

LONE STAR GROUNDWATER CONSERVATION DISTRICT

February 14, 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 February 14, 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:

Jon Paul Bouché - Absent
Jonathan Prykryl
Janice Thigpen
Stuart Traylor
Jim Spigener
Kenneth Earnest

Five 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 noted that Item 8 (T&W Water Services (Grand Harbor/Gemstone)) has been pulled from consideration as additional documentation is required for the requested spacing exception. Of the remaining 10 items, 6 are requests for an increase in allocation, 2 are requests to change

either water use type or location of use and 2 are requested to aggregate existing well permits. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested:

1. WMC Steel, LLC

Applicant is requesting an amendment to Operating Permit OP-19072404-CHEV for an increase in production authorization in the amount of 908,000 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. Magnolia Events Property LLC

Applicant is requesting an amendment to an Operating Permit OP-17052501-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.

3. Addison Woods, LLC

Applicant is requesting an amendment to Operating Permit OP-19072403-CHEV for an increase in production authorization in the amount of 945,200 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. Melvin Brad & Margo T. Chapin

Applicant is requesting an amendment to Operating Permit OP-07021202-CHEV for a change in type of use from Industrial to Commercial. 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 (Harbor Side) dba Blue Topaz Utilities

Applicant is requesting an amendment to an Operating Permit OP-07092803-JSPR for an increase in production authorization in the amount of 2,000,000 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. T & W Water Services (Hidden Springs Ranch) dba Blue Topaz Utilities

Applicant is requesting an amendment to an Operating Permit OP-07092809-JSPR for an increase in production authorization in the amount of 9,000,000 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. Montgomery County Mud #119

Applicant is requesting an amendment to an Operating Permit OP-07022301-CHEV for an increase in production authorization in the amount of 70,000,000 gallons for 2023 and annually thereafter. Due to the combined max gpm of the well system for OP-07022301-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.

~~8. T & W Water Services (Grand Harbor/Gemstone) dba Blue Topaz Utilities~~

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

9. Aqua Texas, Inc. (Greenfield Forest)

Applicant is requesting an Operating Permit in aggregate with OP03-0040-JSPR for a change in location of water use. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

10. Aqua Texas, Inc. (Westwood 1&2/Old Egypt)

Applicant is requesting to aggregate the existing Operating Permits HUP023-CHEV, OP-05072103-CHEV, OP03-0040-CHEV, and HUP003-CHEV. The action would result in a production authorization in the amount of 332,614,000 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.

11. Aqua Texas, Inc. (Westwood1&2/Old Egypt)

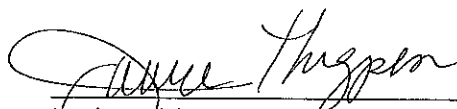
Applicant is requesting to aggregate the existing Operating Permits HUP023-JSPR, OP-05072103-JSPR, and OP03-0040-JSPR. The action would result in a production authorization in the amount of 53,955,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

Treasurer Prykryl to approve items #1-7 and #9-11, as recommended by the General Manager. Vice President Traylor 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 6:04 pm.

PASSED, APPROVED, AND ADOPTED THIS 6th DAY OF MARCH 2023.



Janice Thigpen, Board Secretary



SIGN IN SHEET

February 14, 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	Christopher Farrow	Carrac, TX, 77301	Chris ChrisR.Farrow@protonmail.com	Y
N	Doug Miller	Pinehurst TX 77362	df.lash@gmail.com	Y

LONE STAR GROUNDWATER CONSERVATION DISTRICT

February 14, 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 February 14, 2023.

CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:06 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 – arrived at 6:28PM
Janice Thigpen
Stuart Traylor
Jonathan Prykryl
Jim Spigener
Kenneth Earnest

Five 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:

No public comments were received.

EXECUTIVE SESSION:

President Spigener announced Executive Session would be held at the end of the board meeting.

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) January 10, 2023, Public Hearing on Permit Applications
- b) January 10, 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.
- 2) Review of unaudited financials for the month of January 2023 – Ms. Reiter reported that for the month of January 2023, income was \$245,929.95 and expenses were \$100,493.39 resulting in a net income of \$145,436.56 Year-to-date net income is \$145,436.56. Total Cash on hand is \$5,196,438.54.

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 has met and is currently putting together a scope of work for the hiring of a new strategic communications firm and has been actively meeting with local legislators and the District's legislative consultants regarding legislative updates. The committee had a meeting with Harris Galveston Subsidence District that went really well. The committee is actively engaged in trying to do what is best for the residents of Montgomery County.
- 2) Discussion, consideration, and possible action on any items related to communications and/or legislative matters pertaining to Lone Star GCD – President Spigener stated he had nothing to report at this time.

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 on January 23rd. During the meeting it was requested that the consultants reach out to other potential bidders to discuss timeframe and others that might be interested if the timeframe for the coring hole and extensometer was pushed out some. The majority of the discussion was regarding the GULF model, which was released on January 17th. The technical team is currently reviewing the model files and summary in preparations for discussions with the DFC committee as well as with the GMA 14 voting members. The due date for comments on the model is April 17th.

