

LONE STAR GROUNDWATER CONSERVATION DISTRICT

June 14, 2011

MINUTES OF SPECIAL MEETING

Lone Star Groundwater Conservation District (“District”) held a “Special Meeting,” open to the public, at 207 W Phillips Street, Suite 300, Conroe, Texas, within the boundaries of the District on June 14, 2011.

President Tramm called the meeting to order at 9:04 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 with the exception of Director Baker, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, District General Manager; Jason Hill, General Counsel; Mark Lowry, District Consultant; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit “A”.*

After a proper and legally sufficient announcement to the public by President Tramm, the Board of Directors went into a Closed Executive Session at 9:05 a.m. 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.

Director Baker arrives at 9:05 a.m.

Following Executive Session, the Board reconvened in Open Session and declared it open to the public at 9:39 a.m.

No action was taken on matters discussed in Executive Session and the meeting was adjourned at 9:40 a.m.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF JULY, 2011.

M. Scott Weisinger, PG, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

June 14, 2011

MINUTES OF SHOW CAUSE HEARING

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 207 W. Phillips Street, Suite 300, Conroe, Texas, within the boundaries of the District on June 14, 2011.

President Tramm called to order the Show Cause Hearing at 10:30 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 Kathy Turner Jones, District General Manager; Jason Hill, General Counsel; Mark Lowry, District Consultant; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit “A”.*

President Tramm stated this was a Show Cause Hearing directing Florencio & Martha Hernandez, (“Respondent”), pursuant to District Rule 2.5, to appear before the Lone Star GCD Board of Directors and show cause why the District should not issue a cease and desist order pursuant to District Rule 2.6(c) for failure to submit 2010 production report and fines associated with timely submission; file a civil suit in this matter against Respondent and take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

President Tramm asked if Florencio or Martha Hernandez was in attendance, and with there being no one in attendance, asked the General Manager, Kathy Turner Jones, to brief the Board on the matter and give her recommendation of action. Ms. Jones stated that the District has exhausted all efforts to contact the permittees in order to collect the 2010 production report and fines associated with timely submission. Ms. Jones continued that based on discussion in Executive Session and legal advice received, it is recommended that this matter be given to the

District's local Counsel for process and possible civil suit. A motion was made by Director Stinson, seconded by Director Moffatt and unanimously passed to proceed with the recommendation of the General Manager.

The Show Cause Hearing was adjourned at 10:31 a.m.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF JULY, 2011.

M. Scott Weisinger, PG, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

June 14, 2011

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 207 W. Phillips Street, Suite 300, Conroe, Texas, within the boundaries of the District on June 14, 2011.

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 Kathy Turner Jones, District General Manager; Jason Hill, General Counsel; 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, **Equine Veterinary Assoc.**, and Item #4, **April Plaza Marina** – Applicants are requesting an application for a new Operating Permit to be associated with their existing Historic Use Permits. Based on technical review of information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Wood, and seconded by Director Stinson to approve the above permit application in accordance with the recommendation of the General Manager. Motion passed.

Item #2, **Vista Verde** – Applicant is requesting an amendment to increase allocation under the existing Historic Use Permit. Based on technical review of information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Wood, and seconded by Director Stinson to approve

the above permit amendment in accordance with the recommendation of the General Manager. Motion passed.

Item #3, **Everett Square, Inc. (FM 1488 System)**, and Item #6, **Crown Ranch Development, LTD.** – Applicants are requesting an amendment to increase allocation under their existing Operating Permits. Based on technical review of information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Wood, and seconded by Director Stinson to approve the above permit application in accordance with the recommendation of the General Manager. Motion passed.

Item #5, **Turbodrill** – Applicant is requesting drilling authorization for a new well and 1,000,000 gallons for 2011 and annually thereafter. Applicant will utilize the water for landscape irrigation only. Based on technical review of information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Wood, and seconded by Director Stinson to approve the above permit amendment in accordance with the recommendation of the General Manager. Motion passed.

