

LONE STAR GROUNDWATER CONSERVATION DISTRICT

April 12, 2022

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 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 12, 2022.

CALL TO ORDER:

President Hardman 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:

Jon Paul Bouché
Harry Hardman
Larry Rogers
Jonathan Prykryl
Janice Thigpen
Stuart Traylor
Jim Spigener

Six 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 (virtual); 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 Hardman called on Director Bouche for the opening prayer and Treasurer Spigener to lead the Pledge of Allegiance and the Pledge of Allegiance to the state flag.

PUBLIC COMMENTS:

No comments were received.

Ms. Reiter briefed the Board on permit applications received for the month and reported that there were ten applications received for this month. Applications for consideration and recommended for possible approval included the below:

1. Rock Solid Precast L.P.

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.

2. Conroe Resort Utilities, LLC,

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.

3. Montgomery County E.S.D. #8 (Training Grounds #1),

Applicant is requesting an amendment to an Operating Permit for an increase in production in the amount of 112,000 gallons for 2022 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. Onsite Diesel,

Applicant is requesting registration of a new well and production authorization in the amount of 60,000 gallons for 2022 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. EG21, LLC (Emory Glen),

Applicant is requesting registration of a new well and production authorization in the amount of 4,000,000 gallons for 2022 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. LHC Development, LLC,

Applicant is requesting registration of a new well and production authorization in the amount of 127,000 gallons for 2022 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

7. James B. Pope,

Applicant is requesting an amendment to a Historic Use Permit for an increase in production in the amount of 286,000 gallons for 2022 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

8. James B. Pope,

Applicant is requesting an amendment to an Historic Use Permit for a change in water use type from Irrigation (Agriculture) to Commercial. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

9. C&R Water Supply, Inc. (Rogers Road WS),

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.

10. Chambers Telge, LLC (Chambers Creek Subdivision),

Applicant is requesting registration of a new well and production authorization in the amount of 20,000,000 gallons for 2022 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

Following Ms. Reiter's report, Vice President Traylor motioned to approve items #1-#10, as recommended by the General Manager. Secretary Rodgers seconded. Motion passed.

President Hardman adjourned the public hearing on permit applications at 6:01 PM.

PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF MAY 2022.



Larry Rogers, Board Secretary

NE STAR GROUNDWATER CONSERVATION DISTRICT

April 12, 2022

MINUTES OF REGULAR MEETING

The Board of Directors of the Lone Star Groundwater Conservation District (“District”) met in regular session, open to the public, 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 12, 2022.

CALL TO ORDER:

President Hardman presided and called to order the regular Board of Directors meeting at 6:01 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
Larry Rogers
Jonathan Prykryl
Janice Thigpen
Stuart Traylor
Jim Spigener

Seven members of the Board were present, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Samantha Reiter, General Manager; Stacey V. Reese (virtual), 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:

No comments received

EXECUTIVE SESSION:

President Hardman announced Executive Session would be held at the end of the Board Meeting.

APPROVAL OF THE MINUTES:

President Hardman stated the Board would consider the meeting minutes as listed for approval on today's agenda. Without further discussion, upon a motion by Director Prykryl to approve as amended and seconded by Secretary Rogers, the Board approved the meeting minutes as presented.

- a) March 08, 2022, Public Hearing on Permit Applications
- b) March 08, 2022, Regular Board of Directors Meeting

COMMITTEE REPORTS:

A. Budget & Finance Committee – Jim Spigener, Chair

- 1) Brief the Board on the Committee's activities since the last regular Board meeting – Director Spigener stated there was no new business and next meeting is planned for early May.
- 2) Review of unaudited financials for the month of March 2022 – Samantha Reiter reported that for the month of March 2022, income was \$380,490.04 and expenses were \$141,705.42 resulting in a net income of \$238,784.62. Year-to-date net income is \$633,189.92. Cash on hand is just over 4 million.
- 3) 1st Quarterly Investment Report 2022 – Ms. Reiter stated that the report was available in the board packets.

B. Communications Committee – Harry Hardman, Chair

- Brief the Board on the Committee's activities since the last regular Board meeting - President Hardman stated a quarterly update on the District had been created by the committee and sent out to state legislators.

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 had no updates at this time.

D. Legislative Committee – Harry Hardman, Chair

- 1) Brief the Board on the Committee's activities since the last regular Board meeting – President Hardman stated that the committee had met with the legislative consultants and briefed them on the history of the District and what the Board would like them to focus on during the next session. Discussions will continue on a regular basis moving forward.

E. Rules, Bylaws & Policies Committee – Larry A. Rogers, Chair

- 1) Brief the Board on the Committee's activities since the last regular Board meeting
– Secretary Rogers stated the next meeting will be held on April 27th.

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

Ms. Reiter confirmed the public comment period for Task 1 and 2 of Phase 2 of the Subsidence Study ended at 5PM on March 25th. The District received 1 public comment. A final draft report is expected at the May meeting.

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 that the TWDB received the Explanatory Report, and it is currently under administrative review. Feedback to GMA 14 is expected from TWDB in May or June.

