LONE STAR
GROUNDWATER CONSERVATION DISTRICT

March 12, 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 March 12, 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
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; Tiffany White, Director of Operations; Justin Saenz, Education & Conservation Coordinator; and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".*

Director Traylor led prayer and Director Prykryl lead the United States 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 nine applications listed. Items 2, 4-9 included applications that are considered administratively complete and have been reviewed by District Staff. No hydrogeological reports were required for those 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 for Items 2, 4-9.

Ms. Kouba provided an overview of Item 1 as the application required a hydrogeological report due to the well system capable of producing 700 GPM or greater. AGS reviewed the hydrogeological report and found that the modeling approach and assumptions are reasonable and the submitted hydrogeological report and supplemental materials generally address the requirements defined by the Hydrogeological Report Guidelines.

Ms. Kouba provided an overview of Item 3 as they are requesting a new permit for an existing subdivision that was previously purchasing water from a different provider. A hydrogeological report was required due to the proposed well location being less than 50 ft from the property boundary. Undine LLC obtained a letter signed by the adjacent property owner dated February 12, 2024, that waives the LSGCD well spacing requirement. AGS reviewed the submitted hydrogeological report and found that the modeling approach, parameters, and results are reasonable and that the submitted Hydrogeological Report addresses the requirements defined by the Hydrogeological Report Guidelines.

1. City of Magnolia, for a proposed amendment to existing OP-04041601E-CHEV, increase of 289.075 mg annually, 105 Elm Street, Magnolia, Public Water Supply (PWS) and Commercial use, hydrogeological report submitted with application;

2. Israel Reyes, for a proposed new operating permit not to exceed 0.5 mg annually and 1 existing Evangeline aquifer (CHEV) well not registered with the District at 19574 Alford Road, Magnolia, Public Water Supply (PWS) use;

3. Undine Texas, LLC (Pioneer Trails), for a proposed new operating permit not to exceed 24.09 mg annually and a proposed Evangeline aquifer (CHEV) well to be drilled at 15377 Rusty Oak Trail, Conroe, Public Water Supply (PWS) use, hydrogeological report submitted with application, (Driller of Record: O'Day Drilling Company Inc);

4. BHOLD Investments, LP, for a proposed new operating permit not to exceed 5 mg annually and 1 existing Evangeline aquifer well (CHEV) at 3619 Honea Egypt Road, Montgomery, Irrigation use;

5. Bronco Yee-Haw Event Center, for a proposed new operating permit not to exceed 0.75 mg annually and a proposed Evangeline aquifer (CHEV) well to be drilled at 33100 Old Hempstead Road, Magnolia, Commercial use, (Driller of record: To be determined);

6. Jenny Sue's Pet Grooming, for a proposed new operating permit not to exceed 0.3 mg annually, 1 proposed Evangeline aquifer (CHEV) well to be drilled at 15237 Saddlewood Drive, Conroe and 1 existing Chicot aquifer (CHEV) well not registered with the District at 15237 Saddlewood Drive, Conroe, Commercial use, (Driller of record: Ballard Water Well Co., LLC);

7. Best Box HWY 59, for a proposed new operating permit not to exceed 0.1 mg annually and for a proposed Evangeline aquifer (CHEV) well to be drilled at 17644 US 59 Business, New Caney, Commercial use (Driller of record: B&R Water Wells LLC);

8. Waste Management Renewable Energy, for a proposed new operating permit not to exceed 0.15 mg annually and for a proposed Chicot aquifer (CHEV) well to be drilled at 19248 TX 105, Cleveland, Commercial use, (Driller of record: Ballard Water Well Co., LLC); and

9. Aaraab & Izyan, LLC, for a proposed new operating permit not to exceed 0.5 mg annually and for a proposed well to be drilled at 750 Waukegan Road, Conroe, Commercial use, (Driller of record: Scott Drilling Inc.).

Secretary Thigpen moved to approve Item 1 - 9 and Director Prykryl seconded the motion. No discussion, President Spigner called for a voice, motion passed.

ADJOURN:

Vice President Traylor moved to adjourn the March 12, 2024 Public Hearing on Permit Applications and Director Dent seconded the motion. Motion passed. The meeting was adjourned at 6:07 pm.

PASSED, APPROVED, AND ADOPTED THIS 9th DAY OF APRIL 2024.

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Janice Thigpen, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

March 12, 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 March 12, 2024.

CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:08 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
Jon Paul Bouché
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; Tiffany White, Director of Operations; Justin Saenz, Education & Conservation Coordinator; and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".*

PUBLIC COMMENTS:

Three public comments were submitted via email and placed in the Board's packets. Mr. Bill Beran, a private citizen, expressed concerns about the district's approach to the Desired Future Conditions (DFC) regarding water usage. He emphasized the variability in water demand due to population growth and other factors, cautioning against complacency in managing water utilization. Using graphs, he illustrated potential premature intersections with the 70% remaining drawdown target, highlighting the need for vigilance in water management. He also pointed out the impact on well yields and the

potential long-term consequences of over-utilizing the aquifer. Mr. Bill Beran stressed the importance of preserving the finite aquifer and avoiding irreversible depletion.

EXECUTIVE SESSION:

The Board did not recess to Executive Session

APPROVAL OF THE MINUTES:

President Spigener stated the Board would consider the meeting minutes as listed for approval on today's agenda. Director Bouché noted his name was left off the February 12, 2024 minutes. Following the correction, Director Bouché moved to approve the minutes, Director Dent seconded the motion. President Spigner called for a voice vote, motion passed to approve the meeting minutes as presented.

