LONE STAR
GROUNDWATER CONSERVATION DISTRICT

September 10, 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 September 10, 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 (*Virtual*)
Jon Paul Bouché
Kenneth Earnest
Gary 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; Tiffany White, Director of Operations; Kirstin Hein, Permitting Director; Justin Saenz, Education & Conservation Coordinator; Stacey Reese, District Counsel *(virtual)*; Chris Drabek, District Technical Consultant, *(virtual)* Mike Keester, District Technical Consultant, *(virtual)* James Beach, District Technical Consultant, *(virtual)*; 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 the prayer and Director Earnest 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 EXEMPTIONS:

Sarah Kouba provided an overview of the 5 applications listed. Applications numbered 1-3 included applications that have been reviewed by District Staff and are considered administratively complete. No hydrogeological reports were required for those applications and they comply with the District's Spacing Rules. Ms. Kouba as the General Manager, has reviewed the applications, and she recommended that the Board grant those which is requested for applications 1 - 3.

Ms. Kouba provided an overview of application number 1 – HWY 99 Forest Real Estate, LLC (Smart Stop). Ms. Kouba provided a summary and her recommendation for the Board's consideration of the permit or permit conditions upon approval.

Ms. Kouba provided an overview of application numbered 2 – PJV Holdings LLC. Ms. Kouba provided a summary and her recommendation for the Board's consideration of the permit or permit conditions upon approval.

Ms. Kouba provided an overview of application number 3 – Jadyn Wealth Properties, LLC (Kelly Eberly). Ms. Kouba provided a summary and her recommendation for the Board's consideration of the permit or permit conditions upon approval.

Vice President Stuart Traylor joined the meeting at 6:05 pm.

Director Bouché moved to approve that which is requested for applications 1 - 3. Director Earnest seconded the motion. President Spigener called for a voice vote. Motion passed.

Ms. Kouba provided an overview of application numbered 4 – Chateau Wood MUD Water Plant 3. Due to the total production capacity of the well, Ms. Kouba requested the Board's consideration of the permit and permit conditions upon approval. A Hydrogeological Report was submitted with the application.

Director Bouché moved to approve that which is requested for application 4. Director Dent seconded the motion. President Spigener called for a voice vote. Motion passed.

Ms. Kouba provided an overview of application numbered 5 - Aqua Texas (Piney Point). Due to a request for spacing exception from 5 wells within the required spacing as determined under District Rule 3.2. Ms. Kouba requested the Board's consideration of the permit or permit conditions upon approval.

Director Earnest moved to approve that which is requested for application numbered 5 and Secretary Thigpen seconded. President Spigener called for a voice vote. Motion passed.

ADJOURN:

Vice President Traylor moved to adjourn the September 10th, 2024, Public Hearing on Permit Applications and Director Dent seconded the motion. Motion passed. The meeting was adjourned at 6:15 pm.

PASSED, APPROVED, AND ADOPTED THIS 8th DAY OF October 2024.

Janice Thigpen, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

September 10, 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 September 10, 2024.

ITEM 1. CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:16 PM, announcing that it was open to the public.

ITEM 2. ROLL CALL:

The roll was called of the members of the Board of Directors, to wit:

Jim Spigener
Stuart Traylor
Jonathan Prykryl (*Virtual)*
Janice Thigpen
Jon Paul Bouché
Kenneth Ernest
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; Tiffany White, Director of Operations; Kirstin Hein, Permitting Director; Justin Saenz, Education & Conservation Coordinator; Stacey V. Reese, District Counsel *(virtual)*, Mike Keester, District Technical Consultant *(virtual)*; Chris Drabek, District Technical Consultant *(virtual)*, James Beach, District Technical Consultant *(virtual);* and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".*

ITEM 3. PUBLIC COMMENTS:

One public comment was received before the meeting and provided to the Board of Directors.

President Spigener moved Item 4 and Item 5 till after Item 12 in the agenda.

ITEM 6. APPROVAL OF THE MINUTES:

President Spigener stated the Board would consider the meeting minutes as listed for approval on the agenda. Without further discussion, Vice President Traylor moved to accept the minutes as presented, and Director Earnest seconded the motion. President Spigener called for a voice vote. Motion passed to approve the meeting minutes as presented.

- August 13, 2024, Public Hearing on Permit and Permit Amendment Applications
- August 13, 2024, Regular Meeting of the Board of Directors

ITEM 7: COMMITTEE REPORTS:

A. Executive Committee

1) Brief the Board on the Committee's activities since the last regular board meeting. President Spigener reported that the Executive Committee met on August 30th for discussion on District Staff development.

B. Budget & Finance Committee

1) Brief the Board on the Committee's activities since the last regular board meeting. Treasure Prykryl reported that the Budget Committee met on September 3rd. Ms. Kouba provided an update on potential posting for a permitting manager that will be posted in the near future.

