LONE STAR
GROUNDWATER CONSERVATION DISTRICT

September 10, 2019

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, within the boundaries of the District on September 10, 2019.

CALL TO ORDER:

President Melder called to order the Public Hearing on Permit Applications at 6:01 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
Webb Melder
Jonathan Prykryl
Larry A. Rogers
Jim Spigener
Stuart Traylor

All members of the Board were present, with the exception of Director(s) Spigener, 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 Melder called on Director Bouché, for the opening prayer and Director Prykryl to lead the Pledge of Allegiance and the Pledge of Allegiance to the state flag. A brief moment of silence was observed to honor those fallen in 911.

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. **WMC Steel, LLC**

Applicant is requesting the registration of an existing well and production authorization in the amount of 2,000,000 gallons for 2019 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. **HY Properties**

Applicant is requesting the registration of a new well and production authorization in the amount of 136,000 gallons for 2019 and 600,000 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.

3. **STI Realty, LLC**

Applicant is requesting the registration of a new well and production authorization in the amount of 150,000 gallons for 2019, 275,000 gallons for 2020 and 150,000 gallons for 2021 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. **Montgomery County MUD #157**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 4,225,000 gallons for 2019 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. **Benui Baptist Church**

Applicant is requesting the registration of a new well and production authorization in the amount of 37,500 gallons for 2019 and 150,000 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. **City of Conroe**

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.

7. **Hixson Lumber Sales of Texas, Inc.**

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.

8. Forestar (USA) Real Estate Group, Inc. (Harrington Trails)
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.

9. Caldwell Companies/Chamber Telge LLC
Applicant is requesting registration of a new well and production authorization in the amount of 1,000,000 gallons for 2019 and 8,500,000 gallons for 2020 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation approve the registration and construction of the well as requested and further authorize **reduced** allocations of 811,640 gallons for 2019 and 2,500,000 gallons for 2020 and annually thereafter.

Following Ms. Reiter's report, Director Rogers motioned to approve items #1-9, as recommended by the Interim General Manager. Director Traylor seconded. Motion approved.

President Melder adjourned the public hearing on permit applications at 6:04 PM.

PASSED, APPROVED, AND ADOPTED THIS 8th DAY OF OCTOBER 2019.

Stuart Traylor, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

September 10, 2019

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, within the boundaries of the District on September 10, 2019.

CALL TO ORDER:

President Melder presided and called to order the regular Board of Directors meeting at 6:04 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
Webb Melder
Jonathan Prykryl
Larry A. Rogers
Jim Spigener
Stuart Traylor

All members of the Board were present, with the exception of Director(s) Spigener, 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:

Simon Sequiera, President of Quadvest, preceded to try and clarify what drives the cost of water. Quadvest is a water provider to twelve counties across Texas. He asserted that the SJRA claims of uncertainty in groundwater costs is not the reason for higher water costs. This fall SJRA comes under the Sunset Review. Mr. Sequiera recommended that Lone Star Groundwater Conservation District submit comments to the Sunset Review Committee with statements that the SJRA is spreading false claims regarding the rising costs of water.

EXECUTIVE SESSION:

After a proper and legally sufficient announcement to the public by President Melder, the Board of Directors recessed into a Closed Executive Session at 6:07 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 Melder declared it open to the public at 6:35 PM.

APPROVAL OF THE MINUTES:

President Melder stated the Board would consider the meeting minutes as listed for approval on today's agenda. Without further discussion, upon a motion by Director Bouché; seconded by Director Prykryl, the Board approved the meeting minutes as presented.

a) August 13, 2019, Public Hearing on Permit Applications
b) August 13, 2019, Regular Board of Directors Meeting
c) August 15, 2019, Combined GMA 14 Meeting

REVIEW OF UNAUDITED FINANCIALS FOR THE MONTH OF AUGUST 2019:

Ms. Samantha Reiter reported that for the month of August 2019, income was $199,145 and expenses were $147,323 resulting in income of $51,822.48. Year-to-date net income is $528,887.14. Total cash was $515,450.41.

