

LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 10, 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 October 10, 2023.

CALL TO ORDER:

President Spigener called to order the Public Hearing on Permit Applications at 6:00 PM announcing the meeting open to the public.

ROLL CALL:

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

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

Sevent 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.*

Director Bouché lead prayer and Vice President Traylor lead the US and Texas pledges.

PUBLIC COMMENTS:

No comments were received.

Ms. Hein stated there are 14 permit applications listed for consideration and of those items 2 items were for new permits, 1 request for transfer of allocation from between aquifers, and the remaining 11 were for increases in allocation to existing permits. Ms. Hein noticed that Items 1,

2, 7, and 14 required submittals of a hydrogeological report and Item 14 requested a spacing exception. After technical review, it is the Permitting Director and the General Manager's recommendation to approve that which is requested.

i. Quadvest, LP. (Benders Landing)

Applicant is requesting an amendment to an Operating Permit OP-04030801J-CHEV for an increase in production authorization in the amount of 214,700,823 gallons for 2023 and annually thereafter. Due to the combined max gpm of the well system for OP-04030801J-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.

ii. Montgomery County MUD #94

Applicant is requesting an amendment to an Operating Permit OP03-0027J-CHEV for an increase in production authorization in the amount of 20,000,000 gallons for 2023 and annually thereafter. Due to the combined max gpm of the well system for OP03-0027J-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.

iii. Jason Bill

Applicant is requesting an amendment to an Operating Permit OP-05042901B-CHEV for an increase in production authorization in the amount of 175,000 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.

iv. Wolf Valley Builders LLC

Applicant is requesting registration of a new Evangeline aquifer well and production authorization in the amount of 250,000 gallons for 2023 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

v. Quadvest, LP. (Pine Acre Trails)

Applicant is requesting an amendment to an Operating Permit OP-20031001-CHEV for an increase in production authorization in the amount of 5,348,178 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.

vi. Bristol Lakes

Applicant is requesting an amendment to an Operating Permit 15042101A-CHEV for an increase in production authorization in the amount of 15,224,470 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.

vii. Quadvest LP. (Decker Farms)

Applicant is requesting an amendment to an Operating Permit OP-21110301-CHEV for an increase in production authorization in the amount of 27,650,328 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.

viii. China Spring Holdings LP (Pinedale MHP)

Applicant is requesting a new operating permit to be used in aggregate with HUP170B-CHEV with a production authorization in the amount of 6,000,000 gallons for 2023 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

ix. Aspen 2023 Property LLC

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

x. Stone Ranch Inc.

Applicant is requesting an amendment to an Operating Permit OP-21092201A-CHEV for an increase in production authorization in the amount of 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.

xi. Quadvest, LP. (Mill Creek)

Applicant is requesting an amendment to an Operating Permit OP-19071801B-JSPR for a transfer in production authorization in the amount of 29,200,000 gallons from OP-19071801B-CHEV 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.

xii. Stanley Lake MUD (AWS Production Well)

Applicant is requesting an amendment to an Operating Permit AWS-11062901D-CAT for an increase in production authorization in the amount of 50,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

xiii. Magnolia East 149, LLC (City of Magnolia WSP #4)

Applicant is requesting registration of a new Jasper aquifer well and production authorization in the amount of 19,634,910 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.

xiv. Quadvest LP. 1 (Mostyn Manor)

Applicant is requesting an amendment to an Operating Permit OP-07061901I-CHEV for registration of a new Evangeline well. Due to the combined max gpm of the well system for OP-07061901I-CHEV and required documentation to request exemption from spacing rules, 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.

Vice President Traylor moved to approve item #1-14, as recommended by the Permitting Director and Treasurer Prykryl seconded the motion. Motion passed.

ADJOURN:

Treasurer Prykryl moved to adjourn the August 8, 2023 Public Hearing on Permit Applications and Director Bouché seconded the motion. Motion passed. The meeting was adjourned at 6:03 pm.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF NOVEMBER, 2023.



