LONE STAR
GROUNDWATER CONSERVATION DISTRICT

October 8, 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 October 8, 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
Jon Paul Bouché
Gary Dent

Five 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);* 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".***

PUBLIC COMMENTS:

No comments were received.

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

Ms. Kouba provided an overview of the 11 applications listed. Applications numbered 1-5 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 has reviewed the applications, and she recommended that the Board grant those which is requested for applications 1 - 5.

Ms. Kouba provided an overview of application number 1 – Old Lost Forest 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 numbered 2 – RAC Materials. 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 – Mam Blossom RV 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 4 – Pinewood Trails RV Park. 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 5 – Timber Ridge Presbyterian Church (Alden Bridge Preschool). Ms. Kouba provided a summary and her recommendation for the Board's consideration of the permit or permit conditions upon approval.

Director Dent moved to approve that which is requested for applications 1 - 5. Director Bouché seconded the motion. President Spigener called for a voice vote. Motion passed.

Ms. Kouba provided an overview of application numbered 6 – Lake Bonanza Water Supply Corp. Ms. Kouba requested the Board's consideration of the permit and permit conditions upon approval.

Ms. Kouba provided an overview of application numbered 7 – C&R Water Supply Inc. (Emerson Estates). 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 and was found to meet the requirements of the District.

Ms. Kouba provided an overview of application numbered 8 – Jen Texas 35, LLC. 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.

Ms. Kouba provided an overview of application numbered 9 – City of Conroe. 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.

Ms. Kouba provided an overview of application numbered 10 – Quadvest, LP. (Mavera). 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.

Vice President Traylor moved to approve that which is requested for application numbered 6 - 10 and Director Bouché seconded. President Spigener called for a voice vote. Motion passed.

Ms. Kouba provided an overview of application numbered 11 - Donna Tyra. The application was listed for board approval for a spacing exception for an exempt well. Since posting the Notice of Hearing, the District has received a signed waiver from the adjacent property owner bringing the current application into compliance with the District without Board approval. No action is required from the board for Application number 11.

ADJOURN:

Vice President Traylor moved to adjourn the September 10th, 2024, Public Hearing on Permit Applications and Director Bouché seconded the motion. Motion passed. The meeting was adjourned at 6:23 pm.

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

Janice Thigpen, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

October 8, 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 October 8, 2024.

ITEM 1. CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:24 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
Janice Thigpen
Jon Paul Bouché
Garry Dent

Five 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)*, 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:

No public comments were received before the meeting.

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, Director Bouche moved to accept the minutes as

presented, and Director Dent seconded the motion. President Spigener called for a voice vote. Motion passed to approve the meeting minutes as presented.

- August 29, 2024, Special Meeting
- September 9, 2024, Public Hearing on Permit and Permit Amendment Applications
- September 9, 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 has not met since the last meeting.

B. Budget & Finance Committee

1) Brief the Board on the Committee's activities since the last regular board meeting. Secretary Thigpen reported that the Budget Committee has not met since the last regular meeting.

2) Review of unaudited financials for the month of September 2024
Ms. Kouba presented the financial review for September 2024. Moneys received for the month of August was $484,648.24. Total expenditures for August was $163,540.45, Resulting in a net change of $321,107.79. Balance as of September 30, 2024, in Money Market is $6,100,713.81, Balance as of September 30, 2024, in Operating $41,109.71, Balance as of September 30,2024, in Tex Pool is $51,969.07. Additionally, the total Checking and Savings as of August 31, 2024, was $6,193,792.59.

3) Review of unaudited investments report for the 3rd quarter 2024.
Ms. Kouba reported at the beginning of the 3rd quarter our Money Market and TexPool accounts totaled $5,645,760.07. At the end of the 3rd quarter those accounts totaled $6,152,682.88. Income exceeded Expense by $504,782.13 and Interest earned was $2,140.68.

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.

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 samples.

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

James Beach stated that there were no updates from the Technical Consultants at this time.

