LONE STAR
GROUNDWATER CONSERVATION DISTRICT

MAY 13, 2025

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 May 13, 2025.

1. CALL TO ORDER:

President Spigener called to order the Public Hearing on Permit Applications at 6:00 p.m. announcing the meeting open to the public.

2. ROLL CALL:

Roll call for participating members of the Board of Directors, to wit:

Jim Spigener
Jon Paul Bouché
Janice Thigpen
Kenneth Earnest
Jonathan Prykryl
John Wertz

Also present:

Name:	Title:
Sarah Kouba	General Manager
Tiffany White	Director of Operations
Samantha Branham	Permitting Manager
Britny Anderson	Education & Outreach Coordinator
Iris Mendoza	Administrative Assistant
Stacey Reese	District Counsel
James Beach	District Technical Consultant (Virtual)
Chris Drabek	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".

3. PRAYER AND PLEDGES OF ALLEGIANCE:

Vice-President Bouché led the prayer. Director John Wertz lead the United States and Texas pledges.

4. PUBLIC COMMENTS:

No comments were received.

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

Ms. Kouba provided an overview of 14 applications listed. Applications numbered 1-7 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 are requested for applications 1 -7.

Ms. Kouba provided an overview of application number 1 – 26535 FM 2978 Road, 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 – Wayne & Sophal Brown (I Land Direct TR). 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 – City of Houston Parks and Recreation Department (Lake Houston Wilderness 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 4 – Caney Ridge 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 5 – Diamond Head Water Supply Corp.. 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 6 – Steven Janssen. 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 7– Jade Montgomery (Cozy Woods RV Park). Ms. Kouba provided a summary and her recommendation for the Board's consideration of the permit or permit conditions upon approval.

President Spigener called for a motion to approve. Vice President Bouché moved to approve that which is requested for applications 1 - 7. Secretary Thigpen seconded the motion. President Spigener called for a voice vote. Motion passed.

Ms. Kouba provided an overview of application numbered 8 – Spring Creek Utility District. Due to a required hydrogeological report, Ms. Kouba requested the Board's consideration of the permit and permit conditions upon approval.

Ms. Kouba provided an overview of application numbered 9 – Keenan Water Supply Co. Due to a required hydrogeological report, Ms. Kouba requested the Board's consideration of the permit and permit conditions upon approval.

Ms. Kouba provided an overview of application numbered 10 –MSEC Enterprises (Montgomery Trace/Highland Ranch). Due to a required hydrogeological report, Ms. Kouba requested the Board's consideration of the permit and permit conditions upon approval.

Ms. Kouba provided an overview of application numbered 11 –MSEC Enterprises (Montgomery Trace/Highland Ranch). Due to a required hydrogeological report, Ms. Kouba requested the Board's consideration of the permit and permit conditions upon approval.

Ms. Kouba provided an overview of application numbered 12 – Dorotea Garcia. Due to a spacing exception, Ms. Kouba requested the Board's consideration of the permit and permit conditions upon approval.

Ms. Kouba provided an overview of application numbered 13 – Dorotea Garcia. Due to a spacing exception, Ms. Kouba requested the Board's consideration of the permit and permit conditions upon approval.

Ms. Kouba provided an overview of application numbered 14 – Esteban Ayala Bertadillo & Ma Remedios Frasco. Due to a spacing exception, Ms. Kouba requested the Board's consideration of the permit and permit conditions upon approval.

Treasurer Earnest moved to approve that which is requested for application numbered 8-14. Director Wertz seconded the motion. President Spigener called for a voice vote. Motion passed.

6. ADJOURN:

Vice President Bouché moved to adjourn the May 13th, 2025, Public Hearing on Permit Applications and Treasurer Earnest seconded the motion. The meeting was adjourned at 6:10 p.m.

PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF JUNE 2025.

Janice Thigpen, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT
MAY 13, 2025
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 May 13, 2025.

1. CALL TO ORDER:

The meeting was called to order at 6:10 p.m.

2. ROLL CALL:

Roll call for participating members of the Board of Directors, to wit:

Jim Spigener
Janice Thigpen
Jon Paul Bouché
Kenneth Earnest
Jonathan Prykryl
John Wertz

Also present:

Name:	Title:
Sarah Kouba	General Manager
Tiffany White	Director of Operations
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Stacey Reese	District Counsel (Virtual)
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and members of the public	

Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".

