LONE STAR
GROUNDWATER CONSERVATION DISTRICT

February 13, 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 13, 2024.

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
Kennith Earnest
Kenneth Earnest
Garry Dent

Six 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; Chris Drabeck, District Technical Consultant, and Stacey V. Reese, District Counsel and James Beach, District Technical Consultant via Zoom; and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".*

Director Bouché led prayer and Director Earnest 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 twelve applications listed. Items 1-12 included applications that are considered administratively complete and have been reviewed by District Staff. No hydrogeological reports were required for these items and they comply with District's Spacing Rules. The General Manager has reviewed these applications and it is her recommendation that the Board grant that which is requested.

i. Black Eye Properties, LLC

Applicant is requesting registration of a new Jasper Aquifer operating permit and for production authorization in the amount of 750,000 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. Oil & Mud Innovative Technologies, Inc.

Applicant is requesting an amendment to an Operating Permit OP-10080201-CHEV for an increase in production authorization in the amount of 350,000 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.

iii. Areli Foundation

Applicant is requesting registration of a new Evangeline Aquifer operating permit and for production authorization in the amount of 150,000 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. Angel Albiter

Applicant is requesting registration of an existing Chicot Aquifer operating permit and for production authorization in the amount of 150,000 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. Roman Forest Property LLC (Fuel Maxx 96)

Applicant is requesting registration of a new Evangeline Aquifer operating permit and for production authorization in the amount of 750,000 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. JPCT Investments, LLC

Applicant is requesting registration of a new Jasper Aquifer operating permit and for production authorization in the amount of 107,290,581 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. Aqua Texas, Inc. (Carriage Hills)

Applicant is requesting an amendment to an Operating Permit OP-05111403D-CHEV for an increase in production authorization in the amount of 20,000,000 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.

viii. Aqua Texas, Inc. (Lake Conroe Village)

Applicant is requesting an amendment to an Operating Permit OP-07092601I-JSPR for an increase in production authorization in the amount of 18,000,000 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.

ix. Aqua Texas, Inc. (Lake Creek Forest)

Applicant is requesting an amendment to an Operating Permit OP-06092601F-CHEV for an increase in production authorization in the amount of 8,000,000 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.

x. Aqua Texas, Inc. (Walnut Springs)

Applicant is requesting registration of a new Evangeline Aquifer operating permit and for production authorization in the amount of 10,000,000 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.

xi. Aqua Texas, Inc. (Lake Conroe Forest & Tejas Creek)

Applicant is requesting an amendment to an Operating Permit OP03-0039C for an increase in production authorization in the amount of 26,710,000 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.

xii. Greater Harris County 911 Emergency Network (Pleasant Valley Road)

Applicant is requesting registration of a new Evangeline Aquifer operating permit and for production authorization in the amount of 100,000 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 Bouché moved to approve Item 1 - 12 and Director Earnest seconded the motion. No discussion, President Spigner called for a voice, motion passed.

ADJOURN:

Vice President Traylor moved to adjourn the February 13, 2024 Public Hearing on Permit Applications and Director Dent seconded the motion. Motion passed. The meeting was adjourned at 6:05 pm.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF March 2024.

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Janice Thigpen, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

February 13, 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 February 13, 2024.

CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:05 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
Kennith Earnest
Kenneth Earnest
Garry Dent

Six 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; Chris Drabeck, District Technical Consultant, and Stacey V. Reese (virtual), District Counsel and James Beach (virtual), District Technical Consultant via Zoom; 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, Vice President Traylor moved to approve the meeting as presented, Director Earnest seconded the motion. President Spigner called for a voice vote, motion passed to approve the meeting minutes as presented.

- January 9, 2024, Public Hearing on Permit and Permit Amendment Applications
- January 9, 2024, Regular Meeting of the Board of Directors

COMMITTEE REPORTS:

A. Executive Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting. President Spigner mentioned that the executive committee had not yet met and emphasized the need for a meeting.

A. **Budget & Finance Committee**

1) Brief the Board on the Committee's activities since the last regular Board meeting. No updates since the last Board of Directors Meeting

2) Review of unaudited financials for the month of January 2024 – Sarah Kouba, General Manager Ms. Kouba provided financial updates for January 2024. The income for the month was $289,238.48, while expenses amounted to $179,093.74, resulting in a net income of $110,144.74. The year-to-date net income remained the same at $110,144.74. The total cash on hand as of January 31st, 2024, was $7,323,421.60.