3) 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 confirmed that the location of the next GMA 14 meeting was confirmed to be Conroe, but the date and time has not been set. Ms. Kouba is anticipating a meeting before the end of the year to discuss the RFQ that was approved by the GMA 14 for a consultant for 3 – 4 of the of the member GCDs for use in development of the DFCs for the next round of planning.

E. Rules, Bylaws & Policies Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting
President Spigener reported the District is internally working on potential rule revisions and getting to the point of the stakeholder meeting. Ms. Kouba added that there was a current focus on the management plan due to associated deadlines but reiterated that the rules will be updated and stakeholders will be updated.

ITEM 8. RENEWAL OF CONTACT WITH ADVANCED GROUNDWATER SOLUTIONS.

Ms. Kouba provided an update that there are no changes to the contract, only an update to the date. Director Dent moved to accept the contract as included. Director Bouché seconded the motion. President Spigener called for a voice vote. Motion Passed.

ITEM 9. RESOLUTION 24-006 – APPOINTMENT OF REPRESENTATIVE TO SJRA GRP COMMITTEE

Ms. Kouba provided an update on the resolution. Director Bouche moved to re-appoint Mike Stecker as the representative of SJRA GRP committee. Director Bouché moved to approve Resolution 24-006, Director Dent seconded the motion. President Spigener called for a voice vote. Motion Passed.

ITEM 10. MOTION FOR RE-REARING AND AUTHORIZATION FOR REPRESENTATIVE.

Ms. Reese provided an update that there was a motion for re-hearing filed with the TCEQ . Director Bouché moved to authorize Stacey Reese to represent the District in the Motion for Re-Hearing with TCEQ. Director Dent seconded the motion. President Spigener called for a voice vote. Motion Passed.

ITEM 12. GENERAL COUNSEL'S REPORT:

Ms. Reese stated that she had an update on litigation between Quadvest and SJRA and recently filed petitions for review. The Cities of Splendora, Conroe, Spendora, and a land group out of California has files amicus briefs with the Texas Supreme Court in favor or Quadvest.

Ms. Reese also provided an update on the Aqua Texas v. Hays Trinity GCD case, three claims were dismissed including the claim against the Directors in their official capacity, substantive and all due process claims against the district' penalties, and the claims that the cap on production fees in Ch. 36 act as a cap on penalties for overproduction. There are two claims still outstanding in the case, an equal protection claim and a taking claim.

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 that there will be a Driller and Engineer meeting in November to discuss the new forms with a date and time to be confirmed by October 18th. Ms. Kouba announced a District initiative for quarterly meetings with MUDs within Montgomery County. Ms. Kouba thanked the continued efforts of Montgomery County MUD 89, Montgomery County MUD 88, MUD 94 and Spring Creek PUD. The District continues to work towards the development of an updated database for the process and announced that there was an interim update of the database files saved to the website for use during review or hydrogeological reports. Ms. Kouba also thanked Secretary Thigpen for her continued work in actively working to address gaps in the process with realtors and highlighted work with the county.

Ms. Kouba provided updates to the Board on previous and upcoming meetings. President Spigener and Sarah Kouba were present at the Lake Conroe Hills MUD meeting. Mr. Saenz provided an update on the Magnolia Parkway Chamber Fall Fest Market. SJRA GRP meeting, Rainmakers Award Dinner, TWCA Committee meetings, and Region H Committee Meeting. Ms. Kouba provided a summary of upcoming meetings in the near future.

Ms. Kouba provided an update on items from the Permitting Department including an update on Field Inspections and Permitting and exempt well registration processes. Ms. Kouba discussed the current efforts to improve the processes within the District.

ITEM 4. EXECUTIVE SESSION:

The Board recessed at 6:58 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 8:11 PM.

NEW BUSINESS:

No new business

ADJOURN:

There being no further business Vice President Traylor moved to adjourn the meeting and Director Dent 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 12th DAY OF November 2024.

Janice Thigpen, Board Secretary