General Manager that she recommend the Board approve the requested increase of 3000,000 gallons for the Jasper annually.
8. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.

# Montgomery County MUD #164

Attn: ABHR - Robert Seale  
3200 Southwest Frwy, Ste. 2600  
Houston, TX 77027

Permit No. OP-19012902C

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	60.000
<b>GM Recommendation (MG):</b>	60.000
<b>Water use:</b>	Public Supply (PWS) & Irrigation
<b>Location:</b>	Approximately 730 ft. west of the intersection of Leafy Lane and FM 3083, Conroe (Lat. 30/14/24 Long. 95/18/53)
<b>Well Registration:</b>	N/A
<b>Depth (ft):</b>	N/A
<b>Diameter (in):</b>	N/A

## Information

1. **Amend** permit - increase allocation. Permit Terms: commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests to increase allocation by 60,000,000 gallons in the Evangeline.
5. Applicant currently has an OP in the amount of 40,000,000 gallons in the Evangeline. Amount available pending approval of this application equals 100,000,000 gallons in the Evangeline.
6. Applicant's reported pumpage for 2022 equals 54,870,000 gallons.
7. **District Staff Technical Review and Recommendation:** Applicant currently holds OP-19012902B-CHEV with an allocation of 40,000,00 gallons for the Evangeline annually. Applicant uses the water for public water supply, builder connections, commercial and irrigation connections. Applicant is requesting an increase in the permit allocation of 60,000,000 gallons for the Evangeline annually. If approved the revised allocation will be 100,000,000 gallons for the Evangeline annually. Applicant has an estimated 556 single family buildout connections, community irrigation and 10 commercial connections. Applicant also states that they have a total of 1,392 residential buildout connections. Applicant is requesting an increase due to growth. District staff have reviewed the information submitted by applicant. Staff recommends to the General Manager that she recommend the Board approve the requested allocation increase of 60,000,000 gallons for the Evangeline annually.
8. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.

# Wood Trace MUD No. 1

Attn: David B. Rowe  
P O Box 579  
Spring, TX 77383

Permit No. OP-07020801F

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	75.0008
<b>GM Recommendation (MG):</b>	75.0008
<b>Water use:</b>	Public Supply (PWS) & Irrigation
<b>Location:</b>	207 1/2 Coe Road, Pinehurst
<b>Well Registration:</b>	N/A
<b>Depth (ft):</b>	N/A
<b>Diameter (in):</b>	N/A

## Information

1. **Amend** permit - increase allocation. Permit Terms: commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests to increase allocation by 75,000,800 gallons for the Jasper.
5. Applicant currently has an OP in the amount of 114,407,200 gallons for the Jasper. Amount available pending approval of this application equals 189,408,000 gallons for the Jasper.
6. Applicant's reported pumpage for 2022 equals 175,733,000 gallons.
7. **District Staff Technical Review and Recommendation:** Applicant currently holds OP-0702801E-JSPR with an allocation of 114,407,200 gallons for the Jasper annually. Applicant uses the water for public water supply, and non-residential connections. Applicant is requesting an increase in the permit allocation of 75,000,800 gallons for the Jasper annually. If approved the revised allocation will be 189,408,000 gallons for the Jasper annually. Applicant has an estimated 2848 single family dwellings, irrigation of 100 acres landscaping and grass and irrigation to a 4-acre pond. Applicant also states that they have a total buildout of 1019 residential connections. District staff have reviewed the information submitted by applicant and staff recommends to the General Manager that she recommend the Board approve the requested allocation increase of 75,000,800 gallons for the Jasper annually.
8. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.

# Jorge and Lorena Macias

Attn: Jorge Macias  
4098 Highland Pass  
Montgomery, TX 77316

Permit No. OP-23033001

## Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	0.300
<b>GM Recommendation (MG):</b>	0.300
<b>Water use:</b>	Public Supply
<b>Location:</b>	10746 Deer Hill Dr, Montgomery
<b>Well Registration:</b>	2021010503
<b>Depth (ft):</b>	160.0
<b>Diameter (in):</b>	4.0

## Information

1. **Existing Well** - Issue a permit commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant provides water for two single family residences.
5. This is an existing well not permitted with the District. Well began beneficially using water in 2023.
6. Applicant requests 300,000 gallons for 2023 and annually thereafter.
7. **District Staff Technical Review and Recommendation:** Applicant is requesting registration of an existing Evangeline well previously exempt to serve two single-family residences. Applicant is further requesting the issuance of OP-23033001-CHEV with an allocation of 300,000 gallons for the Evangeline annually. Applicants well was previously registered as exempt and serving one single family dwelling. Applicant states they have added an additional residential connection. Staff recommends to the General Manager that she recommend the Board approve the registration of the well and the requested allocation of 300,000 gallons for the Evangeline annually.
8. Meter has already been properly installed.
9. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.



Lone Star Groundwater Conservation District  
655 Conroe Park North Drive, Conroe, TX 77303

Jorge & Lorena Macias OP-23033001  
10746 Deer Hill Dr., Montgomery

Hello, LSGCD Internal!  
Home | Log off | Help



# Utilities Investment Company, Inc. (Cielo Subdivision)

Attn: Shannon Marsh  
P O Box 279  
New Waverly, TX 77358

Permit No. OP-23032901

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	27.000
<b>GM Recommendation (MG):</b>	27.000
<b>Water use:</b>	Public Supply (PWS) & Commercial
<b>Location:</b>	10495 Airport Rd., Conroe
<b>Well Registration:</b>	2023032901
<b>Depth (ft):</b>	580.0
<b>Diameter (in):</b>	8.0

## Information

1. Issue a permit commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant provides water for the Cielo Subdivision.
5. Applicant requests 27,000,000 gallons for 2023 and annually thereafter.
6. District Staff Technical Review and Recommendation: Applicant is requesting registration of and authorization to begin construction on one new well to be drilled in the Evangeline aquifer, which will serve a newly developing area. Applicant is further requesting the issuance of OP-23032901-CHEV with an allocation of 27,000,000 gallons in the Evangeline for 2023 annually. Applicant will use allocation during the pump test, step test, construction of water lines, utilities, developing residential connections, commercial, and irrigation connections. Applicant is estimating buildout construction of 858 homes, 1 school and irrigation connection of 3 acres. Staff recommends to the General Manager that she recommend the Board approve the registration and construction of the proposed well, and further approve the requested allocation of 27,000,000 gallons in the Evangeline for 2023 annually.
7. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.



Lone Star Groundwater Conservation District  
655 Conroe Park North Drive, Conroe, TX 77303

Utilities Investment Company, Inc. (Cielo Subdivision) OP-23032901  
10463 Airport Rd, Conroe

Hello, LSGCD Internal!  
[Home](#) | [Log off](#) | [Help](#)



# Montgomery County MUD #89 (Also MUD 88)

c/o Municipal Operations/ J. Montgomery  
20141 Schiel Rd  
Cypress, TX 77433

Permit No. OP03-0043H

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	72.000
<b>GM Recommendation (MG):</b>	72.000
<b>Water use:</b>	Public Supply (PWS) & Commercial
<b>Location:</b>	29722 ½ Legends Ridge Dr. #1, Spring
<b>Well Registration:</b>	N/A
<b>Depth (ft):</b>	N/A
<b>Diameter (in):</b>	N/A

## Information

1. **Amend** permit - increase allocation. Permit Terms: commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests to increase allocation by 72,000,000 gallons for the Evangeline.
5. Applicant currently has an OP in the amount of 445,000,000 gallons for the Evangeline. Amount available pending approval of this application equals 517,000,000 gallons for the Evangeline.
6. Applicant's reported pumpage for 2022 equals 521,533,000 gallons.
7. **District Staff Technical Review and Recommendation:** Applicant currently holds OP03-0043G-CHEV with an allocation of 445,000,000 gallons for the Evangeline. Applicant uses the water from these allocations to provide water service to residential, irrigation, builder, and commercial connections. Applicant is requesting an additional 72,000,000 gallons for the Evangeline annually. If approved the allocation will be 517,000,000 gallons for the Evangeline annually. Applicant provides public supply water to 1573 Montgomery County MUD 89 connections, 1056 Montgomery County MUD 88 connections and approximately 1239 Spring Creek UD connections. Applicant also supplies water to 129 irrigation, 60 commercial connections. Applicant states the MUD #89 residential connections are at buildout, MUD 88 expecting 87 additional residential connections and Spring Creek expecting 610 additional residential connections. District staff have reviewed the information supplied and recommend to the General Manager that she recommend the Board approve the requested increase of 72,000,000 gallons for the Evangeline annually.
8. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.



# Montgomery County MUD #112

Attn: John T Montgomery  
20141 Schiel Rd  
Cypress, TX 77433

Permit No. OP-06080402M

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	39.500
<b>GM Recommendation (MG):</b>	39.500
<b>Water use:</b>	Public Supply (PWS) & Irrigation
<b>Location:</b>	110 Autumn Forest, Conroe
<b>Well Registration:</b>	N/A
<b>Depth (ft):</b>	N/A
<b>Diameter (in):</b>	N/A

## Information

1. **Amend** permit - increase allocation. Permit Terms: commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests to increase allocation by 39,500,000 gallons for the Jasper.
5. Applicant currently has an OP in the amount of 202,302,000 gallons in the Jasper. Amount available pending approval of this application equals 241,802,000 gallons for the Jasper.
6. Applicant's reported pumpage for 2022 equals 224,163,000 gallons.
7. **District Staff Technical Review and Recommendation:** Applicant currently holds OP-06090402I-JSPR with an allocation of 202,302,000 gallons for the Jasper. Applicant uses the water from these allocations to provide water service to residential, irrigation, builder, and commercial connections. Applicant is requesting an additional 39,500,000 gallons for the Jasper annually. If approved the allocation will be 241,802,000 gallons for the Jasper annually. Applicant provides public supply water to 1387 single family, 366 multi-family, 4 commercial, and 38 HOA/common area irrigation connections. District staff have reviewed the information supplied and recommend to the General Manager that she recommend the Board approve the requested increase of 39,500,000 gallons for the Jasper annually.
8. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.

# New Horizons

Attn: Darbie Lindsey  
P. O. Box 711  
New Caney, TX 77357

Permit No. OP-04042701C

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	0.375
<b>GM Recommendation (MG):</b>	0.375
<b>Water use:</b>	Commercial & Irrigation
<b>Location:</b>	18642 Hwy 59 S., New Caney
<b>Well Registration:</b>	N/A
<b>Depth (ft):</b>	N/A
<b>Diameter (in):</b>	N/A

## Information

1. **Amend** permit - increase allocation. Permit Terms: commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests to increase allocation by 375,000 gallons in the Chicot.
5. Applicant currently has an OP in the amount of 375,000 gallons in the Chicot. Amount available pending approval of this application equals 750,000 gallons in the Chicot.
6. Applicant's reported pumpage for 2022 equals 368,283 gallons.
7. **District Staff Technical Review and Recommendation:** Applicant currently holds OP-04042701B-CHEV with an allocation of 375,000 gallons for the Chicot annually. Applicant is requesting an increase of 375,000 gallons for the Chicot annually. If approved the revised allocation will be 750,000 gallons for the Chicot annually. Applicant uses the water to provide for the needs of six employees, 50 members, and 75 customers six days a week. Applicant states there is dishwashing occurring daily, clothes washing occurring twice weekly, and washing of donated items for their resale shop. Applicant irrigates 28 garden plots of approximately 100 sq. ft. of potted plants each, 13 x 24 greenhouse, and two 20,000 sq. ft. areas of trees and grass. Staff recommends to the General Manager that she recommend the Board approve the requested increase of 375,000 gallons for the Chicot annually.
8. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.

# Peaceful Pines RV Park (BJZ Interest)

Attn: Jerry Calhoon  
11002 North Country Club Green  
Tomball, TX 77375

Permit No. OP-18102201B

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	0.200
<b>GM Recommendation (MG):</b>	0.200
<b>Water use:</b>	Public Supply (PWS)
<b>Location:</b>	16981 Old Houston Rd., Conroe
<b>Well Registration:</b>	2023011102
<b>Depth (ft):</b>	180.0
<b>Diameter (in):</b>	5.0

## Information

1. **Amend** permit - add well to aggregate system, increase allocation and change water use type. Permit Term: commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests to increase allocation by 200,000 gallons in the Chicot.
5. Applicant currently has an OP in the amount of 400,000 gallons in the Chicot. Amount available pending approval of this application equals 600,000 gallons in the Chicot.
6. Applicant's reported pumpage for 2022 equals 175,360 gallons.
7. **District Staff Technical Review and Recommendation:** Applicant is requesting registration and authorization to drill one new well in the Chicot aquifer. Applicant currently holds OP-1802201A-CHEV with an allocation of 400,000 gallons for the Chicot. Water from this well to supply water for additional RV connections. Applicant is requesting the construction of a new Chicot well to sever 15 existing and 35 new RV connections. Permittee is also requesting a Change in Water Use Type from commercial to public supply (PWS) use. District staff has reviewed the information supplied by the applicant and recommend to the General Manager that she recommends the Board approve that which has been requested.
8. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.



