

LONE STAR GROUNDWATER CONSERVATION DISTRICT

April 9, 2013

AMENDED 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 – Board Room located at 655 Conroe Park North Drive, Conroe, Texas, within the boundaries of the District on April 9, 2013.

President Tramm called to order the Public Hearing on Permit Applications at 10:00 a.m., announcing that it was now open to the public.

The roll was called of the members of the Board of Directors, to wit:

Sam W. Baker
John D. Bleyl, PE
Reed Eichelberger, PE
Roy McCoy, Jr.
Rick J. Moffatt
Jim Stinson, PE
Richard J. Tramm
M. Scott Weisinger, PG
W. B. Wood

All members of the Board were present, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Paul R. Nelson, Assistant General Manager; Mark Lowry, District Consultant; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit “A”.*

Item #1, **City of Montgomery** – Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 25,000,000 gallons for 2013 and annually thereafter. The Joint GRP Sponsor, Montgomery County UD 3 has been notified by email and has not submitted any comments on the request. Based on technical review of information supplied, it is the General Manager’s recommendation to approve that which is being requested.

Item #2, **J.J. Business Park** – Applicant is requesting drilling authorization for a new well to be drilled with production authorization in the amount of 150,000 gallons for 2013 and

annually thereafter. Based on technical review of information supplied, it is the General Manager's recommendation to approve that which is being requested.

Item #3, **Western Rim Property Services (Grand Estates Woodlands)** and Item #4, **Western Rim Property Services (Mansions at Woodlands)** – Applicants are requesting drilling authorization for a new well each to be drilled with a production authorization in the amount of 9,500,000 gallons for 2013 and annually thereafter. Based on technical review of information supplied, it is the General Manager's recommendation to authorize a reduced amount of 6,600,000 gallons for 2013 and annually thereafter for each permit.

Item #5, **Western Rim Property Services (Water Plant)** – Applicant is requesting drilling authorization for two new wells to be drilled with a combined production authorization in the amount of 9,500,000 gallons for 2013 and annually thereafter. The new wells are intended to serve an apartment complex currently under construction. Based on technical review of information supplied, it is the General Manager's recommendation to approve that which is being requested.

Item #6, **Aziz Masjid Al-Ansaar** – Applicant is requesting drilling authorization for a new well to be drilled with a production authorization in the amount of 500,000 gallons for 2013 and annually thereafter. Based on technical review of information supplied, it is the General Manager's recommendation to authorize a reduced amount of 250,000 gallons for 2013 and annually thereafter.

Item #7, **Jerry Walker (FM 2978)** – This is an existing well that staff found in non-compliance. Applicant is requesting registration of the well and production authorization in the amount of 499,000 for 2013 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is being requested.

Item #8, **MGM Northstar, LLC** – Applicant is requesting drilling authorization for a new well to be drilled with a production authorization in the amount of 375,000 gallons for 2013 and 400,000 gallons for 2014 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is being requested.

Upon a motion made by Director Eichelberger, seconded by Director Bleyl, items #1 thru #8 were approved in accordance with the General Manager's recommendations. Motion passed.

President Tramm adjourned the public hearing on permit applications at 10:03 a.m.

PASSED, APPROVED, AND ADOPTED THIS 14TH DAY OF MAY, 2013.

Samantha Reiter, Assistant Secretary for
M. Scott Weisinger, PG, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

April 9, 2013

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 April 9, 2013.

President Tramm called to order the regular Board of Directors meeting at 10:03 a.m. announcing that it was open to the public.

The roll was called of the members of the Board of Directors, to wit:

Sam W. Baker
John D. Bleyl, PE
Reed Eichelberger, PE
Roy McCoy, Jr.
Rick J. Moffatt
Jim Stinson, PE
Richard J. Tramm
M. Scott Weisinger, PG
W. B. Wood

All members of the Board were present except Director Weisinger, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were; Paul R. Nelson, Assistant General Manager; Mark Lowry, District Consultant; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit “A”.*

APPROVAL OF THE MINUTES:

President Tramm stated the Board would consider all meeting minutes listed as one item. Upon review of the following, a motion was made by Director Wood, seconded by Director Baker and unanimously carried, to approve the meeting minutes:

- a) March 12, 2013, Public Hearing on Permit Applications
- b) March 12, 2013, Regular Board of Directors Meeting

COMMITTEE REPORTS:

President Tramm then took the following item out of order:

Discuss, consider, and take action as necessary regarding Annual Financial Report for fiscal year 2012 - Bob VanWassehnova, CPA; Bob VanWassehnova and Associates. Mr. VanWassehnova gave the Board a brief overview of the annual fiscal report. After discussion, a motion was made by Director Baker, seconded by Director Wood and unanimously carried to approve the 2012 Annual Financial Report.

