

LONE STAR GROUNDWATER CONSERVATION DISTRICT

April 9, 2024

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 April 9, 2024.

CALL TO ORDER:

President Spigener 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:

Jim Spigener
Stuart Traylor
Janice Thigpen
Jon Paul Bouché
Kenneth Earnest
Garry Dent

Six members of the Board were present, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Sarah Kouba, General Manager; Tiffany White, Director of Operations; Kirstin Hein, Permitting Director; Justin Saenz, Education & Conservation Coordinator; Stacey Reese, District Counsel; Chris Drabek, District Technical Consultant, (*virtual*); James Beach, 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".*

Vice President Traylor led prayer and Director Dent lead the United States and Texas pledges.

PUBLIC COMMENTS:

No comments were received.

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

Ms. Hein provided an overview of the six applications listed. Items 1-4 included applications that are considered administratively complete and have been reviewed by District Staff. No hydrogeological reports were required for those items and they comply with District's Spacing Rules. The General Manager has reviewed these applications, and it is her recommendation that the Board grant that which is requested for Items 1-4.

Ms. Kouba provided an overview of Item 5 as the application for a new permit was requesting 93,414,944 gallons annually. Due to the volume of water requested, Ms. Kouba requested the Board's consideration of the permit or permit conditions upon approval. A hydrogeological report was not required with the application as the proposed well system to be permitted at 600gpm and follows District Spacing Rules.

Ms. Kouba provided an overview of Item 6 as the application to increase the existing allocation required a hydrogeological report due to the well system capable of producing 700 GPM or greater. AGS reviewed the hydrogeological report and found that the modeling approach and assumptions are reasonable and the submitted hydrogeological report and supplemental materials generally address the requirements defined by the Hydrogeological Report Guidelines.

Director Bouché confirmed if there were any recommendations for Item 5 and 6. Sarah Kouba stated that they had met the requirements of the District Rules, and, while she was recommending Items 1 – 4, Ms. Kouba was bringing Items 5 and 6 to the attention of the Board.

- i. Lineage Properties, LLC, for a proposed new operating permit not to exceed 0.075 mg annually, and for a proposed well to be drilled at 4010 Pinehurst Meadow, Magnolia, Commercial use, District Aquifer: Evangeline (CHEV), (Driller of record: Ricky Bonds Water Wells); and
- ii. Thriving Botanicals, LLC, for a proposed new operating permit not to exceed 0.548 mg annually for 1 existing well not permitted with the District located at 15195 Willis Waukegan Rd., Cut & Shoot, and 1 proposed well to be drilled at 15195 Willis Waukegan Rd., Cut & Shoot, Irrigation and Commercial use, District Aquifer: Evangeline (CHEV), (Driller of record: Ricky Bonds Water Wells); and
- iii. T.N.M. Corporation, for a proposed amendment to OPAG-22092701-CHEV, increase of 2.253897 mg annually, 18810 Turtle Creek, Magnolia, Irrigation (Agriculture) use, District Aquifer: Evangeline (CHEV); and
- iv. B HOLD Investments, LP, for a proposed amendment to OP-24010802-CHEV for 1 well to be drilled at 3619 Honea Egypt Rd, Montgomery, Irrigation and Commercial use, District Aquifer: Evangeline (CHEV), (Driller of Record: Hildebrandt Drilling, LLC); and
- v. Magnolia Woods MUD 1, for a proposed new operating permit not to exceed 93.414944 mg annually and for 1 proposed Evangeline well to be drilled at 2285 FM 1486, Montgomery, Public Water Supply (PWS) use, District Aquifer: Evangeline (CHEV), (Driller of record: TBD); and


- vi. Westwood North Water Supply, for a proposed amendment to OP-05110102G-CHEV, increase of 63.85 mg annually, 406 Macintosh Dr., and 6311 Palmer Court, Magnolia, hydrogeological report submitted with application, Public Water Supply (PWS) and Commercial use, District Aquifer: Chicot (CHEV).

Director Bouché moved to approve Items 1 – 6 in as much as all items listed have complied with District Rules and Director Dent seconded the motion. No additional discussion, President Spigner called for a voice vote, motion passed.

ADJOURN:

Vice President Traylor moved to adjourn the April 9th, 2024 Public Hearing on Permit Applications and Director Earnest seconded the motion. Motion passed. The meeting was adjourned at 6:06 pm.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF MAY 2024.