# Alberto Diez Rojo

27730 Geneva Hills  
Spring, TX 77386

Permit No. OP-23041001

## Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	1.500
<b>GM Recommendation (MG):</b>	1.500
<b>Water use:</b>	Commercial
<b>Location:</b>	191 South Pine Dr., Montgomery
<b>Well Registration:</b>	2023041001
<b>Depth (ft):</b>	300.0
<b>Diameter (in):</b>	4.0

## Information

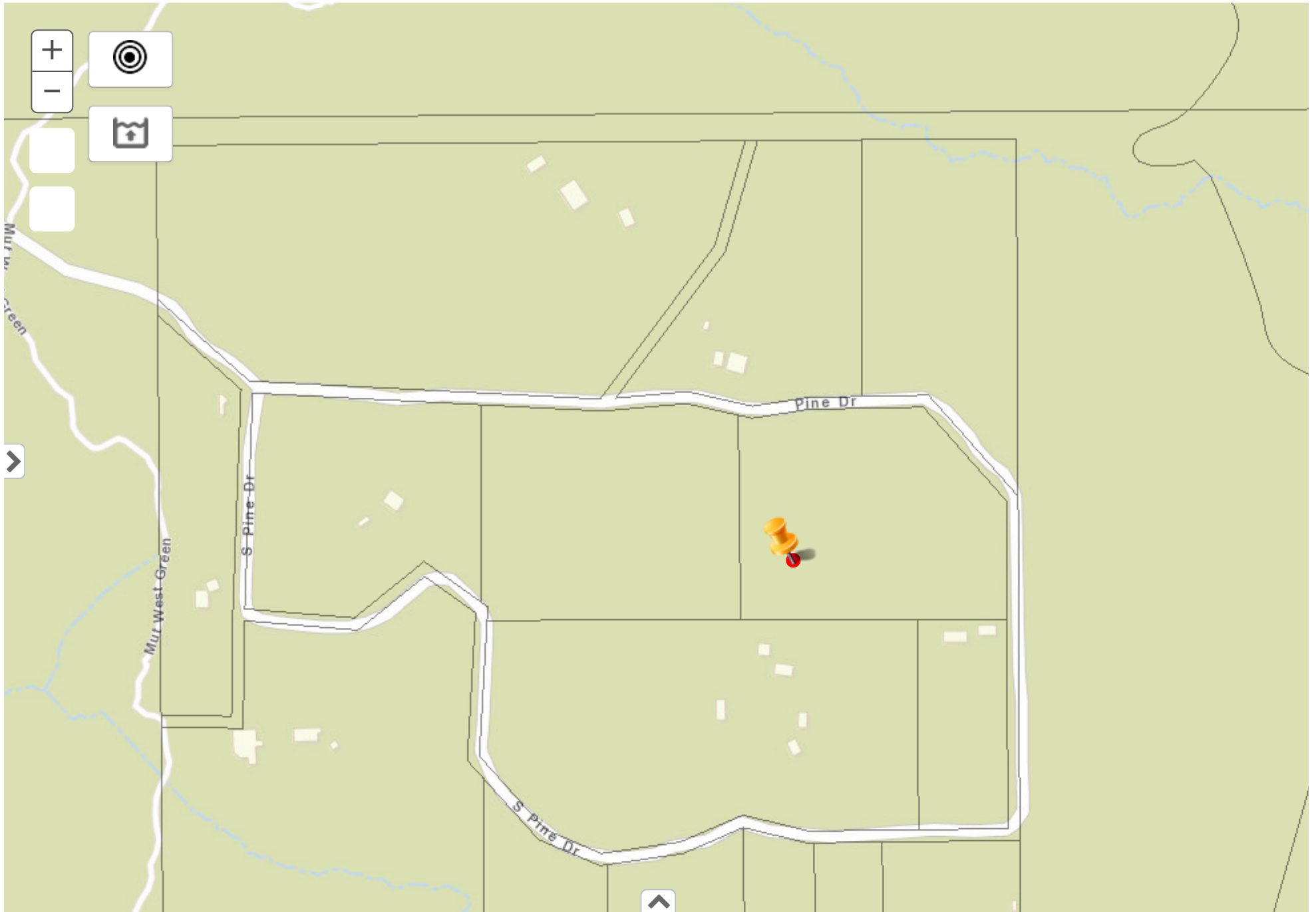
1. Issue a permit commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant provides water for long term rental cabins.
5. Applicant requests 1,500,000 gallons for 2023 and annually thereafter.
6. **District Staff Technical Review and Recommendation:** Applicant is requesting registration of and authorization to begin construction on one new well in the Jasper aquifer, which will serve rental cabins. Applicant is further requesting the issuance of OP-23041001-JSPR with an allocation of 1,500,000 gallons in the Jasper for 2023 annually. Applicant will use allocation for 5 long term rental cabins, self-serve laundry, irrigation connections. Applicant also states that they will add an additional 5 cabins in the next 5 years. Staff recommends to the General Manager that she recommend the Board approve the registration and construction of the proposed wells, and further approve the requested allocation of 1,500,000 gallons in the Jasper for 2023 annually.
7. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.



Lone Star Groundwater Conservation District  
655 Conroe Park North Drive, Conroe, TX 77303

Rojo, Alberto Diez OP-23041001  
191 South Pine Dr., Montgomery

Hello, LSGCD Internal!  
Home | Log off | Help



# East Montgomery County MUD 12

Attn: Melissa Kapsen  
406 W Grand Parkway S, Ste. 260  
Katy, TX 77494

Permit No. OP-19060701C

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	70.000
<b>GM Recommendation (MG):</b>	70.000
<b>Water use:</b>	Public Supply (PWS)
<b>Location:</b>	1162 feet East and 1427 feet North of the intersection of Kropick Rd and SH 242
<b>Well Registration:</b>	2019082304
<b>Depth (ft):</b>	430.0
<b>Diameter (in):</b>	10.0

## Information

1. **Amend permit** - increase allocation. Permit Terms: commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests to increase allocation by 70,000,000 gallons.
5. Applicant currently has an OP in the amount of 30,000,000 gallons. Amount available pending approval of this application equals 100,000,000 gallons.
6. Applicant's reported pumpage for 2022 equals 80,151,000 gallons.
7. **District Staff Technical Review and Recommendation:** Applicant currently holds OP-19060701B with an allocation of 30,000,000 gallons and two wells. Water from these wells provides water for the East Montgomery County MUD 12. Applicant is currently serving 1,070 connections, with 3,210 people. Applicant reported the usage for 2022 as 80,151,000 gallons. Applicant is requesting an additional allocation of 70,000,000 gallons for 2023 and beyond due to an increase in the connections and new developments in the water system on a monthly basis. District staff have reviewed the information provided by the applicant. Staff recommends to the General Manager that she recommend the Board approve the additional allocation as requested.
8. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.

# Far Hills Utility District (AWS Production Well)

Attn: Josh Maas  
P.O. Box 9  
Spring, TX 77383

Permit No. AWS-15120101B

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	41.000
<b>GM Recommendation (MG):</b>	41.000
<b>Water use:</b>	Public Supply (PWS)
<b>Location:</b>	10320 Cude Cemetary Road, Willis
<b>Well Registration:</b>	2015120101
<b>Depth (ft):</b>	N/A
<b>Diameter (in):</b>	N/A

## Information

1. **Amend permit** - increase allocation. Permit Terms: commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests to increase allocation by 41,000,000 gallons.
5. Applicant currently has an existing permit in the amount of 69,000,000 gallons. Amount available pending approval of this application equals 110,000,000 gallons.
6. Applicant's reported pumpage for 2022 equals 70,886,000 gallons.
7. **District Staff Technical Review and Recommendation:** Applicant currently holds AWS-15120101A with an allocation of 69,000,000 gallons and 1 well utilizing the Catahoula Aquifer, with a recorded usage of 16,446,000 gallons through April 30, 2023 . Applicant also holds HUP076A and OP-10072001D for a total of 8,724,000 gallons, with a recorded usage of 69,000 gallons through April 30, 2023. Total combined usage is 25,170,000 gallons through April 30, 2023. Water from this Catahoula well provides water to 777 single family connections. Applicant is requesting an additional 41,000,000 gallons for 2023 and annually thereafter to convert additional customers to the well utilizing the Catahoula Aquifer. District staff have reviewed the information provided by the applicant. Staff recommends to the General Manager that she recommend the Board approve the additional allocation for 2023 and annually thereafter as requested.
8. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.



# Geovanny Auz

1106 FM 1485  
Cut and Shoot, TX 77306

Permit No. OP-23041801

## Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	2.000
<b>GM Recommendation (MG):</b>	2.000
<b>Water use:</b>	Commercial
<b>Location:</b>	1106 FM 1485, City of Cut & Shoot
<b>Well Registration:</b>	2023041801
<b>Depth (ft):</b>	300.0
<b>Diameter (in):</b>	4.0

## Information

1. Issue a permit commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests 2,000,000 gallons for 2023 and annually thereafter.
5. Applicant will provide water for a concrete batch plant.
6. **District Staff Technical Review and Recommendation:** Applicant is requesting authorization to begin construction of a new well which will serve a concrete batch plant in the Evangeline aquifer. Applicant is further requesting the issuance of OP-23041801 with an allocation of 2,000,000 gallons for 2023 and beyond. Applicant states the allocation will be used for sanitary needs of 25 employees, washing of trucks and equipment, a fire tank and dust control. District staff recommends to the General Manager that she recommend the Board approve the registration and construction of the proposed well, and the allocation of 2,000,000 gallons for 2023 and beyond as requested.
7. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.

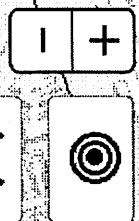
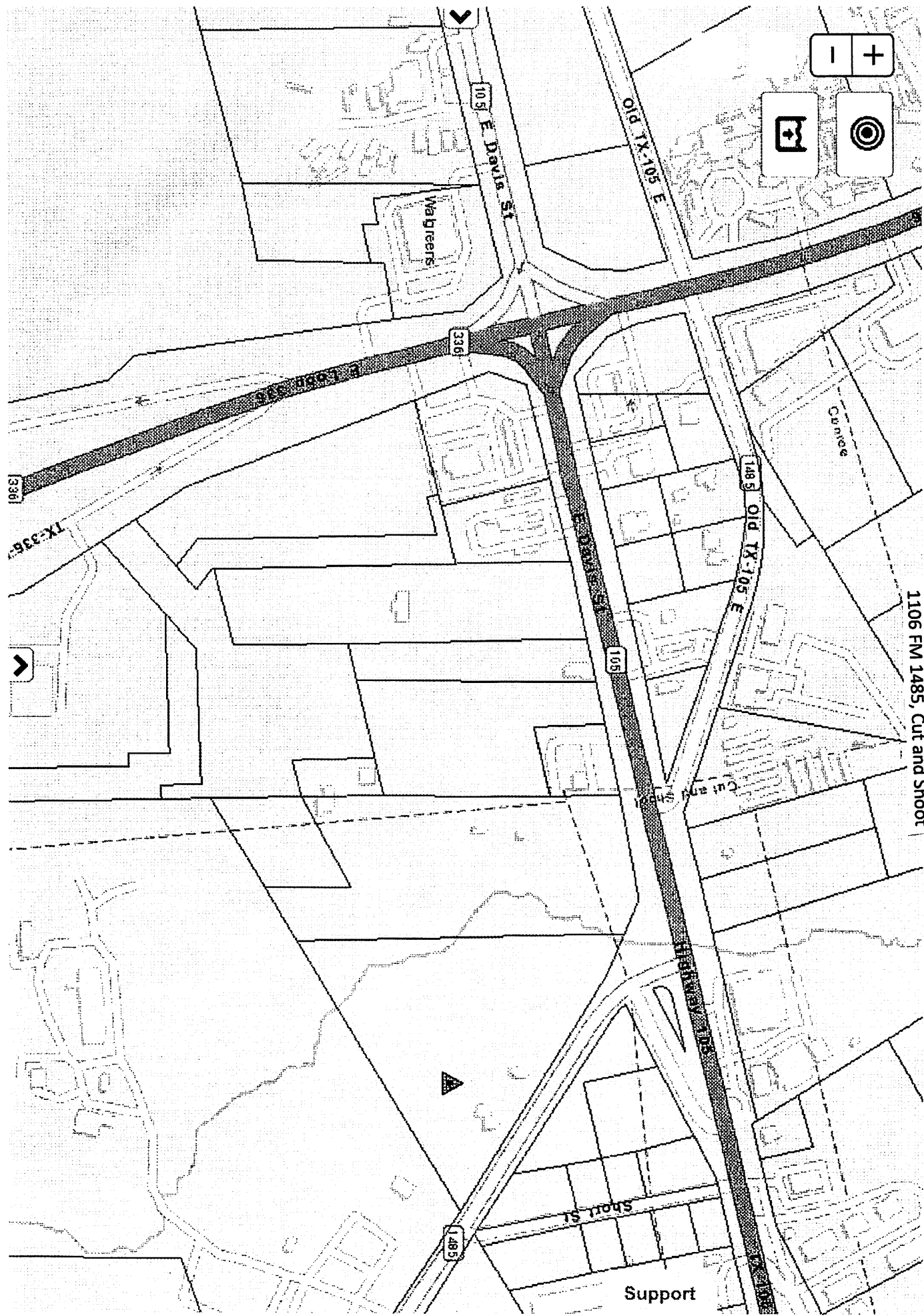


Lone Star Groundwater Conservation District  
655 Conroe Park North Drive, Conroe, TX 77303

Lonestar GCD

Geovanny Auz  
OP-23041801  
Well Reg 2023041801  
1106 FM 1485, Cut and Shoot

Hello, LSGCD Internal!  
Home | Log off | Help



# Audubon Magnolia Development, LLC (MUD #1)

Attn: Ryan Wade  
1801 Smith St., Suite 300  
Houston, TX 770028084

Permit No. OP-23050101A

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	50.000
<b>GM Recommendation (MG):</b>	50.000
<b>Water use:</b>	Public Supply (PWS)
<b>Location:</b>	0.61 miles South-Southeast of intersection of SH 249 and FM 1488, Magnolia
<b>Well Registration:</b>	2023050103
<b>Depth (ft):</b>	426.0
<b>Diameter (in):</b>	10.0

## Information

1. **Amend permit** - to establish allocation and to convert previously permitted test hole to production well. Permit Terms: commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant is requesting 50,000,000 gallons for 2023 and annually thereafter..
5. Applicant will provide water for the Audubon Magnolia Development, LLC subdivision.
6. Applicant currently has an OP in the amount of 0 gallons. Amount available pending approval of this application equals 50,000,000 gallons.
7. **District Staff Technical Review and Recommendation:** Applicant currently holds OP-23050101 for a test well with 0 gallons. Permittee is requesting the well be converted into a supply well for a public water system for The Audubon Magnolia Development. The water from this well will provide water for 500 single family connections. Applicant is also requesting 50,000,000 gallons from the Chicot aquifer annually. Staff recommends to the General Manager that she recommend the Board approve the conversion of the test well to the supply well and the 50,000,000 gallons annual allocation as requested.
8. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.