Water Awareness and Conservation Committee – Billy Wood, Chair. Director Wood reported that the committee had not met since the last board meeting. He asked Paul Nelson to update the Board on conservation activities since the last Board meeting.

Briefing on conservation efforts. Mr. Nelson advised the Board that on the evening of March 12th, he made a presentation on the activities and functions of the District to the Woodlands Chapter of the Texas Patriots PAC. The meeting was well attended and well received.

On March 18th, Mr. Nelson met with Chris Loomis of the City of Conroe and Michael Potter, Texas AgriLife agent, to review progress on the preparation of a local native/adaptive plant brochure. Mr. Nelson noted that while there are many books and other sources about drought resistant plants and trees suitable for this area, there is no easy-to-use guide. The goal of this project is to provide a handy brochure that can be used by area residents. Mr. Nelson also stated that they would be working with local Master Gardeners and retail providers as the project progressed.

Mr. Nelson then stated that he had attended the City of Conroe Conservation Committee meeting on March 19th, where more discussions of the plant brochure were held.

In closing, Mr. Nelson discussed the March meeting of the Water Efficiency Network, where Mr. Doug Goodwin, licensed irrigator, spoke to the group about the latest state and local regulations affecting landscapers and irrigators. Mr. Goodwin also displayed examples of the most recent and innovative irrigation equipment, including rain gauges, and spoke about developing trends in the business.

Receive and take action on Resolution #13-003 supporting the incorporation of water conservation and low impact features into the development of land within Conroe and its Extra-territorial Jurisdiction for commercial, industrial or residential use to conserve and protect groundwater supplies. Mr. Nelson stated that the resolution had arisen from a meeting with the Mayor of Conroe and others to discuss the pending creation of several utility districts within Conroe's city limits and its ETJ, and the issues surrounding water supply and conservation within these new developments. A motion was made by Director Bleyl, seconded by Director Moffatt and unanimously carried to approve Resolution #13-003 supporting the incorporation of water conservation and low impact features into the development of land within Conroe and its Extra-territorial Jurisdiction for commercial, industrial or residential use to conserve and protect groundwater supplies. *A copy of Resolution #13-003 is attached hereto as Exhibit "B".*

Rules Development Committee – Kathy Turner Jones, Coordinator. President Tramm reported that the Rules and Development Committee had not met since the March 12th Board meeting and there was no report.

Policy and Personnel Development Committee – Sam W. Baker, Chair. Director Baker stated that the committee had not met since the last board meeting and had no report.

Findings and Review Committee – Paul R. Nelson, Coordinator. Mr. Nelson reported that the committee had not met since the last Board meeting.

Update and status project report related to Regional Groundwater Update Project w/HGSD and the FBSD – Mark Lowry. Mr. Lowry told the Board that there was one final model being run that would reflect the changes made to the Fort Bend and Harris Galveston Subsidence District's regulations and that the study was essentially complete. Mr. Lowry then discussed the well-spacing study being conducted by INTERA. Mr. Lowry told the Board that 2 of the 4 tasks outlined in the study are nearing completion and that INTERA would be making a presentation on those two tasks to the Findings and Review Committee in early May.

USGS presentation regarding groundwater activities, data collection, water level monitoring, and water well inventories for Montgomery County. (M. Turco/M. Kasmarek - USGS). Mr. Nelson introduced Mr. Mike Turco of USGS who then gave a presentation on the report findings. Mr. Turco included the most recent data from several PAM units located throughout Montgomery County in his report. Mr. Turco also told the Board that the public would have until next Thursday, April 18th to submit comments and that the maps were available on the USGS web site. The final report should be available to the public sometime this spring.

Budget and Finance Development Committee - Jim Stinson, Chair. Mr. Stinson reported that a committee meeting had not been held since the last Board meeting.

