LONE STAR
GROUNDWATER CONSERVATION DISTRICT

September 21, 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 September 21, 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 Vice President Traylor for the opening prayer and Secretary Rogers to lead the Pledge of Allegiance and the Pledge of Allegiance to the state flag.

PUBLIC COMMENTS:

No comments were received.

On behalf of Samantha Reiter, General Manager, Ms. Thayer briefed the Board on permit applications received for the month. Applications for consideration and recommended for possible approval included the below:

1. **Willis 830 DTP, LLC**

Applicant is requesting a proposed well to be drilled not to exceed 204,000 annually for commercial use. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

2. **Montgomery County Municipal District No. 100**

Applicant is requesting 2 proposed wells to be drilled, not to exceed 50,000,000 annually for irrigation use. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

3. **Sig-Magnolia LP (Future MUD #180)**

Applicant is requesting 2 proposed wells to be drilled, not to exceed 190,296,984 annually for irrigation use. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

4. **Townsend Reserve LTD (Future MUD #185)**

Applicant is requesting 2 proposed wells to be drilled, not to exceed 188,666,772 annually for public supply and irrigation use. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

5. **Conroe WM LLC**

Applicant is requesting a new well to be drilled, not to exceed 7,000,000 annually for irrigation use. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

6. **Aqua Texas, Inc (Frontier, Arrowhead)**

Applicant is requesting an amendment increase and a proposed new well to be drilled, not to exceed 63,375,000 annually for public supply use. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

7. **E.F. Early's Bar B Que**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 35,100 gallons annually. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

8. **BHS-Conroe, LLC**

Applicant is requesting an amendment increase to an Operating Permit for an increase in production authorization in the amount of 11,750 gallons annually. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

9. Pat Allison

Applicant is requesting for a proposed wells to be drilled not to exceed 150,000 gallons annually. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

10. Forestar (USA) Real Estate Group Inc. (East Montgomery County MUD 14)

Applicant is requesting 2 proposed wells to be drilled, not to exceed 191,270,000 gallons annually. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

11. Montgomery County E.S.D #9 (Station #85)

Applicant is requesting a proposed meter exempt well to be drilled, not to exceed 1,000,000 gallons annually. 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, Director Prykryl motioned to approve items #1-#11, as recommended by the General Manager. Secretary Rogers seconded. Motion passed.

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

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF OCTOBER 2021.

Larry Rogers, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

September 21, 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 September 21, 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 CWE 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. Stacey Reese announced that CWE Utilities and the District had reached an agreement. No further action was necessary for this matter.

A motion was made by Director Prykryl to adjorn the hearing and seconded by Treasurer Spigener. The motion passed.

President Hardman adjourned the Show Cause Hearing at 6:06 PM.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF OCTOBER 2021.

Larry Rogers, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

September 21, 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 September 21, 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 (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:

No comments received

PRESENTATION BY UNITED STATES GEOLOGICAL SURVEY (USGS) REGARDING GROUNDWATER STUDIES AND PROGRAMS FOR MONTGOMERY COUNTY:

President Hardman, out of respect for the individual presentation by USGS, took item #8 out of order before Executive Session. Mr. Jason Ramage, hydrologist for USGS, joined the ZOOM meeting for his presentation. His discussion focused on the groundwater-level altitudes and compaction changes in the Chicot-Evangeline and Jasper aquifers during 2021. Mr. Ramage made note that USGS has combined the Chicot aquifer and Evangeline aquifer into a single undifferentiated intermediate aquifer system. The GULF 2023 model will have updated tops and bases, primarily effecting the Chicot-Evangeline aquifer and an update on the Chicot aquifer thickening in much of the region, particularly in central and southeast Harris County. USGS has also done away with using contoured maps and are using shaded grids will represent altitude and change maps. Data was collected November 2020-March 2021 across 11 counties (Harris county and surrounding) from a variety of well types. The number of Chicot-Evangeline aquifer water levels collected was 527 with 105 from the Jasper aquifer. The highest area of usage of the Chicot-Evangeline Aquifer was located in western Harris county and south-central Montgomery County. The highest area of usage of the Jasper Aquifer was located in south central Montgomery along the Harris County border line.

Director Spigener questioned why there were not wells represented on the Jasper map in Harris County. Mr. Ramage replied well data was not available in that area, as there are not many Jasper wells concentrated in this portion of Harris County. Mr. Ramage confirmed all entities listed on the first page/title page did fund this study. James Beach, District technical consultant, wanted to make known that water contouring is not possible in some areas of the mapped area in Montgomery County of the study because of the data output cannot be confirmed and counted as a no value.

Mr. Beach wanted clarity of what determined no change data, to which Mr. Ramage stated that less than half a foot was standard protocol to determine a wellbeing marked with no data. Director Spigener asked for an explanation on the Chicot Aquifer thickening as stated in one of the slides. Mr. Ramage explained after reviewing all of the well logs and data, the Chicot Aquifer was much thicker than previously determined. Mr. Ramage wanted to clarify that much of the previous data collected was not done by USGS but completed by an outsourced company.