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 has not met since the last meeting but is anticipating a meeting in the next few weeks to discuss the District's rules and the potential for a written public comment period. This is in part due to the

requirement from the District's Management Plan that we review our rules regularly to ensure they are working. In the near future we will seek potential public written comments on the rules and following that the board may plan a workshop. The rules committee will be meeting pretty quickly to begin the process of reviewing the rules. Ms. Reiter stated that this plan for reviewing the District's rules is in line with requirements of our management plan that rules are reviewed annually.

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

Ms. Reiter stated that she had nothing additional to report on.

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 that the GULF 2023 model was released mid-January and public comments are due back to the TWDB by April 17th. The model release is also the reason that the GMA 14 representatives will be convening on March 7th in Brazoria County to discuss our reviews of model and engage in dialogue with TWDB representatives who will be at the meeting.

GENERAL MANAGER'S REPORT:

Ms. Reiter stated her only update is that the District is actively interviewing for our open positions of Education and Conservation Outreach Coordinator and a new Field Operations Technician. The interviews are progressing, and we will have some good options by the end of this month. The hope is by mid to late March to have one if not both positions filled.

PRESENTATION TO RECIEVE AND TAKE ACTION AS NECESSARY ON RESOLUTION #23-001 TO PROCLAIM MARCH 6-12, 2023, AS "NATIONAL GROUNDWATER AWARENESS WEEK IN MONTGOMERY COUNTY:

Ms. Reiter updated the Board regarding this national event. A planned event has not been formalized. Typically, the District would reach out to libraries and schools that would have the District take the trailer out and share conservation and education awareness information. Work is ongoing to hire staff that would be able to progress this effort further in the future.

GENERAL COUNSEL'S REPORT:

Ms. Reese spoke about Chapter 36 bills. A summary was included in the board packets. House Bill 1971 which amends Chapter 36, to provide that a director of a GCD that has recused themselves from voting and fails to attend two consecutive meetings is disqualified from serving on the board. There are also some requirements on the limitation on continuances with respect to a final decision on pending permit applications and a deadline to review a proposal of a decision

when there is a contested case hearing at the State Office of Administrative Hearings. It has been filed. The bill has not passed but she will certainly keep watching. TAGD is going to be having a legislative committee meeting later in March to talk about some of these bills and we will get more input from them on whether they are going to support this or oppose this.

House Bill 2119 amends Section 36.066 of the Texas Water Code to provide that a prevailing party in a lawsuit, not just a GCD, may be awarded attorneys fees if requested.

There is also Senate Bill 156 which would amend Chapter 36. We have seen this one before. It looks similar to Senate Bill 152 from last session. There are several items with this bill that we have discussed in the past.

There is a Senate Bill companion bill to House Bill 1971 that Ms. Reese had referenced previously. It is called Senate Bill 638 and it has some of the restrictions related to directors missing meetings and the deadlines for making a decision on a permit application so we will be following those. President Spigener asked if the Senate bill about the directors missing meetings is a widespread problem. Ms. Reese stated that those bills are being pushed by LCRA and by their lobbyist in response to some things that have occurred at Lost Pines GCD and with respect to LCRA's pending permit application and some history there with that district whose had a lot of contested case hearings and historically how long it has taken. Ms. Reese stated that she had a client that took over 10 years to have a contested case hearing, and once the appeals went through the appellate court it was over 10 years before her client had a final permit. Ms. Reese thinks the issue rests primarily with Lost Pines GCD. She is not familiar with issues from other districts but she is sure we will hear more about that bill as it moves through the process. President Spigener said he was afraid it was going to make it harder for a director to recuse themselves.

NEW BUSINESS:

Ms. Reiter stated that the board needs to look at moving our March board meeting, as it currently falls during Spring Break. Ms. Reiter would like to consider moving the meeting to the evening of Monday, March 6th at 6:00PM but is open to discussion amongst the board. A motion was made by President Spigener to approve the change of the board meeting date and seconded by Treasurer Prykryl. Motion passed.

EXECUTIVE SESSION:

The Board recessed at 6:25 PM 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.

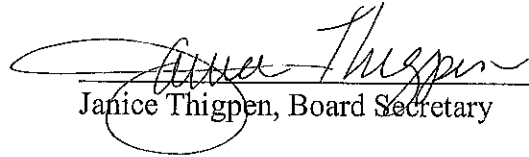
RECONVENE IN OPEN SESSION:

Following Executive Session, the Board reconvened in Open Session and President Spigener declared it open to the public at 7:00 PM

ADJOURN:

There being no further business, Vice-President Traylor motioned to adjourn the meeting and Treasurer Prykryl seconded. The meeting was adjourned at 7:01 PM.

PASSED, APPROVED, AND ADOPTED THIS 6th DAY OF MARCH 2023.


Janice Thigpen, Board Secretary