Item #7, **City of Panorama Village (AWS Production Well)** – Applicant has requested drilling authorization for a production well in the Catahoula formation to provide water to its public water system. Applicant is requesting production authorization not to exceed 225 million gallons annually. Based on technical review of the information supplied by application, it is the General Manager’s recommendation to authorize a reduced amount of 153 million gallons annually. A motion was made by Director Wood, and seconded by Director Stinson to approve the above permit application in accordance with the recommendations of the General Manager. Director Weisinger and Director Bleyl abstain. Motion passed.

President Tramm adjourned the Public Hearing on Permit Applications at 10:02 a.m.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF JULY, 2011.

M. Scott Weisinger, PG, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

June 14, 2011

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 – Board Room located at 207 W. Phillips Street, Suite 301, Conroe, Texas, within the boundaries of the District on June 14, 2011.

President Tramm called to order the regular Board of Directors meeting at 10:31 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, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, District General Manager; Jason Hill, Attorney; Brian Sledge, General Counsel; Mark Lowry, District Consultant; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit “A”.*

President Tramm welcomed and introduced new board member, John D. Bleyl, who will be representing the City of Conroe.

APPROVAL OF THE MINUTES:

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

- a) May 10, 2011, Special Board Meeting
- b) May 10, 2011, Public Hearing on Permit Applications
- c) May 10, 2011, Regular Board of Directors Meeting

COMMITTEE REPORTS:

Water Awareness and Conservation Committee – Billy Wood, Chair. Director Wood reported that the committee had not met since the last Board meeting. Mr. Wood commented that to date sixty-three (63) children have visited the Mobile Lab trailer this past month. Ms. Jones added that the District's local campaign to serve water on request only is active as of June 1st. Campaign marketing includes advertising on the local radio station, KSTAR, and various informational handouts, coasters, and activity books placed within the restaurants. This is not only a great conservation program but also a great way for the restaurant owners to learn how to save money.

Rules and Bylaws Committee – Kathy Turner Jones, Coordinator. Ms. Jones reported that the committee had not met since last month's meeting and had no report at this time.

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 at this time.

Findings and Review Committee. Ms. Jones reported that the committee had not had an official meeting since the last Board meeting.

Update and status project report related to Regional Groundwater Update Project with HGSD and the FBSD. Mark Lowry began by stating that a copy of the report was included in the packet and that the portion of the project focusing on matching the existing model with the data collected through 2010 is nearly complete. Currently, the panel is calibrating the model for draw-downs, water-levels, and the press subsidence model. Updating and adjusting the model in areas where predictions were not tracking the actual groundwater levels that were being measured is also virtually complete. The model has been tuned so it is more in line with predictions in the various strata used. The focus is now shifting to the development of future population projections that will be done by the University of Houston Center for Public Policy as well as a private firm specializing in the short-term forecast. Those projections will then be put back into the model to develop various scenarios.

Update and status project report related to the District's modeling study of the Catahoula Formation/Aquifer. Mr. Lowry gave the status report on behalf of John Seifert, LBG-Guyton, stating that the study is continuing the evaluation of the geo-physical logs to develop the geographic framework for the groundwater model. The evaluation includes delineating the Yegua-Jackson, Catahoula, Jasper, Burkeville, Evangeline, and Chicot aquifers in order to start defining the layering for the model. They are using water quality data and electric logs to refine the map and are showing the areas of the Catahoula that contains water with more than and less than 1000 milligrams per liter total dissolved solids. Additionally, work is being done on developing the geological cross-section to depict formation depth, thicknesses, and elevations as well as developing the maps and locations of the various total dissolved solids.

Building and Facilities Committee – Kathy Turner Jones. Ms. Jones stated the committee met at Mark Todd Architects on May 19th with the architects, landscape architects,

and engineers to review preliminary designs on the arroyo system. The committee agreed to move forward with the arroyo design. Currently, the architects are gathering the plans for submittal to the City of Conroe for permitting. The goal is to have the plans released for bidding this month.

Paul R. Nelson, Assistant General Manager, gave a brief presentation and showed an example of the porous concrete that is planned on being used in certain locations of the new LSGCD building. Mr. Nelson explained that the idea behind the porous concrete is to allow water to run through it, collect it in an underground system and detain it long enough to help the system handle the floods, like a form of a low-impact detention. It was determined that the District would use the porous concrete on the sidewalks around the arroyo system and allow for the concrete to drain into the arroyo, eliminating the detrimental effects on the sub-grade. Mr. Nelson added that he is still gathering information on the necessary maintenance and will report back to the Board. Director Bleyl stated that he has experience using the porous concrete and based on his experience believes it is best used for areas like sidewalks rather than parking lots.