# Johnston Water Utility, LLC

Attn: Kerry K. Johnston  
P.O. Box 279  
New Waverly, TX 77358

Permit No. OP-05062001J

## Amend Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	37.000
<b>GM Recommendation (MG):</b>	37.000
<b>Water use:</b>	Public Supply (PWS)
<b>Location:</b>	38048 Windy Ridge Trail, Magnolia
<b>Well Registration:</b>	2014031403
<b>Depth (ft):</b>	390.0
<b>Diameter (in):</b>	16.0

## Information

1. **Amend permit** - increase allocation. Permit Terms: commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests to increase allocation by 37,000,000 gallons.
5. Applicant currently has an HUP in the amount of 25,834,000 gallons and an OP in the amount of 139,166,000 gallons. Amount available pending approval of this application equals 202,000,000 gallons.
6. Applicant's reported pumpage for 2022 equals 200,797,719 gallons.
7. **District Staff Technical Review and Recommendation:** Applicant currently holds HUP104 and OP-05062001J with a combined allocation of 165,000,000 gallons and six wells. Water from these wells provides water for the High Meadow Ranch subdivision. Applicant is currently serving 784 connections, with 2,352 people. Applicant reported the usage for 2022 as 200,797,719 gallons. Applicant is requesting an additional allocation of 37,000,000 gallons for 2023 and beyond due to an increase in customer usage and proven demand for the water system. District staff have reviewed the information provided by the applicant. Staff recommends to the General Manager that she recommend the Board approve the additional allocation as requested.
8. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.

# FM 1485 C-Store

Attn: MJ Jawad, SEMKO, LLC  
282 Ed English Dr., Ste A  
Shenandoah, TX 77385

Permit No. OP-23052501

## Operating Permit

<b>Date of Hearing:</b>	6/13/2023
<b>Request (MG):</b>	1.000
<b>GM Recommendation (MG):</b>	1.000
<b>Water use:</b>	Commercial
<b>Location:</b>	282 Ed English Dr., Ste A, Shenandoah
<b>Well Registration:</b>	2023052501
<b>Depth (ft):</b>	210.0
<b>Diameter (in):</b>	5.0

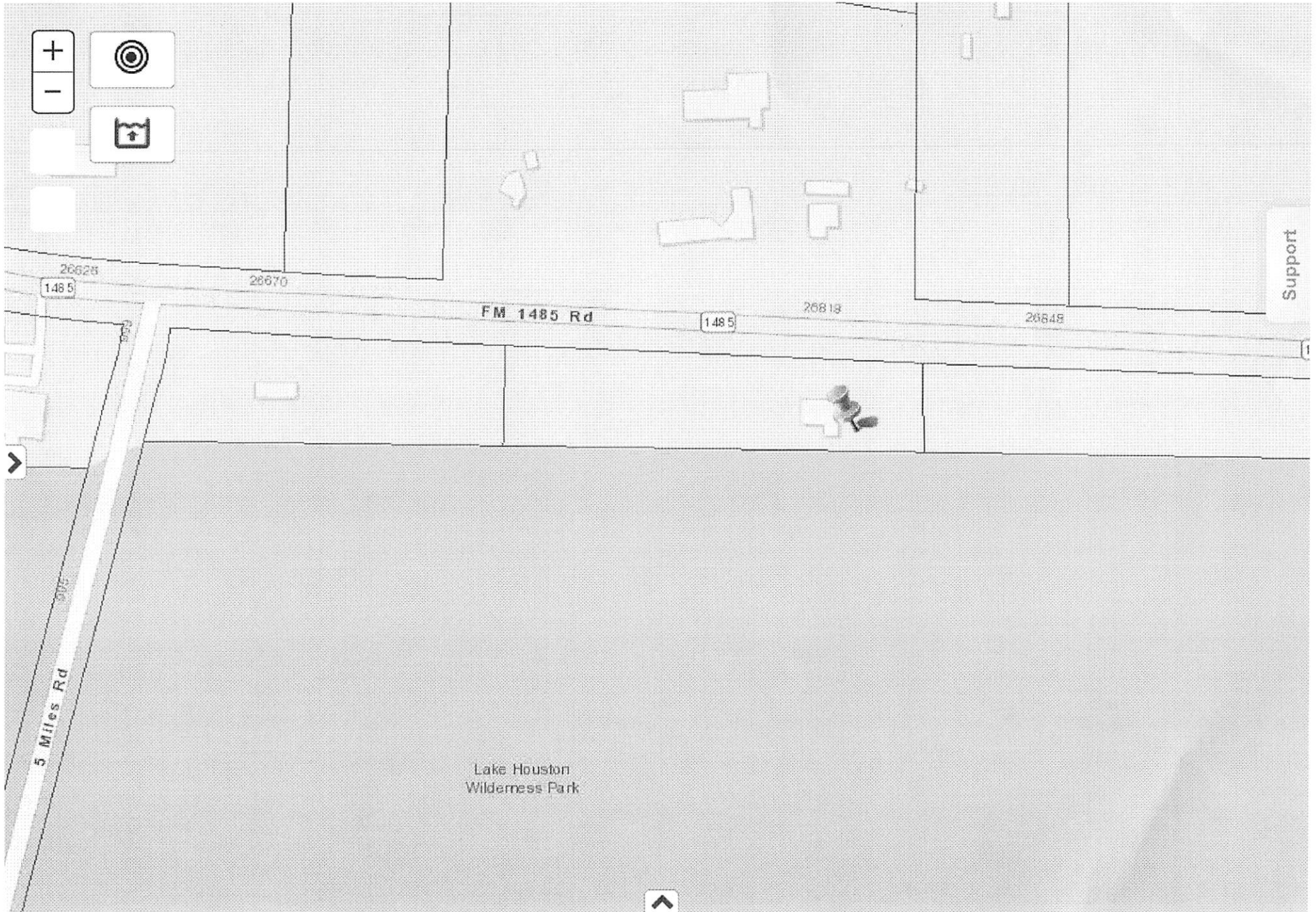
## Information

1. Issue a permit commencing June 13, 2023 in perpetuity (unless amended or revoked).
2. No written opposition was received regarding the proposed permit.
3. The permit application is administratively complete.
4. Applicant requests 1,000,000 gallons for 2023 and annually thereafter.
5. Applicant will provide water for a convenience store.
6. **District Staff Technical Review and Recommendation:** Applicant is requesting authorization to begin construction of a new well which will serve a convenient store in the Chicot aquifer. Applicant is further requesting the issuance of OP-23052501 with an allocation of 1,000,000 gallons for 2023 and beyond. Applicant states the allocation will be used for a convenience store including required TCEQ testing, 4 employees and a minimum of 100 customers a day for 7 days a week and 52 weeks a year. Applicant also states there will be a 10,000 gallon fire tank on the premises. District staff recommends to the General Manager that she recommend the Board approve the registration and construction of the proposed well, and the allocation of 1,000,000 gallons for 2023 and beyond as requested.
7. Based on technical review, staff recommends to the General Manager that she recommend approval of that which is being requested.



Lone Star Groundwater Conservation District  
655 Conroe Park North Drive, Conroe, TX 77303

Hello, LSGCD Internal!  
[Home](#) | [Log off](#) | [Help](#)



# LONE STAR GROUNDWATER CONSERVATION DISTRICT

May 9, 2023

## MINUTES OF PUBLIC HEARING ON THE PROPOSED RE-ADOPTION OF GROUNDWATER MANAGEMENT PLAN

The Board of Directors of the Lone Star Groundwater Conservation District (“District”) met in regular session, open to the public, but held via a publicly accessible webinar/telephone conference call, within the boundaries of the District on May 9, 2023.

### CALL TO ORDER:

President Spigener presided and called to order the Special 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  
Kenneth Earnest  
Jonathan Prykryl  
Garry Dent  
Jim Spigener  
Stuart Traylor  
Janice Thigpen

All members of the Board were present, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Samantha Stried 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 Spigener called on Vice President Traylor for the opening prayer and Director Earnest to lead the Pledge of Allegiance and the Pledge of Allegiance to the state flag.

**PRESENTATION AND DISCUSSION OF RE-ADOPTION OF PROPOSED MANAGEMENT PLAN:**

Ms. Reese, legal council for the District, stated that James Beach, the district's technical consultant would be talking about the changes to the plan. The District received one public comment on the management plan. More insight into the comment will follow. James Beach gave a presentation identifying the mediation terms and the management plan objectives. *A copy of the presentation is attached hereto as Exhibit "B".*

**PUBLIC COMMENT:**

Ms. Reese again stated that one set of comments was received on the Management Plan. Those comments requested that information about phase 3 and phase 4 of the subsidence study be included in the management plan. Ms. Reese recommended the District not incorporate these at this time. The District has not actually collected and implanted the geophysical data that it wants to collect in phase three, nor has it been decided where additional PAM sites or extensometers would be located. Therefore, it is premature, at this point, to include that information in the plan, however a complete review of the entire plan will occur in 2025.

**DISCUSSION, CONSIDERATION, AND POSSIBLE ACTION APPROVING RESOLUTION #23-002 RE-ADOPTING DISTRICT GROUNDWATER MANAGEMENT PLAN:**

Ms. Reese cited that the Management Plan Hearing had been properly publicized and the hearing notice had been posted with the Montgomery County Clerk's office.

Mr. Beach stated a change was made to the DFC and the MAG and the water use information through the year 2020 was updated per the Water Development Board.

After further discussion, President Spigener made a motion to adopt Resolution #23-002 approving submission of the District Groundwater Management Plan with recommended changes to the Texas Water Development Board review. The motion was seconded by Director Prykryl and motion carried. *A copy of Resolution #23-002 is attached hereto as Exhibit "C".*

**ADJOURN:**

There being no further business, the meeting was adjourned at 6:14 PM.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY OF JUNE 2023.**

---

Janice Thigpen, Board Secretary





# SIGN IN SHEET

May 9, 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	Kim Wright	Conroe, Tx, 77306	Kim@smcmud.com	yes
No	Jonathan Smith	Porter, TX	Jsmith@PorterTX.com	
Yes	Chris Oliver	Meyers, TX 77352	Coliver@quadwest.com	yes

**RESOLUTION NO. #23-002**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE LONE STAR  
GROUNDWATER CONSERVATION DISTRICT APPROVING  
SUBMISSION OF THE DISTRICT GROUNDWATER MANAGEMENT PLAN  
FOR TEXAS WATER DEVELOPMENT BOARD REVIEW**

**THE STATE OF TEXAS**

§

**LONE STAR GOUNDWATER CONSERVATION DISTRICT**

§

§

**WHEREAS**, the Lone Star Groundwater Conservation District ("District") was created by the Texas Legislature through the enactment of House Bill 2362, Chapter 1321, Acts of the 77th Legislature, Regular Session, 2001 (together with subsequent legislative amendments, the "Act"), pursuant to the authority of Article XVI, § 59 of the Texas Constitution, as a groundwater conservation district operating under Chapter 36, Texas Water Code, Section 59, Article XVI of the Texas Constitution, and the Act;

**WHEREAS**, the creation of the District was confirmed by the voters of Montgomery County on November 6, 2001, and as required by Chapter 356 of Title 31 of the Texas Administrative Code as in effect at the time, the District's original management plan was adopted and submitted to the Texas Water Development Board within two years of the confirmation election and subsequently amended and re-adopted in 2008 and again on November 12, 2013;

**WHEREAS**, Texas Water Code §36.3011(a)(5) requires the District to update its management plan before the second anniversary of the adoption of the desired future conditions by the management area;

**WHEREAS**, the district representatives of Groundwater Management Area 14 adopted desired future conditions on January 5, 2022;

**WHEREAS**, under the direction of the District's Board of Directors, the District's staff, legal counsel, and geoscientists reviewed, analyzed, and revised the District's management plan in accordance with the statutory requirements provided by Sections 36.1071 and 36.3011(a)(5) of the Texas Water Code and the administrative requirements provided by Chapter 356 of Title 31 of the Texas Administrative Code, and updated the plan to incorporate the newly adopted DFC and MAG and additional water use information;

**WHEREAS**, on April 11, 2023, the District's Board of Directors approved the form of an updated management plan for publication and hearing ("Management Plan");

**WHEREAS**, the District issued notices in the manner required by state law and held a public hearing on the proposed Management Plan on May 9, 2023;

**WHEREAS**, based on any written and public comments received by the District, no substantive changes were made to the proposed Management Plan;

**RESOLUTION NO. #23-002**

**WHEREAS**, the District will coordinate with the appropriate surface water management entities after the public hearing and readoption of its Management Plan to afford surface water management entities within the boundaries of the District the opportunity to review and provide comments to the District on its Management Plan;

**WHEREAS**, the District will forward, after the public hearing and readoption of its Management Plan, a copy of the plan to the other districts in the management area; and

**WHEREAS**, the Board finds that the proposed Management Plan meets all of the requirements of Chapter 36, Texas Water Code, and 31 Texas Administrative Code Chapter 356.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS THAT:**

1. The above recitals are true and correct.
2. The Board hereby adopts the Management Plan as the Management Plan of the District, including any revisions made based on the comments received from the public at the hearing or Board meeting, and based on recommendations from the District Board, staff, legal counsel, geoscientist, or TWDB, and authorizes submittal of the Management Plan to the TWDB for review and approval.
3. The Board, District staff, and the District's legal counsel, engineer, and geoscientist are further authorized to take all steps necessary to implement this resolution and submit the Management Plan to the TWDB for its approval.
4. The Board, District staff, and the District's legal counsel, and geoscientist are further authorized to take any and all action necessary to coordinate with the TWDB as may be required in furtherance of TWDB's approval.
5. This Resolution shall be posted on the District's website and in its office.

**AND IT IS SO ORDERED.**

**PASSED AND ADOPTED FOR SUBMISSION TO THE TEXAS WATER DEVELOPMENT BOARD TO BEGIN ITS REVIEW** by a quorum of the Board of Directors on May 9, 2023.

**LONE STAR GROUNDWATER CONSERVATION DISTRICT**

By: \_\_\_\_\_  
Jim Spigener, President

ATTEST:

\_\_\_\_\_  
Janice Thigpen, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

May 9, 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 May 9, 2023.

