LONE STAR
GROUNDWATER CONSERVATION DISTRICT

August 4, 2020

MINUTES OF PUBLIC WORKSHOP ON DRAFT RULES

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 August 4, 2020.

CALL TO ORDER:

General Manager, Samantha Reiter, presided and called to order the Public Workshop meeting at 2:14 PM, announcing that it was open to the public. She explained that since no District Board of Directors were present that items #2-4 would be foregone. In attendance at said meeting was 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".*

RECEIVE PRESENTATION ON DRAFT OF DISTRICT RULES:

Ms. Stacey Reese, District Counsel, gave a PowerPoint presentation of the District's Draft Rules. She began by discussing three documents on the LSGCD's website posted under the Management & Rules tab. These documents are the Proposed Draft Rules, a Summary of Proposed Draft Rule Changes, and Frequently Asked Questions. She introduced the workshop by stating the purpose and goal of the workshop was to receive input, answer questions, and collect information for consideration on whether further changes should be adopted.

Ms. Reese explained that the Preamble and Rules had been revised significantly including renumbering and addressing the TWDB judgment, repealing and abolishing the District Regulatory Plan (DRP), and ensuring that all invoicing and payment will be done directly by the District and not through a GRP Sponsor. New permittees would not be required to join a GRP. One new rule expresses the process for a permittee to appeal the decision by the GM or Board.

Ms. Reese highlighted some changes to the rules in Section 2: Well Registration and Permitting. All exempt wells will need to be registered, and there are still conditions that may cause exempt wells to lose their exempt status ie. change in purpose. Non-exempt wells will now be issued according to three aquifer groupings: Chicot and Evangeline, Jasper, and the Catahoula. Further, non-exempt well applications will now require certain wells to provide a hydrological

report, to aide in the collection of valuable aquifer information. The permitted well's criteria for submitting the report is yet to be determined by the board.

In Rule 2.11 Renewals, the Board will decide the length of permits and time frame of renewals. In Section 3: Spacing and Location of Wells, the consultants have suggested a simple formula by which to space wells. Within the area of the Chicot and Evangeline aquifers will measure 2 feet per every GPM and the Jasper aquifer will measure 1.5 feet per every GPM.

Ms. Reese discussed rules 4-13 noting that not much had changed except primarily memorializing current policy with specifics. Sections 14 and 15 are new rules to address new legislative laws. *A copy of the PowerPoint Rules presentation is hereto attached as Exhibit "B".*

She noted that no decision would be made on the District Rules at the workshop but could be taken at the regular August Board of Directors meeting later in the month.

RECEIVE QUESTIONS AND INPUT FROM WORKSHOP PARTICIPANTS:

Jonathon Smith, Porter Special Utility District's General Manager, addressed the need for LSGCD to take a long-term approach to its duties and opposes the Draft Rules. Mr. Smith stated he feels that the rules are not based on the best available science, does not provide proper groundwater withdrawals management, and increases withdrawals with a negative impact to others. His concerns also addressed the property rights to citizens who could potentially be flooded if subsidence is not mitigated. Porter SUD desires to be part of the solution by offering space at water treatment plants for LSGCD to install PAM or CORS devices.

Ms. Reese made some general comments in response to Mr. Smith's points. She reviewed some historical facts noting that the District's DFC had been petitioned and found to be unreasonable, and later the reduction rule was found to be invalid. The previous LSGCD Board made its policy decision based on a 3-year Strategic Water Planning Study that revealed additional groundwater could be produced without unreasonable impact. There were key stakeholders involved in that strategic water planning study. It ultimately provided one of the proposed solutions to resolve the DFC petition known as Run "D". The Run "D" model was approved by many key stakeholders in the District, including the City of Conroe and SJRA. Run "D" yielded a MAG of 90,000 acre-feet per year. The MAG is not a pumping cap and presently the District's pumping has not exceeded that said number. The District is aware that the DFCs currently being contemplated include 3 models runs that yield a MAG equal to or great than the Run "D" scenario. The future DFC from GMA 14 is going to be either consistent with Run "D" or something that would yield a MAG greater than Run "D". Lone Star continues regulation to achieve the MAG and to attain the Desired Future Condition. She explained that the previous DFC was based on an average draw down across the District, however current GMA 14 considerations are focused on having the same DFC for all GCDs within GMA 14.

