LONE STAR
GROUNDWATER CONSERVATION DISTRICT

May12, 2020

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, but held via a publicly accessible webinar/telephone conference call, within the boundaries of the District on May 12, 2020.

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
Stuart Traylor

All members of the Board were present, with the exception of Director(s) Rogers, 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 Spigener 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. **Graciela Guzman**

Applicant is requesting registration of an existing well and production authorization in the amount of 300,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to authorize **conditional** approval of that which is requested. *Note: following payment of usage fees and meter installation, full approval will be granted.*

2. **Lake Bonanza Water Supply Corp.**

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. **T & W Water Services (Sunrise Ranch)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,493,000 gallons for 2020 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. **Lake South Water Supply**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 725,400 gallons for 2020 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. **Montgomery County MUD #24**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 2,432,000 gallons for 2020 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. **Montgomery County MUD #112**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 20,452,000 gallons for 2020 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. **San Jo Utilities**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 5,000,000 gallons for 2020 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. Montgomery County MUD #144

Applicant is requesting registration of a new well and production authorization in the amount of 5,521,140 gallons for 2020 and 10,392,000 gallons for 2021 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to authorize **conditional** approval of that which is requested. *Note: following payment of usage fees and meter installation, full approval will be granted.*

Director Rogers joined the meeting at 6;10 pm.

Ms. Reiter reported that there were eight applications for this month. Following Ms. Reiter's report, Director Bouché motioned to approve items #1-8, as recommended by the General Manager. Director Prykryl seconded. Motion approved.

President Hardman adjourned the public hearing on permit applications at 6:11 PM.

PASSED, APPROVED, AND ADOPTED THIS 9th DAY OF JUNE 2020.

Larry A. Rogers, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

May 12, 2020

MINUTES OF REGULAR MEETING

The Board of Directors of the Lone Star Groundwater Conservation District ("District") met in regular session, open to the public, but held via a publicly accessible webinar/telephone conference call, within the boundaries of the District on May 12, 2020.

CALL TO ORDER:

President Hardman presided and called to order the regular Board of Directors meeting at 6:11 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
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".*

PUBLIC COMMENTS:

Mr. John Yoars submitted written comments in the form of requests that the LSGCD state the ground water withdrawal rates that would be acceptable for the next round of DFC approvals. Further that the board state the subsidence they would approve for The Woodlands specifically for High Oaks and Lower Grogan's Point areas. *A copy of the public comment is attached hereto as Exhibit "B".*

Mr. Ron Kelling, Deputy Manager of SJRA, joined the webinar to give his prepared comments. He requested clarification of the consultants' presentations during the regular board meeting of April 14th and the GMA 14 meeting of April 29th. His concerns focused on the decline predicted to occur in the Jasper Aquifer. He requested contour maps depicting this

decline. Also, he requested a meeting with the consultants and LSGCD staff. *A copy of the public comment is attached hereto as Exhibit "C".*

Ms. Sue Ellen Myers voiced a suggestion that in future meetings that the public prayers be sensitive to nonreligious audiences and substitute a more general term for the prayer's closing when using "In Jesus' name".

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 6:18 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 7:33 PM. Director Rogers joined the meeting during Executive Session.

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 Spigener seconded by Director Prykryl, the Board approved the meeting minutes as presented.

a) April 14, 2020, Public Hearing on Management Plan Re-Adoption
b) April 14, 2020, Public Hearing on Permit Applications
c) April 14, 2020, Regular Board of Directors Meeting

REVIEW OF UNAUDITED FINANCIALS FOR THE MONTH OF APRIL 2020;

Ms. Samantha Reiter reported that for the month of April 2020, income was $247,925 and expenses were $89,689 resulting in a net income of $158,236. Year-to-date net income is $395,554. Total cash was $1,309,260.

DISCUSSION, REVIEW AND POSSIBLE APPROVAL OF 2019 ANNUAL REPORT FOR THE LONE STAR GROUNDWATER DISTRICT:

Ms. Reiter noted the annual report was included in the Board Packet. Director Prykryl motioned to approve the LSGCD 2019 Annual Report, and Director Spigener seconded. The motion passed.

