LONE STAR
GROUNDWATER CONSERVATION DISTRICT

JULY 08, 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 July 08, 2025.

1. CALL TO ORDER:

President Spigener called to order the Public Hearing on Permit Applications at 6:01 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
John Wertz

Also present:

Name:	Title:
Sarah Kouba	General Manager
Tiffany White	Director of Operations
Samantha Branham	Permitting Manager
Britny Anderson	Education & Outreach Coordinator
Stacey Reese	District Counsel (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. Treasurer Earnest 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 6 applications listed. Applications numbered 1-5 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 -5.

Ms. Kouba provided an overview of application number 1 – Utilities Investment Company, Inc. DBA Enchanted Estates. 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 – Onsite Diesel. 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 – Gillaspie Real Estate, LLC. (The Grove Community School Water System). 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 –C & R Water Supply Inc. (Crockett Meadows). 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 – Conroe ISD – Moorehead Jr. High. 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. Treasurer Earnest moved to approve that which is requested for applications 1 -5. Director Wertz seconded the motion. President Spigener called for a voice vote. Motion passed.

Ms. Kouba provided an overview of application numbered 6 – Dustin & Jessica Haake. Due to a spacing exception, Ms. Kouba requested the Board's consideration of the permit and permit conditions upon approval.

President Spigener called for a motion to approve. Vice President Bouché moved to approve that which is requested for application number 6. Treasurer Earnest seconded the motion. President Spigener called for a voice vote. Motion passed.

6. ADJOURN:

Vice President Bouché moved to adjourn the July 8th, 2025, Public Hearing on Permit Applications and Treasurer Earnest seconded the motion. The meeting was adjourned at 6:07 p.m.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF AUGUST 2025.

Janice Thigpen, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT
JULY 8, 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 July 8, 2025.

1. CALL TO ORDER:

The meeting was called to order at 6:07 PM.

2. ROLL CALL:

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

Jim Spigener
Janice Thigpen
Jon Paul Bouché
Kenneth Earnest
John Wertz

Also present:

Name:	Title:
Sarah Kouba	General Manager
Tiffany White	Director of Operations
Samantha Branham	Permitting Manager
Britny Anderson	Education & Outreach Coordinator
Stacey Reese	District Counsel (Virtual)
Chris Drabek	District Technical Consultant (Virtual)
Mike Keester	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. PUBLIC COMMENTS:

We received four public comments during the meeting. The first comment received was from Jerry Reuschhoff regarding concerns about the water level decline in the aquifers. We received a public comment from Paul Cote regarding concerns about the possible outdated data used for the 2026 Region H water plan, specifically with the model run and how it might not be completely accurate. Mr. Cote made requests of the District. We also received a public comment from Robert Leilich regarding concerns about unsustainable levels of groundwater pumping and declining well water levels. Mr. Leilich suggests more surface water be used and to decrease groundwater pumping. We received a public comment from Mr. John Kessler where he expressed concern about comments made by one of the District consultants during a GRP Review Committee meeting regarding the local aquifer and wells where the consultant said everything was okay. Mr. Kessler said that one of the wells he was speaking on had failed and that those comments may have been made in error.

For **Item 4** and **Item 5**, Executive session will not be held during this meeting.

6. APPROVAL OF THE MINUTES:

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

- June 10, 2025, Hearing on Contested Enforcement Matters
- June 10, 2025, Public Hearing on Permit and Permit Amendment Applications
- June 10, 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 has not met.

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 has not met.

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

3) Review of 2nd Quarter, 2025 Investment Report
Ms. Kouba reported on the 2nd Quarter Investment Report.

4) Receive audit presentation for fiscal year 2024 – Louis Breedlove, Senior Audit Manager, Brooks Watson & Co., PLLC
Mr. Breedlove gave a summary presentation on the District's audit of fiscal year 2024.

5) Discuss, consider, and take action ass necessary concerning approval of Resolution #25-003 Reviewing and Approving Investment Policy and Investment Strategies.
President Spigener called for a motion to approve Resolution #25-003. Treasurer Earnest moved to approve. Director Wertz seconded the motion. President Spigener called for a voice vote. The motion passed.

C. External Affairs Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting.
President Spigener reported that the External Affairs Committee met June 17th and continue to meet monthly to discuss improvements in external communications. President Spigener attended the Southwest Montgomery County Chamber Monthly Luncheon June 26th and the Greater East Montgomery County Chamber Luncheon July 2nd with Ms. Sarah Kouba. President Spigener also attended the Conroe Lake Conroe Chamber Monthly Luncheon July 7th with Vice-President Bouché and Ms. Sarah Kouba.