UPDATE ON PUBLIC OUTREACH ACTIVITIES, WATER EFFICIENCY, AND CONSERVATION EFFORTS – JENNIFER THAYER:

Ms. Jennifer Thayer, the District's Education & Outreach Coordinator, gave a presentation on the LSGCD Texas WaterWise program. The program is implemented into 5th grade classrooms throughout Montgomery County. Ms. Thayer shared the 2018-2019 LSGCD Texas WaterWise Program Summary Report and informed the board on estimated savings and program impact. The 2019-2020 program will be taught throughout the District's service area to an anticipated 1,424 participants. "*A copy of the presentation is attached hereto as Exhibit "B".*

a) Report on 4-H Water Ambassador activities – Max O'Brien, 2019-2020 Water Ambassador:
Following the WaterWise presentation, Ms. Thayer introduced the District's 2019 4-H Water Ambassador sponsee Max O'Brien. Max gave a PowerPoint presentation on the 2019 Tier I 4-H H20 Leadership Academy he attended during

the summer. He also updated the board about his required service hours he has completed and upcoming educational visits he plans on attending.

Ms. Reiter thanked Max's mother, Ms. O'Brien, and younger brother for letting Max be a part of the Water Ambassador Program.

DISCUSSION, CONSIDERATION, AND ACTION AS NECESSARY REGARDING THE RESIGNATION OF DIRECTOR JIM SPIGENER AS A DIRECTOR AND OFFICER:

Ms. Stacey Reese explained Director Spigener submitted a letter of resignation as he is moving out of his elected Precinct #2. When the Board accepts his resignation; a vacancy is created that Director Spigener can hold over in pursuant to the Texas Constitution. The vacancy remains until the Board appoints an individual to replace that position. Chapter 36 of the Texas Water Code authorizes the Board to appoint a replacement and authorizes the resigned Director to continue as an officer. Ms. Reese added that there is no deadline by which the position needs to be filled. Without further discussion, Director Prykryl motioned to accept the resignation of Director Spigener and Director Rogers seconded. The motion passed.

DISCUSSION, CONSIDERATION, AND ACTION AS NECESSARY REGARDING AMENDING TEXPOOL AUTHORIZED REPRESENTATIVES:

Ms. Reiter discussed the forms necessary to amend the list of TexPool Authorized Representatives. She explained that the former General Manager, the former bookkeeper and the former Treasurer needed to be removed and replaced with the current representatives. Director Bouché motioned to approve the change in forms and Director Prykryl seconded. Motion carried.

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

Ms. Reiter gave an update from Mr. Mike Thornhill, District Hydrogeologist, regarding Phase I of the Subsidence Study. She relayed that the work had concentrated on Task I and Task II; which is collecting and compiling dozens of historical and recent Montgomery County aquifer and groundwater related documents. The consultants are digesting this data to provide an accurate history of Montgomery County subsidence. They have also mapped compaction predictions from the HAGM, utilizing the GMA 14 well files from the 2016 round of joint planning. Lastly, Mr. Thornhill spoke at the Township's August board meeting reviewing the goals and progress of the subsidence studies and cited the projected completion of Phase I as the end of 2019.

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

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

Director Hardman reported that the GMA representatives met at the Harris-Galveston Subsidence District's office on August 15th. He mentioned that the group heard a presentation from Wade Oliver, GMA 14 consultant, on the considerations of highest practicable level of groundwater production, conservation, protection of groundwater and control of subsidence in the GMA 14 area. Also, the group heard LSGSD's formal request to consider Round #2 DFCs and consider expediting the third round of DFCs. After much discussion, the request for Round #2 consideration was declined. The request for expediting Round #3 was not voted upon due to the need for a cost estimate from the consultant. At the next GMA 14 meeting on October 23, 2019 the discussion to consider expediting Round #3 will be revisited.

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

Ms. Stacey Reese explained that the study group had been concentrating on technical analysis and that the consultants had completed the analysis. Further, the study groups will resume their meetings and hold a joint workshop. Following the current schedule, the draft rules will be ready for consideration and public review/comment at the October board meeting.

GENERAL MANAGER'S REPORT:

Ms. Reiter referred the Board to the report within their packets as there were no additions.

GENERAL COUNSEL'S REPORT:

Ms. Reese updated the Board on three legal cases of interest to the District.

Stratta/Fazzino case with the Brazos GCD is set to present oral arguments at the 5th Circuit Court in early October 2019. One of the amicus briefs that was filed by Texas Association of Groundwater Owners and Producers was filed late but accepted by the court regarding the ruling. The oral arguments are not live-streamed but they will be available to listen to on October 7th at 5:00 pm.

Secondly, an update was given on SJRA's ongoing rate dispute with the cities of Conroe, Magnolia and Splendora. There was an amicus letter filed by Texas Water Conservation Association (TWCA) in that proceeding. Presently, this case is in the Supreme Court and awaiting a ruling on the letter. TWCA filed a letter asking the court to deny the review of the case and uphold the decision by the appellate court.

Lastly, was the review of the Lou Ott case where in the court case opinion there was a reference to the Day case; affirming the landowner water rights.

