

LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 24, 2022

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 24, 2022.

CALL TO ORDER:

President Spigener called to order the Public Hearing on Permit Applications at 9:04 AM 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
Stuart Traylor - Virtual
Janice Thigpen
Jim Spigener

Director Earnest, Secretary Rogers and Treasurer Prykryl were absent. Three members of the Board were present with Vice President Traylor attending virtually with video, 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 (attending virtually); 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 Director Bouche for the opening prayer and Director Thigpen to lead the Pledge of Allegiance and the Pledge of Allegiance to the state flag.



SIGN IN SHEET

October 24, 2022

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail	Would you like to receive LSGCD updates & information?

PUBLIC COMMENTS:

No comments were received.

Ms. Hein briefed the Board on permit applications received for the month and reported that there were eleven applications received for this month. Included in the application are two new permit requests, one request for an amendment to an existing well, one request to add a well to an existing permit and seven requests to increase the production authorization. President Spigener stated that before this goes too far, he has reviewed the board packet and he would like to take items #1-2, and #4-11 together. He would also like to take item #3 separately. Ms. Hein stated with that change that left two new permit requests, one request to amend an existing well, one request to add a well to an existing permit and six requests to increase the production authorization. One application, item #10 on the notice required submittal of a hydrogeological report due to the proposed well or well systems being capable of producing more than 700 GPM. Lone Star GCD's technical consultants have reviewed both the submitted hydrogeological reports and found that the reports meet the requirements as detailed in the district rules and guidance documents. District staff have reviewed each application package and it is the General Manager's recommendation to approve that of which is requested.

1. DR Horton Texas Ltd. (future MUD #199)

Applicant is requesting registration of a new well and production authorization in the amount of 10,962,960 gallons for 2022 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

2. Montgomery County MUD #157

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 69,000,000 gallons for 2022 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

3. San Jacinto River Authority

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,500,000,000 gallons for 2022 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

4. Montgomery County MUD #144

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 20,000,000 gallons for 2022 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

5. T&W Water Services (Rio Vista) dba Blue Topaz Utilities

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 15,000,000 gallons for 2022 and annually thereafter. Based on

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

6. KDL Ventures, LLC

Applicant is requesting an amendment to an Operating Permit to re-equip and existing permitted well for an increase in production authorization in the amount of 2,000,000 gallons for 2022 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

7. Shadyside Land Company, LLC

Applicant is requesting an amendment to an Operating Permit to re-equip an existing permitted well. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

8. Brittany Cole

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 725,000 gallons for 2022 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

9. Mark Kaiser

Applicant is requesting registration of a new well and production authorization in the amount of 1,000,000 gallons for 2022 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

10. City of Conroe

Applicant is requesting an amendment to an Operating Permit for registration of a new well. Due to the combined max GPM of the well system for HUP038C-JSPR and OP02-0001D-JSPR, a hydrogeological report was required for the proposed amendment. Lone Star GCD technical consultants have reviewed the submitted hydrogeological report and found it meets the requirements as detailed in District Rules and guidance documents. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

11. Carlos Ruiz

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 118,000 gallons for 2022 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

Following Ms. Hein's report, Director Bouche motioned to approve items #1-2, and #4-11, as recommended by the General Manager. Director Thigpen seconded. Motion passed.

President Spigener stated that with respect to item #3, he would like to retire in executive session and seek advice from legal counsel.

EXECUTIVE SESSION:

The Board recessed at 9:09 AM into a closed Executive Session pursuant to Texas Government Code, Sections 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 9:50 AM

President Spigener motioned to continue the hearing on item #3 until our permit hearing in November. Director Bouche seconded.

President Spigener stated he wanted to add context regarding the SJRA application (item #3). Mr. Spigener says it is the Board's decision to continue the application to ensure we are being diligent and that we have all the information to fully understand the request. Additionally, there are two directors who represent The Woodlands area that were not able to attend the hearing. He added that the permit holder is asking for an additional 1.5 BG or approximately 4,000 AFY on top of their existing permit allocation of 3 BG or approximately 9,200 AFY. He continued that if approved the permit amendment would allow SJRA to pump 4.5 BG or approximately 14,000 AFY, which is a significant amount. The increase being requested is a 29% increase in authorization.

