LONE STAR
GROUNDWATER CONSERVATION DISTRICT

January 9, 2024

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 January 9, 2024.

CALL TO ORDER:

President Spigener called to order the Public Hearing on Permit Applications at 6:01 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

Seven members of the Board were present, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Sarah Kouba, General Manager; Kirstin Hein Permitting Director, Justin Saenz, Education & Conservation Coordinator; 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".*

Director Bouché lead prayer and Secretary Thigpen lead the US and Texas pledges.

PUBLIC COMMENTS:

No comments were received.

DISCUSSION, CONSIDERATION, AND POSSIBLE ACTION ON THE FOLLOWING OPERATING PERMITS and/or METER EXEMPTIONS:

Ms. Hein provided an overview of the seven(7) permits before the board for consideration. Ms. Hein requested that the board consider Item 3 separately due to a request for a spacing exception and complexity of the permit.

i. Waters Edge RV, LLC

Applicant is requesting an amendment to an Operating Permit OP-10060901A-JSPR for an increase in production authorization in the amount of 9,000,000 gallons for 2024 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.

ii. Ellison Collections, LLC (McCrorey Trails)

Applicant is requesting registration of a new Jasper Aquifer operating permit and for production authorization in the amount of 37,668,000 gallons for 2024 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. Blair Warehouse Park LLC

Applicant is requesting an amendment to an Operating Permit OP-20102101-CHEV for an increase in production authorization in the amount of 438,000 gallons for 2024 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.

v. Entergy Texas Inc (LC Rec Area)

Applicant is requesting registration of a new Jasper Aquifer operating permit, registration of 1 existing Jasper Aquifer well to be plugged, and for production authorization in the amount of 438,000 gallons for 2024 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. Far Hills Utility District (AWS Production Well)

Applicant is requesting an amendment to an Operating Permit AWS-15120101C-CAT for an increase in production authorization in the amount of 40,000,000 gallons for 2024 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. Ross Forward

Applicant is requesting registration of a new Evangeline Aquifer operating permit and for production authorization in the amount of 500,000 gallons for 2024 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.

Director Earnest moved to approve Items #1, 2, and 4 -7 as recommended by the General Manager and Director Bouché seconded the motion. Motion passed.

To introduce Item 3, Ms. Kouba provided the Board of Directors with a statement from Advanced Groundwater Solution's Hydrogeological Report Memorandum on the hydrogeologic separation and anticipated impacts of the proposed well. This summary included details on the wells included in Porter Special Utility District's request for spacing exception.

iii. Porter Special Utility District

Applicant is requesting an amendment to an Operating Permit OP03-0006G-CHEV for registration of a new Chicot/Evangeline Aquifer operating permit. Due to the combined max gpm of the well system and request for spacing exceptions, a hydrogeological report was required for the proposed amendment. Please see attached memorandum for additional information on the review of the Hydrogeological Report and the requested actions.

Director Earnest moved to approve Item 3 and Director Dent seconded the motion. No discussion, President Spigner called for a voice, motion passed.

ADJOURN:

Treasurer Prykryl moved to adjourn the January 9, 2024 Public Hearing on Permit Applications and Vice President Traylor seconded the motion. Motion passed. The meeting was adjourned at 6:16 pm.

PASSED, APPROVED, AND ADOPTED THIS 13th DAY OF FEBRUARY 2024.

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Janice Thigpen, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

January 09, 2024

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 January 09, 2024.

CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:17 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
Kennith Earnest
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 Sarah Kouba, General Manager; Kirstin Hein Permitting Director, Justin Saenz, Education & Conservation Coordinator; 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 made, one public comment was submitted via email and place in the Board's packet.

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, Director Dent moved to approve the meeting as presented, Vice President Traylor seconded the motion. President Spigner called for a voice vote, motion passed to approve the meeting minutes as presented.

- November 14, 2023, Rulemaking Hearing
- December 12, 2023, Regular Meeting
- December 12, 2023 Special Meeting

COMMITTEE REPORTS:

A. Executive Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting. President Spigner announced that committee met with the Budget Committee and decided to upgrade the health insurance for employees, transitioning from a individual coverage to family coverage to accommodate the district's growing workforce with families. Despite the complexities involved, the committee has worked out a deal with the insurance company to provide this coverage. The financial savings accrued over the past year or two are sufficient to cover the increased insurance premiums for the next seven years..

A. **Budget & Finance Committee**

1) Brief the Board on the Committee's activities since the last regular Board meeting. Treasurer Prykryl mentioned discussing the budget with Ms. Kouba, and Ms. Kouba elaborated on it, noting that a copy of the budget was included in the board packet. They planned to discuss the 2024 budget after reviewing the December 2023 and fourth-quarter financials

2) Review of unaudited financials for the month of December 2023 – Sarah Kouba, General Manager. Ms. Kouba provided a financial update for December 2023, indicating that the income for the month was $409,295.17 and expenses were $246,138.68. The net income for December 31st, 2023, was $163,156.49, with a year-to-date net income of $2,080,042.57. The total cash balance as of December 31st, 2023, was $6,874,163.88.