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

a) Discussion, consideration, and possible action regarding subsidence study and contract(s) to perform study.

Mr. Mike Thornhill explained the importance of defining the detailed steps for Phase II & III and possibly combining them. Several directors stressed the need for the completion of these subsidence studies and the necessity to make both a top priority.

RECEIVE INFORMATION AND/OR STATUS UPDATE REGARDING THE TWO STUDY GROUPS ON PROPOSED DRAFT RULES:

Ms. Stacey Reese reported that she had met with James Beach, WSP consultant, several times via phone and video conferencing. The Technical Study Group is scheduled to meet next week, with plans to finish a draft of the District Rules to publish in the near future for board's comments.

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, General Manager, reported that the GMA 14 met in April.

a) Discussion, consideration, and possible action on any items related to Lone Star GCD's proposal(s) to and/or participation in GMA 14

Ms. Reiter summarized the GMA 14 meeting of April 29th. She discussed the presentations given by LSGCD's consultants which presented board approved option scenarios for the three runs. Option 1 included less remaining available drawdown in the Gulf Coast Aquifer System. Option 2 has less remaining available drawdown in the Jasper and Option 3 is known as Run "D". Wade Oliver, technical consultant for the GMA 14, gave a presentation explaining a new option to consider. The option was based on multiple metrics. Mr. Oliver presented the concept using 70%, 80% and 90% average available drawdowns and 0.1, 0.3, and 0.5 foot of subsidence scenarios. The District's consultants have since conferred with Mr. Oliver and agreed that the 70% option at 0.5 feet subsidence is consistent with Run "D". The GMA 14 representatives made no decision on this new option.

Ms. Reiter requested to meet with the DFC Committee and the technical consultants to thoroughly digest the new run scenarios. It is anticipated that a decision will be made at the next GMA 14 meeting on Mary 29th. Director Spigener motioned that the General Manager work with the DFC Committee to evaluate all options that the board would support in a way that is easily understood to the general public. Director Bouché seconded. The motion passed.

GENERAL MANAGER'S REPORT:

Ms. Samantha Reiter reported that the District's Management Plan had been submitted to the TWDB on April 17th and that a response is anticipated. She also received an update on the additional monitoring wells with which District and the USGS are partnered. There are six monitoring wells drilled in the Jasper area with plans to drill two more in both the Jasper and the Evangeline. Two additional well locations have been proposed in the Huntsville area but a contact with the City of Huntsville is needed before moving forward.

At the March meeting, the board approved partnering with the HGSD to develop a GULF 2023 groundwater model. Specific steps in the development of the groundwater model have yet to be assigned to the District's funding.

Ms. Reiter announced the next GMA 14 meeting for May 29th at 9 am. It will either be a WebEx or in-person meeting.

GENERAL COUNSEL'S REPORT:

Ms. Reese apprised the group of the latest AG's opinion concerning a government body's authority in regulating a public comment portion of an Open Meeting Act. In short, the opinion supported a reasonable time limitation could be imposed for the comment section of a public open meeting. Also, that a governmental body may have at the beginning of a meeting one public comment section where all comments are heard rather than needing a separate public comment time after each agenda item. Here's the link to the Attorney General's Opinion - KP-0300:https://www.texasattorneygeneral.gov/sites/default/files/opinion-files/opinion/2020/kp-0300.pdf

NEW BUSINESS:

President Hardman proposed resuming the in-person board meetings.

ADJOURN:

There being no further business, Director Rogers motioned to adjourn the meeting and Director Prykryl seconded. The meeting was adjourned at 8:11 PM.

PASSED, APPROVED, AND ADOPTED THIS 9th DAY OF JUNE 2020.