Janice Thigpen, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 10, 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 October 10 2023.

CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:03 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:

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

Seven 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:

Written comment was submitted via email and placed into each Board of Directors Communication Folder.

Director Bouché moved to table the Executive Session until after the General Counsel’s Report, Vice President Traylor seconded the motion. Motion passed to table the Executive Session until after the General Counsel’s Report.

APPROVAL OF THE MINUTES:

Treasurer Prykryl moved to approve the minutes as present, Director Bouché seconded the motion. Motion passed to approve the meeting minutes as presented.

- September 12, 2023, Special Meeting Public Feedback Session on District Rules
- September 12, 2023, Hearing on Permit and Permit Amendment Applications
- September 12, 2023, Regular Meeting

COMMITTEE REPORTS:

A. Executive Committee

- 1) Brief the Board on the Committee's activities since the last regular Board meeting.
President Spigener mentioned that the executive committee didn't have much to discuss since the last meeting. However, he highlighted that the organization now has a full staff and is actively working on internal improvements, making significant progress in various areas.

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.
- 2) Review of unaudited financials for the month of August 2023
Ms. Kouba stated in September 2023, the organization reported total revenues of \$243,518.42 and total expenses of \$207,879.60, resulting in a net income of \$35,638.82 for the month. Year to date, the total income as of September 30th, 2023, was \$1,734,713.44, and the total cash on hand on the same date was \$6,015,613.82.
- 3) Review of 3rd Quarterly Investment Report
Ms. Kouba Reported At the beginning of the third quarter, the organization had a total of \$5,482,275.25 in its money market and text pool accounts. By the end of the third quarter, these accounts had grown to a total of \$5,967,861.82. During the quarter, deposits exceeded withdrawals by \$483,516.26, and interest earned on these accounts amounted to \$2,070.31. Additionally, First Financial Bank has provided safekeeping reports confirming that all district deposits are adequately covered by their pledged securities.

B. External Affairs Committee

- 1) Brief the Board on the Committee's activities since the last regular Board meeting
President Spigner highlighted the need for PR support and mentioned receiving a proposal from Hank Vat, which is more reasonable than their previous PR engagement. They emphasized the importance of upcoming tasks, particularly defending RFC in the new planning cycle with GMA. Hiring Hank Vat's group is seen as beneficial, given their reasonable rates and local connections. Secretary Thigpen expressed support, citing a recent event in Magnolia where the team

effectively engaged with the community. President Spigner added that they shouldn't wait for special meetings to gather stakeholder feedback and should actively participate in events for direct input. They believe hiring Mr. Vet's group is necessary, with the number of hours to be determined as needed. They compared it to a previous PR group that cost around \$90,000 with limited results. President Spigner noted Mr. Vet's proposal outlines a comprehensive plan for conveying their message, particularly regarding rules and planning, leveraging his local connections. While not expecting a vote immediately, they aim to decide at the next meeting to prevent falling behind in communication efforts. Director Bouché sought specific details on what Mr. Vet's group would provide to assess the value of the investment. President Spigner agreed, emphasizing the importance of understanding their offerings for an informed decision.

C. DFC & Technical Committee – Stuart Traylor, Chair

- 1) **Brief the Board on the Committee's activities since the last regular Board meeting**
Vice President Traylor informed the board the committee is continuing to have weekly meetings with the technical team on Thursdays at 9:00 AM. Progress is being made on both sides of the reprogramming effort. They are getting closer to being ready to go out for bids, which is essential because they are behind the deadline for getting the data needed for the 2025 planning. The Texas Water Development Board has warned them that going into planning without data could result in unfavourable outcomes.

