# LONE STAR
# GROUNDWATER CONSERVATION DISTRICT

## July 13, 2021

## 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 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 July 13, 2021.

**CALL TO ORDER:**

President Hardman 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:

Jon Paul Bouché
Harry Hardman
Jonathan Prykryl
Larry A. Rogers
Jim Spigener
Janice Thigpen
Stuart Traylor

All members of the Board were present, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Samantha Reiter, General Manager; Stacey V. Reese, District Counsel; District staff; and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A" to the Regular Board of Directors Meeting minutes.*

**PRAYER AND PLEDGES OF ALLEGIANCE:**

President Hardman called on Director Bouché for the opening prayer and Director Rogers to lead the Pledge of Allegiance and the Pledge of Allegiance to the state flag.

**PUBLIC COMMENTS:**

No comments were received.

Ms. Reiter briefed the Board on permit applications received for the month. Applications for consideration and recommended for possible approval included the below:

**1. Montgomery County MUD #164**

Applicant is requesting an amendment to an Operating Permit for drilling authorization only. No additional production authorization is being requested at this time. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**2. Westwood North Water Supply**

Applicant is requesting an amendment to an Operating Permit for drilling authorization only. No additional production authorization is being requested at this time. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**3. Happy Goat Retreat**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,300,000 gallons for 2021 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**4. Alfredo Albiter**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 3,050,000 gallons for 2021 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**5. TMT Holdings, LLC**

Applicant is requesting registration of a new well and production authorization in the amount of 21,000 gallons for 2021 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**6. La Estrella Celeste**

Applicant is requesting registration of a new well and production authorization in the amount of 300,000 gallons for 2021 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**7. Harpers Preserve CA**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 5,000,000 gallons for 2021 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**8. JAW, Inc.**

Applicant is requesting registration of a new well and production authorization in the amount of 8,000,000 gallons for 2021 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**9. Dennis Davis**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 274,000 gallons for 2021 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**10. Ricky Bates**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 800,000 gallons for 2021 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

Ms. Reiter reported that there were ten applications for this month. Following Ms. Reiter's report, Vice President Traylor motioned to approve items #1-#10, as recommended by the General Manager. Director Prykryl seconded. Motion passed.

President Hardman adjourned the public hearing on permit applications at 6:02 PM.

**PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF AUGUST 2021.**

Larry Rogers, Board Secretary

# LONE STAR
# GROUNDWATER CONSERVATION DISTRICT

## July 13, 2021

## MINUTES OF SHOW CAUSE HEARING

The Board of Directors of the Lone Star Groundwater Conservation District ("District") met in regular session, open to the public, 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 July 13, 2021.

**CALL TO ORDER:**

President Hardman called to order the Show Cause Hearings at 6:02 PM.

**ROLL CALL:**

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

Jon Paul Bouché
Harry Hardman
Jonathan Prykryl
Larry A. Rogers
Jim Spigener
Janice Thigpen
Stuart Traylor

All members of the Board were present, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Samantha Reiter, General Manager; Stacey V. Reese, District Counsel; District staff; and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".*

President Hardman announced a Show Cause Hearing pursuant to District Rule 2.5, directing Magnolia Technology Park to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had contacted the District and settled the enforcement order.

Director Bouche motioned to close the Show Cause Hearing. Director Rogers seconded the motion. The motion passed.

President Hardman adjourned the Show Cause Hearing at 6:03 PM.