Larry A. Rogers, Board Secretary

COMMENTS LSGWD MEETING

MAY 12, 2020

I am John Yoars, a resident of The Woodlands Texas. I am concerned about the potential amount of subsidence in the proposed three options that the LSGWD is asking for consideration by GMA 14 for their next DFC period. These options ask that large ground water withdrawal volumes be approved.

I would like the LSGWD board to clearly state what level of subsidence they consider acceptable for the next round of DFC approvals of the ground water withdrawal rates requested. I would like to see the approximate subsidence you are approving as it relates geographically to The Woodlands residential areas of High Oaks and Lower Grogan's Point.

Thank You.

Exhibit "C"

Lone Star Groundwater Conservation District Board Meeting
May 12, 2020
Public Comments

Good evening members of the Lone Star Groundwater Conservation District Board, staff and consultants, and guests.

My name is Ronald Kelling. I am the Deputy General Manager for the San Jacinto River Authority which owns, operates and maintains 38 groundwater wells in southern Montgomery County.

My comments tonight are based on the various presentations made by your consultants to this Board on Tuesday, April 14, 2020, and the presentations and comments made by your consultants to the GMA 14 Joint Planning Committee on Wednesday, April 29, 2020.

The primary purpose of my comments is to seek clarification regarding the information your consultants presented as it relates to potential declines in the static water level of the Jasper aquifer. We weren't able to clearly discern from their presentations how much decline will result for each DFC option and where that decline will occur geographically.

The reason we want to clearly understand the declines is because we have concerns about the impacts those declines will have on our customers – impacts in terms of water supply reliability, increased costs, and subsidence. Additional water-level declines jeopardize the significant investment made not only by our customers, but by groundwater well owners throughout Montgomery County and GMA 14 through lost groundwater production capacity along with the negative impacts associated with additional subsidence and potential fault activation.

If the lost groundwater production resulting from additional aquifer level declines can be replaced at all, it will require extensive capital outlays for well rehabilitation/lowering, new/larger motors, new/larger pumps, and other infrastructure up to and including the installation of complete new wells. Please note that the average remaining service life of our wells is approximately 23 years with some of the more recent wells having over 42 years of service life remaining. The negative impacts of additional aquifer-level declines will affect most wells before the end of their service life. Therefore, it is entirely inadequate for your consultants to only present the additional power costs associated with lifting groundwater from greater depths and ignore the much more significant capital costs to replace and upsize water well infrastructure. Our current estimate of the cost to rehabilitate and/or replace wells in The Woodlands due to the declines resulting from LSGCD's current DFC projections is over $50 million, and this cost doesn't speak to the financial impacts to hundreds of other wells in Montgomery County. Note that the total value of the wells in The Woodlands is over $100 million.

The increased costs to replace lost groundwater production capacity and to address the impacts of further subsidence and potential fault activation will be borne by many well owners throughout Montgomery County and the rest of the GMA 14 region, and therefore should be included in any cost-benefit analysis.

In order to better understand the costs and impacts, it is important that LSGCD's consultants clearly explain each proposed DFC and the corresponding declines that result. We respectfully request that your consultant team produce contour maps that show the modeled artesian head changes for each layer of the aquifer. As an example, I have attached to my comments three contour maps that were previously prepared by LBG-Guyton as part of LSGCD's Strategic Water Resources Planning Study. I copied these from the Task 3 Final Report posted on LSGCD's website. The maps show modeled water-level declines for Run D and are an excellent tool in helping utilities understand where and how much decline to expect from a particular DFC.

In addition, if it is acceptable to you, we would request an opportunity to sit down with one or more of your consultants (along with your staff) so that we can ask a few questions and better understand the information that was presented to this Board and GMA 14. The purpose would be to gain a clear understanding of what is being proposed.

Thank you for the opportunity to present these comments and our request to you today.