3. PUBLIC COMMENTS:

We received one public comment from Mr. Bussell regarding the amount of water that drillers are typically pumping and provided materials.

For **Item 4** and **Item 5**, Executive session will be moved to after the General Manager's Report to be respective of the public's time.

6. APPROVAL OF THE MINUTES:

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

- April 8, 2025, Public Hearing on Permit and Permit Amendment Applications
- April 8, 2025, Regular Meeting of the Board of Directors

7: COMMITTEE REPORTS:

A. Executive Committee

1) Brief the Board on the Committee's activities since the last regular board meeting.
President Spigener reported the Executive Committee met April 15th to discuss personnel matters.

B. Budget & Finance Committee

1) Brief the Board on the Committee's activities since the last regular board meeting.
Treasurer Earnest reported that the Budget Committee met April 16th to discuss possible increase in staff, the district database, technical consultant expenses and related budget amendments that will be brought to the Board for approval in June.

2) Review of unaudited financials for the month of March 2025
Ms. Kouba presented the financial review for April 2025.

3) Review of 1st Quarter, 2025 Investment Report
Ms. Kouba reported on the corrected 1st Quarter Investment Report numbers from the April board meeting.

C. External Affairs Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting.
President Spigener reported that he attended Brandon Creighton's Governor for a Day on April 11th. The External Affairs Committee met on April 15th and continue to meet monthly to discuss improving external communications for the District. President Spigener also attended the Greater East Montgomery County Chamber Luncheon with Mrs. Tiffany White and Mrs. Britny Anderson on May 7th. Additionally, Ms. Kouba and President Spigener met with Mayor Duke Coon and Pro-Tem Mayor Harry Hardman on May 8th to discuss joint planning for Groundwater Management Area 14 and to encourage City of Conroe's participation.

D. DFC & Technical Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting.
Director Wertz reported that the DFC Committee continues to meet weekly. He stated that the District is still awaiting approval of the submitted management plan update. A response is expected in roughly 30 days but it could take longer. The District is also still awaiting the approved model update from the Texas Water Development Board (TWDB). The GMA 14 model update has been posted for public comment by TWDB until June 25, 2025.The District is also still waiting for a finalized report from Texas A&M University for the additional higher-pressure testing on cores in the low Jasper. The Districts consultants are working through the draft data to date and having meetings with the Texas A&M team to get this report wrapped up to release to the public. The conclusions have already been reported publicly, and the data has already been rolled into the model update. There is discussion about options for managing the GPS Stations in Montgomery County that belong to the District, and the best practices with regard to analyzing the data. Previously the District worked with Harris Galveston Subsidence District (HGSD) and University of Houston to analyze the data but now the District is exploring a more direct approach in connection to the Districts commitment to studying and understanding subsidence. The District is looking into options with Texas A&M. Ms. Kouba added that HGSD announced they will be releasing a study regarding flooding in Spring Creek this summer. To her understanding, there has been a delay in releasing any findings from that study. In response, prior to Ms. Kouba's onboarding with the District, LSGCD began doing our own study on flooding in Spring Creek. Ms. Kouba will be working with the DFC committee to figure out a timeline on the District's study for release.

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

Mr. James Beach communicated that the technical consultants are trying to gather information from the initially prepared Region H water plan and are working with Freese and Nichols to try and get some more granularity strategy for the Catahoula aquifer for Montgomery County and North Harris County groundwater use. HGSD should be releasing their modeling files mid-to-late this year. The consultants are also preparing for the next GMA 14 meeting regarding subsidence and other factors. The technical consultants looked at the 2022 state water plan, specifically the socioeconomic analysis from the Region H area, the cost of not providing water to Region H is an immense value. One of the issues that comes up often in the socioeconomic analysis is the impact to water levels dropping in wells. The technical consultants want to make sure that the Board and GMA 14 understand the impact, if surface water strategies are not immediately available. Montgomery County could potentially be looking at having to grow on groundwater and the Districts consultants are trying to put an assessment together for a better understanding for joint planning moving forward.

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 updated the Board regarding Groundwater Management Area 14 (GMA 14) updates. GMA 14 moved forward with factors 3 and 4 during the April meeting. The May meeting will be held at the Conroe office, May 28th at 10AM. Factors 5 and 6 (impacts on subsidence and socioeconomic impacts) will be discussed. For the June meeting, that will also be held at the Conroe office, June 25th at 10AM. For that meeting, factors 7 and 8 (private property rights and feasibility of achieving the DFC) will be on the agenda. It was confirmed during the April GMA 14 meeting that a panel of lawyers will discuss private property rights to help voting members be as informed as possible. The Districts legal consultant, Stacey Reese, has agreed to moderate that panel. The District highly encourages participation and appreciates the lawyers who have been willing to offer their time and expertise.

