LONE STAR
GROUNDWATER CONSERVATION DISTRICT

June 9, 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 in the Lone Star GCD – James B. "Jim" Wesley Board Room located at 655 Conroe Park North Drive, Conroe, Texas and also held via a publicly accessible webinar/telephone conference call, within the boundaries of the District on June 9, 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, 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 Traylor for the opening prayer and Director Bouché 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. **City of Magnolia**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 49,733,000 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.

2. **Naushaba Arif (Montessori Villa)**

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. **C & R Water Supply, Inc. (Timberline Estates)**

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.

Ms. Reiter reported that there were three applications for this month. Following Ms. Reiter's report, Director Rogers motioned to approve items #1-3, as recommended by the General Manager. Director Prykryl seconded. Motion approved.

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

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF JULY 2020.

Larry A. Rogers, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

June 9, 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, in the Lone Star GCD – James B. "Jim" Wesley Board Room located at 655 Conroe Park North Drive, Conroe, Texas and also held via a publicly accessible webinar/telephone conference call, within the boundaries of the District on June 9, 2020.

CALL TO ORDER:

President Hardman presided and called to order the regular Board of Directors meeting at 6:02 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, resident of Grogan's Mill Village, joined the meeting via ZOOM and stated he had three requests for the District. He began by requesting that the subsidence data from the current study also include specific subsidence value for The Woodlands, Texas. Secondly, he asked that a graph be presented for well examples in the Evangeline Aquifer. Lastly, Mr. Yoars encouraged the Board to commit to maintaining a stabilization of subsidence for Montgomery County. ***A copy of the public comment is attached hereto as Exhibit "B".***

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 6:06 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 7:15 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 Spigener seconded by Director Prykryl, the Board approved the meeting minutes as presented.

a) May 12, 2020, Public Hearing on Permit Applications
b) May 12, 2020, Regular Board of Directors Meeting

REVIEW OF UNAUDITED FINANCIALS FOR THE MONTH OF MAY 2020;

Ms. Samantha Reiter reported that for the month of May 2020, income was $169,222 and expenses were $83,233 resulting in a net income of $85,989. Year-to-date net income is $424,574. Total cash was $1,600,000.

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.

Ms. Reiter clarified that all three of the technical consultants were online and available for questions. She summarized District technical consultants would present the Board with the scope of work for Phase II of the study and requested a special meeting to discuss and consider the approval of Phase II. A stakeholder meeting is planned to discuss Phase I for the end of June. President Hardman authorized a special meeting to discuss Phase II.

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

Ms. Stacey Reese, District Counsel, reported that the Technical Study Group had met several times since the last board meeting and have another scheduled meeting in early July. A workshop with the Technical and Non-Technical Study Groups will be scheduled in the near future; prior to submitting a draft of the District Rules to publish for 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 May.

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 May 29th. She discussed the goal of the meeting was to vote on the three model runs that the GMA 14 technical consultant, INTERRA, would use when considering the remaining factors in developing a DFC. These factors include impacts on subsidence, environmental impact, socio-economic impact, private property interest and rights, feasibility of achieving DFC and other relevant information.

Further, the District announced its support of Wade Oliver's methodology and some of his presented model scenarios. After discussion, the three runs which were approved by GMA 14 included: a 70% drawdown with 1 foot of subsidence using the Run "D" base file, a 70% drawdown with 1 foot of subsidence using the 2016 MAG as a base file, and 80% drawdown with 1 foot of subsidence using the 2016 MAG file.

Ms. Reiter clarified some statements made by LSGCD representatives may have been taken out of context. She explained that LSGCD understands the importance of studying and discussing subsidence within Montgomery County, as well as surrounding counties. There may have been things said at the GMA 14 meeting might have led people to believe that the District is no longer interested in subsidence, however that is far from the truth. The District acknowledges the runs are guidelines for modeling and is not ready to commit to any one of them until the entire DFC process is completed. It is also understood that the DFC statement may not contain verbiage highlighting each separate factor. The next GMA 14 meeting is scheduled for July 15th at 10 AM.

GENERAL MANAGER'S REPORT:

Ms. Samantha Reiter reported that the District's Management Plan had received a certificate of approval from Texas Water Development Board on June 5th and remain in effect for the next five years.

She stated interest continues in adding an additional subsidence monitoring site in the Woodlands. Mike Turco of the Harris-Galveston Subsidence District and Jim Stinson of The Woodlands Water Agency are planning to add a site in the southern part of The Woodlands. The

total cost for the installation is $15,000 with maintenance costing $1,000 a year. Ms. Reiter plans to meet with both Mr. Turco and Mr. Stinson to discuss further the new monitoring site.

Ms. Reiter announced the annual meeting for the Texas Alliance of Groundwater Districts Summit is scheduled for September 1-3, 2020, in San Antonio.

GENERAL COUNSEL'S REPORT:

Ms. Reese apprised the group of the next step needed to be taken in order for the appeal against the District's Management Plan to be dismissed. Ms. Reese will be working with the Attorney General's office to put together the paperwork to dismiss the suit with prejudice. The mediator will issue a final report concluding that mediation is completed and successful.

A recent decision from the Federal Court of Appeals for Texas Federal Courts 5th Circuit was issued in the Frazino/Stratta vs. Brazos GCD case. The court reversed the trial court on a couple of grounds, and the entire case was dismissed. There were three claims in the case that were kicked out for several reasons. One was a first Amendment free speech claim brought by Mr. Stratta who was also a BCD Board of Director. Another was regarding equal protection in takings claim. At the trial court level, all three claims were dismissed. However, the 5th Circuit Court reversed the trial court's decision and reverted the case back to the trial court for a verdict. Ms. Reese emphasized this case was important and one to be followed.

NEW BUSINESS:

There was no new business.

ADJOURN:

There being no further business, Director Bouché motioned to adjourn the meeting and Director Traylor seconded. The meeting was adjourned at 7:27 PM.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF JULY 2020.

Larry A. Rogers, Board Secretary

SIGN IN SHEET

June 9, 2020
Board Meeting

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail	Would you like to receive LSGCD updates & information?
N	TINA FELKAI	CONROE, TX	ON FILE	
N	Doug Miller	Pinehurst, TX	" "	
N	MATT CORLEY	CONROE, TX.	mcorley@sjrg.net	

Exhibit "A"

Exhibit "B"

COMMENTS FOR LSGCD

JUNE 9, 2020

My name is John Yoars. I am a resident of Grogan's Mill Village in The Woodlands Texas. I have three requests of the Lone Star BOD.

First as a part of the proposed subsidence study outline, I would request that the subsidence data presented have a specific subsidence value for The Woodlands Texas. This will be more meaningful to its residents than an "average Montgomery County" subsidence number.

Secondly, in prior presentations you showed a chart that provided the water table elevation changes for the Jasper Aquifer using three existing wells over time. I would like to see the same graph for some well examples in the Evangeline Aquifer.

Lastly,The PM 13 site data trend since the introduction of surface water into satisfying the county water demand needs has shown stabilization of subsidence. I ask that you commit to maintaining that trend. Mr. Beach's comments at the GMA 14 meeting would indicate that subsidence will not be a criterion in Montgomery Counties commitment to a new DFC being provided. This appears to contradict what I heard from this board last month and I hope his statement was incorrect.

Thank You