### CALL TO ORDER:

President Spigener called to order the Public Hearing on Permit Applications at 6:15 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

Seven 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 15 permit applications before you today. Of those items, eleven (11) include requests for an increase in allocation, two (2) are requested to add a new well and

allocation to an existing permit, two (2) are requests for a change in Water Use Type, and there is one (1) request for a new permit including a new well. I want to bring your attention to items 14 and 15 as those items both required hydrogeological reports as the systems are capable of producing more than 700 GPM. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested

**1. T & W Water Services (Falls of Wildwood) dba Blue Topaz Utilities**

Applicant is requesting an amendment to an Operating Permit OP-07092801-CHEV for an increase in production authorization in the amount of 400,000 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.

**2. T & W Water Services (Millers Crossing) dba Blue Topaz Utilities**

Applicant is requesting an amendment to an Operating Permit OP-07092804-CHEV for an increase in production authorization in the amount of 2,500,000 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.

**3. T & W Water Services (Old Mill Lake) dba Blue Topaz Utilities**

Applicant is requesting an amendment to an Operating Permit OP-07092805-CHEV for an increase in production authorization in the amount of 6,200,000 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.

**4. T & W Water Services (Thousand Oaks) dba Blue Topaz Utilities**

Applicant is requesting an amendment to an Operating Permit OP-07092806-CHEV for an increase in production authorization in the amount of 10,000,000 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.

**5. T & W Water Services (Grand Harbor/Gemstone) dba Blue Topaz Utilities**

Applicant is requesting an amendment to an Operating Permit OP-07092802-JSPR for an increase in production authorization in the amount of 15,000,000 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.

**6. Woodland Oaks Utility Co. Inc**

Applicant is requesting an amendment to an Operating Permit OP02-0004-CHEV for an increase in production authorization in the amount of 35,000,000 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. Kim Hoang Tran**

Applicant is requesting an amendment to an Operating Permit OP-11012402-CHEV for an increase in production authorization in the amount of 450,000 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 #83**

Applicant is requesting an amendment to an Operating Permit OP-04042802-CHEV for an increase in production authorization in the amount of 40,000,000 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.

**9. Old Mill Lake Subdivision**

Applicant is requesting an amendment to an Operating Permit OP-04040101-CHEV for registration of a new Evangeline Aquifer well. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**10. MJ Pathway Properties LLC**

Applicant is requesting an amendment to an Operating Permit OP-19091801-CHEV for an increase in production authorization in the amount of 296,500 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. MHC Lake Conroe West RV, LLC**

Applicant is requesting amendment to an Operating Permit HUP080-JSPR for a change in use type from Public Water Supply to Irrigation. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**12. MHC Lake Conroe West RV, LLC**

Applicant is requesting amendment to an Operating Permit OP-05110402-JSPR for a change in use type from Public Water Supply to Irrigation. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**13. THD LLC**

Applicant is requesting an amendment to an Operating Permit OP-19072402-JSPR for an increase in 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.

**14. TRCH Moore Road (Moore Landing)**

Applicant is requesting registration of a new Chicot/Evangeline Aquifer operating permit and for production authorization in the amount of 10,408,780 gallons for 2023 and annually thereafter. Due to the combined max gpm of the well system, a hydrogeological report was required for the proposed amendment. LSGCD technical consultants have reviewed the submitted hydrogeological report and found it meets the requirements as detailed in District Rules and guidance documents. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**15. Texas Water Utilities, LP (Decker Hills/Park Place/Champions Glen)**

Applicant is requesting an amendment to an Operating Permit OP03-0018-CHEV for registration of a new Evangeline Aquifer well, and an increase in production authorization in the amount of 11,000,000 gallons for 2023 and annually thereafter. Due to the combined max gpm of the well system for OP03-0018-CHEV, a hydrogeological report was required for the proposed amendment. LSGCD technical consultants have reviewed the submitted hydrogeological report and found it meets the requirements as detailed in District Rules and guidance documents. 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 #1-14, as recommended by the General Manager. Director Bouché 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 6:17 pm.

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

---

Janice Thigpen, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

May 9, 2023

## MINUTES OF SHOW CAUSE HEARING ON ENFORCEMENT MATTERS

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 May 9, 2023.

### CALL TO ORDER:

President Spigener called to order the Show Cause Hearings at 6:17 PM.

### ROLL CALL:

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

Jon Paul Bouché  
James Spigener  
Jonathan Prykryl  
Kenneth Earnest  
Janice Thigpen  
Stuart Traylor  
Garry Dent

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".*

Ms. Reiter stated that Angel Texaco, Dioselina Medina, Flor Fuentes and Forest Shadows Pet Resort would be removed from the list as they have come into compliance.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Chuck Cauthorn** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.



Ms. Reiter stated that the respondent had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to remit 2023 water use fees and associated penalty fines. 2022 water use fees are invoiced in early to mid-November of the prior year and due January 1<sup>st</sup> of the current year, while production reports are due annually on or before February 15th. Multiple attempts to contact the permittee have not been successful, that of which included emails, phone calls and notice of violation. The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) failure to remit 2023 annual water use fees and/or fines associated with timely submission;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorney's fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Director Dent seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **CKG Services LLC**, to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondent had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to submit the 2023 annual water use fees and failure to submit the 2022 annual water production report. Multiple attempts to contact the permittee have not been successful, that of which included emails, phone calls and notice of violation. The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) failure to submit the 2023 annual water use fees and failure to submit the 2022 annual water production report;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorney's fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Director Dent motioned to approve District staff to initiate further enforcement actions. Treasurer Prykryl seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Estate of Rita Biespiel** to appear before the Lone Star Groundwater Conservation

District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to submit the Consent Order and failure to submit the 2023 annual water use fees and failure to submit the 2022 annual water production report. The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to submit the 2023 annual water use fees and failure to submit the 2022 annual water production report;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorney's fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Director Earnest seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Falls at Borough Park** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to submit the 2022 annual water production report and/or fines associated with timely submission. The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to submit the 2022 annual water production report and/or fines associated with timely submission;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorneys' fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Director Dent seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Jim Fox** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to submit the Consent Order and/or failure to remit 2023 annual water use fees and/or fines associated with timely submission.

The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to remit 2023 annual water use fees and/or fines associated with timely submission;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorneys' fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Treasurer Prykryl seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Popular Investments** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to remit 2023 annual water use fees and/or fines associated with a timely submission.

The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to remit 2023 annual water use fees and/or fines associated with a timely submission;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorneys' fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and

3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Director Earnest seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Sir Kingwood Villas/Villas of Kingwood** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to remit 2023 annual water use fees and/or fines associated with a timely submission.

The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to remit 2023 annual water use fees and/or fines associated with a timely submission;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorneys' fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Director Dent seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **TDC-DS Company/Valero** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to remit 2023 annual water use fees and/or fines associated with a timely submission.

The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to remit 2023 annual water use fees and/or fines associated with a timely submission;

2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorneys' fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Director Dent motioned to approve District staff to initiate further enforcement actions. Vice President Traylor seconded the motion. The motion passed.

President Spigener adjourned the Show Cause Hearing at 6:29 PM.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY OF JUNE 2023.**

---

Janice Thigpen, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

**May 9, 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 May 9, 2023.

### CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:30 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

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

### PUBLIC COMMENTS:

Chris Oliver, director of operations for Quadvest, had some questions on a permit. Ms. Reese stated the board is not allowed to hear any public comments on pending permit matters with the District because they will be the adjudicated body on that permit. Ms. Reese stated that the appropriate thing to do would be to schedule an appointment with the General Manager to discuss the application. She also stated if Mr. Oliver had other public comments to make not related to a permit he could make them at the time. Mr. Oliver stated that when they are making an application for a well, they are being requested to provide CCN maps, public water system calculations,

irrigation usage and ultimate build out numbers. He noted that they cannot find any of those requirements listed out specifically in the rules and would like someone to clarify that. Mr. Oliver also stated they are having issues with matters relating to exempt wells. The rules state that an exempt well is one that produces less than 25,000 gallons a day. Another question posed by Mr. Oliver was why the Chicot and Evangeline aquifers are grouped together. He added that most of the irrigation wells being drilled are at 200 ft, which is the Chico, and his entity is drilling in Evangeline which is 500 ft plus in depth. Written comments were submitted.

**DISCUSSION, CONSIDERATION AND POSSIBLE ACTION APPROVING RESOLUTION #23-003 SUPPORTING H.B. 1540, AS AMENDED BY REPRESENTATIVE WILL METCALF:**

President Spigener placed this agenda item for discussion and provided a recap. Representative Will Metcalf amended the Sunset Bill with an amendment that asked to remove the General Manager of SJRA from office and make him ineligible to be replaced by himself. That bill made it through the House Committee, was voted on 145 to 2 and is on it's way to the Senate. There is a chance it will make it to the Senate but that no action on it will be taken. This resolution is asking for that bill to be given a chance. It is a local bill specific to Montgomery County. Treasurer Prykryl commented that this was a good move on behalf of Representative Metcalf and this has been a long time coming. He further advocated that the Senate needs to do its part and stay out of local affairs. Ms. Reese stated that this has not yet been assigned but referred to the Senate Water Committee. President Spigener stated that our local contingency are in support.

Upon a motion by President Spigener and seconded by Director Bouché, the Board approved Resolution #23-003 as recommended.

**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) April 11, 2023, Public Hearing on Permit Applications
- b) April 11, 2023, Regular Board of Directors Meeting

**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 April 2023 – Ms. Reiter reported that for the month of April 2023, income was \$260,445.20 and expenses were \$106,539.90 resulting in a net income of \$153,905.30. Year-to-date net income is \$387,032.11. Total Cash on hand is \$5,267,980.84.

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

- 1) Brief the Board on the Committee's activities since the last regular Board meeting – President Spigener stated that the committee continues to actively communicate with the District's legislative consultants on legislative updates.
- 2) Discussion, consideration, and possible action on any items related to communications and/or legislative matters pertaining to Lone Star GCD – President Spigener had nothing to report at this time. Ms. Reese stated that next month they will talk more about where things stand. Last month we discussed the summary report with the key bills we were tracking. Things are moving very quickly.

**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 stated that the committee met last week to revisit the path forward with regard to Phase 3 of the District's Subsidence Study. Following discussion on potential location, cost analysis and timeframe, the committee would like to move forward with a coring and monitoring program prior to the installation of extensometers. Vice President Traylor gave the floor to James Beach who was online to discuss the program in more detail.
- 2) Discussion, consideration and action regarding the Phase 3 Coring and Monitoring Program- James Beach reiterated that this is not a big change in the plan. This is focusing on trying to get very useful information as quickly as possible. The extensometers are for long term monitoring of subsidence and the core samples the District would like to focus on in Phase 3 of the refined plan is so we can send those samples to the lab, get compaction data, and that compaction data can be used to verify subsidence in all the aquifers in Montgomery County. Therefore, we would have Montgomery County based data for each of the aquifers sooner rather than later. He summarized that the recommendation is to not do the extensometers right now but to get data from cores over the next year to year and half and to be able to incorporate that information into the models of modification and improvement for the GULF 2023 model. We are still working with the Water Development Board on that and feel that this data is the quickest way to get there. It is less expensive as far as the overall extensometer cost as well. The focus of this board is to get Montgomery County data and update the model as best as we can. If the data can be collected within the next two to three years it would potentially have an impact on the next round of joint planning and allow the representatives to move forward with an improved GMA 14 model.

Vice President Traylor stated the next step will be to draft letters on the program and send to multiple entities who may be interested or included in our areas of interest. Following the send out of letters for interest, the District will plan to hold a public stakeholder meeting for those interested to discuss more specific details. Once locations are decided, the District will go back out for bids.

It is the committee's recommendation that the Board approve moving forward with Phase 3 Coring and Monitoring Program and the DFC committee members, James, Stacey or Sam are available to answer any questions the Board may have. Ms. Reese showed the board a visual enclosure that would be included in the mail



out that displays a good visualization and is appealing to the eye and also further explains why the collection of the data is important. This enclosure will also be posted on the website. The one pager is intended to be a reminder to those stakeholders who were at the meeting in December about the project. We are reviewing sites that would be good for coring and monitoring. The feeling is that there were some parties at that meeting that were interested, and they may have some good possibilities. We will not be sure until we hear back from stakeholders where the site will be. We are looking at the southern part of the county, but we are open to areas up in Conroe. It would be best to get a site that has a well on it and that has space to move over 300 feet that could save some time and money as well.

Without further discussion, upon a motion by Director Dent and seconded by Director Earnest, the Board approved the recommendation as presented.

**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 stated that the committee met earlier today to discuss pending enforcement matters and has agreed with the General Manager’s plan regarding overpumpage enforcements for 2022. Further, discussion on potential rule revisions were discussed with a plan to meet again in the next 2 – 3 months. President Spigener stated that Ms. Reese will be discussing the recently closed comment periods for the current rules.

Ms. Reese stated that we posted our current rules for public comment to solicit information that the Rules Committee could use to help guide any potential changes that we would be making. A couple of comments were received, and the period has formally closed. There will be a meeting with the Rules Committee in the future to discuss the comments and whether we think any changes are warranted based on them. Once we see what bills ultimately become law and changes that we are required to make we will share that with the Rules Committee. There is also a running list of items that the Rules Committee has been looking at that are a part of ongoing discussions. We are on pace to have draft rules for consideration sometime in the early fall with a hope that we will have a hearing on the rules by the end of the year.

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

- 1) Discussion, consideration, and possible action regarding the authority of the General Manager to solicit funds for the Subsidence Study.

Ms. Reiter stated the District received interest from entities regarding helping to fund the District’s Subsidence Study and this item will allow for District staff to work with the various entities to obtain further funding. Vice President Traylor motioned to approve the action. Treasurer Prykryl seconded the motion. The motion passed.

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

Ms. Reiter stated the GMA 14 will be meeting on May 23<sup>rd</sup> at 10am at the Cleveland Civic Center in Cleveland, TX

Discussion, consideration, and possible action on any items related to Lone Star GCD's proposal(s) to and/or participation in GMA 14 – No action will be taken at this time.

