

**Montgomery County  
Municipal Utility District No. 8**

c/o Johnson Radcliffe Petrov & Bobbitt PLLC  
1001 McKinney, Suite 1000  
Houston, Texas 77002-6424

**Montgomery County  
Municipal Utility District No. 9**

c/o Vinson & Elkins, LLP  
1001 Fannin St., Suite 2500  
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February 5, 2010

**VIA HAND DELIVERY**

Honorable Webb Melder, Mayor  
City Council Members  
City of Conroe  
P. O. Box 3066  
Conroe, Texas 77305

**Re: Montgomery County Municipal Utility District No. 8 and Montgomery County  
Municipal Utility District No. 9 / Support for City Council Resolution Requesting  
Extension of Lone Star Groundwater Conservation District Deadlines**

Honorable Mayor and Council Members:

Montgomery County Municipal Utility District No. 8 and Montgomery County Municipal Utility District No. 9 ("MUDs 8&9") serve approximately 6,000 residents and businesses on the Walden Peninsula. MUDs 8&9 were created as political subdivisions of the state by the Texas Water Rights Commission on January 12, 1972 and August 30, 1971, respectively, and are governed by elected boards of directors. This letter to you is sent under direction of said boards to support the City of Conroe in your efforts to obtain an extension of the deadlines imposed by the Lone Star Groundwater Conservation District.

Like the City of Conroe, MUDS 8&9 are facing stringent deadlines for meeting the Lone Star Groundwater Conservation District's requirements to file a declaration of intent and a groundwater reduction plan in advance of the year-2016 deadline for converting groundwater demand to reliance on alternative water sources. MUDs 8&9 are aware that a resolution remains pending before the City Council of Conroe that would ask the groundwater district to extend certain of the district's deadlines for all affected groundwater users. This letter seconds the concerns expressed in the pending resolution and reflects MUDs 8&9's support of an effort to secure extensions.

MUDs 8&9 engaged the groundwater district during the district's proposal and adoption of those requirements that are expressed in the District Regulatory Plan, Phase II(B). We greatly appreciated the dialog that the groundwater district afforded us and changes that were made in the proposed rules. We base our support for an extension of time now on developments that have occurred since the adoption of Phase II(B) in November, 2009.

One of those developments is the idea of creating a regulatory authority as part of the solution to meeting the groundwater district's requirements, as described by Mayor Melder in a stakeholder meeting sponsored by San Jacinto River Authority last month. MUDs 8&9 applaud the City's leadership in seeking alternative solutions to the County's groundwater issues and desire the opportunity to explore the concept of a new regulatory authority in more detail. The merits of

increased local accountability, while preserving a meaningful opportunity to pursue alternative water supply options, resonate in the surrounding communities.

MUDs 8&9 have also learned since Phase II(B) was adopted that there may be unintended, or at least unnecessary, regulatory obstacles to developing brackish groundwater supplies as an alternative water source for parts of Montgomery County. We believe that development of brackish groundwater where it is available and appropriate to the level of demand would preserve both area fresh groundwater and surface water resources and benefit the entire county. We also anticipate a positive working relationship with Lone Star Groundwater Conservation District on these issues, if sufficient time is allowed before MUDs 8&9 must commit to an alternative water supply in order to comply with Phase II(B).

Between the time that Phase II(B) was originally proposed in September 2009, and the time it was adopted in November 2009, Lone Star Groundwater Conservation District purposefully added provisions that declared brackish groundwater supplies to be an acceptable "Alternative Water Source" for meeting the district's conversion requirements so long as the development of such supplies will not threaten the quality or the quantity of fresh groundwater supplies or cause subsidence.

MUDs 8&9 have been in an ongoing process of due diligence with regard to alternative water supplies that would allow us to reduce historic fresh groundwater pumpage at the beginning of the conversion period and in a reliable, healthful, and most cost-effective manner possible. That effort began in 2008 and includes an application for bed and banks reuse of groundwater that remains pending at the Texas Commission on Environmental Quality. With the groundwater district's designation of brackish groundwater as an acceptable alternative source, MUDs 8&9 began to actively consider that option as well.


Development of brackish groundwater resources does, indeed, appear to be a very promising alternative supply in the area of the county that includes MUDs 8&9. However, more information about the resource is necessary to prove its viability and to meet the groundwater district's permitting standards. Also, questions that have been raised about regulation of the brackish groundwater resource must be answered. In the absence of additional time to resolve these issues before commitment to a particular groundwater reduction plan becomes necessary in a very few months, there is a real danger that an important source of groundwater supply in Montgomery County will be foregone for decades, and perhaps permanently.


The resolution pending before the City Council aptly points out that compliance with the groundwater district's regulations will require an enormous expenditure of public funds county-wide, and MUDs 8&9 agree. MUDs 8&9 strongly support requesting an extension of the Phase II(B) deadlines so that area groundwater users will have time to pursue development of brackish groundwater and other alternative water supplies and time to consider creation of a locally accountable regulatory authority before those funds must be committed. MUDs 8&9 also agree that the modest extensions sought by the City's pending resolution can be accommodated while still preserving the district's average groundwater reduction management goal for conserving the fresh groundwater resources in Montgomery County through year-2045.

In consideration of the posted agenda for Lone Star Groundwater Conservation District's February 9, 2010, Board of Directors meeting, MUDs 8&9 have delivered the enclosed letter to the district's Board of Directors. The letter includes more information about the issues related to development of brackish supplies, strongly supports an extension of the Phase II(B) deadlines, and incorporates the same proposed extensions that are included in the resolution pending before the City.

Thank you for your leadership in conserving the area's water resources and for consideration of the resolution that is currently pending before you.

Respectfully submitted on behalf of the Montgomery County Municipal Utility District No. 8 Board of Directors and the Montgomery County Municipal Utility District No. 9 Board of Directors,

By:   
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