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

- 1) **Brief the Board on the Committee's activities since the last regular Board meeting**
President Spigner mentioned that the committee met on October 4th to discuss rule changes and legislative mandates. The legislature passed a new code requiring a rule for protesting rules, to be in place by December 1st. The plan is to focus on the legislative aspect first, completing it by December 1st. Then, in January or February at the latest, they will finalize other rule changes. There are also internal tasks, such as changing software, that need attention. The goal is to take care of legislative requirements and then proceed with rule revisions.
- 2) **Discuss, consider and possible action to approve proposed draft rule on petition for rulemaking for public comment.** Ms. Reese reported that the new law (36.1025 of the water code) requires the development of a rule allowing a person with real property interests in groundwater to petition for rule changes. The Rules Committee met to discuss this and received feedback. They reviewed a model rule from TAG (Groundwater Alliance) and made modifications. The committee recommends approval for publication. It will be open for public comment for 30 days, with a hearing scheduled at the November board meeting. The goal is to meet the December 1st deadline for taking action on the rule. Currently, they are considering a draft rule for public comment.
Director Dent moved to approve the draft rule as presented for publication for 30 days of public comment, Direct Earnest second the motion. The motion passed to approve the draft rule as presented for publication for 30 days of public comment.

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

There's not much more to add beyond what Vice President Traylor already mentioned. They are currently in term agreements and are looking forward to the next steps and making significant progress in their efforts.

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

President Spigener reported GMA 14 has scheduled a meeting for October 26th in Brenham, starting at 9:30 AM. The agenda is available on our website for reference. President Spigener will attend this meeting, and Ms. Kouba will also be present, marking the transition back to the General Manager handling GMA 14. President Spigener will likely manage this meeting, but the transition process is underway. They have received significant cooperation from some GMA 14 members, including other groundwater conservation districts, which is promising for their collaboration efforts. If there are any questions about GMA 14, please feel free to ask.

GENERAL MANAGER'S REPORT:

For the drought monitor update as of October 3rd, 12.78% of the county is still in D4 Exceptional Drought, and 24.37% is in D3 Extreme Drought. The Montgomery County burn ban was lifted on September 18th due to recent rains. Several municipalities have enacted their drought contingency measures, and Ms. Kouba mentioned that they will recognize them on the website and social media. President Spigener asked about how they verify which municipalities have implemented drought measures. Ms. Kouba explained they use information from TCQ but also rely on permit holders informing them directly. President Spigener suggested sending out a message to request information from those who have enacted measures so they can be recognized. Ms. Kouba also shared that for anyone interested in the US Drought Monitor information, they can visit droughtmonitor.unl.edu. She then provided a summary of the field operation report for September 2023, including pending permits and well registrations. She mentioned that they had various meetings and updates, including legislative updates, technical team meetings, and chamber of commerce events. She highlighted that they will be more active in chamber meetings in January. Ms. Kouba also mentioned their upcoming events, including the GMA 14 meeting on October 26th.

Lastly, she mentioned a proposed change in staff roles, where they would consider hiring a permitting technician and transitioning the executive assistant position into an office manager role.

GENERAL COUNSEL'S REPORT:

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

EXECUTIVE SESSION:

The Board recessed at 6:26 PM into a closed Executive Session pursuant to Texas Government Code, Sections 551.074 to discuss personnel matters and annual review of the General

Manager, and 551.071 to consult with the District's attorney regarding pending or contemplated litigation, settlement offers, or on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, Chapter 551, Government Code regarding any agenda item on any of the Board meetings or hearing posted for today.

RECONVENE IN OPEN SESSION:

Following Executive Session, the Board reconvened in Open Session and President Spigener declared it open to the public at 7:88 PM

NEW BUSINESS:

Nothing to report on currently.

ADJOURN:

There being no further business, Vice-President Traylor moved to adjourn the meeting and Director Bouché seconded the motion. The meeting was adjourned at 7.59 PM.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF NOVEMBER 2023.



Janice Thigpen, Board Secretary



SIGN IN SHEET

October 10, 2023
Board Meeting

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail
	Chris Oliver		