



## Testimony: Public Hearing on proposed DFCs for the Gulf Coast Aquifer

Lone Star Groundwater Conservation District

September 17, 2015

My name is Scott Sustman and I am the President of the Lake Conroe Communities Network (LCCN). LCCN sees a pattern of disregard for systematic broad objections to both Lone Star regulations and to GMA 14 DFC proposals which mirror Lone Star regulations. We testify again here today specifically objecting directly to Lone Star/GMA14's preliminarily approved DFC. For the record, LCCN (along with a broad coalition of others) support a shift in GMA14 regulatory strategy and structure for the current 5 year projection period (until the completion of the next cycle of regulatory review). We favor one that caps the allowable reduction of aquifer storage at 98% of current levels applied to each of the aquifers that comprise the Gulf Coast Aquifer System.

### Overview: Systematic History of Objections

- ❖ LCCN (along with a coalition of others) has testified at every opportunity throughout 2015
  - Before Lone Star regarding its regulations (January 28, 2015; June 9, 2015)<sup>1</sup> and
  - Before Lone Star-run GMA 14 Workshops regarding DFC's (May 5, 2015; May 28, 2015)<sup>2</sup>.
- ❖ At the end of April, LCCN conducted major Town Hall Meetings throughout its community during which it launched a petition drive calling for the suspension of the 2016 implementation of Lone Star regulations.
- ❖ In June, as it watched the DFC process march on unaffected by substantive, broad-based objections, LCCN filed for Public Information Act access to the technical basis for GMA14 and Lone Star's pursuit of its DFC proposal. LCCN found NO SUBSTANTIVE TECHNICAL BASIS in what Lone Star produced and we reported such in June 9<sup>th</sup> testimony.
- ❖ On August 31, 2015, a frustrated City of Conroe filed suit against Lone Star, first citing a lack of authority to regulate in the manner that comprises pending 2016 regulations and second citing a fatal flaw failure to account for private property rights in its regulatory processes. The objectives underlying this lawsuit are the same as LCCN's petition -- suspension of pending 2016 rules which includes the GMA14's DFC which is based entirely on Lone Star regulations.

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<sup>1</sup> Lone Star has copies of each testimony; we ask that they be attached to our present testimony for the record.

<sup>2</sup> Each of these documents has been provided to Lone Star and should be attached to our present testimony as matters of record.

- ❖ On September 9, 2015 the City of Magnolia held a Town Hall Meeting to a standing room only crowd on Water and immediately afterwards City Council voted to oppose the current GMA14 approved DFC and to consider joining the Conroe Lawsuit.
- ❖ Other public water districts throughout the county are also examining whether to join the Conroe lawsuit.

## LCCN Petition Drive

Over 2,000 of our community have now signed a petition calling for suspension of Lone Star rules that are scheduled to go into effect in 2016. Since GMA14's now preliminarily approved DFC regulation mirrors Lone Star's rules, this strong community reaction also speaks directly to the GMA14 DFC.

## LCCN Finding Regarding GMA14 Compliance with Its Own Due Process

Lone Star's response to the LCCN PIA clearly shows that GMA14 had NO SUBSTANTIVE BASIS for concluding that there would be no consequential economic impacts to Montgomery County of the proposed DFC. Their produced records consist of largescale 2010 studies by Regions G and H performed on a macroeconomic scale that had little or no bearing on the county and no relationship between the county and Lake Conroe – the first and primary asset affected by the DFC.

Among the critical relevant studies completely ignored by GMA14, Lone Star and its consultants is the Texas A&M Study of 2010-2012. Led by the County Commissioners and commissioned by a broad coalition of affected entities, including LCCN, across the County at a cost of \$150,000, this study developed a county focused assessment of the impacts of Lake Conroe water levels on the economy of the county. Even before the magnified population and economic scales of the Lake Conroe region underway since the study, findings indicate measurable impacts on property values and sales with falling lake levels, beginning with as little as 2 ft. At level drops of 4 ft, lakeside property values could decline 28% or \$1.1 billion. City of Montgomery revenues alone could decline more than \$5 million/yr.<sup>3</sup>

Although buried from view at the time, Freeze & Nichols (F&N) had provided multiple studies to SJRA of the significant dynamics of Lake Conroe water levels with weather and use for drinking water. GMA14 analyses also ignored any direct investigation of Lake Conroe. These F&N studies – some dated back to 1998, were all completed before 2010. And all accounted for drought conditions soon to be experienced by the County (drought of 2011) by reaching back to map the impacts of all weather and droughts from 1940 to 2010. The F&N work accounted directly for the region's drought of record of 1950 through 1956. The F&N work shows that the County can expect lake level drops of more than 4 ft fully 1/3 of the time once SJRA completes all 4 phases of its drinking water plan that is at the heart of the Lone Star and GMA 14 regulatory plan.

Any serious updating of this now very old work – (F&N and Texas A&M) that takes into account the massive growth of the Greater Lake Conroe Region can only dramatically increase the evidence of unacceptable economic impacts of the GMA14 DFC.

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<sup>3</sup> The Texas A&M study is not unique in finding a strong link between lake levels in a developed community and local economic impacts. "Lake Sidney Lanier Economic Impact Analysis" is a 2010 study prepared for the 1071 Coalition in the Atlanta Georgia area by the Bleakly Advisory Group. This report was readily available to GMA14 and its consultants. Extensive study shows the clear link between lake level and economy for a lake setting closer to what Lake Conroe is becoming. So going forward it should be obtained and applied to a fresh study by GMA14.