3) Review of 4th Quarter Investment Report 2023 Ms. Kouba provided information on the money market taxable accounts for the fourth quarter. At the beginning of the quarter, the total was $5,967,861.82, and by the end, it reached $6,883,898.27. Deposits exceeded withdrawals by $913,824.89, and interest earned was $2,211.56. First Financial Bank confirmed that all district deposits are adequately covered by their pledge security, as per safekeeping reports.

4) Discuss, consider, and possible action regarding approval of Resolution #23-007 adopting FY 2024 Operating and Capital Outlay Budgets Ms. Kouba reported that the executive committee and the Budget Committee have collaborated on the approach to the proposed 2024 budget, and they have reached an agreement. She requested approval of the resolution regarding the 2024 proposed budget.

   Treasurer Prykryl moved to approve Resolution #23-007 adopting FY 2024 Operation and Capital Outlay Budgets. Vice President Traylor seconded the motion. Director Dent noted a clerical error of 2023 instead of 2024, Motion passed and clerical error would be fixed before signing.

B. **External Affairs Committee**

1) Brief the Board on the Committee's activities since the last regular Board meeting President Spigner mentioned upcoming meetings with legislators Will Metcalf and Ernest Bailes to discuss the district's status and potential needs. He invited others to join and noted that the meeting with Will Metcalf is scheduled for January 22nd at lunchtime.

C. **DFC & Technical Committee**

1) Brief the Board on the Committee's activities since the last regular Board meeting Vice President Traylor reported that the committee has been meeting consistently, with recent meetings held on December 14th, 21st, and January 5th. Progress is being made, particularly regarding Site 1 with Port SUD. Discussions are ongoing regarding Site 2, which may necessitate further studies before advancing.
   Ms. Kouba provided an update on Site 1 and the preconstruction date, indicating that they are currently working to finalize it, with the expectation that it will be in early February. She mentioned that the mobilization date specified in the contract is February 8th, and the contractor is on track with their timeline. Additionally, the paperwork portion for insurance and bonds has been completed, and all necessary project contact information has been provided. Discussions with ALSAY regarding the preconstruction date are ongoing.

   President Spigner thanked Ms. Kouba, Ms. Reece, and the DFC committee for all their and a special shoutout to Porter SUD for all their support and cooperation and Treasurer Prykryl for all his working to assist in moving this forward.

D. **Rules, Bylaws & Policies Committee**

1) Brief the Board on the Committee's activities since the last regular Board meeting President Spigner reiterated that the rule revisions are still in progress, with the aim of completing them sometime before the end of the first quarter of 2024. He assured that more updates will be provided as the process advances.

Presentation by United States Geological Survey (USGS) regarding groundwater studies and programs for Montgomery County

Jason Ramage presented on water level data collecting in and around Montgomery County.

Receive information from District's technical consultants regarding subsidence studies and/or discussion regarding the same

1) Update the Board on status of proposed sites for Phase III of the Subsidence Study and public request for bid for Site 1 in collaboration with Porter Special Utility District. Ms. Kouba mentioned the need to seek advice from legal counsel regarding the recently entered contract with Collier Consulting for the software. She suggested discussing this matter during the executive session at the end of the meeting and considering possible actions afterward.
2)

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 Spigner mentioned that there are no updates at the moment, but the board is anticipating its first meeting of the year, scheduled for February 29th, here at the Lone Star Groundwater Conservation District.

GENERAL MANAGER'S REPORT:

Ms. Kouba provided a comprehensive update on the general operations of the district. She mentioned that they had signed the final contract with Collier Consulting for district software and were in the initial stages of website updates. Additionally, they were continuing the process of application consolidation and audits throughout the district. Ms. Kouba also announced the addition of Hope Mathis as the third permitting technician and mentioned that an offer had been made for the Director of Operations position, pending acceptance. She noted that there were currently no open positions in the district, considering it fully staffed.

In terms of field operations, Ms. Kouba reported that there were 181 field inspection reports conducted in December. She provided an update on permit applications, stating that there were 23 under review, with 7 listed for the January hearing. She also mentioned well registration updates and attendance at various meetings and events, including school visits and legal proceedings.

Looking ahead, Ms. Kouba outlined upcoming events such as a legislative consultant meeting, TAGD boot camp, and the Gulf Coast Water Conservation Symposium. She also mentioned that the district would be hosting the GMA 14 regular meeting on February 29th. Additionally, she emphasized the importance of education outreach programs and expressed excitement about attending more schools to expand their outreach efforts..

GENERAL COUNSEL'S REPORT:

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

EXECUTIVE SESSION:

The Board recessed at 7:01 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 8:09 PM

NEW BUSINESS:

Nothing to report on currently.

ADJOURN:
There being no further business Vice President Traylor moved to adjourn the meeting and Treasurer Prykryl seconded the motion. President Spigner called for a voice vote, motion carried. The meeting was adjourned at 8:11 PM.

PASSED, APPROVED, AND ADOPTED THIS 13th DAY OF FEBRUARY 2024.

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Janice Thigpen, Board Secretary