Budget and Finance Development Committee – Jim Stinson, Chair. Director Stinson reported that the committee had not met since the last Board meeting.

Review of Monthly Financial Reports. Director Stinson stated he had reviewed the monthly financial reports and if anyone had any questions he would be glad to address those. The District shows the operating budget has an income of \$60,000 under budget and expenses of \$84,000 under budget. The capital improvement program has a budgeted expense of \$86,000 versus an actual expense of \$59,000 through May.

ENGINEERING REPORT:

Mark Lowry, District Consultant, stated his report was included in the packets and if there were any questions he would be happy to answer them. This month Mr. Lowry worked primarily on developing draft summaries and deficiency notices for GRPs. He also attended the meeting to discuss GRPs and rule revisions.

UPDATE STATUS REPORT ON INSTALLATION OF PORT-A-MEASURE (“PAM”) EQUIPMENT FOR SUBSIDENCE MONITORING AND POROUS CONCRETE REPORT – Paul R. Nelson.

Mr. Nelson, started by stating he had learned that “PAM” can stand for either Port-a-Measure or Periodically Active Monitors. He continued that since the Board approved the installation of six (6) additional PAM sites in Montgomery County to the all ready existing two (2), Mel Lonon, District Field Operations Coordinator, Kevin Ebram, Harris-Galveston Subsidence District, and Mark Kasmarek, USGS, and himself have been reviewing eligible sites. He reminded the Board that there will be one monitor for all sites, which will be placed at each sites for seven (7) days and will collect data every 30 seconds over that period before being moved to another site. Mr. Nelson stated that currently they have decided on six (6) sites, two (2) at the San Jacinto River Authority’s facilities, one (1) site will be located on FM 1774 at the Precinct 2 Complex, one (1) will be at Montgomery County MUD #8, the fifth site will be at Carl Barton, Jr. Sports Park on FM 336, with the last site located in the New Caney area though

the exact location is still pending. The training and data analysis will be conducted by the same contractor the Harris Galveston Subsidence District uses.

DISCUSSION AND POSSIBLE ACTION TO ISSUE A SHOW CAUSE ORDER DIRECTING THE FOLLOWING PERMITTEES, OR THEIR DESIGNATED REPRESENTATIVE, TO APPEAR AT A HEARING TO SHOW CAUSE WHY APPROPRIATE ENFORCEMENT ACTION SHOULD NOT BE TAKEN BY THE DISTRICT, INCLUDING WITHOUT LIMITATION INITIATING A LAWSUIT AGAINST THE PERMITTEES, FOR FAILURE TO REMIT FEES ASSOCIATED WITH OVERPRODUCTION OF GROUNDWATER IN 2010.

Based on legal advice received in Executive Session, it is the General Manager's recommendation to order a Show Cause Hearing to be held in conjunction with the July 12, 2011 Board meeting for failure to remit fees associated with overproduction of groundwater in 2010 for the following:

- a) 1404 Blaketree, L.P. #OP-07120602B

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

GENERAL COUNSEL REPORT:

Jason Hill updated the Board on pertinent legal issues and developments impacting the District since the last regular Board Meeting. Mr. Hill stated that much of his time has been dominated by GRP work and stated the goal is to have all GRPs certified by the end of the August board meeting.

Brian Sledge, General Counsel, gave an update on the recent legislative session and events pertaining to groundwater regulation.

In 2010 the Texas Water Conservation Association (TWCA) put together a group of various stakeholders to work on issues related to groundwater. A majority of the issues the group came to a consensus on were passed in the legislative session.

Senate Bill 332, authored by Senator Fraser, relates to the vested ownership interest in groundwater beneath the surface and the right to produce that groundwater was passed and is awaiting the Governor's signature.