**GENERAL MANAGER'S REPORT:**

Ms. Reiter stated her manager's report is included in the packets. A few items highlighted were the hiring of the District's second Field Operations employee. Wayne Joe will be training with Gary as our Field Operations Coordinator for the next 3-6 months. We are preparing to post a new position for the Policy & Communications Director and Ms. Reiter stated she was close to making an offer for the Education & Conservation Outreach Coordinator. Staff and Ms. Reiter have been working hard to finalize 2022 overproduction violations and have plans to get those Notice of Violations out by the end of the week. Ms. Reiter also noted a few upcoming conferences should the board have an interest in attending.

**GENERAL COUNSEL'S REPORT:**

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

**NEW BUSINESS:**

Nothing to report on currently.

**EXECUTIVE SESSION:**

The Board recessed at 7:10 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.

No action will be taken in Executive Sessions.

**RECONVENE IN OPEN SESSION:**

Following Executive Session, the Board reconvened in Open Session and President Spigener declared it open to the public at 8:32 PM

**ADJOURN:**

There being no further business, Vice-President Traylor motioned to adjourn the meeting and Director Bouche seconded. The meeting was adjourned at 8.33 PM.

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

---

Janice Thigpen, Board Secretary

**Lone Star Groundwater Conservation District**

**Balance Sheet**

As of May 31, 2023

Accrual Basis

	May 31, 23
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
First Bank (Money Market)	5,103,583.19
First Bank (Operating)	-923.37
TexPool	48,429.06
<b>Total Checking/Savings</b>	5,151,088.88
<b>Accounts Receivable</b>	
Accounts Receivable	1,363,588.10
<b>Total Accounts Receivable</b>	1,363,588.10
<b>Other Current Assets</b>	
Allow for Bad Debts	-30,819.89
Other Receivable	
Allowance for Doubiful Accounts	20,602.80
<b>Total Other Receivable</b>	20,602.80
<b>Prepaid Insurance</b>	
TWCA premium	316.11
Prepaid Dishonesty & Public Bond	1,197.16
<b>Total Prepaid Insurance</b>	1,513.27
<b>Total Other Current Assets</b>	-8,703.82
<b>Total Current Assets</b>	6,505,973.16
<b>Fixed Assets</b>	
<b>Bldg &amp; Land</b>	
Conroe Park - Land	260,187.00
Conroe Park - Building & Design	1,593,552.27
Accumulated Depr - Bldg	-423,236.04
<b>Total Bldg &amp; Land</b>	1,430,503.23
<b>Furniture &amp; Equipment</b>	
Furniture/Fixture/Equipment	350,516.94
Accumulated Depreciation	-264,509.70
<b>Total Furniture &amp; Equipment</b>	86,007.24
<b>Total Fixed Assets</b>	1,516,510.47
<b>TOTAL ASSETS</b>	8,022,483.63
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	37,845.52
<b>Total Accounts Payable</b>	37,845.52
<b>Other Current Liabilities</b>	
Deposits Payable	54.00
<b>Accrued Expenses</b>	
Accrued Expenses	67,171.53
Accrued Expenses - Other	-67,171.53
<b>Total Accrued Expenses</b>	0.00
Accrued Vacation Time	19,426.32
Deferred Revenue	-724,279.35

Lone Star Groundwater Conservation District

Balance Sheet

As of May 31, 2023

Accrual Basis

---

	May 31, 23
<b>Direct Deposit Liabilities</b>	
<b>ICMA 401(a)-EE portion</b>	0.02
<b>Total Direct Deposit Liabilities</b>	0.02
<b>Payroll Liabilities</b>	1,933.07
<b>Total Other Current Liabilities</b>	-702,865.94
<b>Total Current Liabilities</b>	-665,020.42
<b>Total Liabilities</b>	-665,020.42
<b>Equity</b>	
<b>Invested in Capital Assets, net</b>	1,518,850.65
<b>Retained Earnings</b>	5,381,034.15
<b>Net Income</b>	1,787,619.25
<b>Total Equity</b>	8,687,504.05
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>8,022,483.63</u>

**Lone Star Groundwater Conservation District**  
**Statement of Revenues and Expenditures - Budget vs. Actual**  
**May 2023**

	May 23	Budget	Jan - May 23	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>Administrative Fee</b>					
<b>Application Fee</b>					
Application Fee-Other	0.00	412.50	0.00	2,062.50	4,950.00
AWS Production Permit	0.00	250.00	0.00	1,250.00	3,000.00
AWS Groundwater Test Well	0.00	125.00	0.00	625.00	1,500.00
Existing Well Application	0.00	125.00	225.00	625.00	1,500.00
Operating Permit	6,775.00	1,833.33	36,526.52	9,166.65	22,000.00
Temporary Permit	0.00		500.00		
Application Fee - Other	150.00		4,350.00		
<b>Total Application Fee</b>	6,925.00	2,745.83	41,601.52	13,729.15	32,950.00
<b>Administrative Fees - Other</b>	0.00		775.62		
Change of Ownership/Type	0.00	333.33	0.00	1,666.65	4,000.00
Publication Fees	0.00	416.66	0.00	2,083.30	5,000.00
Record Request	0.00	125.00	0.00	625.00	1,500.00
Returned Check Fee	0.00	4.16	50.00	20.80	50.00
Well/Meter Re-inspection Fees	0.00	166.66	0.00	833.30	2,000.00
<b>Total Administrative Fee</b>	6,925.00	3,791.64	42,427.14	18,958.20	45,500.00
<b>Interest Income</b>	638.17	416.66	3,028.84	2,083.30	5,000.00
<b>Lone Star GCD Fees</b>					
<b>Agricultural Permits</b>					
Agricultural HUP 2023	62.05	95.38	310.25	476.90	1,144.57
Agricultural OP 2023	76.33	112.95	381.65	564.75	1,355.43
<b>Total Agricultural Permits</b>	138.38	208.33	691.90	1,041.65	2,500.00
<b>Export Fees</b>	0.00	50.00	0.00	250.00	600.00
<b>Historic Use Fee</b>					
Historic Use Fee 2023	96,570.42	125,000.00	691,209.23	625,000.00	1,500,000.00
Historic Use Fee 2022	0.00		-208,357.13		
<b>Total Historic Use Fee</b>	96,570.42	125,000.00	482,852.10	625,000.00	1,500,000.00
<b>Operating Permit Fees</b>					
Operating Permit 2023	129,708.90	116,666.66	838,549.55	583,333.30	1,400,000.00
Operating Permit 2022	901.75		-184,821.79		
<b>Total Operating Permit Fees</b>	130,610.65	116,666.66	653,727.76	583,333.30	1,400,000.00

**Lone Star Groundwater Conservation District**  
**Statement of Revenues and Expenditures - Budget vs. Actual**  
**May 2023**

	May 23	Budget	Jan - May 23	YTD Budget	Annual Budget
<b>AWS Production fees</b>					
AWS Production Fees - 2023	14,473.20	16,666.66	102,525.60	83,333.30	200,000.00
AWS Production Fees - 2022	0.00		-30,159.60		
<b>Total AWS Production fees</b>	14,473.20	16,666.66	72,366.00	83,333.30	200,000.00
<b>Overpumpage of a Permit</b>	1,356,803.86	4,166.66	1,356,803.86	20,833.30	50,000.00
<b>Penalty/ Interest</b>	114.27	833.33	27,398.53	4,166.65	10,000.00
<b>Total Lone Star GCD Fees</b>	1,598,710.78	263,591.64	2,593,840.15	1,317,958.20	3,163,100.00
<b>Total Income</b>	1,606,273.95	267,799.94	2,639,296.13	1,338,999.70	3,213,600.00
<b>Gross Profit</b>	1,606,273.95	267,799.94	2,639,296.13	1,338,999.70	3,213,600.00
<b>Expense</b>					
Election Expense	0.00	8,333.33	3,094.00	41,666.65	100,000.00
Litigation					
Legal-DFC Appeal	0.00	4,166.66	0.00	20,833.30	50,000.00
<b>Total Litigation</b>	0.00	4,166.66	0.00	20,833.30	50,000.00
<b>Educate/Public Aware Coordinate</b>					
Community Aware/Public Relation					
Scholarship/Sponsorship	0.00	416.66	0.00	2,083.30	5,000.00
Mach 1 Strategic Communications	0.00	8,166.66	0.00	40,833.30	98,000.00
PAM Units	0.00	1,250.00	0.00	6,250.00	15,000.00
Educational Curriculum Schools	0.00	4,166.66	20,081.20	20,833.30	50,000.00
Rainwater Collection Expansion	0.00	62.50	0.00	312.50	750.00
Website Modification	0.00	416.66	0.00	2,083.30	5,000.00
ET Weather Station Network	40.13	208.33	208.40	1,041.65	2,500.00
Communication/Public Awareness	0.00	1,666.66	0.00	8,333.30	20,000.00
Conservation Products	0.00	666.66	0.00	3,333.30	8,000.00
<b>Total Community Aware/Public Relation</b>	40.13	17,020.79	20,289.60	85,103.95	204,250.00
<b>Total Educate/Public Aware Coordinate</b>	40.13	17,020.79	20,289.60	85,103.95	204,250.00
<b>Attorney Fees</b>					
Legislative Consulting	13,000.00	11,666.66	65,000.00	58,333.30	140,000.00
PIA Legal Work	0.00	416.66	2,481.50	2,083.30	5,000.00
General Counsel Work	36,887.65	31,250.00	142,816.67	156,250.00	375,000.00
Legal Work - Additional	0.00	2,500.00	4,276.50	12,500.00	30,000.00
<b>Total Attorney Fees</b>	49,887.65	45,833.32	214,574.67	229,166.60	550,000.00

**Lone Star Groundwater Conservation District**  
**Statement of Revenues and Expenditures - Budget vs. Actual**  
**May 2023**

	May 23	Budget	Jan - May 23	YTD Budget	Annual Budget
<b>Board Expense</b>					
Meeting/Conference	789.59	416.66	2,141.93	2,083.30	5,000.00
Per Diem	6,000.00	5,250.00	22,000.00	26,250.00	63,000.00
Payroll Tax Liability - Board	363.61	458.33	1,588.13	2,291.65	5,500.00
Board Meeting Expense	473.86	500.00	2,631.70	2,500.00	6,000.00
<b>Total Board Expense</b>	7,627.06	6,624.99	28,361.76	33,124.95	79,500.00
<b>Advertising/Public Notices</b>	42.00	500.00	230.30	2,500.00	6,000.00
<b>Audit Fees</b>	0.00	812.50	0.00	4,062.50	9,750.00
<b>Building Expense</b>					
Building Maintenance	26,556.70	2,916.66	33,794.60	14,583.30	35,000.00
Utilities & Housekeeping	4,276.58	4,333.33	19,560.70	21,666.65	52,000.00
<b>Total Building Expense</b>	30,833.28	7,249.99	53,355.30	36,249.95	87,000.00
<b>Computer Support</b>					
Hosting/Internet/Backup	600.10	2,333.33	3,000.50	11,666.65	28,000.00
Repair & Support	2,470.00	2,166.66	8,152.00	10,833.30	26,000.00
Software	184.00	416.66	6,158.24	2,083.30	5,000.00
<b>Total Computer Support</b>	3,254.10	4,916.65	17,310.74	24,583.25	59,000.00
<b>Engineering</b>					
District Engineer	0.00	10,416.66	36,318.25	52,083.30	125,000.00
Engineering Consult Svcs	0.00	16,666.66	130,032.84	83,333.30	200,000.00
GMA 14 Planning	0.00	4,166.66	2,651.50	20,833.30	50,000.00
Well Permit Database Management	0.00	8,333.33	10,500.00	41,666.65	100,000.00
<b>Total Engineering</b>	0.00	39,583.31	179,502.59	197,916.55	475,000.00
<b>Field/Technical Expense</b>					
Field Supplies	563.81	291.66	567.38	1,458.30	3,500.00
Vehicle Fuel Expense	411.38	541.66	1,878.56	2,708.30	6,500.00
Vehicle/MobileLab Repair & Maint	8.25	250.00	652.99	1,250.00	3,000.00
Vehicle -Capital expense	0.00	416.66	0.00	2,083.30	5,000.00
<b>Total Field/Technical Expense</b>	983.44	1,499.98	3,098.93	7,499.90	18,000.00
<b>Insurance</b>					
Bonds	36.59	83.33	207.62	416.65	1,000.00
Building & Property Insurance	444.00	416.66	2,220.00	2,083.30	5,000.00
Errors and Omissions	173.00	216.75	865.00	1,083.75	2,601.00
Liability	87.50	98.16	437.50	490.80	1,178.00
Vehicle Insurance	219.50	259.58	1,097.50	1,297.90	3,115.00
<b>Total Insurance</b>	960.59	1,074.48	4,827.62	5,372.40	12,894.00



**Lone Star Groundwater Conservation District**  
**Statement of Revenues and Expenditures - Budget vs. Actual**  
**May 2023**

	May 23	Budget	Jan - May 23	YTD Budget	Annual Budget
<b>Manager</b>					
Travel/Edu/Training	0.00	666.66	222.07	3,333.30	8,000.00
Vehicle Allowance	600.00	600.00	3,000.00	3,000.00	7,200.00
<b>Total Manager</b>	600.00	1,266.66	3,222.07	6,333.30	15,200.00
<b>Memberships Dues /Subscriptions</b>	2,000.00	833.33	6,873.00	4,166.65	10,000.00
<b>Miscellaneous</b>					
Miscellaneous Expense	46.53	416.66	500.89	2,083.30	5,000.00
<b>Total Miscellaneous</b>	46.53	416.66	500.89	2,083.30	5,000.00
<b>Office Expenses</b>					
Equipment Lease - Copier	175.00		439.50		
Office Equipment	0.00	541.66	6,268.32	2,708.30	6,500.00
Office Supplies	367.42	500.00	2,020.58	2,500.00	6,000.00
<b>Total Office Expenses</b>	542.42	1,041.66	8,728.40	5,208.30	12,500.00
<b>Payroll Expenses</b>					
Salaries	47,970.04	62,500.00	220,307.40	312,500.00	750,000.00
Payroll Tax Liability	3,692.79	3,875.00	16,587.17	19,375.00	46,500.00
Retirement	2,878.20	3,750.00	13,218.42	18,750.00	45,000.00
Medical/Life	4,524.21	5,833.33	22,621.85	29,166.65	70,000.00
SUI	4.76	208.33	68.26	1,041.65	2,500.00
Workman's Comp	178.23	183.33	638.38	916.65	2,200.00
Payroll Service Fees	60.00	83.33	469.95	416.65	1,000.00
<b>Total Payroll Expenses</b>	59,308.23	76,433.32	273,911.43	382,166.60	917,200.00
<b>Postage Expense</b>					
Postage Meter & Supplies	0.00	83.33	400.80	416.65	1,000.00
Postage/Shipping/Delivery Ser	-1,017.48	500.00	-1,017.48	2,500.00	6,000.00
<b>Total Postage Expense</b>	-1,017.48	583.33	-616.68	2,916.65	7,000.00
<b>Printing</b>	365.86	750.00	2,065.09	3,750.00	9,000.00
<b>Programs</b>					
Subsidence Study - Phase III	0.00	12,500.00	12,180.25	62,500.00	150,000.00
Additional Scientific Programs	0.00	2,083.33	0.00	10,416.65	25,000.00
Hydrogeological Modeling/Protec	0.00	83.33	200.00	416.65	1,000.00
USGS Joint Funding Agreement					
USGS - Groundwater Level Data	0.00	1,279.16	3,837.50	6,395.80	15,350.00
USGS - Water Level chg/subside	0.00	4,738.00	14,214.17	23,690.00	56,856.00
<b>Total USGS Joint Funding Agreement</b>	0.00	6,017.16	18,051.67	30,085.80	72,206.00
<b>Total Programs</b>	0.00	20,683.82	30,431.92	103,419.10	248,206.00