President Hardman announced a Show Cause Hearing pursuant to District Rule 2.5, directing CWE Utilities as defined below (collectively, "CWE Utilities" and/or "Respondent"),

- CWE Utilities &/or owner, operator or manager including without limitation Brent Davis and temporary manager, Harrison Williams, associated with permits HUP057A / OP03-0015C
- CWE Utilities (Garden West) &/or owner, operator or manager including without limitation Brent Davis and temporary manager, Harrison Williams, associated with permit OP-14081801
- Drew T. Spencer d/b/a Cypresswood Estates Water System, Davis Irrigation Services, & or holder of CCN No. 12978 which serves Cypresswood Estates Subdivision associated with permits HUP057A / OP03-0015C.
- Drew T. Spencer d/b/a Cypresswood Estates Water System, Davis Irrigation Services, & or holder of CCN No. 12978 which serves Garden West associated with permit OP-14081801

Ms. Reiter stated that the District had been in contact with the respondents and had appeared at the previous month's Show Cause Hearing. CWE had been in the process of getting dual certification from the PUC. Mr. Williams had planned to attend the hearing but had a family emergency arise and was unable to show in person. He asks the Board to continue the hearing in August and is very interested in reaching a settlement with the District. The extension of continuance will allow the District to finalize the settlement of this order.

A motion was made by Director Prykryl to continue the hearing in August and seconded by Vice President Traylor. The motion passed.

President Hardman adjourned the Show Cause Hearing at 6:05 PM.

**PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF AUGUST 2021.**

Larry Rogers, Board Secretary

# LONE STAR
# GROUNDWATER CONSERVATION DISTRICT

## July 13, 2021

## MINUTES OF REGULAR MEETING

The Board of Directors of the Lone Star Groundwater Conservation District ("District") met in regular session, open to the public, 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 July 13, 2021.

**CALL TO ORDER:**

President Hardman presided and called to order the regular Board of Directors meeting at 6:06 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:

Jon Paul Bouché
Harry Hardman
Jonathan Prykryl
Larry A. Rogers
Jim Spigener
Janice Thigpen
Stuart Traylor

All members of the Board were present, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Samantha Reiter, General Manager; Stacey V. Reese, District Counsel; District staff; and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".*

**PUBLIC COMMENTS:**

Bob Leilich, President of MUD #1, approached the board with concern over subsidence and flooding issues. He has continued to observe the board gives little notice to the harm that excessive groundwater pumping causes. He asked for attention to be brought to the many studies done and believes their stance on the negative effects overpumpage can cause. A petition started by a Woodlands organization was being viewed and signed by over 500 individuals that had personally concerned or been affected by subsidence in the township. He asked the board to focus on lowering pumping volumes to levels proven not to cause subsidence.

**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 Hardman, out of respect for the individual present at the meeting, took item #9 out of order before Executive Session. He stated the board had been very diligent at reaching out to all stakeholders throughout the county to look at all areas of concern. The board wished to reiterate that the District does take subsidence very seriously, to the affect of approving another $150,000 subsidence study to focus solely on Montgomery County. The board will continue to look at the best science and data available to ultimately come to a conclusion about a very serious problem.

Further, President Hardman reiterated that the very people mentioned in the prior public comment have the immediate authority and ability to mitigate subsidence in The Woodlands. He recommended the local entities that are worried about subsidence turn the wells off and convert 100% to surface water if the subsidence is such a great concern. He further stated the District will be going about the matter judiciously and will remained focused on what is best for the entire county.

Director Prykryl commended President Hardman on his direct statement and wanted to remind that another local entity owns all of the wells in The Woodlands.

Samantha Reiter, District Manager, informed the board that it is her understanding that the MUDs in The Woodlands are corresponding with SJRA regarding moving to an equal use of both groundwater and surface water and using a 50/50 blend for their consumers.

President Hardman concluded by restating the board is compromised of local citizens that were voted to serve the county, not private entities. The process is being done lawfully and methodically and will continue to be done so going forward.

Treasurer Spigener reaffirmed that the law states the water below private property is possessed by the owner, as per the Texas Constitution.

**EXECUTIVE SESSION:**

After a proper and legally sufficient announcement to the public by President Hardman, the Board of Directors recessed into a Closed Executive Session at 6:19 PM pursuant to Texas Government Code, Sections 551.071, to consult with the District's attorney regarding pending or contemplated litigation, settlement offers, personnel matters (§551.074), 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.