Review of monthly financial reports. Director Stinson reported that for the reporting period, the District had an income of \$1.4 million versus a budgeted amount of \$1.4 million. District expenses totaled \$432,000 compared to a budgeted amount of \$515,000.

Review 1st Quarterly Investment Report 2013. Director Stinson informed the Board that copies of the Quarterly Investment Report were in the Board packets.

Discuss, consider, and take action as necessary regarding Annual Financial Report for 2012—Bob Vanwassehnova, CPA; Bob VanWassehnova and Associates. This item was taken out of order by President Tramm and was presented immediately prior to Committee Reports

Building and Facilities Committee - Kathy Turner Jones, Coordinator. The committee has not met since the last Board meeting.

Update and possible action regarding construction of onsite storage facility for mobile lab at District office, relocation of sewer line, and detention pond design. President Tramm reported

that the building to house the District's mobile lab is nearing completion and that we are awaiting the occupancy certificate from the City of Conroe. Construction of the new sanitary sewer line is nearing completion and the District expects to receive revised sketches of the metes and bounds description of the proposed easement today. Any action on the detention pond has been postponed until the easement is complete.

ENGINEERING REPORT:

Mark Lowry, District Consultant, reported that most of his activity during the prior month was focused on permit applications and that a copy of his report was in the Board packets.

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 BE TAKEN, INCLUDING WITHOUT LIMITATION INITIATING A LAWSUIT AGAINST IT FOR FAILURE TO REMIT 2013 WATER USE FEES.

It is the General Manager's recommendation to order a Show Cause Hearing to be held in conjunction with the May 14, 2013 Board meeting for failure to remit 2013 water use fees for the following:

- a) E.F. Early's Bar B Que, HUP066
- b) INRI, OP-10052501
- c) Juan E. & Gabina Jimenez, OP-08120901
- d) Kingwood Propane, OP-05072801
- e) Kristen Dennis-Wootton, OP-06050401
- f) Martin Simonton, OP-08031202
- g) Patton Lake Club, HUP163
- h) Quality Car Care, HUP182
- i) VNR Brock, Inc, HUP238/OP-07061801

A motion was made by Director Baker, seconded by Director Eichelberger and unanimously carried, to proceed with the recommendations of the General Manager.

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 BE TAKEN, INCLUDING WITHOUT LIMITATION INITIATING A LAWSUIT AGAINST IT FOR FAILURE TO SUBMIT 2012 PRODUCTION REPORT AND/OR FINES ASSOCIATED WITH TIMELY SUBMISSION.

It is the General Manager's recommendation to order a Show Cause Hearing to be held in conjunction with the May 14, 2013 Board meeting for failure to submit 2012 production report and/or fines associated with timely submission.

- a) Affordable Self Storage, OP-05100601
- b) Alice Flores, OP-05070101
- c) American Tree Farm, HUPAG1500009
- d) INRI, OP-10052501
- e) Joaquin Labora, OP-12080901
- f) Juan E. & Gabina Jimenez, OP-08120901
- g) Martin Simonton, OP-08031202
- h) Naushaba Arif (Montessori Villa), OP-05110201
- i) Quality Car Care, HUP182
- j) VNR Brock, Inc, HUP238/OP-07061801

It was noted that District staff would place a final collection call to the above permittees before the May Show Cause Hearing. A motion was made by Director Baker, seconded by Director Eichelberger and unanimously carried, to proceed with the recommendations of the General Manager.

GENERAL COUNSEL REPORT: No report.

GENERAL MANAGER'S REPORT:

In Ms. Jones' absence, President Tramm stated that the General Manager's report was available in the board packets.

PUBLIC COMMENT: Mr. Jackie W. Chance, General Manager of Montgomery County WCID#1, addressed the board concerning the use of groundwater during water well maintenance (such as televising, screen cleaning and repair, etc...). He asked that the District consider not charging pumpage fees on metered water used during that process, as the bulk of the water is returned to the aquifer after flushing is complete. President Tramm told Mr. Chance that subjects such as this and related issues would be taken up by the Rules Committee at its next committee meeting.

NEW BUSINESS: None

There being no further business, upon a motion by Director Baker, seconded by Director Stinson, President Tramm adjourned the meeting at 10:56 a.m.

PASSED, APPROVED, AND ADOPTED THIS 14TH DAY OF MAY, 2013.

Samantha Reiter, Assistant Secretary for
M. Scott Weisinger, PG, Board Secretary