E. Rules, Bylaws & Policies Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting

President Spigener reported that the Rules Committee has not met and is still working towards rule revisions. Ms. Kouba stated the District is still working through enforcements for late or missing water use fees for 2025 allocations as well as late, missing or incomplete production reports (meter reading reporting) for 2024 and violations found throughout this process. While we are working internally towards rule revisions, we are focused on insuring permit holders and drillers are compliant with current rules.

8. GENERAL MANAGER'S REPORT:

Ms. Kouba gave an update regarding District priorities including, as mentioned, continued preparation for GMA 14 joint planning cycle, staying apprised of the IPP for the Region H State Plan draft submitted by Region H to the public and their public hearings, the model update the District has completed and submitted to TWDB for GMA 14, the subsidence study core analyzation, the Management Plan Update submission, enforcements for late or missing water use fees for 2025, and/or missing or incomplete production reports from 2024. She reports the District is keeping themselves informed on the current legislative session in Austin and staying in front of all potential water bills that may impact groundwater management in Montgomery County. The District continues to work through the proposal for the rebuild of the Districts software database and the development of sustainable software. The District is also in the final stages of completing the new website, which should be going live by the end of May. Continuing draft rule development, sharpening of applications and processes, new staff training and development, the implementation of conservation educational programs, and community involvement and informational outreach strategies are also on the Districts priority list. Regarding the draft rule change development, and rule compliance, meter readings are to be assessed and documented monthly. At this time, the district allows for submission of the production report documenting your monthly readings to be submitted at minimum on an annual basis, but that production report annual submission allowance is not to be confused with a disregard of monthly readings. The district will be issuing violations for all production reporting that does not include all monthly readings for 2025, and this is without exception. To Ms. Kouba's understanding, the Permitting Team has been issuing verbal warnings for years, to habitual offenders that force the district to average their water usage due to this violation of district rules. We see on onslaught of allocation increase applications from October through December due to permit

holders not adequately analyzing their usage monthly to determine if demand has changed, or to ensure there has not been a failure in the infrastructure determined by this monthly review of their readings. Again, all production reports that do not provide meter readings for all months within the proceeding calendar year will be in non-compliance and subject to violation of district rules for 2025's meter readings. Additionally, the District has implemented an inspection process at the drilling stage to confirm location on the application matches the staked location, the HP, the casing size, and the flow testing. The Districts inspectors contact the driller listed on the application, and in the event the driller is still to be determined, the inspector contact the permit holder at time of approval to coordinate this inspection. They are working diligently to work around your drilling timeline (within reason). This is not a rule change, this is simply ensuring compliance of your approval in the beginning versus post the completion of drilling. If you are following the registration and/or the operating permit process in compliance, this should not be a hindrance, by rather a helpmeet. For drillers, property owners, or permit holders that have chosen not to follow District Rules by ensuring a proper permit or registration is issued prior to drilling or have chosen to drill outside of the permit or registration approval (whether location, size, capacity, etc.) violations will be issued accordingly. The District has become aware of drillers who are telling property owners to disregard district rules and instead account for the cost of the violation because the district is issuing these violations on the low end of the penalty range. These blatant violations have required the District to hire more field staff and strengthen our compliance protocol. Ms. Kouba mentions that though her intentions were well intended by issuing penalties and violations at the minimum penalty amounts, issuing penalties at the low end of the range have proven to not be enough to deter the violations. Due to this, Ms. Kouba will be exercising a tier of offense determination at her discretion according to allowances within the rules and based on circumstances surrounding the offense. Ms. Kouba makes clear that these rules are in place to protect the aquifer, and to protect reasonable impacts on neighboring wells. The District needs to know where these wells are, when they drill, and that they are in compliance with District rules. Ms. Kouba reiterates we are consistently challenging premature restrictions both regionally and statewide, but this is a partnership. Do not drill in Montgomery County without proper authorization. District staff are here to help you, and they work hard to do all possible to get you through the permitting or registration process as timely as possible. Follow the rules, and we'll work with you. President Spigener expanded a little more on the fact that Montgomery County is growing at an exponential rate and these actions must be taken to ensure water resources for the future generations. President Spigener also mentions a recent visit to the Texas Capitol, where Ms. Kouba testified in front of the House of Representatives Committee on Natural Resources, in opposition of H.B. 5188. He also showed gratitude for the Districts technical consultants and legal consultant with regards to the DFC planning. Ms. Kouba then runs through a list of prior and future meetings and scheduled events/upcoming travel. She also listed the number of applications completed and reasons for any applications still open. President Spigener also mentioned that Vice President Bouché spoke at the Grand Central HOA meeting and complimented him on bringing people what the District does for Montgomery County.