3:11 PM  
 06/06/23  
 Accrual Basis

**Lone Star Groundwater Conservation District**  
**Statement of Revenues and Expenditures - Budget vs. Actual**  
**May 2023**

	May 23	Budget	Jan - May 23	YTD Budget	Annual Budget
Rebate Water Use Fees	0.00	1,250.00	0.00	6,250.00	15,000.00
Travel/Training Staff	689.23	666.66	1,915.25	3,333.30	8,000.00
Depreciation	0.00	4,166.66	0.00	20,833.30	50,000.00
<b>Total Expense</b>	<b>156,163.04</b>	<b>245,708.10</b>	<b>851,676.88</b>	<b>1,228,540.50</b>	<b>2,948,500.00</b>
<b>Net Ordinary Income</b>	<b>1,450,110.91</b>	<b>22,091.84</b>	<b>1,787,619.25</b>	<b>110,459.20</b>	<b>265,100.00</b>
<b>Net Income</b>	<b>1,450,110.91</b>	<b>22,091.84</b>	<b>1,787,619.25</b>	<b>110,459.20</b>	<b>265,100.00</b>

**RESOLUTION NO. #23-004**

**LONE STAR GROUNDWATER CONSERVATION DISTRICT**

**RESOLUTION REVIEWING AND APPROVING INVESTMENT POLICY AND  
INVESTMENT STRATEGIES**

THE STATE OF TEXAS §

COUNTY OF MONTGOMERY §

**WHEREAS**, the Lone Star Groundwater Conservation District (“District”) was created by the Legislature of the State of Texas in Acts 2001, 77<sup>th</sup> Leg., R.S., ch. 1321, p. 3246, § 1(a);

**WHEREAS**, the Public Funds Investment Act of Texas (“the Investment Act”) requires that the Board of Directors annually review the investment policy and investment strategies of the District and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies;

**WHEREAS**, Sec. 36.1561, Water Code, requires the investment officers of the District to attend six hours of initial training within twelve months after taking office or assuming duties and four hours of renewal investment training instruction relating to investment responsibilities not less than once every two years from an independent source approved by the Board of Directors of the District;

**WHEREAS**, the Board of Directors is charged with reviewing annually the Investment Policy and investment strategies of the District and may either readopt the Investment Policy without amendments or draft amendments for consideration by the Board;

**WHEREAS**, on July 12, 2022, the Board of Directors met and reviewed the Investment Policy of the District, attached hereto, and the investment strategies contained therein;

**WHEREAS**, the Board of Directors has reviewed the investment officer designations of the District and has determined such designations are current;

**WHEREAS**, the investment officers of the District have attended investment training through an independent source approved by the Board and are meeting the training requirements set forth in the Investment Act; and

**WHEREAS**, said Board of Directors has reviewed monthly financial reports in compliance with requirements set forth in the Investment Act.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
THE LONE STAR GROUNDWATER CONSERVATION DISTRICT AS FOLLOWS:**

1. The Board of Directors of the District, after reviewing the existing Investment Policy and investment strategies of the District, hereby approves the District's Investment Policy without amendments as the Investment Policy of the District (*see attached*).
2. That such review and consideration of the Investment Policy is in compliance with Section 1.02 of the District's Investment Policy.
3. The General Manager and Treasurer of the Board of Directors are hereby authorized to continue to serve as Investment Officers for the District. This designation may be changed from time to time without reference to or repeal of this resolution.
4. The General Manager is authorized to take any and all action necessary for the implementation of this resolution.

AND IT IS SO ORDERED.

PASSED AND ADOPTED this 13<sup>th</sup> day of June 2023.

**LONE STAR GROUNDWATER CONSERVATION DISTRICT**

By: \_\_\_\_\_  
Jim Spigener, President

ATTEST:

\_\_\_\_\_  
Janice Thigpen, Secretary

## INVESTMENT POLICY

This Investment Policy (the “Policy”) is adopted by the Board of Directors of Lone Star Groundwater Conservation District, of Montgomery County, Texas (the “District”), pursuant to Chapter 2256 of the Texas Government Code and Chapter 36 of the Texas Water Code.

### ARTICLE I

#### Section 1.01. Purpose.

This investment policy establishes the principles and criteria by which the Lone Star Groundwater Conservation District shall invest its public funds to ensure the safety and protection of these funds at all times while providing adequate liquidity for all District cash flow demands and optimizing the District’s investment returns. This investment policy is in compliance with all state and local statutes governing the investment of public funds including the Public Funds Investment Act, Chapter 2256, Government Code and the Public Funds Collateral Act, Chapter 2257, Government code. This policy also will specify the scope of authority of District Officials responsible for the investment of District funds.

#### Section 1.02. Annual Review.

The District shall review this Investment Policy at least annually and adopt a resolution confirming the continuance of the Investment Policy without amendment or adopt an Amended Investment Policy.

### ARTICLE II

#### Section 2.01. Definitions.

Unless the context requires otherwise, the following terms and phrases used in this Policy shall mean the following:

- a) “Authorized Collateral” or “Collateral” means any security with which District funds may be secured under Chapter 2257, Texas Government Code.
- b) “Authorized Investment” shall mean any security the District is authorized to purchase as an investment under Chapter 2256, Texas Government Code.
- c) "Board" shall mean the Board of Directors of the Lone Star Groundwater Conservation District.

- d) "Director" shall mean a person appointed to serve on the Board of Directors of the District.
- e) "District" shall mean the Lone Star Groundwater Conservation District, a political subdivision of the State of Texas, created under authority of Article XVI, §59 of the Texas Constitution and with Act of May 17, 2001, 77<sup>th</sup> Leg., R.S., ch. 1321, 2001 Tex. Gen. Laws 3246 (as amended), (H.B. No. 2362) and Chapter 36, Water Code.
- f) "District Officials" shall mean the Investment Officer, District Directors, officers, employees, and persons and business entities handling investments for the District.
- g) "Employee" shall mean any person employed by the District, but does not include independent contractors or professionals hired by the District as outside consultants.
- h) "Investment Act" shall mean the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended from time to time.
- i) "Investment Officer(s)" means the Director(s) or Employee(s) of the District appointed from time to time by the Board to invest and reinvest the funds of the District.

### ARTICLE III

#### Section 3.01. Policy of Investment.

A. The preservation of the District's principal shall be the primary concern of the District Officials who are responsible for the investment of District funds. It is the policy of the District that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines seeking to optimize interest earnings. Applicable legislation includes, but is not limited to, Public Funds Investment Act, Chapter 2256, Government Code, Public Funds Collateral Act, Chapter 2257, Government Code, and any other applicable State or Federal laws or restrictions.

B. District funds shall be invested and reinvested by the District's Investment Officer only in specific allowable investments types as listed in Chapter 2256, Texas Government Code, and the District shall not invest in any investments not specifically allowed under that statute or deemed inappropriate by the District's Board of Directors.

Principal and accrued interest invested in Certificates of Deposit ("CDs") in accordance with this policy shall not exceed the FDIC, or its successor's, insurance limits or the Collateral pledged as security for the District's investments. It shall be acceptable for the District's Investment Officer to periodically receive interest on the CDs if needed to keep the amount of the funds under the insurance or collateral limits.

It shall be the responsibility of the District's Investment Officer to invest and reinvest the District funds in accordance with this policy to meet the needs and requirements of the District. The Board, by separate resolution, may provide that the Investment Officer may withdraw or transfer funds from and to accounts of the District on such terms as the Board considers advisable.

## ARTICLE IV

### Section 4.01. Investment Officer.

The District's Board of Directors shall designate one or more officers or employees of the District to be responsible for the investment of its funds and be the Investment Officer. No person may deposit, withdraw, invest, transfer, or otherwise manage funds of the District without this express authority. Investment Officer(s) shall be responsible for the investment of District funds, consistent with the investment policy adopted by the District. An Investment Officer's authority is effective until rescinded by the Board of Directors or until termination of employment by the District. Designated Board Members and Investment Officer(s) shall comply with all continuing training requirements including those established by Government Code §2256.008.

### Section 4.02. Training.

The Investment Officer(s) of the District shall attend one or more investment training sessions as required by the Investment Act and Chapter 36.1561(b), Water Code, through courses and seminars offered by professional organizations, associations, and other independent sources in order to ensure the quality and capability of investment management in compliance with the Investment Act. The Investment Officer of the District shall attend a training session of at least six hours of instruction relating to investment responsibilities under Chapter 2256, Government Code, not later than the first anniversary of the date the officer takes office or assumes the officer's duties. The Investment Officer shall attend at least four hours of additional investment training on or before the second anniversary of the last training session the officer attended. The investment training session shall be provided by an independent source approved by the Board. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education or any other sponsor other than a business organization with whom the District may engage in an investment transaction.

Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with Chapters 2256 and 2257, Government Code.

### Section 4.03. Disclosures Required of Persons Selling Investments of the District.

The Investment Officer(s), the District bookkeeper, and any person who assists the Investment Officer with the Investment Officer's duties hereunder shall disclose in writing any personal business relationship or relationship within the second degree by affinity or consanguinity and any individual seeking to sell an investment to the District as required by the Investment Act.

Such disclosure statement shall be filed with the Board. In addition, any individual or business organization seeking to sell an investment to the District shall provide a written statement they do not boycott the State of Israel and will not boycott the State of Israel during the term of any contract with the District.

#### Section 4.04. Certification from Sellers of Investments.

The Investment Officer(s) shall present this Policy to any person offering to engage in an investment transaction with the District and shall obtain from such person a certificate in substantially the form attached here as “Exhibit A”, signed by a qualified representative of the business organization offering to engage in an investment transaction with the District. This certificate will document such person’s receipt, review, and understanding of this Policy; will reflect that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the business organization and the District that are not authorized by the District’s investment policy, as required by the Investment Act; and will reflect that the business organization has reviewed the terms and characteristics of the investment and determined that the investment complies with the requirements of the Investment Act.

#### Section 4.05. Safekeeping and Custody (FIRREA)

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) requires that the depository institution’s board of directors or a designated committee approve depository agreements which must be an official record of the institution continuously since its execution. The Investment Officer(s) shall request a copy of the depository’s resolution approving the agreement.

Depository agreements executed in accordance with FIRREA, and requiring a resolution of the bank board or bank loan committee, will be established before funds are deposited.

Collateral will be pledged under the terms of a written tri-party agreement executed under the terms of FIRREA. If the custodian is the Federal Reserve the District will execute a Circular 7 pledge agreement. The agreement will be approved by resolution of the bank’s board or loan committee.

#### Section 4.06. Reporting by the Investment Officer.

Not less than quarterly and within a reasonable time after the end of the period reported, the Investment Officer(s) shall prepare and submit to the Board a written report of the investment transactions for all funds of the District for the preceding reporting period. The report must:

1. Describe in detail the investment position of the District on the date of the report, including a listing of each individual security held at the end of the reporting period;



2. Be prepared jointly by all the Investment Officers of the District, if the District appoints more than one;
3. Be signed by all Investment Officers and District Officials who prepare the report;
4. State the book value and the market value of each separately invested asset showing the unrealized gains or losses resulting from appreciation or depreciation at the beginning and end of the reporting period by the type of asset and fund type invested;
5. Show the average weighted yield to maturity of the portfolio.
6. Show the percentage of the total portfolio that each type of investment represents;
7. State the maturity date of each separately invested asset that has a maturity date;
8. State the District fund for which each individual investment was acquired; and
9. State the compliance of the investment portfolio as it relates to this Policy and the Investment Act.

The District's annual audit shall include a formal annual review of the investment reports with the results reported to the Board.

Section 4.07. Assistance with Certain Duties of the Investment Officer.

The Board hereby authorizes and directs the District's Bookkeeper and any other District Officials requested by the Investment Officer to assist the Investment Officer(s) with any of his duties, including but not limited to the following:

1. Presenting a copy of the Policy to any person or business organization seeking to sell an investment to the District and obtaining the necessary written certification from such seller referred to in this section;
2. Handling investment transactions;
3. Preparing and submitting to the Board the written report of all investment transactions for the District as required by this section;
4. Researching investment options and opportunities;
5. Obtaining written depository pledge agreements as required herein;
6. Obtaining safe-keeping receipts from the Texas financial institution which serves as a depository for pledged Collateral; and

7. Reviewing the market value of the District's investments and of the Collateral pledged to secure the District's funds.

ARTICLE V  
PROCEDURES FOR INVESTMENT OF DISTRICT MONIES

Section 5.01. General Provisions

All funds and accounts of the District shall be invested only in authorized investments in accordance with this Policy and shall comply with any additional requirements imposed by applicable state law or federal tax law, including the Investment Act and the Public Funds Collateral Act. The Investment Officer(s) may withdraw or transfer funds from and to accounts of the District only in compliance with this Policy. No fund groups shall be pooled for the purposes of investment. Methods shall be in place to monitor the market price of investments acquired with District funds.

