LONE STAR
GROUNDWATER CONSERVATION DISTRICT

August 10, 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 August 10, 2021.

CALL TO ORDER:

President Hardman called to order the Public Hearing on Permit Applications at 6:01 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 Thigpen for the opening prayer and Director Prykryl 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 #9 (AWS Well)**

Applicant is requesting an amendment to an AWS for an increase in production authorization in the amount of 125,000,000 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.

2. **Far Hills Utility District**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 7,000,000 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.

3. **Ryan Ali**

Applicant is requesting registration of a new well and production authorization in the amount of 263,000 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. **Dollar General Store #18950**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 550,000 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, Treasurer Spigener motioned to approve items #1-#4, as recommended by the General Manager. Director Prykryl seconded. Motion passed.

President Hardman adjourned the public hearing on permit applications at 6:03 PM.

PASSED, APPROVED, AND ADOPTED THIS 21st DAY OF SEPTEMBER 2021.

Larry Rogers, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

August 10, 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 6:03 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 SWE Utilities 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 announced that Helen Gilbert, CWE Utilities attorney, was present via Zoom video conference. She stated Ms. Reese and Ms. Gilbert had been working together and CWE had received dual certification from the PUC since the previous board meeting. Written confirmation of agreement on the fees owed to Lone Star GCD was also completed. There are still a few lose ends to tie up, that of which will be completed by the next board meeting.

A motion was made by Secretary Rogers to continue the hearing in September and seconded by Director Prykryl. The motion passed.

President Hardman adjourned the Show Cause Hearing at 6:10 PM.

PASSED, APPROVED, AND ADOPTED THIS 21st DAY OF SEPTEMBER 2021.

Larry Rogers, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

August 10, 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 August 10, 2021.

CALL TO ORDER:

President Hardman presided and called to order the regular Board of Directors meeting at 6:10 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 (virtual)
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:

Penny Bradshaw, resident of The Woodlands, stated she was surprised to hear President Hardman reiterate at the July Board Meeting, that the District does take subsidence very seriously to the effect of approving a $150.000 Subsidence Study to focus solely on Montgomery County. The launching of Phase 2 of the study, which is expected to be completed in 2022, and will focus on compaction throughout the county, data collection and monitoring. Ms. Bradshaw mentioned a news article that President Hardman had been interviewed and where he is quoted saying "we remain committed to do our very best for all the citizens of Montgomery County for managing our

most precious resource now and in the future". She also stated he made comment on hoping to get the subsidence metric waived until the study is completed. Ms. Bradshaw is puzzled by these comments, while Lone Star has continued to claim that subsidence is only occurring in The Woodlands and is caused by Harris County over pumping. Harris County is solely focused on preventing subsidence. She believes Lone Star's argument no longer stands valid when President Hardman admits there are no other meters to determine if subsidence is happening in any other part of the county. She wonders why the District is only now admitting additional monitoring is necessary to determine subsidence, while continuing to deny the need to include subsidence as DFC metric. Ms. Bradshaw hopes President Hardman and the board remain committed to their statement of doing their very best at managing groundwater for all citizens presently and in the future.

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 6:15 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 7:19 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 Vice President Traylor to approve as amended and seconded by Treasurer Spigener, the Board approved the meeting minutes as presented.

a) July 13, 2021 Public Hearing on Permit Applications
b) July 13, 2021 Show Cause Hearing on Enforcement Matters
c) July 13, 2021, Regular Board of Directors Meeting

COMMITTEE REPORTS:

A. <u>Budget & Finance Committee – Jim Spigener, Chair</u>

1) <u>Brief the Board on the Committee's activities since the last regular Board meeting -</u> Treasurer Spigener updated the board that the committee had looked over the budget and did not see a need for an increase. He did mention that now the hydro reports are required, the time spent on applications has increased. The committee saw the need to increase the

application fee, which had not been updated by the District since 2018.

2) Review of unaudited financials for the month of June 2021 – Ms. Samantha Reiter reported that for the month of July 2021, income was $206,122 and expenses were $88,832 resulting in a net income of $117,290. Year-to-date net income is $664,989. Total cash on hand was just over $3 million.

3) Discuss, consider, and take action on Resolution #21-007 re-establishing administrative fee schedule – Ms. Reiter reminded the board they have a redlined copy and clean copy in their board packets. After board approval, a copy will go onto the District's website. Treasurer Spigener motioned to approve and Secretary Rogers seconded. Motion passed. *A copy of this Resolution #21-007 is attached hereto as Exhibit "B".*

4) Discuss, consider, and take action on Resolution #21-008 authorizing water use fee rate schedule for 2022 – Treasurer Spigener motioned to approve the water use fees to remain steady for 2022, Director Prykryl seconded. Motion passed. *A copy of this Resolution #21-008 is attached hereto as Exhibit "C".*

B. Communications Committee – Harry Hardman, Chair

1) Brief the Board on the Committee's activities since the last regular Board meeting- President Hardman stated the committee continues to pursue getting the District's mission consistently and social media continues to be updated daily by Jennifer Thayer.

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 the committee wishes to continue to have open communication with the public and continue to meet with stakeholders.

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.

DISCUSS, CONSIDER, AND TAKE ACTION ON RESOLUTION #21-009 ALLOWING MEMBERS OF THE PUBLIC TO PARTICIPATE IN MEETINGS FROM A REMOTE LOCATION BY VIDEOCONFERENCE CALL

Stacey Reese, District Counsel, reviewed the COVID-19 revisions instated by Governor Abbot. As of September 1, 2021, those revisions will be suspended, and Open Meetings Act will be enforced. The board has expressed their desire to continue to allow the public to participate via teleconference in the future. Under the Open Meetings Act, the board may authorize and allow the public to participate via teleconference, however it is not required. A policy can be made to allow for videoconferencing participation only, dial in/call in public comment is not allowed. Director Prykryl motioned to approve, and Treasurer Spigener seconded. Motion passed. *A copy of this Resolution #21-009 is attached hereto as Exhibit "C".*

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 LRE is spearheading project management of Phase 2 and authorization has been given by all consultants involved. They are contacting necessary entities for any pertinent information needed.

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. Reiter informed the board the next GMA 14 meeting will be October 5, 2021, at 9:30 am and will be held in person at Harris-Galveston Subsidence District.

GENERAL MANAGER'S REPORT:

Ms. Samantha Reiter announced two upcoming conferences coming in September.

GENERAL COUNSEL'S REPORT:

Ms. Reese updated the board on the pending UIC protest against Denbury, stating the District is received the supplemental application information and there are no other pending protest.

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 7:34 PM.

PASSED, APPROVED, AND ADOPTED THIS 21st DAY OF SEPTEMBER 2021.

Larry Rogers, Board Secretary