4. EXECUTIVE SESSION:

President Spigener recessed meeting for Executive Session at 6:48 p.m.

5. RECONVENE OF OPEN SESSION:

President Spigener reconvened meeting in Open Session at 7:38 p.m.

9. DISCUSS, CONSIDER, AND TAKE ACTION AS NECESSARY CONCERNING JOINT PLANNING AND/OR DESIRED FUTURE CONDITIONS:

Ms. Kouba asked for firm direction from the full Board on the path forward regarding potential metrics for this round of joint planning. As we have evaluated and continue evaluating lessons learned from the last cycle, our DFC Committee recommends we remain opposed to a subsidence DFC metric. Subsidence will be considered in one of the nine factors, but the DFC Committee does not recommend a subsidence DFC metric. The DFC Committee does not have a recommendation yet on a drawdown metric and would like to wait until more factors are discussed before deciding the right drawdown metric. President Spigener deferred to Treasurer Earnest for a motion. Treasurer Earnest made a motion that the District opposes any subsidence DFC metric and will wait to settle on a drawdown DFC metric at a later date. Director Prykryl seconded the motion. President Spigener called for discussion. Treasurer Earnest mentions that the science doesn't warrant a subsidence DFC metric. He also states that there has been a false misconception among some that the Lone Star Groundwater Conservation District (LSGCD) Board is ignoring data and subsidence as it sets subsidence policy. LSGCD has invested millions of dollars and established working relationships with reputable professionals in the industry and academia to ensure they have the best available science needed to make sound and defensible management decisions on subsidence. President Spigener mentions the money that was spent on coring was due to no studies done on compaction and

subsidence in Montgomery County. That data was used to update the model and shows we do not need a subsidence metric. Vice President Bouché states no other groundwater conservation district (GCD) has a subsidence metric and since Montgomery County generally ranges between 100-400 ft above sea level, we are must less at risk of subsidence. Ms. Stacey Reese confirms no other GCD's other than the ones outside of GMA 14 who adopted it last round, no one has a subsidence metric. Last round there was some confusion that there was a limitation in the model to one foot subsidence that made it into the model. HGSD, who is a subsidence district, does not have a subsidence metric themselves and do not manage to a quantifiable metric. In HGSD's regulatory plan, they could adopt a subsidence metric but have chosen not to. Ms. Reese also mentioned that it would be difficult for HGSD to achieve a one foot metric due to all of the pumping in Harris County in particular, because if you look at some contour maps there has been between 8 and 10 feet of subsidence. Secretary Thigpen stated with what our elevation is in Montgomery County, being roughly between 100-400 ft above sea level, there are places in Harris/Galveston County was 10 ft above sea level, so it isn't comparable. President Spigener mentions compaction being 10x slower than what the previously used data shows. He also states there has been talk about the use of groundwater causing foundation problems and cracked sidewalks but that has to do with faults and soil that is subject to shrink and swell with no groundwater pumping or subsidence. The motion to oppose any subsidence DFC metric passes.

10. GENERAL COUNSEL'S REPORT:

Ms. Reese mentions a few petitions were received by the District in regards to Notice of Violations and states hearings will need to be scheduled in June. Ms. Reese also mentions a discussion from last meeting regarding the San Jacinto River Authority (SJRA)/Quadvest lawsuit that is pending before the Texas Supreme Court. She gave an quick overview of the Solicitor General's involvement in the case due to the contestability issue. The Solicitor General requested a extension and will be filing his brief later this summer. She briefly explains where the contestability issue came from.

11. NEW BUSINESS:

No new business

12. ADJOURN:

There being no further business Vice-President Bouché moved to adjourn the meeting and Treasurer Earnest seconded the motion. President Spigener called for a voice vote, motion passed, meeting adjourned at 7:53 PM.

PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF JUNE 2025.

Janice Thigpen, Board Secretary