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 is meeting weekly. The District is waiting for the finalized report from Texas A&M for the additional higher-pressure testing on cores in the Lower Jasper. The District's consultants are working through the draft data to date and are having meetings with Texas A&M to get the report finalized to be released to the public. The conclusions have already been reported publicly, and the data has already been rolled into the model update.

2) Technical Consultants Update – Receive updates from Technical Consultants on ongoing projects and development of desired future conditions in GMA 14.
Mr. Chris Drabek stated that with regards to GMA 14, they are continuing to move forward with the predictive well file development. Mr. Mike Keester reported an update on the GMA 14 model. The public comment period for that model ended on June 25th. There were eight public comments received by the Texas Water Development Board (TWDB) regarding the model. The consultants are currently drafting responses to those comments and updating the Board as needed. Regarding a few of the comments received that showed concerns about the data being used in the model, Mr. Keester gave background on the data and explained that it was more than sufficient in its use. Ms. Kouba asked Mr. Keester to explain if they are inserting the requested region pumping information into the runs and if they will be using the current model data and then filtering the pumping information into the model to be able to simulate current pumping and project future pumping and how it will affect the aquifer. Mr. Keester stated she was correct and clarified how they set up the new model runs. Mr. Drabek offered clarification regarding one of the public comments made about the well failure he had spoken about at a recent GRP Review Committee meeting. Mr. Drabek suggested that his comments on the well were accurate about the issue being a faulty pump and not an aquifer issue.

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. The next meeting will be hosted at the District office in Conroe where factors 7, 8 & 9 will be discussed on September 17th at 1PM.

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 2024 and new violations in 2025. Hearings for contested and show cause on enforcements will be held August 13th at 9AM. An official notice will be posted according to District rules. Ms. Kouba mentioned that it is not too late to resolve the violations before show cause and that you can do so up until August 13th.

8. DISCUSS, CONSIDER, AND TAKE ACTION AS NECESSARY REGARDING RENEWAL OF THE AUDIT ENGAGEMENT AGREEMENT WITH BROOKS WATSON & CO, PLLC.:

President Spigener called for a motion to renew the audit engagement agreement with Brooks Watson & Co. Vice President Bouché made a motion to renew. Director Wertz seconded that motion. President Spigener called for a voice vote. Motion passed.

9. DISCUSS, CONSIDER, AND TAKE ACTION AS NECESSARY REGARDING THE CONTRACT RENEWAL OF THE DISTRICTS STREAMING SERVICE WITH GRANICUS (FORMALLY KNOWN AS SWAGIT):

President Spigener called for a motion to renew the contract with the District's streaming services with Granicus. Treasurer Earnest made a motion to renew the contract. Vice President Bouché seconded that motion. President Spigener called for a voice vote. Motion passed.

10. DISCUSS, CONSIDER, AND POSSIBLE ACTION ON EMPLOYEE HANDBOOK REGARDING EMPLOYEE ECONOMIC BENEFITS (SUBSECTION: HEALTH INSURANCE):

President Spigener asked Ms. Kouba to provide a summary for this item. Ms. Kouba stated that the District identified a language correction required in the Health Insurance sub-section of Economic Benefits in the employee handbook that should have been adjusted in 2017, 2022, and 2024 to reflect the Board's budget and policy decisions on employee health insurance coverage, and the inclusion of dependent coverage. The language adjustment is to properly reflect the current policy. She mentions that the District may identify additional areas in the policy handbook that require attention and amendment to be addressed at future meetings, as the District is still sharpening processes and reviewing District documents. President Spigener called for a motion to approve language revision in the employee handbook regarding employee economic benefits. Vice President Bouché made a motion to approve. Treasurer Earnest seconded that motion. President Spigener called for a voice vote. Motion passed.

11. DISCUSSION AND POSSIBLE ACTION TO ISSUE A SHOW CAUSE ORDER DIRECTING THE FOLLOWING PERMITTEES, WELL OWNERS, DRILLERS, DESIGNATED REPRESENTATIVES, OR RESPONSIBLE PARTIES LISTED IN ATTACHMENTS A,B,C & D TO APPREAR AT A SHOW CAUSE HEARING FOR THAT PURPOSE AND SHOW CAUSE WHY APPROPRIATE ENFORCEMENT ACTION SHOULD NOT BE TAKEN, INCLUDING WITHOUT LIMITATION, INITIATING LAWSUIT FOR FAILURE TO SUBMIT 2024 PRODUTION REPORT, FAILURE TO SUBMIT 2025 WATER USE FEES AND/OR PENALTIES ASSOCIATED WITH UNTIMELY SUBMISSIONS , OVERPRODUCTION OF THE PERMITTED ALLOCATION FOR THE 2024 CALENDAR YEAR AND/OR PENALTIES ASSOCIATED WITH NON-COMPLIANCE OF DISTRICT RULES:

President Spigener requested that Ms. Kouba give a summary for this item. Ms. Kouba gave a brief overview of the number of violations issued by the District that will be going to the show cause hearing in August. President Spigener called for a motion to issue a show cause order for the permittees in violation listed. Treasurer Earnest made a motion to issue a show cause order. Director Wertz seconded that motion. President Spigener called for a voice vote. Motion passed.

12. GENERAL MANAGER'S REPORT:

Ms. Kouba mentions the Texas Water Development Board (TWDB) will schedule a virtual public meeting to discuss the comments submitted to them regarding the model update. TWDB has allowed the District to co-host the meeting. The District will announce the date as soon as TWDB has decided. Ms. Kouba then stated that top priorities for the District in June have included continued preparations for Groundwater Management Area 14 (GMA 14) for this joint planning cycle, maintaining a pulse on the legislative session that just wrapped up in Austin along with a special session the Governor has slated for July, enforcements of violations of the districts rules, the proposal for the district software update and the launching of the updated district website. She mentions that the website is being moved over and should be live in the next few days or so. She states that the District has made ground on the developmental stages of a rainwater harvesting barrel conservation project, partnering educational programs by way of scholarship for student inclusion in conservation, and continued community outreach by way of Chambers, special events, and stakeholder meetings. Ms. Kouba reminded the public that meter readings are to be assessed and documented monthly. At this time, the District allows for submission of the production report documenting your monthly meter 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. Ms. Kouba also mentions that to her understanding, the Permit Team has been issuing verbal warnings to habitual offenders for years that force the District to average their water usage due to this violation of District rules. The District sees an 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. To reiterate, 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. If you are requesting an allocation increase, expect that the District will require all meter readings to be submitted up to date. The district has implemented an inspection process at the drilling stage to confirm the location on the application matches the staked location (within the allowable buffer, not to encroach on spacing requirements), the HP, the casing size, and the flow testing. Our District Field staff contact the driller listed on the application, and in the event the driller is still undecided, the field staff will contact the permit holder at time of approval to coordinate this inspection. Our inspectors 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 at the front end of the drilling versus post the completion of drilling. Ms. Kouba also stated that some drillers are refusing to return the call of our field staff and drilling prior to our confirmation of location. Please note that should our field staff find adequate reasoning by their own discretion to question the casing size, or the HP, they reserve the right to request the pump be removed for verification. That will be a much more tedious and expensive process than showing the field staff prior to installation. Additionally, should the field staff identify the drilled location is not within the allowable buffer, or is encroaching on spacing requirements, violations will be issued at the maximum of the penalty range as a deterrent to ensure all adhere to district protocol for inspection. Again, this field inspection to ensure compliance is to be a helpmeet to prevent violations. If you are following the registration and/or the operating permit process in compliance, this should not be a hindrance. Ms. Kouba also thanked the drillers in Montgomery County who have provided feedback on some of the streamlined processes, and who have been forthcoming to help the District locate violators in the county who are drilling wells without proper drillers' certifications. The District has been in contact with TDLR and is doing all possible to ensure residents of our county are not falling victim to these drillers who are in violation of both district

rules and state law. Ms. Kouba stated there will be a public water supplier meeting set for September 18th at 9AM at the District office for open Q&A with our legal and technical consultants and herself as a moderator to give an overview of how everything works within the District. Ms. Kouba asks that you RSVP for that meeting due to limited capacity. Ms. Kouba then gave a summary of past and upcoming events that she is scheduled to attend.

13.GENERAL COUNSEL'S REPORT:

Ms. Reese stated the chairman for the Natural Resource Committee has called a special meeting of the Natural Resource Committee on Tuesday, July 15 at 1 PM to take on some applications that are pending, seeking to produce 49,000-acre feet to ultimately export water out of the Neches and Trinity Valley district. The chairman wants that export to be review in a special session, but as of right now, that is not currently on the Governors call for special session. Ms. Reese will keep the District updated.

14. NEW BUSINESS:

No new business

15. ADJOURN:

There being no further business Treasurer Earnest moved to adjourn the meeting and Director Wertz seconded the motion. President Spigener called for a voice vote, motion passed, meeting adjourned at 7:11 PM.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF AUGUST 2025.

Janice Thigpen, Board Secretary