Mr. Sledge continued that the biggest bill, from a groundwater district regulatory perspective was Senate Bill 737, which was one of the TWCA's consensus group's recommendations. This bill addresses the longstanding debate on what a district needed to do under Section 36.1132 of the Texas Water Code with regard to issuing permits up to the Managed Available Groundwater (MAG) that is received from the Texas Water Development Board when the Desired Future Conditions (DFC) for the aquifers are turned in. The question was whether a district could consider both exempt production and permitted production when issuing permits up to the MAG. The passage of Senate Bill 737 allows the District's more

flexibility, as they are allowed to consider exempt use, precipitation patterns, current permitted use and reasonable estimates of current actual production.

The DFC adoption process was another major issue the TWCA consensus group had before them. A number of criteria were reviewed to formalize the DFC adoption process and the group was able to reach a consensus. Unfortunately, the consensus group was unable to agree on the DFC appeals process and how a person could appeal the establishment of DFCs or whether it is appealable at all. The Texas Water Development Board wanted to move the appeals process to be heard by the Texas Commission on Environmental Quality (TCEQ), which would have created lengthy evidentiary hearings at the State Office of Administrative Hearings and at TCEQ. The TWCA consensus group voted that the process should be looked at as a legislative process rather than a judiciary process. The legislature decided to include the adoption process leaving the appeals process with the Texas Water Development Board for now, with interim studies pending.

TCEQ was reviewed by the Sunset Advisory Commission, who decided to continue its existence for twelve (12) more years.

Another accomplishment came from language drafted by Jason Hill and himself to centralize notice postings for GMA meetings. The posting process has now been consolidated so only one District needs to post on the Secretary of State's website. Individual Districts still should publish meeting notices at their offices and with the County Courthouse but it will not invalidate a hearing should one District fail to do so.

Additional TWCA Bills that were passed included the clarification of exempt status, which states that exemption is based on the type of use and not the well itself. One of the bills that passed that will affect the district's rules relates to hearings on permit applications and permit amendments. The bill states that if a permit applicant or invested party does not view the district board as a fair and partial tribunal, they can request to have the State Office of Administrative Hearings conduct their contested case hearing, at their expense. The judge will make a recommendation, based on findings and facts, to the Board, who will then have final decision.

Representative Creighton and Senator Nichols' House Bill 444, requires TCEQ to provide notice to groundwater districts of all applications for a permit for an injection well to dispose of industrial and municipal waste within the jurisdiction of that district. In addition, Senate Bill 430 authored by Senator Nichols requires TCEQ to provide written notice of any groundwater contamination to a groundwater conservation district.

Senate Bill 313 was also passed, which lengthened the timeframe by which the TWDB and TCEQ are to determine areas expected to experience critical groundwater problems from a 25 to 50 year window. Previously the law read that if an area is expected to have critical groundwater problems, is already experiencing them or is expected to experience them within the next 25 years, they can be designated as a priority groundwater management area, leading to the creation of a groundwater district.

Lastly, House Bill 451 was approved by the legislature, establishing the Don't Mess with Texas Water Program to prevent illegal dumping that affects surface waters of the state.

GENERAL MANAGER’S REPORT:

Kathy Turner Jones, General Manager, stated that her report was included in the packets and if anyone had any questions, she would be glad to address them. Ms. Jones recognized Cori Stallings, Permitting Director; Philip Taucer, AECOM; Mark Lowry, and Jason Hill for all their hard work on the GRPs.

PUBLIC COMMENT: Ann Sheridan with the City of Houston stated that she is being reassigned and will no longer be working with LSGCD. She thanked the Board and the District staff for everything that they do for the region and stated how impressed she is with the professionalism, knowledge and the efforts that are put forth to reach out to the community.

NEW BUSINESS:

There being no further business, upon a motion by Director Baker, seconded by Director Weisinger, President Tramm adjourned the meeting at 11:24 a.m.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF JULY, 2011.

M. Scott Weisinger, PG, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

June 14, 2011

MINUTES OF HEARING ON CERTIFICATION OF GROUNDWATER REDUCTION PLAN (GRP) OR JOINT GROUNDWATER REDUCTION PLAN (JOINT GRP)

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 207 W. Phillips Street, Suite 300, Conroe, Texas, within the boundaries of the District on June 14, 2011.