2) Review of unaudited financials for the month of August 2024
Ms. Kouba presented the financial review for August 2024. Moneys received for the month of August was $282.916.32. Total expenditures for August was $230,722.46, Resulting in a next change of $52,193.86. Balance as of August 31, 2024, in Money Market is $5,667,216.30, Balance as of August 31, 2024, in Operating $176,934.85, Balance as of August 31,2024, in Tex Pool is $51,517.65. Additionally the total Checking and Savings as of August 31, 2024, was $5,895,668.80.

C. External Affairs Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting President Spigener reported the committee has met on weekly regarding improvements on external communication strategies. President Spigener mentioned that he and Ms. Kouba were present at a Montgomery County MUD 89 meeting on August 22nd and a the East Montgomery County Chamber on September 4th.

D) DFC & Technical Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting.
Vice President Traylor provided a report of the ongoing weekly DFC and Technical Committee meetings. Vice President Traylor provided an update for Site 1 in processing the final 3 samples and the project is on deadline for including in model updates.

2) Discuss, consider and take possible action on agreement with Texas A&M University for additional processing for samples collected at Site 1 of the Subsidence Study Phase III.

Vice President Traylor provided a summary of the action item and provided the DFC Committee recommendation on this item. Vice President Traylor made the motion to authorize Ms. Kouba and Ms. Reese to process the contract with Texas A&M. Director Dent seconded the motion. President Spigener called for discussion. Ms. Kouba provided a comment that this is a great opportunity for this study and for involvement from academic inclusion. President Spigener agreed that this is a good option for this process. Secretary Thigpen ask a clarifying question on this process, and Vice President Traylor provided a follow up on the question. There was general discussion on the need for future thinking and collaboration for water resource management. President Spigener called for a voice vote. Motion passed.

3) Discuss, consider and take possible action on agreement for third party review of GMA 14 Model update.

Vice President Traylor provided an update and summary on this item and provided the recommendation from the DFC Committee on this action item. Director Earnest and Director Dent provided an additional clarification on this item. Vice President Traylor moved that the Board approve the contract with a third party. Director Earnest seconded the motion. President Spigener called for a voice vote. Motion Passed.

4) Technical Consultants Update – Receive updates from Technical Consultants on ongoing projects and development of desired future conditions in GMA 14.

Mr. Keester updated the Board that they are continuing to work on Site 1 that the final three cores are being analyzed, we should have data on the final three cores next week. Mr. Keester provided an update on the model that he has received all required packaged for the model and has begun testing before additional verification. Jame Beach added that AGS is reaching out to surrounding GCDs in GMA 14 for additional data to add to the data. Vice President Traylor added that Site 2 has paused due to the focus on Site 1 and the model update.

5) Groundwater Management Area 14 Update – update the Board on the Issues related to joint planning activities and development of desired future conditions in GMA 14.

Ms. Kouba provided the update from Groundwater Management Area 14 meeting held at the Lone Star GCD office on August 29th. Ms. Kouba confirmed that the recording of the meeting is available on the District website. The location of the next GMA 14 meeting was confirmed to be Conroe, but a date and time has not been set.

6) Discuss, consider, and take possible action regarding interlocal nonvoting advisory subcommittees pursuant to Tex. Water Code Sect. 36.1081(b).

Ms. Kouba provided a summary of the item including several items that she requested verification of the Board's official opinions for discussion during future GMA 14 meetings.

The first item discussed - what would the Board of Directors like to see as part of a non-voting stakeholder subcommittee and some history on the previous interlocal agreement issues discussed in GMA 14.

Director Bouche asked if this would dilute the discussion within the process. Ms. Reese provided clarification that Texas Water Code Sect. 36.1081(b) specifically states on how to add participating members in the process as non-voting stakeholders and on history of stakeholder involvement in previous GMA 14 planning periods including voting on previous actions. President Spigener added additional history on the discussion of this item during previous GMA 14 planning cycles. Ms. Reese stated several documents that reiterated this point during previous reporting. President Spigener discussed the August 28, 2024, letter from Senator Creighton in support of LSGCD opinion on this process. President Spigener expressed gratitude for the effort and review of Senator Creighton. Director Dent asked for clarification on if the Board of Directors is confirming that those stakeholders that are not representative of GCDs in the area would not have a vote in the joint planning process in GMA 14.

The second, third and fourth items discussed were whether Subsidence Districts are included as part of a voting item as part of the process. Ms. Reese provided clarification that Tex. Water Code 36 states that only GCDs can participate as voting members in Joint Planning for DFCs. Ms. Reese clarified that in 2005, Subsidence Districts specifically requested to be removed from the definition of District in the Tex. Water Code chapter 36 and changed their enabling legislation changed to remove oversight from TCEQ and TWDB, further separating them from the requirements of other GCDs in the State. President Spigener added that stakeholders are those that are not held to the DFC item, they are included in discussions, but not in the process. President Spigner added that for those to enter a interlocal agreement for joint planning is limited to GCDs.