- February 12, 2024, Public Hearing on Permit and Permit Amendment Applications
- February 12, 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. No updates since the last Board of Directors 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 the income statement for March 2024. In February 2024, the income amounted to $303,109.73, while expenses totalled $154,652.63, resulting in a net income of $148,457.10 for the month. The year-to-date net income as of February 29th was $258,546.20. The total cash on hand as of February 29th was $7,323,948.08.

B. **External Affairs Committee**

1) Brief the Board on the Committee's activities since the last regular Board meeting President Spigner mentioned a recent meeting with the Harris Galveston Subsidence District aimed at improving communication and collaboration between the two entities. Additionally, the full External Affairs Committee convened to discuss updating the Lone Star Groundwater Conservation District's mission statement.

2) Discuss, Consider, and possible action regarding approval of Resolution #24-001 amending Lone Star Groundwater Conservation District Mission Statement.

Director Dent suggested adding clarification to the mission statement regarding the term "conservation" by emphasizing the conservation of groundwater for present and future generations. This clarification aims to underscore the district's commitment to preserving groundwater resources while balancing other priorities such as practical production and the protection of private property rights. Director Bouché moved to add the word “groundwater”, Treasurer Prykryl seconded the motion. President Spigner called for a voice vote, motion failed. Director Bouché moved to approve Resolution #24-001, Secretary Thigpen seconded the motion, President Spigner called for a voice vote, motion passed.

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 team continues to meet weekly, sometimes twice a week. Last week, they faced challenges with wet ground but managed to mobilize on site. They are actively meeting with Ms. Kouba and the technical team to discuss progress on site 2. Ms. Kouba added that coring has begun, and despite the soft ground, they are making progress. By tomorrow morning, they anticipate reaching the 6th interval. Secretary Thigpen inquired about the duration of coring, to which Ms. Kouba responded that while they avoid setting firm dates due to uncertainties, they estimate a couple more weeks. President Spigner sought clarification on the depth after reaching the sixth interval, to which Ms. Kouba explained they are still in the Evangeline layer but nearing the 1000-foot mark.

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

1) Brief the Board on the Committee’s activities since the last regular Board meeting
President Spigner noted that the District is still actively pursuing rule revisions for 2024 and encouraged everyone to stay informed for further updates in the new year. Ms. Kouba added that internally, they are diligently working on drafting the rule revisions and enhancing the implementation of existing rules. They aim to improve processes and ensure permit holders' compliance. She emphasized their readiness to address any inquiries and assist permit holders in adhering to the current rules effectively.

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

No updates since the last Board of Directors Meeting

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. Kouba provided an update on the recent GMA 14 meeting held on February 29th, mentioning plans for the next meeting in May, with hopes of hosting it again at their district office for convenience and live streaming capabilities. During the meeting, a resolution was tabled at the request of Zach Holland and Gary Ashmore, who wanted more information on the timeline for the coring project and DFC development before approving the resolution authorizing the inclusion of new data from the coring at Site One. Currently, technical consultants are working on a timeline to ensure alignment with the GMA 14's path for utilizing the coring data for model updates and potentially moving into our DFC. Bill Hutchinson, a hydrogeologist consultant, expressed concerns over meeting deadlines for the model and collaboration among consultants, which are being addressed by Mr. Beach from AGS to ensure everyone's comfort moving forward. Further updates are expected in May.

GENERAL MANAGER'S REPORT:

Ms. Kouba provided general operational updates, highlighting ongoing progress on the development and implementation of the new district database, including a full audit of all open and active permits, expected to last through 2024. Work continues on updating the district website, with weekly public relations strategy sessions to educate the public on district initiatives. Near completion of district application consolidation was noted, with plans to switch to the new application process to be communicated to stakeholders. Permittees are now past due for annual pumpage reports for 2023, prompting the team to initiate enforcement. Weekly meetings include technical consultant meetings, subsidence technical team meetings, legal counsel meetings, and software database implementation meetings. Monthly meetings with legislative consultants and staff development sessions are also ongoing.

Ms. Kouba reported attendance at various events, including the Gulf Coast Water Conservation Symposium, SJRA GRP meeting, TWCA Spring 2024 convention, and a budget committee meeting. Scheduled events include participation in TWC legislative committee and Staff Development meetings. A meeting with Representative Bailes was also mentioned.

Field operational updates included continued monitoring of Pam sites, with 371 field inspections conducted in the reporting month. In permitting operational updates, Ms. Kouba detailed 35 permit applications under review, with a breakdown of applications by rollover from 2023 and new applications from 2024. Pending applications from January and February were highlighted, emphasizing progress made by the team and encouraging stakeholders to stay updated on pending applications and timelines.

President Spigner inquired about the progress of implementing the new district database and software. Ms. Kouba acknowledged the challenges but expressed optimism, noting that the system is being built from scratch, with Lone Star being the largest district the developers have worked with. She mentioned that while there is pressure to meet deadlines, the goal is to have basic functionality by the deadline, with updates and improvements to follow. Ms. Kouba also mentioned plans to involve permit holders in testing and providing feedback on the new system. President Spigner expressed gratitude to Ms. Kouba and the staff for their hard work, highlighting Ms. Hein's contributions to the process.

GENERAL COUNSEL'S REPORT:

No report

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 6:45 PM.

PASSED, APPROVED, AND ADOPTED THIS 9th DAY OF April 2024.

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Janice Thigpen, Board Secretary