Ms. Reese discussed some ways the District encourages groundwater conservation. Issuing permits is a measure of conservation and educational and conservation programs are provided on the District's website. Lone Star continues to track, collect data, and provide data to the public to assist in water planning.

She further explained the authorized allocation of water to permittees will now be known as the Annual Production Limit. Lone Star GCD is not forcing residents or businesses to use groundwater nor is it preventing people from using surface water. She emphasized that LSGCD is not a subsidence district, and only regulates groundwater and is on track to make the DFC.

John Yoars, resident of the Grogan's Mill Village of The Woodlands, gave two comments to the proposed District Rules. He suggested clarification regarding when achievement of the DFC reverts to becoming a Management Zone and enquired about transporting water outside Montgomery County. Mr. Yoars' concern was the District's lack of coordination of surface water with SJRA and groundwater use.

Stacey Reese responded to Mr. Yoars' comments by stating that the District does cooperate and coordinate with SJRA on water usage and explained that the District would not be discriminating against exporters.

James Beach, WSP consultant, noted that the District envisioned a grand balance between Maximum Practicable Use and the DFC. There are nine factors that describe the criteria for a DFC, and these factors carry different weights depending on the entity. Therefore, there is a degree of complexity of arriving at a DFC that requires agreement between all GMA 14 members and GCDs.

Mr. Beach addressed the possibility of a reduction in water allocation, and the process needed for changing a production allocation is currently being contemplated by the District and District consultants. The process requires public hearings and openness before any reduction in water production could occur.

Ron Kelling, of San Jacinto River Authority, explained that he had submitted a nine-page document with thirty-four questions addressing the District Rules. He presented a summary of the document and the four different categories the document focused on. These are: 1) achieving the DFC specifically over the next 4-5 years; 2) the categories of Annual Production Limit, Management Zones, and Proportional Limitations;3) well spacing; and 4) reissuance of historic and operating permits. A copy of the SJRA comments is hereto attached as Exhibit "C".

Stacey Reese acknowledged the desire to revisit and clarify SJRA's concerns.

Deidra Daniels made a comment through the webinar's Q & A section and asked how the proposed District Rule changes may affect the existing groundwater credits.

Ms. Reese responded by reviewing the concept of the early conversion credits. The credits were issued under the old regulatory plan for Montgomery County citizens who met the reduction and converted early before the rule took effect. The early conversion credit was a one-time credit issued that cannot be renewed. The two ways for these credits to be honored include the water use fees to be prepaid or to apply the credit to a disincentive penalty fee when the allotment is exceeded.

Marty Jones commented on the DFC criteria and the nine factors and stated that only one of the nine factors was constitutionally protected, that being private property rights to water. It was Mr. Jones' recommendation that this factor be the most heavily weighted in the DFC discussions.

Ms. Reese responded by discussing LSGCD's Management Plan and mediation with TWDB regarding the 2010 DFC attached to the Management Plan. Lone Star anticipates that there will be clarity from the legislation in the future as to what DFC should be applied when the DFC is successfully petitioned. The Texas Water Development Board does not determine the DFC.

In her concluding remarks Ms. Reese encouraged anyone having comments concerning the District Rules, to put them in writing and provide said comments to the District.

ADJOURN:

There being no further business, General Manager Reiter adjourned the public workshop at 3:19 PM.

PASSED, APPROVED, AND ADOPTED THIS 11th DAY OF AUGUST 2020.

Larry A. Rogers, Board Secretary

SIGN IN SHEET

August 04, 2020
District Rules Workshop

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail	Would you like to receive LSGCD updates & information?
YES	JONATHON SMITH	PORTER SUD	JSMITH@PORTERSUD.COM	

Exhibit "A"