NEW BUSINESS:

None was received.

ADJOURN:

There being no further business, upon a motion made by Director Traylor and seconded by Director Prykryl, the meeting was adjourned at 7:10 PM.

PASSED, APPROVED, AND ADOPTED THIS 8th DAY OF OCTOBER 2019.

Stuart Traylor, Board Secretary

SIGN IN SHEET

September 10, 2019
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?
Y	Kenny Eickelberg	City of Shenandoah	KEICKELBERG@SHENANDOAHTX.US	—
Y	John D. Blay	" " "	John.Blay@Blayengineering.com	—
NO	TINA FELKAI	CONROE TX	ON FILE	
NO	RICHARD SMITH	WILLIS, TX	DICKATWILLIS@SUDDENLINKMAIL.COM	YES
NO	MARK SMITH	Conroe	on file	
No	Glenna Sloan	Shenandoah	—	—
NO	Jon Bkkley	Madisonville	on file	
Yes	Simon Sequeira	Magnolia	a	—
No	Chris Kuhlmann	Woodforest	rgil106@consolidated.net	
No	Doug Miller	Pinehurst TX	dfjosh@gmail.com	Yes
NO	STEPHEN HARRIS	WILLIS, TX	duckdumper4871@gmail.com	YES
No	Richard Derr	The Woods	rderr55@comcast.net	Yes
NO	Susan Stebbins	Houston	on file	
NO	Bob Bagley	Conroe	bbag7527@gmail.com	YES

Exhibit "A"

655 Conroe Park North, Conroe, TX 77303
Ph: (936) 494-3436 Metro: (936) 441-3437
www.lonestargcd.org

Speaker Request Form

Those wanting to comment or register support for or against a specific agenda item are asked to fill out the Speaker Request Form.

Date of Meeting: 9-10-19

Name: Simon Sequeira

Address: Quadvest

City: _____ State: _____ Zip: _____

Email: _____

IF SPEAKING FOR AN ORGANIZATION:

Name of Organization Quadvest

Speaker's Official Capacity _____

Agenda Item No.: _____ 12 Counties Sunset Review SIRA

☐ **FOR (If applicable)**
☐ **AGAINST (If applicable)**

Registering Position, **NOT** Testifying _____

To speak on an item not listed on the agenda, please indicate area of interest:

Groundwater Rules

Please remember to step to the lectern as soon as you are recognized by the chair; state your name before beginning your presentation. If you have written notes you wish to present to the Board, PLEASE FURNISH AN EXTRA COPY FOR DISTRICT FILES.

Please see the back of this comment card for additional procedures, practices and notes followed and/or requested by the District when making public comment.

Thank you for your cooperation.

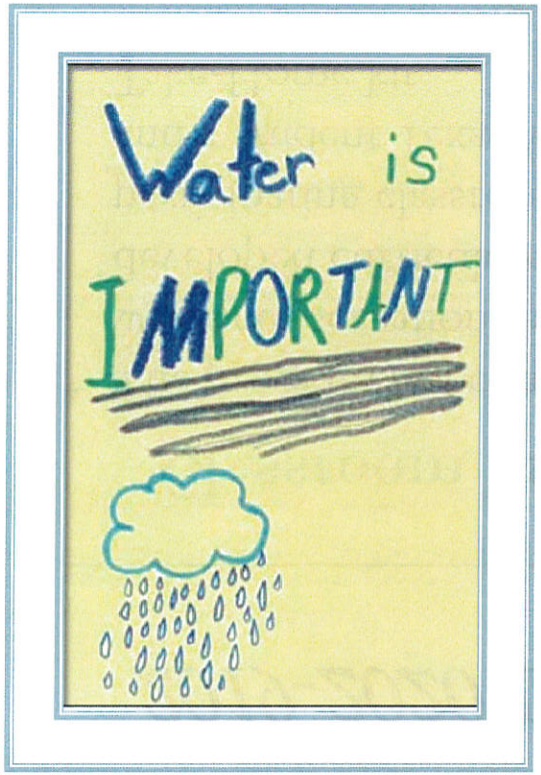
Exhibit "B"

Lone Star Groundwater Conservation District

Texas WaterWise Program

Partnership

- In December 2015, the District joined the Texas WaterWise Program, as part of Resource Action Programs.
- This school-based water and energy efficiency education program is taught to 5th grade classrooms throughout Montgomery County.
- LSGCD sponsors this yearly program, and participation comes at no cost to the elementary schools or school districts within Montgomery County.