B. **External Affairs Committee**

1) Brief the Board on the Committee's activities since the last regular Board meeting President Spigner provided an update on the External Affairs Committee, noting that they haven't met but had a productive discussion with Representative Metcalf. They discussed Lone Star's interest in a vacant Chair position on the Natural Resources Committee and received assurance of support. Additionally, they've been working with their PR consultant, Studio 3 Media, on better public outreach and refining their mission statement. They're also seeking meetings with Rep. Ernest Bailes and Senator Lois Kolkhorst to establish connections in those areas. Overall, they're making progress in developing relationships with political representatives. President Spigner mentioned a productive meeting with Janice Holt, who is running against Rep. Ernest Bailes in the upcoming election.

C. **DFC & Technical Committee**

1) Brief the Board on the Committee's activities since the last regular Board meeting
Vice President Traylor provided an update on the weekly meetings regarding Phase III, noting a delay in mobilizing the rig due to rain but still anticipating on meeting project deadlines. He mentioned visiting the site and observed wet conditions. The committee and technical team continue discussions on Phase III Site #2, with considerations including an environmental study.

Ms. Kouba elaborated on the timeline extension due to weather conditions, emphasizing the need for updates as the ground dries up. Regarding Site #2, discussions involve negotiations and considerations for an environmental study to ensure suitability, with SJRA's cooperation appreciated.

President Spigner inquired about the potential environmental study's cost and responsible party. Ms. Kouba indicated that the technical team is exploring options, clarifying that no paperwork has been signed yet and that the expected cost is under $10,000, pending approval by the DFC.

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

1) Brief the Board on the Committee's activities since the last regular Board meeting
President Spigner provided an update on the ongoing efforts towards finalizing rule revisions for 2024. Acknowledging some delays due to other priorities, he assured that the process is still underway and progressing, albeit at a slower pace

RECEIVE INFORMATION FROM DISTRICT'S TECHNICAL CONSULTANTS REGARDING WATER LEVELS IN GMA 14– JAMES BEACH, P.G., AND CHRIS DRABEK P.G. (ADVANCED GROUNDWATER SOLUTIONS, LLC) DISTRICT'S TECHNICAL CONSULTANT(S).

District Technical Consultants gave an update presentation on water levels in GMA 14 and Montgomery County.

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

Ms. Kouba provided updates on the planning for the upcoming GMA 14 meeting scheduled for February 29th at the District. She mentioned that the agenda for the meeting will be posted by the end of the week. James will deliver a presentation on water levels in GMA 14 at the meeting, along with an update on the subsidence Phase III study and Site #1.

Additionally, Ms. Kouba discussed Resolution #24-001, which will be considered at the GMA 14 meeting. This resolution pertains to the development of an alternative groundwater availability model (GAM) for joint planning. The draft resolution circulated included the word "data," ensuring that the new alternative GAM would incorporate updated data, particularly data obtained from coring at the Phase III Site #1 .

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

Discuss, consider, and possible action regarding authorization for GMA 14 representative to sign Resolution #24-001 adopting Development of Alternative Groundwater Availability Model. – Sarah Kouba, General Manager, and/or District's technical consultant(s). Vice President Traylor Moved to approve authorize Ms. Kouba to sign the revised Resolution 24-001 as the GMA 14 Representative, Secretary Thigpen second the motion. No discussion, President Spigner call for a voice vote, motion carried.

GENERAL MANAGER'S REPORT:

Ms. Kouba provided comprehensive updates on various operational aspects of the district. She highlighted ongoing efforts in database development with Collier Consulting and Hydros, along with regular meetings for software implementation and website revamping. Additionally, Ms. Kouba announced the hiring of Tiffany White as the Director of Operations, noting her extensive background in county administration.

In terms of meetings and events, Ms. Kouba mentioned legislative consultant meetings, staff development sessions, and various scheduled events attended by district members. Notable among these were educational outreach activities in schools, attendance at water conservation symposiums, and participation in regulatory group meetings.

Field operation updates included regular PAM monitoring and a significant number of field inspection reports conducted in January. Permitting operations saw 41 applications under review, with a breakdown of application types and pending actions provided for clarity. Ms. Kouba also outlined exempt well registration activities for the month.

Overall, Ms. Kouba's update provided a thorough overview of the district's activities and initiatives across different operational areas, demonstrating a commitment to transparency and efficiency in district management.

GENERAL COUNSEL'S REPORT:

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

EXECUTIVE SESSION:

The Board recessed at 7:13 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 7:48 PM

NEW BUSINESS:

Nothing to report on currently.

ADJOURN:

There being no further business Vice President Traylor moved to adjourn the meeting and Director Dent seconded the motion. President Spigner called for a voice vote, motion carried. The meeting was adjourned at 7:49 PM.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF March 2024.

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Janice Thigpen, Board Secretary