Respectfully,

Ronald Kelling, P.E.
San Jacinto River Authority

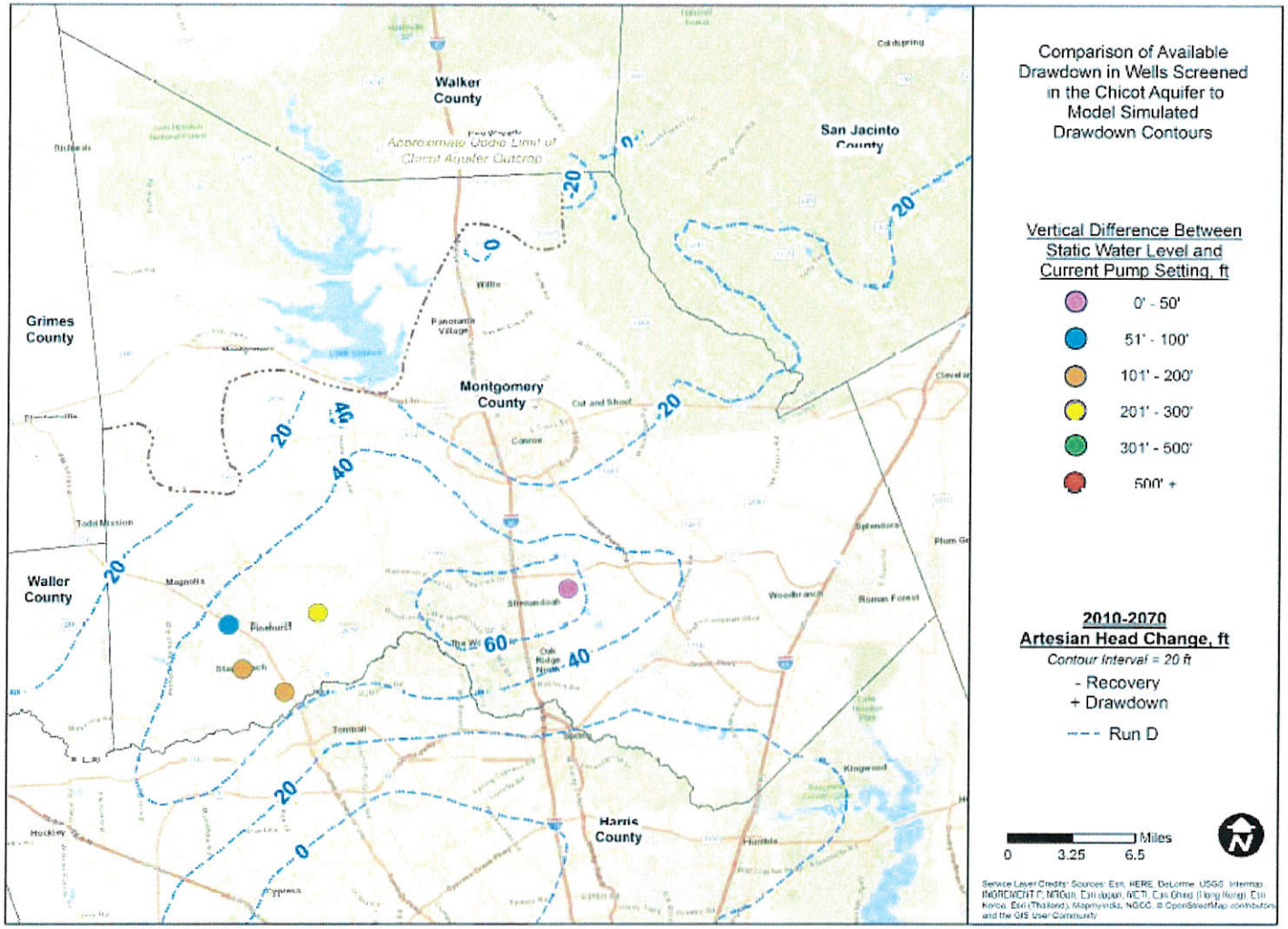

Figure 19. Run D Artesian Head