

LONE STAR GROUNDWATER CONSERVATION DISTRICT

January 10, 2023

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 January 10, 2023.

CALL TO ORDER:

President Spigener called to order the Public Hearing on Permit Applications at 6:05 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
Jonathan Prykryl
Janice Thigpen - Virtual
Stuart Traylor
Jim Spigener
Kenneth Earnest

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; 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.*

PUBLIC COMMENTS:

No comments were received.

Ms. Hein reported that twelve applications were received for the Permit Hearing. Ms. Hein made a special note of item #5 and #12 due to Hydrogeological Reports being required as part of the application process. Item #5 is of particular notice because in addition to the requirement of a Hydro

Report due to the total GPM's of the well system, they are also requesting an exemption to the spacing rules to be granted by the board under District Rule 3.4(d). Applications for consideration and recommended for possible approval included below:

1. NextEra Water Texas, LLC (Lakewood Trails)

Applicant is requesting an amendment to Operating Permit OP-19022502-CHEV for an increase in production authorization in the amount of 2,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

2. Sanctuary Ministries

Applicant is requesting an amendment to an Operating Permit OP-14042301-CHEV to re-equip an existing well and for an increase in production authorization in the amount of 350,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

3. Jack McClanahan (Stryker Building)

Applicant is requesting an amendment to Operating Permit OP-12032801-CHEV for an increase in production authorization in the amount of 200,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

4. T & W Water Services (Deer Run) dba Blue Topaz Utilities

Applicant is requesting an amendment to Operating Permit OP-07092807-CHEV for an increase in production authorization in the amount of 1,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

5. Conroe 1097 Investments, Ltd.

Applicant is requesting registration of two new Jasper Aquifer wells and production authorization in the amount of 100,000 gallons for 2023 and annually thereafter. Due to the combined proposed max gpm of the well system, a hydrogeological report was required for the proposed amendment. LSGCD technical consultants have reviewed the submitted hydrogeological report and found it meets the requirements as detailed in District Rules and guidance documents. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

Additionally, the applicant is also requesting an exception to the spacing rules be granted by the Board under District Rule 3.4(d). Well 2004071906 is located approximately 1450 feet to the northwest of proposed Well 2 and is completed in the same aquifer (Jasper Aquifer). The applicant submitted the required documentation as required under District Rule 3.4(a and d). The applicant has provided documentation that a request for No-Objection Waiver to Aggregate Water Systems and Big Oak Ranchette was mailed on December 19, 2022. Ms. Hein would like to also note, as called out in the hydrogeological report, there are two other wells located within the spacing radius per District Rule 3.3(b) that do not require a spacing exception under District Rule 3.4(d). Well 2018020601, located approximately 1050 ft south-southeast of Proposed Well 1, is owned by the

same by the same person as the proposed well and is automatically granted an exception under District Rule 3.4(b). Finally, there is an unregistered private domestic well located 650 feet northwest of Proposed Well 1. Since this well is not registered with the District, no spacing exception is required. LSGCD technical consultants have reviewed the submitted hydrogeological report and found it meets the requirements as detailed in District Rules and guidance documents. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

6. BFS Real Estate LLC

Applicant is requesting registration of a new Evangeline Aquifer well and production authorization in the amount of 600,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

7. Farrell Road Development

Applicant is requesting an amendment to an Operating Permit OP-14051901-CHEV for an increase in production authorization in the amount of 150,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

8. HMW Special Utility District (Kipling Oaks #2)

Applicant is requesting an amendment to an Operating Permit OP-21041402-CHEV for an increase in production authorization in the amount of 673,100 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

9. HMW Special Utility District (Sendera)

Applicant is requesting an Operating Permit in aggregate with HUP095-CHEV for an increase in production authorization in the amount of 4,372,300 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

10. Crystal Springs Water (Lillie Put Farms)

Applicant is requesting an amendment to an Operating Permit OP-15121001-CHEV for an increase in production authorization in the amount of 1,000,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

11. Iffi Stop Food Mart

Applicant is requesting an amendment to an Operating Permit OP-09031301-CHEV for an increase in production authorization in the amount of 500,000 gallons for 2023 and annually thereafter. Based on a technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

12. Aqua Texas, Inc. (Westwood 1&2/Old Egypt)

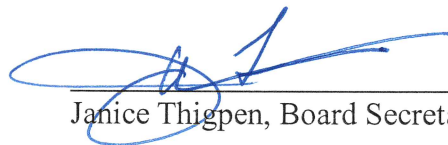
Applicant is requesting amendment to an Operating Permit OP-05072103-CHEV for registration of a new Evangeline Aquifer well and production authorization in the amount of 125,000,000 gallons for 2023 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

Director Bouche motioned to approve items #1-12, as recommended by the General Manager. Vice President Traylor seconded. Motion passed.

ADJOURN:

There being no further business, President Spigener motioned to adjourn the public hearing on permit applications. The meeting was adjourned at 6:18 pm.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF February 2023.



Janice Thigpen, Board Secretary



SIGN IN SHEET

January 10, 2023

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail	Would you like to receive LSGCD updates & information?
X	Doug Miller	Pinehurst TX 77362	dfwash@gmail.com	Y
N	Chris Farrow	Course, TX 77301	ChrisRFarrow@protonmail.com	H
N	Melissa Rowell	Haw TX 77065	melissa@melissarowell.com	Y
N	John Wertz	Spring, Tx 77382	jsutigah@comcast.net	Y

LONE STAR GROUNDWATER CONSERVATION DISTRICT

January 10, 2023

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 January 10, 2023.

CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:20 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
Janice Thigpen - Virtual
Stuart Traylor
Jonathan Prykryl
Jim Spigener
Kenneth Earnest

All members of the Board were present with Director Thigpen attending virtual, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Samantha Reiter, General Manager; Stacey V. Reese, District Counsel; and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".*

PUBLIC COMMENTS:

No public comments were received.

EXECUTIVE SESSION:

President Spigener announced Executive Session would be held at the end of the board meeting.

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, upon a motion by Vice-President Traylor and seconded by Director Prykryl, the Board approved the meeting minutes as presented.

- a) December 13, 2022, Special Hearing
- b) December 13, 2022, Public Hearing on Permit Applications
- c) December 13, 2022, Regular Board of Directors Meeting

COMMITTEE REPORTS:

A. Budget & Finance Committee – Jonathan Prykryl, Chair

- 1) Brief the Board on the Committee's activities since the last regular Board meeting — Director Prykryl stated that there was nothing new to report.
- 2) Review of unaudited financials for the month of December 2022 – Ms. Reiter reported that for the month of December 2022, income was \$277,862.18 and expenses were \$140,708.66 resulting in a net income of \$137,153.52 Year-to-date net income is \$2,654,964.04.
- 3) Review 4th quarter investment report – Ms. Reiter stated that a copy was included in the packets and she did not have anything additional to report.

B. External Affairs Committee – Jim Spigener, Chair

- 1) Brief the Board on the Committee's activities since the last regular Board meeting – President Spigener stated that the committee which was revamped to tackle legislation and communications has not yet met in 2023 but has plans to meet in the later part of January to receive legislative updates from the legislative team and discuss future communications. Ms. Reese stated that the session officially started today, and the senate interim report was released sometime in late December but we are still waiting on the house interim report. She has some bill tracking reports that the team is still following. Ms. Reese noted the legislative team is planning to meet to discuss some of the bills that are being tracked. Currently the only bill related to water that is out is Senate Bill 156, which is similar to SB 152 from last session. Ms. Reese stated that there are some public information act and open meetings related bills that she is watching as well.
- 2) Discussion, consideration, and possible action on any items related to communications and/or legislative matters pertaining to Lone Star GCD – President Spigener stated he had nothing to report at this time.

C. DFC & Technical Committee – Stuart Traylor, Chair

- 1) Brief the Board on the Committee's activities since the last regular Board meeting – Vice President Traylor stated that the DFC Committee has not met in the new year, but the General Manager has updated him that the committee will be convening in the next couple of weeks to discuss the bids received for Phase 3 of the Subsidence Study. Ms. Reiter is also working on drafting and sending out letters to interested stakeholders regarding participation in Phase 3. President Spigener indicated that he heard rumors that the cost of the extensometers is

significantly higher than what was presented. Ms. Reiter explained that the initial bid proposals did come in a little higher than what was expected. Ms. Reiter and Ms. Reese will be meeting with the technical team on Friday to discuss this in a little more detail and get answers to some questions. Ultimately, the DFC committee will convene to discuss further.

D. Rules, Bylaws & Policies Committee – Jim Spigener, Chair

- 1) Brief the Board on the Committee’s activities since the last regular Board meeting
– President Spigener stated that the committee has not met since the last meeting.

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

Ms. Reiter stated that Director Traylor’s report covered this topic. She noted again that the technical team would be meeting on Friday to discuss the initial proposals that were received, and she will keep the board and public apprised on any progress. The last item Ms. Reiter noted is that the subsidence study presentation that was provided by the district’s technical team at the December meeting has been posted to the District’s website. President Spigener expressed interest into the analytics of how many hits those pages are receiving.

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 stated there is nothing new to report on GMA 14. We are still awaiting the release of the GULF 2023 model for review by the GMA representatives. The last update was it would be released in February.

- 1) Discussion, consideration, and possible action on any items related to Lone Star GCD’s proposal(s) to and/or participation in GMA14 – No action was taken on this item.

President Spigener took a minute to introduce one of the newest elected board members of the North Harris County Water Authority, Melissa Rowell

GENERAL MANAGER’S REPORT:

Ms. Reiter introduced Lone Star’s sponsored 2023 4H Water Ambassador, JD Haines. She explained that JD joined the team earlier today to meet staff and receive a tour of the building. He agreed to stay this evening to be introduced to the board and he will be helping us with some of our upcoming events and shadowing our staff in order to gain some education hours for the 4H Water Ambassador’s program.

Ms. Reiter noted that she listed some upcoming conference dates that might be of interest to the board in their packet. She encouraged the board to reach out to her if they were interested in attending.

Lastly, Ms. Reiter noted that she received a number of emails regarding the December Special Hearing and the election and copies for the board were included at their seats.

GENERAL COUNSEL'S REPORT:

Ms. Reese has nothing new to report.

EXECUTIVE SESSION:

The Board recessed at 6:20 PM into a closed Executive Session pursuant to Texas Government Code, Sections 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 7:18 PM

NEW BUSINESS:

No new business to report

ADJOURN:

There being no further business, Vice-President Traylor motioned to adjourn the meeting and Treasurer Prykryl seconded. The meeting was adjourned at 7:19 PM.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF FEBRUARY 2023.



Janice Thigpen, Board Secretary