Janice Thigpen, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

April 9, 2024

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 April 9, 2024.

CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:06 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:

Jim Spigener
Stuart Traylor
Janice Thigpen
Jon Paul Bouché
Kenneth Earnest
Garry Dent

Six members of the Board were present, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Sarah Kouba, General Manager; Tiffany White, Director of Operations; Kirstin Hein, Permitting Director; Justin Saenz, Education & Conservation Coordinator; Stacey V. Reese, District Counsel; Chris Drabek, District Technical Consultant (*virtual*); James Beach, 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".**

PUBLIC COMMENTS:

Mr. Bill Beran expressed confusion regarding a statement made by the District in the current Lone Star District Management Plan, questioning its validity based on his interpretation of a TWDB funded study. He referenced the Statewide Survey of Aquifer Suitability for Aquifer Storage and Recovery Projects or Aquifer Recharge Projects from September 2020, suggesting that they contradicted the District's statement on aquifer recharge enhancement included in the Districts Management Plan. He highlighted the importance of considering TWDB and TCEQ's perspectives and inquired about the possibility of the district reconsidering its stance. Mr. Beran advocated for a different approach,

suggesting the conversion of surface water into groundwater.

APPROVAL OF THE MINUTES:

President Spigener stated the Board would consider the meeting minutes as listed for approval on today's agenda. Without further discussion, Vice President Traylor moved to approve the minutes as presented, Director Earnest seconded the motion. President Spigener called for a voice vote, motion passed to approve the meeting minutes as presented.

- March 12, 2024, Public Hearing on Permit and Permit Amendment Applications
- March 12, 2024, Regular Meeting of the Board of Directors

Director Earnest moved to accept the minutes as presented, Vice President Traylor seconded the motion. President Spigener called for a voice vote. Motion passed.

COMMITTEE REPORTS:

A. Executive Committee

- 1) Brief the Board on the Committee's activities since the last regular board meeting. President Spigener mentioned that the executive committee had not yet met and emphasized the need for a meeting.

A. Budget & Finance Committee

- 1) Brief the Board on the Committee's activities since the last regular board meeting. No updates since the last Board of Directors meeting.
- 2) Review of unaudited financials for the month of March 2024
Ms. Kouba presented the financial review for March 2024. The income for the month was \$300,547.99, with expenses totaling \$236,087.00, resulting in a net income of \$64,460.99. The year-to-date net income as of March 31st, 2024, amounted to \$319,449.98. Additionally, the total cash on hand as of March 31st, 2024, was \$7,415,189.68.
- 3) Review of 1st Quarter Investment Report 2024 Ms. Kouba provided an update on the district's money market text pull accounts for the first quarter. At the beginning of the quarter, the accounts totaled \$6,883,898.27, and by the end of the quarter, they amounted to \$7,358,034.02. Deposits exceeded withdrawals by \$472,327.60, and the interest earned was \$2,421.15. First Financial Bank has provided safekeeping reports, indicating that all district deposits are adequately covered by their pledged securities.

B. External Affairs Committee

- 1) Brief the Board on the Committee's activities since the last regular Board meeting President Spigener mentioned that there hasn't been significant activity recently. However, the District did receive a report from its legislative consultants regarding the election. There is uncertainty due to runoff elections in key places, but as of now, there is no clear insight into how these developments might affect the district.

C. DFC & Technical Committee

- 1) Brief the Board on the Committee's activities since the last regular Board meeting
Vice President Traylor mentioned that weekly meetings are ongoing for updates on Phase III. Recently, President Spigener and Vice President Traylor visited the drill site, where Core #17 was completed. Ms. Kouba added that they have now officially completed Core #18 and are proceeding with the next steps for plugging and coordinating with labs.
Additionally, the DFC committee, along with Ms. Kouba and the technical team, continues to discuss Site 1 and plan for Site 2. They are also prepared to advance with the environmental study for the potential Site 2 at SJRA's property.

D. Rules, Bylaws & Policies Committee

- 1) Brief the Board on the Committee's activities since the last regular Board meeting
Ms. Kouba mentioned that they are internally working on potential rule revisions and are in the process of sharpening processes to ensure compliance with current rules by permit holders. This ongoing process is expected to continue throughout 2024, including audits of current permits.

RECEIVE INFORMATION FROM DISTRICT'S TECHNICAL CONSULTANTS REGARDING WATER LEVELS IN GMA 14- JAMES BEACH, P.G., AND CHRIS DRABEK P.G. (ADVANCED GROUNDWATER SOLUTIONS, LLC) DISTRICT'S TECHNICAL CONSULTANT(S).