The SJRA made a request last year to increase its 2020 permit at which time the Board approved an additional 90 MG for 2020. President Spigener commented that the SJRA is the largest pumper in the county and all 38 of its wells are in The Woodlands. He mentions this because the District has heard from a large number of Woodlands residents and other stakeholders for a number of years now, and they continue to express their concerns about subsidence. These residents want less groundwater produced but the pumping that SJRA is asking for is in the very location they claim there is a problem. This is not a new permit. This is a request to increase the pumping near PAM 13, which Harris-Galveston Subsidence District, The Woodlands and SJRA have all concluded is one of the areas of most concern and could benefit from reduced groundwater. President Spigener stated he was personally confused as to why the SJRA states that it is concerned about subsidence but then continues to request significant increases for their groundwater permit. He stated that the Board is going to do their part as a GCD, but he hopes that other people, especially the people in The Woodlands are paying attention to what appears to be to be a direct contradiction in the concerns that have been so vehemently expressed by not just the SJRA but The Woodlands Township and other stakeholders.

He continued by saying that most residents are aware of the multiple studies out, including one on the Spring Creek. Additionally, the Gulf 2023 model is coming out, and it is believed that (for the most part) it will indicate that subsidence is occurring due to groundwater pumping in The Woodlands. As previously discussed, the District is in the midst of our own study where we are planning on studying actual aquifer data that has not been collected before and more directly assess the subsidence issue. In the meantime, President Spigener believes that the LSGCD Board has a responsibility to consider how this application is going to impact subsidence.

Mr. Spigener noted the rumor he has heard regarding The Woodlands going to a 50:50 ratio of surface water to groundwater in 2023 and that surface water is going to be provided by SJRA. He mentions this because he wants to make sure that as a District who is permitting based on demand that the Board fully understands the permit's demand for water and how that demand is going to be met through other sources so we can evaluate the permit's actual need for this additional groundwater, which is going to be pumped in this sensitive area.

Further, the District has been criticized for not regulating and not caring about subsidence which is patently untrue. The District is spending more time, money, resources and more effort on subsidence than anything else and have been for the last two years.

President Spigener noted that recently, on a couple of public forums, SJRA has issued warnings about over pumping and the water level drops in their wells in The Woodlands and yet they are asking us if they can pump even more -- this is very confusing for him. He further explained that when we are talking about a permit of this magnitude, in the heart of this area of concern, the Board is going to pay attention and be diligent, and he thinks that is what this Board owes the people of The Woodlands.

President Spigener concluded that this is a request for increase of pumping, and we are going to need more details before we can consider this application. Mr. Spigener asked if anyone on the board had additional comments.

Director Bouche thanked President Spigener for his leadership and is very proud of the work the Board has done in seeking data first before making major decisions. He wishes every board would operate in this manner. Director Bouche noted that the process does not always move rapidly but the Board wants to make sure they are doing the right things, especially for the people of The Woodlands. He lived in that area for a long time and he loves The Woodlands and would not want to see anything happen to it. Director Bouche continued that when he read about this permit increase request he was concerned because not only for subsidence, which has been a big issue but there is also a fault line running through that area. He noted that the argument has been made that water production made out of these wells further destabilizes the fault line and he has read there has even been connections made to flooding. There has been a lot mentioned about these things that are happening as a result of groundwater production of these 38 wells that are owned by SJRA. He stressed his concern and agreed with President Spigener's confusion that when you have a board publicly telling people these things and then on the backside, they are requesting to exacerbate the problem with more groundwater production. Director Bouche welcomes the opportunity to examine this further with our hydrogeologists to determine what the

best way forward is. Director Bouche noted that while there has been mention of the 50:50 mix of surface water and groundwater in The Woodlands, however, he does not think they have achieved that yet. Still he would like to understand the impact that this mix is going to in connection with the increased request in groundwater. He ended by saying that the prudent thing to do is table this for now until Director Rogers and Earnest, who is a hydrogeologist, are able to weigh in, as he/they may have better insight.

President Spigener stated that he would like to find out if the increase to a 50:50 blend of surface water and groundwater in The Woodlands is true or a rumor.

Director Thigpen stated that she agreed with everything that the President Spigener and Director Bouche stated. She agreed that the prudent thing to do is table it for now and see what we can find out with the rumors that are going around and the growth in the area. She believes we need to look a little closer at this application in order to protect our neighbors. Vice President Traylor concurred.

ADJOURN:

There being no further discussion, President Spigener adjourned the public hearing on permit applications at 10:15 AM.

PASSED, APPROVED, AND ADOPTED THIS 15th DAY OF NOVEMBER 2022.



Larry Rogers, Board Secretary