Changes in Chicot Aquifer for 2010-2070

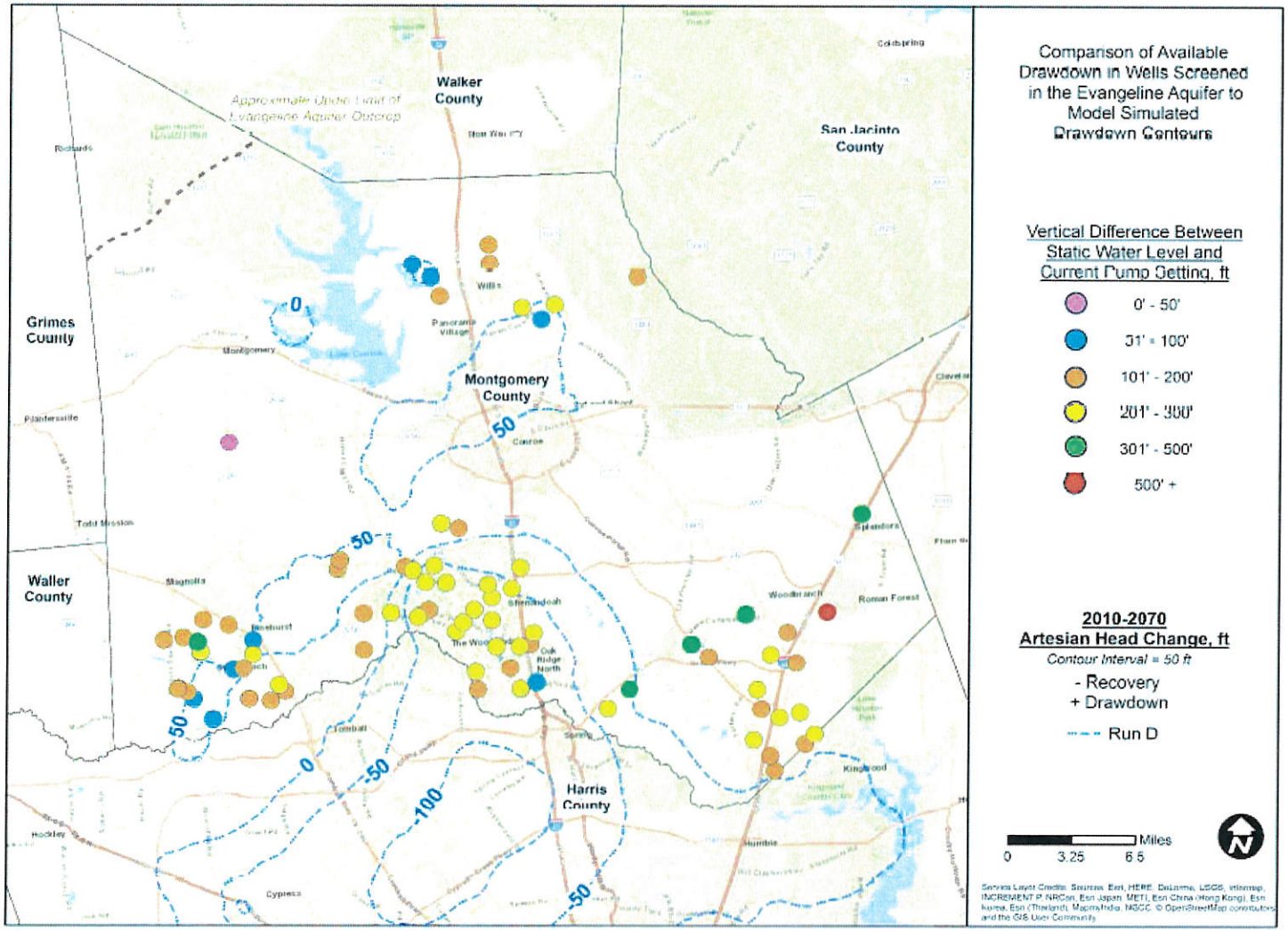

Figure 21. Run D Artesian Head Change in Evangeline