John Ellis, hydrologist for USGS, joined via Zoom and confirmed all of the information Mr. Ramage had presented and offered to set up a call with Mr. Beach and other District consultants in the near future to discuss the findings and overall report. Mr. Ellis also explained the combining of the Chicot and Evangeline aquifers to preserve the water level network and to use that correlated response to see water levels. It was also noted that Intera did not advise to combine the two aquifers, as that decision was made solely by USGS.

PUBLIC COMMENTS:

No comments received

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 6:52 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 7:43 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) September 21, 2021, Public Hearing on Permit Applications
b) September 21, 2021, Show Cause Hearing on Enforcement Matters
c) September 21, 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 - Treasurer Spigener had no updates.

2) Review of unaudited financials for the month of June 2021 – Speaking on behalf of Samantha Reiter, Ms. Jennifer Thayer reported that for the month of July 2021, income was $215,420.33 and expenses were $125,836.52 resulting in a net income of $90,583,81. Year-to-date net income is $664,989. Total cash on hand was just over $3 million.

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 the District's social media postings and is also looking into producing some new videos for the District.

C. DFC & Technical Committee – Stuart Traylor, Chair

1) Brief the Board on the Committee's activities since the last regular Board meeting - Director Traylor told the board that the committee has met and reviewed a draft summary report and further discussion will be had during the upcoming GMA 14 update.

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 – Secretary Rogers reported that the committee met September 13th to discuss proposed updates on the District's Personnel Policy. The committee will meet in the near future to review District Rules, Policies, and Bylaws.

2) Discuss, consider, and take action on Resolution #21-010 amending the District's Personnel Policy– There was discussion regarding the proposed changes to the District's Personnel Policy in using a COVID-19 addendum and an update to the federal firearm clause. A few minor changes were requested by the board. It was decided that the committee needed to meet and review all of the District's policies in the near future so action would be taken solely on the COVID-19 addendum until the committee could review all policies. President Hardman asked for a motion to amend the District's Personnel Policy to include the COVID-19 addendum. A motion was made by Vice President Traylor and seconded by Director Prykryl. Motion passed. *A copy of this Resolution #21-010 is attached hereto as Exhibit "B".*

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.

Ms. Thayer apprised the board that Phase 2 is ongoing and progressing with Tasks 1 and 2. September's planned work is to focus on reviewing calculations and charts to verify parameters, continue research on how geologic age may affect compaction, review geophysical logs and gaps in data, and evaluate the geophysical logs to identify formation depths and lithology.

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. Stacey Reese, District counsel, asked Mr. Beach to provide a summary update on the status of GMA 14. Mr. Beach informed the board each District is required to provide the GMA

14 group with a summary report. The District's summary report focused on the DFC hearings and public comments. There were two ends of the spectrum with public comments; one group that desired a subsidence DFC metric and another group that felt the District does not wish for a subsidence metric to be included. Geographically those that wished for the subsidence metric to be included were in the southern Montgomery County and Kingwood areas. The District plans to ask the GMA 14 to make one small revision to the DFC statement, to include an "or" and allow each GCD to decide what is best for their counties and whether to include a subsidence metric.

A position paper is included in the summary report with the reasoning behind not wanting a subsidence metric. The reasoning behind this included subsidence is not a limiting factor in any of the modelling scenarios, the belief a subsidence metric is premature, uncertainty of equipment accuracy, Lone Star GCD lacks the number of required equipment for meaningful spatial average to compare to the one-foot metric, and there is not a good assessment that can determine for sure what the feasibility achievement may be.

President Hardman asked for a breakdown of the for vs against the subsidence metric. Ms. Reese reported that 0.4% of The Woodlands population made comment/signed a petition for a subsidence metric. A majority of the county supports Lone Star GCD's position. Of the percentage from within the county that came out and spoke, 4% were for a subsidence metric, 14 % were against, 14% did not express an opinion, and 68% did not voice a comment at all. She concluded that all required components are included in the submitted report.

Vice President Traylor announced the DFC Committee recommended approval of the draft summary report and authorized the General Manager to approve a DFC statement that included "or" versus "and" as the Board continues to oppose the inclusion of a subsidence component without the use of "or" in the DFC statement. Treasurer Spigener made a motion to approve the recommendation, seconded by Director Prykryl. Motion passed.

GENERAL MANAGER'S REPORT:

Ms. Thayer, speaking on behalf of Ms. Reiter, announced Ms. Reiter's report was included in the packet and she had nothing further at the time.

GENERAL COUNSEL'S REPORT:

Ms. Reese stated she had no further updates.

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 8:02 PM.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF OCTOBER 2021.

Larry Rogers, Board Secretary