Program Purpose

- Lone Star Groundwater Conservation District is tasked to promote and encourage water conservation to the citizens of Montgomery County. The Texas WaterWise program was implemented into LSGCD Education & Conservation Awareness programs. The classroom program teaches students easy ways to use water more efficiently in their homes, while integrating Texas Essential Knowledge and Skills (TEKS) into the curriculum.

LONE STAR
Groundwater Conservation District

2019-2020 LSGCD Texas Water Program

Classroom Program

- The program is a combination of water conservation presentations, a developed curriculum led by participating classroom teachers, and a student Texas WaterWise Take-Home kit.

Participants

- The Texas WaterWise Program will be taught in 5th grade classrooms throughout the District's service area to an anticipated 1,424 elementary school students.

LSGCD Texas WaterWise Take-Home Kit

- High-Efficiency Showerhead
- Shower Timer
- Kitchen Faucet Aerator
- Bathroom Faucet Aerator
- Mini Tape Measure
- Digital Thermometer
- Rain/Drip Gauge
- Flow Rate Test Bag
- Toilet Leak Detector Tablets

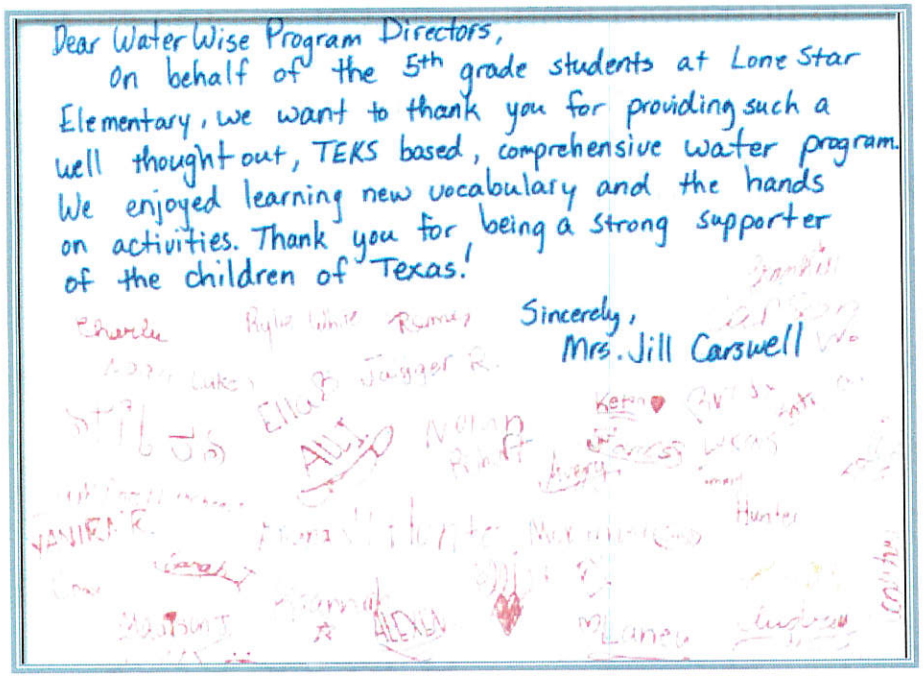
Program Impact

- Home Survey
- Pre-Program and Post-Program Tests
- Home Activities
- Teacher Program Evaluation
- Parent/Guardian Program Evaluations
- Teachers and Student Letters

2018-2019 Program Projected Annual Savings

- Showerhead Retrofit- annual reduction of 1,397,183 gallons
- Shower Timer Installation- annual reduction of 1,350,516 gallons
- Bathroom Faucet Aerator Retrofit- annual reduction of 2, 612,940 gallons
- Kitchen Faucet Aerator Retrofit- annual reduction of 1,622,768 gallons
- Toilet Leak Repair- annual reduction of 707,532 gallons
- Faucet Leak Repair- annual reduction of 1,641,712 gallons

LONE STAR Groundwater Conservation District



2018-2019 Program Results

- 26% increase in family involvement
- 31% decrease in family water use/waste
- 71% of students who rated program great
- 100% of teachers would recommend
- 100% teachers would participate again

LONE STAR Groundwater Conservation District

“

What the students really liked about the program was getting the kits; they were very excited about teaching their family how to conserve water.

”

Tracey Harros, Vogel Intermediate Teacher

Upcoming Education/Conservation Awareness Events

- **9/10 - 9/13 -** Knox Junior High
- **9/28 -** Woodlands Landscape Solutions
- **10/14 - 10/16 -** Magnolia Parkway Elementary Science Week
- **10/17 -** Water Efficiency Network Meeting at Houston-Galveston Area Council