Mr. Drabek explained the process following the completion of the coring at Site 1. Currently, they are conducting geophysical logging and alignment surveys, which is estimated to take a day or two. After receiving the geophysical logs, they will provide them to the laboratory to start coordinating the core analysis. Once this is completed, they will work on plugging the well. President Spigener inquired about the timeframe for completing the plugging, to which Mr. Drabek mentioned they are awaiting confirmation from contractors but anticipate it to be done by the weekend.

DISCUSS, CONSIDER AND POSSIBLE ACTION ON REQUEST TO SUPPORT THE CITY OF CONROE'S REQUEST FOR FEDERAL FUNDING.

President Spigener explained to the Board of Directors the request from the City of Conroe for a letter of support for their federal funding application to replace an aging well. He clarified that there are no strings attached to the letter, and it does not pre-approve any actions. Ms. Reese confirmed that the letter simply supports Conroe's application for funding but does not commit the district to anything beyond that. Director Bouché expressed concerns about potential ripple effects, but Ms. Reese assured that there were no commitments beyond the letter of support. President Spigener emphasized that helping Conroe seemed reasonable as long as there are no attached obligations. Ms. Reese acknowledged that she did not specifically research potential implications but offered to look into it further. Director Bouché proposed tabling the discussion until after an executive session to allow for discussion with legal counsel, which was seconded by Director Earnest. Director Dent inquired about the timeframe for Conroe, and Ms. Kouba mentioned a time crunch for their funding application. President Spigener called for a voice vote, and the motion to table passed unanimously until after the executive session.

GROUNDWATER MANAGEMENT AREA 14 - UPDATE THE BOARD ON THE ISSUES RELATED TO JOINT PLANNING ACTIVITIES AND DEVELOPMENT OF DESIRED FUTURE CONDITIONS IN GMA 14:

Discuss, consider, and possible action regarding authorization for GMA 14 representative to sign Resolution #24-001 adopting Development of Alternative Groundwater Availability Model. – Sarah Kouba, General Manager, and/or District’s technical consultant(s). Ms. Kouba mentioned upcoming meetings, including one on April 27th where the technical consultants will present a timeline for updates related to the Groundwater Management Area (GMA). This timeline will address concerns raised by other GMAs and will be presented to the GMA for consideration. Another potential meeting is on May 14th, coinciding with the district's board meeting day, but the location is yet to be confirmed by the GMA chair, Mr. Martin.

GENERAL MANAGER’S REPORT:

Ms. Kouba provided operational updates, including progress on the full audit of open and active permits, ongoing work on the district website, and efforts in public relations strategy sessions. She also mentioned the completion of the 18th interval at a site and the upcoming appointment of a GRP Committee member representing a Water Supply Corporation. Weekly meetings with technical consultants, legal counsel, and public relation sessions were noted, along with scheduled events such as meetings with SJRA GRP and GMA 14 Technical Consultants. Ms. Kouba also shared upcoming travel plans and a compliment received by the district for outstanding customer service.

GENERAL COUNSEL’S REPORT:

Ms. Reese stated she had nothing to report at this time.

EXECUTIVE SESSION:

The Board recessed at 6:39 PM into a closed Executive Session pursuant to Texas Government Code, Sections 551.074 to discuss personnel matters and annual review of the General Manager, and 551.071 to consult with the District’s attorney regarding pending or contemplated litigation, settlement offers, 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 regarding any agenda item on any of the Board meetings or hearing posted for today.

RECONVENE IN OPEN SESSION:

Following Executive Session, the Board reconvened in Open Session and President Spigener declared it open to the public at 7:32 PM

DISCUSS, CONSIDER AND POSSIBLE ACTION ON REQUEST TO SUPPORT THE CITY OF CONROE’S REQUEST FOR FEDERAL FUNDING.

Director Bouché moved to approve the revised letter of support for the City of Conroe, Vice President Traylor seconded the motion. No discussion. President Spigner called for a voice

vote, motion passed.

NEW BUSINESS:

No new business

ADJOURN:

There being no further business Vice President Traylor moved to adjourn the meeting and Director Dent seconded the motion. President Spigner called for a voice vote, motion carried. The meeting was adjourned at 7:34 PM.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF May 2024.

A handwritten signature in blue ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

Janice Thigpen, Board Secretary