DISCUSSION OF POSSIBLE ACTION TO ISSUE A SHOW CAUSE ORDER DIRECTING THE FOLLOWING PERMITTEES, OR THEIR DESIGNATED REPRESENTATIVE, TO APPEAR AT A SHOW CAUSE HEARING FOR THE PURPOSE AND SHOW CAUSE WHY APPROPRIATE ENFORCEMENT ACTION SHOULD NOT BE TAKEN, INCLUDING WITHOUT LIMITATION INITIATING A LAWSUIT AGAINST IT FOR FAILURE TO REMIT 2021 PRODUCTION REPORT AND/OR FINES ASSOCIATED WITH UNTIMELY SUBMISSIONS:

- 1) Fisherman's Cove Resort – OP-08042501
- 2) Hellas Construction, Inc. – OP-07071103
- 3) Kampgrounds of America – HUP080 / OP-05110402

Ms. Reiter informed the board that action to issue a Show Cause Order is the beginning step in the legal process followed by the District. Permitting staff have been working hard to bring permit holders to compliance and are requesting the Board to issue a Show Cause Order. These orders allow the permittees to come before the Board to explain why they are not in compliance. Ms. Reiter stated that the permittees listed under this agenda item are listed for failure to submit 2021 production report and/or fines associated with untimely submissions. Based on the information reported by District staff, it is the General Manager's recommendation to direct all permittees to attend the Show Cause Hearing on May 10th and show cause why action should not be taken against them for the listed violations. She added that additional details on the violations are included in the General Manager's Report. Director Prykryl made a motion to take action for the Show Cause Hearing. Treasurer Spigener seconded. Motion passed.

DISCUSSION AND POSSIBLE ACTION TO ISSUE A SHOW CAUSE ORDER DIRECTING THE FOLLOWING PERMITTEES, OR THEIR DESIGNATED REPRESENTATIVE, TO APPEAR AT A SHOW CUASE HEARING FOR THAT PURPOSE AND SHOW CAUSE WHY APPROPRIATE ENFORCEMENT ACTION SHOULD NOT BE TAKEN, INCLUDING WITHOUT LIMITATION INITIATING A LAWSUIT AGAINST IT FOR FAILURE TO REMIT 2022 WATER USE FEES AND/OR FINES ASSOCIATED WITH UNTIMELY SUBMISSIONS:

- 1) Jason Bill – OP-05042901
- 2) Fisherman's Cove Resort – OP-08042501
- 3) Hanson Aggregates, LLC – OP-17092001

Ms. Reiter discussed the three permittees listed under this agenda item are listed for failure to remit 2022 water use fees and/or fines associated with untimely submissions. Based on the information reported by District staff, it is the General Manager's recommendation to direct all three permittees to attend the Show Cause Hearing on May 10th and show cause why action should not be taken against them for the listed violations. Secretary Rogers motioned to take action for the Show Cause Hearing. Director Prykryl seconded. Motion passed.

DISCUSSION AND POSSIBLE ACTION TO ISSUE A SHOW CAUSE ORDER DIRECTING THE FOLLOWING PERMITTEES, OR THEIR DESIGNATED REPRESENTATIVE, TO APPEAR AT A SHOW CAUSE HEARING FOR THAT PURPOSE AND SHOW CAUSE WHY APPROPRIATE ENFORCEMENT ACTION SHOULD NOT BE TAKEN INCLUDING WITHOUT LIMITATION INITIATING A LAWSUIT AGAINST IT FOR OVERPRODUCTION OF 2021 PERMITTED ALLOCATION AND/OR FINES ASSOCIATED WITH UNTIMELY SUBMISSIONS:

- 1) Aqua Texas, Inc. (Bear Branch) / Aqua Texas, Inc. (Greenfield Forest) – HUP003 / OP03-0040
- 2) Aqua Texas, Inc. (Black Oak) – OP-16092601
- 3) Aqua Texas, Inc. (Laird) – HUP205
- 4) Aqua Texas, Inc. (Lake Conroe Village) – HUP016 / OP-07092601
- 5) Aqua Texas, Inc. (Walnut Springs) – HUP022
- 6) Aqua Texas, Inc. (West Lane) – OP-13032101
- 7) Dollar General Store #18781 – OP-18052301
- 8) Bo Mauch – OP-07062802
- 9) Rusted Rock Barn, LLC dba Big Sky Barn – OP-15090801
- 10) STI Realty, LLC – OP-19080502
- 11) Western Rim Property Services (Mansion on the Park) – OP-13032003

Ms. Reiter stated that there were currently 11 permittees listed under the agenda item for overproduction of 2021 permitted allocation and/or fines associated with untimely submissions. Based on the information reported by District staff, it is the General Manager's recommendation to direct all permittees to attend the Show Cause Hearing on May 10th and show cause why action should not be taken against them for the listed violations. Secretary Rogers motioned to take action for the Show Cause Hearing. Vice President Traylor seconded. Motion passed.

GENERAL MANAGER'S REPORT:

Ms. Reiter announced the General Manager's Report was available in the Board packets.

GENERAL COUNSEL'S REPORT:

Ms. Reese stated she had nothing to report.

EXECUTIVE SESSION:

The Board recessed at 7:21 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 at 7:19 PM and President Hardman declared no action will be taken

NEW BUSINESS:

No new business.

ADJOURN:

There being no further business, Secretary Rogers motioned to adjourn the meeting and Director Prykryl seconded. The meeting was adjourned at 7:21 PM.

PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF MAY 2022.



Larry Rogers, Board Secretary