Section 5.02. Solicitation of Bids for Certificates of Deposit.

Requests and bids for certificates of deposit shall be solicited in writing, electronically, or in any combination of those methods.

Section 5.03. Settlement Basis.

All purchases on investments, except investment in investment pools or in mutual funds, shall be made on a delivery versus payment basis. The safekeeping entity for all District investments and for all Collateral pledged to secure District funds shall be approved by the Investment Officer(s).

Section 5.04. Monitoring of the Market Value of Investments and Collateral.

The Investment Officer(s), with the help of District Officials as needed, shall determine the market value of each investment and of all Collateral pledged to secure deposits of District funds at least quarterly and at a time as close as practicable to the closing of the reporting period for investment. Pledged collateral values shall be included on the investment report. The following methods shall be used:

- (a) Certificates of deposit shall be valued at their face value plus any accrued but unpaid interest.
- (b) Shares in money market mutual funds and investment pools shall be valued at par plus any accrued but unpaid interest.
- (c) Other investment securities with a remaining maturity of one year or less may be valued in any of the following ways:

- (1) the lower of two bids obtained from securities broker/dealers for such security;
  - (2) the average of the bid and asked prices for such investment security as published in The Wall Street Journal or The New York Times;
  - (3) the bid price published by any nationally recognized security pricing service; or
  - (4) the market value quoted by the seller of the security or the owner of such Collateral.
- (d) Other investment securities with a remaining maturity greater than one year shall be valued at the lower of two bids obtained from securities broker/dealers for such security, unless two bids are not available, in which case the securities may be valued in any manner provided in 5.06(c) hereof.

ARTICLE VI  
PROVISIONS APPLICABLE TO ALL FUNDS

Section 6.01. Provisions Applicable to All Fund Groups.

A. All Funds of the District shall be invested only in accordance with this Policy and shall comply with any additional requirements imposed by Bond Resolutions of the District and applicable state law or federal tax law, including the Investment Act and the Public Funds Collateral Act.

B. The Board, by separate resolution, may provide that the District's bookkeeper, under direction from the Investment Officer(s), may withdraw or transfer funds from and to accounts of the District only in compliance with this Policy.

C. No fund groups shall be pooled for the purposes of investment.

Section 6.02. Policy of Securing Deposits of District Funds – Applicable to All Deposited District Funds.

A. The District recognizes that FDIC (or its successor) insurance is available for District funds deposited at any one Texas Financial Institution (including branch banks) only up to a maximum of \$250,000 (including accrued interest) for each of the following: (i) demand deposits, (ii) time and savings deposits, and (iii) deposits made pursuant to an indenture or pursuant to law in order to pay bondholders or noteholders. It is the policy of the District that all deposited funds in each of the District's accounts shall be insured by the FDIC, or its successor, and to the extent not insured, shall be secured by Collateral pledged to the extent of the fair market value of the principal amount deposited plus accrued interest.

B. If it is necessary for the District's depositories to pledge Collateral to secure the District's deposits, (1) the Collateral pledge agreement must be in writing, (2) the Collateral pledge agreement must be approved by the depository's board of directors or loan committee, (3) the depository's approval of the Collateral pledge agreement must be reflected in the minutes of the meeting of the depository's board or loan committee approving the same, and (4) the Collateral pledge agreement must be kept in the official records of the depository. The depository must provide to the Investment Officer or District Officials written proof of the depository's approval of the pledge agreement as required herein in a form acceptable to the District. A signed or certified copy of the minutes of the meeting of the depository's board or loan committee reflecting the approval of the Collateral pledge agreement or other written documentation of such approval acceptable to the Investment Officer will be accepted. It is the preference of the Board that all requirements of this section be met prior to the deposit of any District funds in such financial institution when a pledge of Collateral is required; however, the Board recognizes that compliance with this preference might not be practicable due to time constraints for making a deposit. In such event, the Board directs the Investment Officer and District Officials to proceed diligently to have such agreement approved and documented to assure protection of the District's funds. If the decision is made to forego the protection of a collateral pledge agreement with any depository, the District bookkeeper shall be responsible for maintaining the balance of deposit(s) in such depository plus any accrued but unpaid interest at or below FDIC insurance levels.

C. Collateral pledged by a depository shall be held in safekeeping at an independent third party institution, and the District bookkeeper shall obtain safe-keeping receipts from the Texas financial institution or the safekeeping institution that reflect that Collateral as allowed by this investment Policy and in the amount required was pledged to the District. Principal and accrued interest on deposits in a financial institution shall not exceed the FDIC's, or is successor's, insurance limits or the market value of the Collateral pledged as security for the District's deposits. It shall be acceptable for the bookkeeper to periodically receive interest on deposits to be deposited to the credit of the District if needed to keep the amount of the funds under the insurance or Collateral limits. It is the preference of this Board that there be no sharing, splitting or co-tenancy of Collateral with other secured parties or entities; however, in the event that a depository cannot accommodate this preference due to the denominations of the securities to be pledged, the Board directs the Investment Officer and District Officials to obtain appropriate protections in the pledge agreement with the depository to assure that the Collateral is liquidated and the funds distributed appropriately to all parties with a security interest in such Collateral. The District bookkeeper shall monitor the pledged Collateral to assure that it is pledged only to the District, review the fair market value of the Collateral to ensure that the District's funds are fully secured, and report periodically to the Investment Officer and the Board regarding the Collateral.

D. The District's funds deposited in any Texas financial institution, and to the extent they are not insured, may be secured in any manner authorized by law for the District as such law is currently written or as amended in the future. The following are the securities that may be used as Collateral:

1. Obligations of the U.S. or its agencies and instrumentalities;

2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality or the U.S., the underlying security for which is guaranteed by an agency or instrumentality of the U.S.;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the U.S. or the State of Texas or their respective agencies and instrumentalities;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
6. Certificates of deposit issued by a depository institution that has its main office or a branch office in Texas guaranteed by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or its successor that are secured by the obligations in which the District may invest under the Investment Act.
7. Certificates of Deposit (Out-of-State) issued by one or more federally insured depository institutions, wherever located – but arranged through a depository institution that has its main office or a branch office in Texas. (Each certificate of deposit's principal and interest is fully insured by US.)

E. Notwithstanding anything to the contrary provided above, the following may not be used as Collateral and are not authorized as investments for the District under the Investment Act:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
3. Collateralized mortgage obligations that have a final stated maturity date of greater than 10 years; or
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

#### Section 6.03. Diversification.

The Investment Officer may invest up to 100% of the funds of the District in any investment instrument authorized in this Policy.

ARTICLE VII  
AUTHORIZED INVESTMENTS

Section 7.01. Authorized Investments.

Unless specifically prohibited by law or elsewhere by this Policy, District monies in any of its fund groups may be invested and reinvested only in the following types of Investments:

1. Obligations of the U.S. or its agencies and instrumentalities. Not to exceed 2 years to stated maturity.
2. Certificates of deposit issued by a depository institution that has its main office or a branch office in Texas guaranteed by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or its successor that are secured by the obligations in which the District may invest under the Investment Act. Not to exceed one year to stated maturity. Collateral shall be provided in accordance with this Policy.
3. Certificates of Deposit (Out-of-State) issued by one or more federally insured depository institutions, arranged through a depository institution that has its main office or a branch office in Texas. Not to exceed one year to stated maturity. Collateral shall be provided in accordance with this Policy.
4. Investment pools that: a) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act; b) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service; and c) are authorized by Board resolution.
5. Certificates of Deposit obtained through a depository institution or broker that has its main office or a branch office in Texas and that contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Public Funds Investment Act. Not to exceed one year to stated maturity. Collateral shall be provided in accordance with this Policy.

Section 7.02. Prohibited Investments.

Notwithstanding anything to the contrary stated herein, no funds of the District may be invested in the following or in any other type of investment prohibited by the Investment Act or other applicable law:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO's);

2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO's);
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index (inverse floaters).

ARTICLE VIII  
INVESTMENT STRATEGIES

Section 8.01. Investment Strategy for the Operating Fund.

Funds in the Operating or General Account shall be invested to meet the operating requirements of the District as determined by the annual operating budget prepared by the General Manger and adopted by the Board. The District's investment strategy for this fund shall be to invest such funds as to accomplish the following objective, which are listed in the order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the District;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;
5. Diversification of the investment portfolio; and
6. Yield.

Section 8.02. Investment Strategy for Special Funds.

Special Funds shall be invested to meet the operating requirements of the District as determined by the annual operating budget adopted by the Board or as determined by the Board. The District's investment strategy for this fund shall be to invest such funds to accomplish the following objectives, which are listed in the order of importance.

1. Understanding of the suitability of the investment to the financial requirements of the District;

2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;
5. Diversification of the investment portfolio; and
6. Yield.

It shall be the policy of the District that Special Funds shall not be invested for longer than thirteen (13) months. Funds placed in demand, savings, or time deposits shall be insured or secured as provided in the Policy.

## ARTICLE IX

### Section 9.01. Miscellaneous.

A. Checks/Drafts: All checks, drafts, notes, or other orders for the payment of money issued in the name of the District shall be signed by such officers or employees of the District as shall from time to time be authorized by resolution of the Board.

B. Depositories: All funds of the District except petty cash shall be deposited from time to time to the credit of the District in such banks or accounts as the Board may, from time to time, designate, and upon such terms and conditions as shall be fixed by the Board. The Board may, from time to time, authorize the opening and maintaining of general and special accounts within any such depository as it may designate, and may make such special rules and regulations with respect thereto as it may deem expedient.

### Section 9.03. Superseding Clause.

This Policy supersedes any prior policies adopted by the Board of Directors regarding investment or securitization of District Funds.

### Section 9.04. Open Meeting.

The Board officially finds, determines, and declares that this Investment Policy was reviewed, carefully considered, and adopted at a meeting of the Board, and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted at a place convenient to the public in Montgomery County for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Policy



was discussed, considered and acted upon. The Board further ratifies, approves, and confirms such written notice and the contents and posting thereof.

## ARTICLE X

### Section 10.01. Performance Standards

The District's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the District.

### Section. 10.02. Performance Benchmark

It is the policy of the District to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the District shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value. The District's portfolio shall be designed with the objective of regularly meeting the average rate of return on U.S. Treasury Bills at a maturity level comparable to the District's weighted average maturity in days.

Exhibit A

**CERTIFICATE OF COMPLIANCE FROM SELLERS OR INVESTMENTS**  
**AS REQUIRED BY THE PUBLIC FUNDS INVESTMENT ACT**

To: Lone Star Groundwater Conservation District

From: \_\_\_\_\_,  
[Name of the person offering or the "qualified representative of the business organization" offering to engage in an investment transaction with the District] [Office such person holds]

of \_\_\_\_\_ (the "Business Organization")  
[Name of financial institution, business organization or investment pool]

Date: \_\_\_\_\_, 20\_\_

In accordance with the provisions of Chapter 2256 of the Texas Government Code, I hereby certify that:

1. I am an individual offering to enter into an investment transaction with the District or a "qualified representative" of the Business Organization offering to enter into an investment transaction with the District, as applicable, as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code, and that I meet all requirements under such Act to sign this Certificate.
2. I or the Business Organization, as applicable, anticipate selling to the District investments that comply with the District's Investment Policy and the Investment Act (collectively referred to herein as the "Investments") dated \_\_\_\_\_, 20\_\_ (the "Investment Policy").
3. I or a registered investment professional that services the District's account, as applicable, have received and reviewed the Investment Policy, which the District has represented is the complete Investment Policy of the District now in full force and effect. The District has further acknowledged that I or the Business Organization, as applicable, may rely upon the Investment Policy until the District provides me or the Business Organization, as applicable, with any amendments to or any newly adopted form of the Investment Policy.
4. I or the Business Organization, as applicable, have/has implemented reasonable procedures and controls in an effort to preclude investment transactions between the District and me

or the Business Organization, as applicable, that are not authorized by the Investment Policy, except to the extent that this authorization is dependent upon an analysis of the District's entire portfolio or requires an interpretation of subjective investment standards.

5. I or the Business Organization, as applicable, have/has reviewed or will review prior to sale, the terms, conditions and characteristics of the investments to be sold to the District and determined (i) that each of the Investments is an authorized investment for local governments under the Investment Act and (ii) each of the Investments is an authorized investment as to whether any limits on the amount of District monies to be invested in the Investments exceeds or in any way violates the Investment Policy.
6. The Business Organization makes no representations or guarantees regarding the prudence, reasonableness or adequacy of the Investment Policy.
7. The Business Organization has attached hereto, for return to the District, or will provide a prospectus or disclosure document for each of the Investments other than certificates of deposit and direct obligations of the United States
8. This Business Organization does not boycott the State of Israel and will not boycott the State of Israel during the term of this contract.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Investments, other than certificates of deposit, are not FDIC insured, are not deposits or other obligations of me, the Business Organization or any of its affiliates, and are subject to investment risks, including possible loss of the principal amount invested.**

## APPENDIX A

### LSGCD INVESTMENT POLICY REVISION/AMENDMENTS

Amended – 07.14.15	Remove references to performance benchmarks
Amended – 07.14.15	Update and include Exhibit “A” – Qualified Brokers
Reviewed – 08.30.16	No recommended changes
Re-adopted – 09.13.16	Updated
Amended – 10.10.17	Section 5.02 Restated requests for bids must be in writing. Removed “orally”.
Amended – 08.14.18	Updated to include Article X. Benchmarks may be a useful where investment income exceeds the benchmark as an indication of unacceptably high risk.
Amended – 08.14.18	Updated to include Section 2270.002 of the Texas Government Code statutory requirements that business contacts do not boycott the State of Israel and will not boycott the State of Israel during the term of any contract with the District.
Reviewed – 08.13.19	No recommended changes.
Reviewed – 07.12.22	Readopted. No recommended changes.
Reviewed – 06.13.23	Readopted. No recommended changes.