The fifth item discussed is whether LSGCD would financially contribute to the technical consultants for other Districts. Ms. Kouba added clarification that if the four other GCD participants in GMA 14 would like to hire a separate consultant they are free to do so, but this item is to discuss if LSGCD would consider supporting those other GCDs for furthered discussions of DFCs for the area. President Spigener added that, if an interlocal agreement is deemed legal as part of the joint planning process, LSGCD should support it.

Vice President Traylor move that Sarah and Stacey continue to act in compliance with Tex. Water Code . Director Bouché second the motion. President Spigener called for a voice vote. Motion passed.

E) <u>Rules, Bylaws & Policies Committee</u>

1) <u>Brief the Board on the Committee's activities since the last regular Board meeting</u>
President Spigener reported the District is internally working on potential rule

revisions and getting to the point of the stakeholder meeting. Ms. Kouba added the delay is to ensure that a through review is done and there is time for input.

ITEM 8. ELECTION MATTERS

A. **Receive Certification on unopposed Status from Election Agent.**
Ms. Kouba provided a summary of the item that all four positions are unopposed. Director Earnest moved to accept the Certification. Director Dent seconded the motion. President Spigener called for a voice vote. Motion passed.

B. **Discuss consideration and action to approve Order of Cancellation for Uncontested Positions.**
Director Earnest moved to approve the Order of Cancellation for Uncontested Positions. Director Bouche seconded the motion. President Spigener called for a voice vote. Motion passed.

ITEM 9. DISCUSS CONSIDER AND POSSIBLE ACTION ON RENEWAL OF CONTRACTS WITH LEGISLATIVE CONSULTANTS.

President Spigener moved to approve the contracts as provided for legislative consultants. Director Earnest seconded the motion. President Spigener called for a voice vote. Motion Passed.

ITEM 10. DISCUSS, CONSIDER AND POSSIBLE ACTION ON PURSUING CONTRACT WITH LEGAL CONSULTANTS HERRING PANZER, LLP.

Ms. Reese provided a summary of the number of questions recently with regards to conflicts of interest. Ms. Reese has reached out to a legal counsel with direct experience in conflicts of interest. Director Bouche moved to table the motion until after executive session. Vice President Traylor seconded the motion to table the item. Motion was tabled.

ITEM 11. GENERAL MANAGER'S REPORT:

Ms. Kouba provided operational updates, including progress on application updates, education and communication updates, enforcement, permit audits, system efficiencies within the District, and database upgrades. The District is expected to update the website and the application before the end of the year. Ms. Kouba announced a District initiative for a newsletter to better communicate the District actions. The District is working on planning future meetings both with drillers within Montgomery County and quarterly meetings with MUDs within Montgomery County. Ms. Kouba thanked the continued efforts of Montgomery County MUD 89, Montgomery County MUD 88, and Spring Creek MUD. Ms. Kouba also mentioned that Secretary Thigpen is actively working to address gaps in the process and permitting.

Ms. Kouba provided updates to the Board on previous and upcoming meetings. Justin Saenz provided an update on the upcoming Magnolia Parkway Chamber Fall Fest Market. Ms. Kouba provided an update on items from the Permitting Department including update on Field Inspections and Permitting and exempt well registration processes. Ms. Kouba discussed the current efforts to improve the process.

ITEM 12. GENERAL COUNSEL'S REPORT:

Ms. Reese stated that she had an update on the TCEQ Petition that was filed. There was hearing at the end of August and the TCEQ has provided an order confirming that decision. Ms. Reese provided a summary that the Executive Administrator and OPEC opinions that each group provided before the hearing. Both the Executive Administrator and OPEC recommended a denial of the petition.

ITEM 4. EXECUTIVE SESSION:

The Board recessed at 7:43 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.

ITEM 5. RECONVENE IN OPEN SESSION:

Following Executive Session, the Board reconvened in Open Session and President Spigener declared it open to the public at 8:10 PM.

ITEM 10. DISCUSS, CONSIDER AND POSSIBLE ACTION ON PURSUING CONTRACT WITH LEGAL CONSULTANTS HERRING PANZER, LLP.

Director Bouché moved to removed Item 10, regarding the consideration approval of the legal contract, from the table, Vice President Traylor seconded the motion. President Spigener called for a voice vote; motion passed. Vice President Traylor moved to approve the legal contact with Herring Panzer, LLP, Director Bouché seconded the motion. President Spigener called for a voice vote, motion passed.

NEW BUSINESS:

No new business

ADJOURN:

There being no further business Vice President Traylor moved to adjourn the meeting and Director Earnest seconded the motion. President Spigener called for a voice vote, motion passed, The meeting was adjourned at 8:12 PM.

PASSED, APPROVED, AND ADOPTED THIS 8th DAY OF October 2024.

Janice Thigpen, Board Secretary