**RECONVENE IN OPEN SESSION:**

Following Executive Session, the Board reconvened in Open Session and President Hardman declared it open to the public at 6:54 PM.

**APPROVAL OF THE MINUTES:**

President Hardman stated the Board would consider the meeting minutes as listed for approval on today's agenda. Without further discussion, upon a motion by Director Prykryl to approve as amended and seconded by Vice President Traylor, the Board approved the meeting minutes as presented.

a) June 7, 2021 Public Hearing on Proposed DFCs
b) June 8, 2021 Public Hearing on Permit Applications
c) June 8, 2021 Show Cause Hearing on Enforcement Matters
d) June 8, 2021, Regular Board of Directors Meeting

**COMMITTEE REPORTS:**

**A. Budget & Finance Committee – Jim Spigener, Chair**

1) Brief the Board on the Committee's activities since the last regular Board meeting- Director Spigener had no updates for the board.

2) Review of unaudited financials for the month of June 2021 – Ms. Samantha Reiter reported that for the month of June 2021, income was $211,211 and expenses were $175,964 resulting in a net income of $35,246. Year-to-date net income is $664,989. Total cash on hand was $3.1 million.

3) Review of 2nd Quarterly Investment Report 2021 – Ms. Samantha Reiter reported that the 2nd Quarterly Investment Report for 2021 was available in the Director's board packets.

**B. Communications Committee – Harry Hardman, Chair**

1) Brief the Board on the Committee's activities since the last regular Board meeting- President Hardman reviewed the month, highlighting the communication between many different stakeholders throughout the county. He stated Jennifer Thayer had increased the social media efforts for the District to allow for ongoing transparency.

C. **DFC & Technical Committee – Stuart Traylor, Chair**

1) Brief the Board on the Committee's activities since the last regular Board meeting –Director Traylor let the board know that committee has not yet since the last board meeting, but advises the District continues to receive public comments regarding the DFCs. The committee will meet after the deadline has passed to review all comments submitted to the District.

D. **Legislative Committee – Harry Hardman, Chair**

1) Brief the Board on the Committee's activities since the last regular Board meeting – President Hardman apprised the board that there have not been any changes since the last board meeting.

E. **Rules, Bylaws & Policies Committee – Larry A. Rogers, Chair**

1) Brief the Board on the Committee's activities since the last regular Board meeting – Director Rogers reported that the committee has not met since May 5th and reminded the board that the next meeting is scheduled for November 1st.

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

a) Discussion, consideration, and possible action to approve Subsidence Study Phase 2 Scope of Work.

Samantha Reiter informed the board that there is no update from the consultants. She stated there had been a recent meeting with the consultants and Stacey Reese, District Attorney. The discussions were focused on upcoming projects and the Phase Two of the Subsidence Study.

**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 Hardman wished to go back to this agenda item, to touch on one matter. He asked the board to consider extending the deadline for public comments until July 23rd at 5pm.

Director Spigener motioned to extend the public comment deadline till July 23, 2021. Director Prykryl seconded. Motion passed.

**GENERAL MANAGER'S REPORT:**

Ms. Samantha Reiter announced all necessary information was available in the board's packet. She did mention the District was actively interviewing for the Executive Administrative Assistant replacement and will continue to look over resumes for the Operations Director position.

**GENERAL COUNSEL'S REPORT:**

Ms. Reese updated the board on the pending UIC protest against Denbury, stating the District is still waiting for them to supplement their application with the Railroad Commission to ensure the information addresses the District's concerns.

**NEW BUSINESS:**

No new business.

**ADJOURN:**

There being no further business, Vice President Traylor motioned to adjourn the meeting and Director Rogers seconded. The meeting was adjourned at 7:00 PM.

**PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF AUGUST 2021.**

Larry Rogers, Board Secretary