EXHIBIT "A"  
LIST OF AUTHORIZED  
BROKERS

Effective June 13, 2023

Allegiance Bank	Guaranty Bank & Trust, N.A.
Amegy Bank, N.A., a division of ZB N.A.	Heritage Bank, N.A.
American Bank of Commerce (ABC Bank)	Herring Bank
Austin Capital Bank SSB	Hilltop Securities, Inc./First Southwest Asset Management
Bank of America N.A./Merrill Lynch	HomeTown Bank, N.A.
Bank of Texas, a division of BOKF, N.A.	IberiaBank
Bank of the Ozarks	Icon Bank of Texas, N.A.
Bank of the West	Independent Bank
BBVA – Compass Bank	Integrity Bank, SSB
Beal Bank SSB	International Bank of Commerce (IBC Bank)
Blackrock Investments, Inc.	Inter National Bank
BOK Financial Securities, Inc.	J.P. Morgan Chase & Co./J.P. Morgan Securities
Branch Banking and Trust Company (BB&T)	JPMorgan Chase Bank, N.A.
Business Bank of Texas, N.A.	Legacy Texas Bank
Cadence Bank, N.A.	Legg Mason, Inc.
Capital Bank of Texas	LOGIC (Local Gov't. Investment Cooperative)
Capital One, N.A.	Lone Star Bank
Central Bank	Lone Star Investment Pool/First Public, LLC
Chasewood Bank	Lowery Bank, a division of Huntington State Bank
Citibank N.A./Citigroup	MidSouth Bank, N.A.
Comerica Bank	Moody National Bank
Commercial State Bank	Morgan Stanley
Community Bank of Texas	NewFirst National Bank
East West Bank	Pioneer Bank
Edward Jones	PlainsCapital Bank
Federated Investors Inc.	Plains State Bank
Fidelity Investments	Post Oak Bank
First Bank and Trust East Texas	Preferred Bank
First Citizens Bank	Prosperity Bank
First Financial Bank, N.A.	Raymond James Financial, Inc.
First National Bank Texas/First Convenience Bank	R Bank
First State Bank Central Texas	RBC Capital Markets/RBC Investments
First Texas Bank	Regions Bank
First United Bank	Robert W. Baird & Company, Inc.
Frontier Bank of Texas	Santander Bank, N.A.
Frost Bank	Spirit of Texas Bank SSB
FTN Financial	State Street Bank & Trust Co.
Green Bank, N.A.	

EXHIBIT "A"  
LIST OF AUTHORIZED  
BROKERS

Texan Bank	Trustmark National Bank
Texas Capital Bank, N.A.	UBS Financial Services, Inc.
Texas Citizens Bank	UBS Securities LLC.
Texas C.L.A.S.S.	United Bank of El Paso del Norte
Texas Exchange Bank	United Texas Bank
Texas First Bank	Unity National Bank
Texas Gulf Bank, N.A.	Wallis State Bank
TexPool/TexPool Prime	Wells Fargo Advisors
Tex Star Investment Pool	Wells Fargo Bank, N.A.
The Bank of New York Mellon	Wells Fargo Investments, LLC
The Bank of New York Mellon Trust Company, N.A.	Wells Fargo Securities, LLC
The Bank of River Oaks	Westbound Bank
The First National Bank of Bastrop	West Star Bank
The Independent Bankers Bank (TIB)	Whitney Bank
Third Coast Bank S.S.B.	Woodforest National Bank

**Recommended**

---



**Hyundai Welding Products plans \$23M production**



**Conroe pays \$300K in fees for groundwater**



**Conroe OKs smaller apartment units in Stewart's Creek**



---

**NEWS**

# San Jacinto River Authority general manager Igo



**Next Up: Hyundai Welding Products plans \$23M production plant...**

## passes

**Catherine Dominguez, Michael Garcia, Staff writers**

Updated: June 5, 2023 2:47 p.m.





1 of 3



Jace Houston resigned as general manager for the San Jacinto River Authority last week before a bill was passed in the Texas Legislature to remove him from the position.

Michael Minasi, Staff Photographer / Houston Chronicle

[Show More](#)

Jace Houston resigned as general manager for the San Jacinto River Authority last week before a bill was passed in the Texas Legislature to remove him from the position.



Houston announced his decision Friday, ending his 16-year tenure with the authority. He served as the river authority's deputy general manager in 2007 before being appointed general manager in 2012.

Houston called the amendment politically charged and said he didn't want "the destruction and political harm and risk that was coming from this ongoing debate."

**ON YOURCONROENEWS.COM:** [Search ends for missing Woodlands man Colby Richards in Montgomery County, family continues efforts](#)

“It’s a horrible precedent,” Houston said. “It’s horrible legislative policy...to have the Legislature single out an employee in the executive branch is pretty awful.”

House Bill 1540 was created to bring the agency in line with recommendations made by the Sunset Advisory Commission in 2022.

During the 2020-21 biennium, commission staff found public trust in the river authority had suffered due to legal disputes over contracting issues and water policy decisions related to lake levels.

The staff recommended requiring the river authority to develop a public engagement policy and improve its public communications strategy, but the Sunset bill did not pass.

In the 2022-23 biennium, commission staff found the river authority had made concerted efforts to meaningfully engage with the public, but said the authority's relationship with the public was still strained and there was more improvement to be made.

State Rep. Will Metcalf, R-Conroe, added the amendment to remove the general manager of the river authority. The legislation passed the House on Saturday and the Senate on Sunday.

“I want to be clear that my amendment to the SJRA sunset bill has nothing to do with my opinion of the SJRA general manager as a person,” Metcalf said. “This is strictly about doing what is best for my community that I love and trying to find a long overdue resolution to our county’s ongoing water issues.”

Metcalf said issues related to the river authority's surface water treatment plant on Lake Conroe and fees have remained a top concern for residents. There has been ongoing litigation with the river authority over contracts related to the countywide groundwater reduction plan for more than 7 years, he said.

The groundwater reduction plan was developed to reduce Montgomery County's use of its shrinking ground water supply by allowing the river authority to pump surface water from Lake Conroe to The Woodlands and other parts of the county. The plan limits the amount of water that the county pumps from underground to avoid depleting the Gulf Coast Aquifer and causing land to sink.

To distribute the water, the river authority launched a roughly half-billion dollar project to construct and operate a water treatment plant on Lake Conroe, a pumping station and more than 50 miles of water pipeline.

“New boards, councils and elected officials have come and gone since the beginning of our county’s water wars over a decade ago. However, one common player remained, and that was the SJRA general manager,” Metcalf said.

James Stinson, former general manager for The Woodlands Water Agency, called the removal of Houston “wrong and distasteful to me and many others in this community.”

“The fact that a few entities are able to bring us to this point...it doesn’t make sense,” Stinson told board members during a special meeting. “Jace is respected and needed by a much larger cross-section than that.”

Several local leaders spoke on May 12 in support of Metcalf’s amendment during a water, agriculture and rural affairs committee hearing, including Jim Spigener, president of the Lone Star Groundwater Conservation District.

---

---

## **MOST POPULAR**

- 1. There are monsters lurking in Lake Conroe. Here are the animals you'll see on the water.**
- 2. Magnolia West advances to state title game on huge performance by Ellwanger**
- 3. Conroe filmmakers hiring 100 actors for TV series on the dangers of teen drinking and driving**
- 4. A Family Matter: Magnolia West's Blank learned baseball, winning from Dad**
- 5. Shenandoah is ready to extend a road through a hospital parking lot. But Conroe is hitting the brakes**
- 6. 5 waterfront Lake Conroe restaurants to enjoy the views this summer**
- 7. Lake Creek coach Rochinski steps down after back-to-back state titles**

“We as a groundwater district are really concerned about Montgomery County’s ability in the future to have enough water to support the growth and affordable water for our citizens,” Spigener told committee members during the hearing.

“Nobody is more wanting to solve this problem in Montgomery County and nobody is tired of it than we are. The reason we’re here is we believe we’re road blocked until we get new leadership.”

The river authority is expected to hire a search firm to look for a new general manager. Houston will serve in the role until June 30.

“My main concern is Montgomery County’s water future,” Houston said. “These guys are dead wrong on the science and what they’re doing is putting Montgomery County’s water future at tremendous risk. They really don’t understand what they’re doing and the problem it’s going to create in the future, but hopefully the river authority will continue its good work. And eventually, this litigation will be resolved and this will be behind us.”

*cdominguez@houstonchronicle.com*

Trending now

**TEXAS LEGISLATURE**

Gov. Abbott vows to cut property taxes, ...

**DEVELOPMENT**

United Airlines unveils Terminal B redevelopment plan ...

**TRANSPORTATION**

Montgomery County Commissioners Court approves ...

**CITY & COUNTY**

Uplift Harris pilot program to give \$500 ...

**DINING**

Set to beg... Restaurant ...

HOUSTON / THE WOODLANDS / GOVERNMENT

# HB 1540 advances to Senate floor without amendment to replace SJRA general manager



By [Vanessa Holt](#) | 2:33 PM May 12, 2023 CDT  
Updated 11:30 AM May 15, 2023 CDT



House Bill 1540 will move to the Senate floor without the amendment proposed by Rep. Will Metcalf. (Hannah Norton/Community Impact)

*Editor's note: The story was updated to correct the first name of Rep. Will Metcalf.*

The Texas Senate Committee on Water, Agriculture and Rural Affairs advanced a version of [House Bill 1540](#) to the full Senate on May 12 without the amendment proposed by Rep. Will Metcalf that would have directed the board of the San Jacinto River Authority to replace its general manager, Jace Houston.

### How we got here

- The SJRA monitors water quality in the San Jacinto basin, provides water to municipal utility districts and other entities, and operates the Lake Conroe Dam. Its board members are appointed by the governor, and the board selects a general manager. The SJRA is not funded by the state.
- HB 1540 was originally proposed as a bill to bring the SJRA in line with recommendations made by the [Sunset Advisory Commission](#) for four river authorities in 2022.

- Rep. Will Metcalf, R-Conroe, added an amendment to the version passed to the Senate requiring the SJRA board of trustees to replace the general manager.
- A substituted version of the bill without the amendment was [put up for vote May 12](#) in the legislative committee.

### What they're saying

- Sen. Charles Perry, R-Lubbock: "This is a heavily litigated issue. ... It's related to partly personalities involved ... contract issues ... misinformation on both sides, a lot of hard feelings and emotions. ... States are never going to be a free mediation service."
- Jim Spigener, president of the board of directors of Lone Star Groundwater Conservation District, speaking against the removal of the Metcalf amendment: "We ... are concerned about Montgomery County's ability to have enough water to support the growth and affordable water for our citizens. ... The reason we're here is, we believe we're roadblocked until we get new leadership."
- Sen. Nathan Johnson, D-Dallas, regarding the amendment: "We're resorting to statute to resolve an internal employment dispute. ... If we were to take a step like this, we might be taking half our time next session intervening in disputes of local governments."
- Sen. Lois Kolkhorst, R-Brenham: "As we move forward, I think the structure of how we do river authorities has always been a bit different. ... That gives us an opportunity to talk about the structure of a subgovernment that we cannot control because we do not have their budgets."

### What's next

According to the vote and discussion [May 12](#), the bill will be sent to the Senate floor, where further discussion could take place.

The last day of the regular session is May 29.

---

By [Vanessa Holt](#) 

A resident of the Houston area since 2011, Vanessa began working in community journalism in her home state of New Jersey in 1996. She joined *Community Impact Newspaper* in 2016 as a reporter for the Spring/Klein edition and became editor of that paper in March 2017 and editor of The Woodlands edition in January 2019.

---

### More stories from The Woodlands



#### [TEXAS LEGISLATURE](#)

[Texas to offer low-income mothers 1 year ...](#)



#### [TEXAS LEGISLATURE](#)

[Ken Paxton's attorneys urge Texas Senate to ...](#)



#### [EVENTS](#)

[26 events to attend in the Greater ...](#)



#### [CITY & COUNTY](#)

[Uplift Harris pilot program to give \\$500 ...](#)





Read Next



Vinyl Record Show in Pasadena this weekend brings 45



What to do for Father's Day in Houston: Sports



Hyundai Welding Products plans \$23M production plant in



Your  
**WOODED OASIS**  
Awaits

(832) 599-3345

[CLICK FOR DETAILS](#)



SUBURBS

# Conroe pays \$300K in fees for groundwater pumping during 2022 drought

Catherine Dominguez, Staff writer

June 9, 2023





1 of 2



Water flows out of one of Lake Conroe's five gates into the San Jacinto River in 2021 at the San Jacinto River Authority spillway of the Lake Conroe Dam. Conroe is paying nearly \$300,000 in overage fees for groundwater pumping after the San Jacinto River Authority reduced the amount of surface water available to large water users during drought conditions in 2022.

Mark Mulligan/Staff photographer

[Show More](#)

Conroe is paying nearly \$300,000 in overage fees for groundwater pumping after the San Jacinto River Authority reduced the amount of surface water available to large water users during drought conditions in 2022.

City council approved paying the fees to the Lone Star Groundwater Conservation District on Thursday.

Norm McGuire, assistant city administrator and director of public works, told council during a workshop meeting that staff budgets pumpage fees based on forecasted

numbers for the years. However, in 2022 when the region experienced drought conditions that increase usage, the river authority limited surface water, forcing the city and other large water users to pump more water from underground.

A Big Sale. A Great Deal. Get 4 Months of Access for Only 25¢!

ACT NOW

**ON YOURCONROENEWS.COM:** [New Conroe Conventions & Visitors Bureau director Sherry Chaney Morgan returns to hometown](#)

The river authority pulls water from Lake Conroe and treats it to deliver to large water providers in Montgomery County. The surface water is mixed with groundwater and then delivered to customers.

The groundwater district issues permits for water usage based on estimated usage from water providers and charges a fee.

“In 2022 we broke our allocation by about a million gallons,” McGuire said. “We had a fairly unprecedented drought for 2022 where the demand was much higher than the estimated production coupled with a reduction in surface water from our partners over at the San Jacinto River Authority.”

McGuire said the city had to make improvements to its system to better deliver water to high-usage areas of the city at the Interstate 45 and North Loop 336 near Walmart.

Councilman Harry Hardman said the fees were at \$2.5 million but the groundwater agency reduced the fees “substantially.”

McGuire said the city will budget more conservatively for groundwater usage which will require the city to pay more for its permit but would avoid potential overage fees.

Collin Boothe, assistant city administrator and director of finance, said the overage funds will be paid from the city’s water and sewer operating fund.