Aquifer for 2010-2070

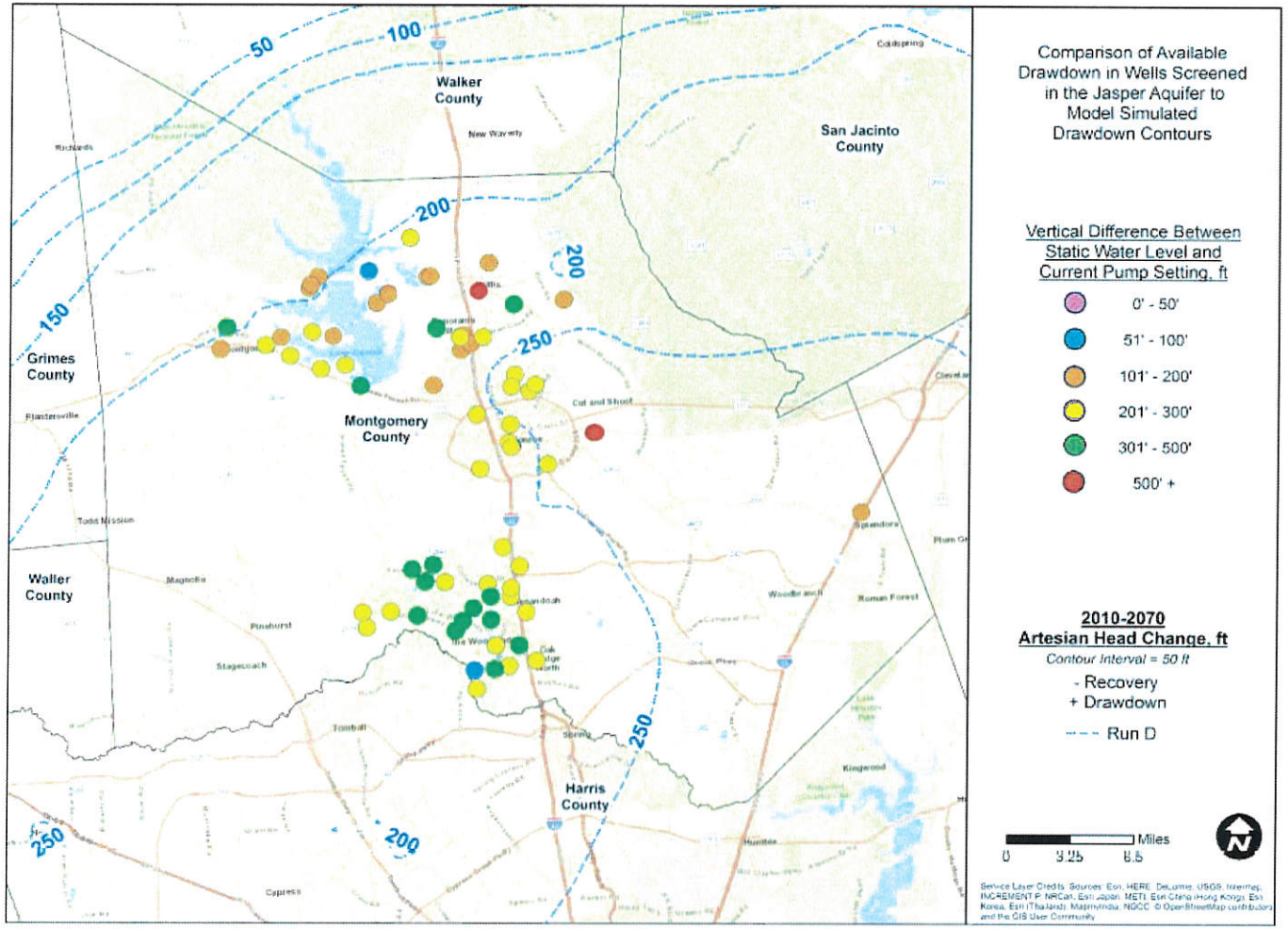

Figure 23. Run D Artesian Head Changes in Jasper Aquifer for 2010-2070