Pursuant to §36.408 of the Texas Water Code and Rule 12.12 of the Lone Star Groundwater Conservation District’s (the “District’s”) Rules, these minutes serve as the official minutes of hearing on Certification of Groundwater Reduction Plan (GRP) or Joint Groundwater Reduction Plan (Joint GRP) identified in the Notice of Hearing issued by the District’s General Manager and admitted into the record in this hearing.

President Tramm called to order the Hearing on Certification of Groundwater Reduction Plan (GRP) or Joint Groundwater Reduction Plan (Joint GRP) at 10:02 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 Kathy Turner Jones, District General Manager; Jason Hill, Attorney; Mark Lowry, District Consultant; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit “A”.*

President Tramm stated that he would not be appointing a co-presiding officer unless the need should arise.

Jason Hill, Attorney, gave the Review of Notice observing that the following notice requirements had been met:

- (1) the General Manager timely published the appropriate notice in the newspaper;
- (2) the General Manager provided notice of the proposed permits and hearing to each permit applicant, and posted it at the District Office and at the County Courthouse;
- (3) the General Manager posted notice more than 72 hours prior to the hearing, in compliance with the Texas Open Meetings Act; and
- (4) no one had requested special notice under District Rule 12.3(d), so no notice was required to be issued under Rule 12.3(d).

Mr. Hill continued with the Review of Hearing Procedures to the Board. He explained that he would read the summaries of each GRP and Joint GRP and then allow the Board to vote on them as one item unless circumstances, such as the challenging or protesting of a recommendation, prevented that. Mr. Hill stated that should any circumstances arise then he would address the GRP on an individual basis, additionally any questions from the Board would be answered by Mark Lowry or himself.

HEARING REPORT ON THE GROUNDWATER REDUCTION PLAN (GRP) OR JOINT GROUNDWATER REDUCTION PLAN (JOINT GRP) SUBMITTED TO LSGCD.

A hearing report was given on each of the following GRP's or Joint GRP's submitted to the District:

1. GRP sponsored by Austin Texas Golf Ventures;
2. GRP sponsored by Benders Landing POA;
3. GRP sponsored by City of Houston;
4. GRP sponsored by Conroe Country Club;
5. GRP sponsored by Crown Oaks POA, Inc.;
6. GRP sponsored by Entergy Texas (Lewis Creek Plant);
7. GRP sponsored by HMRG3 LLC;
8. GRP sponsored by Huntsman Petrochemical Corp.
9. GRP sponsored by Lake Windcrest POA, Inc.;
10. GRP Sponsored by Montgomery County MUD # 18;
11. GRP sponsored by Montgomery County MUD # 56;
12. GRP sponsored by Montgomery Trace POA;
13. GRP sponsored by Ridge Lake Shores POA;
14. GRP sponsored by Texas National Golf Club;

15. GRP sponsored by The Woodlands Land Development Company, LP;
16. GRP sponsored by Woodforest Golf Club;
17. Joint GRP Sponsored by Montgomery County MUD # 8;
18. Joint GRP sponsored by River Plantation MUD;
19. Joint GRP sponsored by San Jacinto River Authority.

Based on District staff's technical review, the GRP's and Joint GRP's listed above meet the minimum requirements of Phase II (B) of the Districts Regulatory Plan and it is the General Manager's recommendation for certification.

Director Eichelberger asked Mr. Hill to clarify that the importance of the resolutions. Mr. Hill stated that Phase II (B) states that the GRP is a binding and enforceable plan that each of the sponsors is committing themselves to follow. By certifying the GRPs and Resolutions, the Board is allowing the plans to become regulatory documents, against which the LVGUs and sponsors will be held accountable for. The process in Phase II (B) also acknowledges the passage of time and allows for the GRPs to be amended so that the sponsors will still be held accountable for not producing more than seventy percent (70%) of the Total Qualifying Demand. If sponsors choose to deviate from the GRPs without consulting with District staff there will be enforcement actions.

President Tramm observed that there were no requests, written or other, to contest a GRP listed for the hearing and concluded that there was no need to sever the uncontested and contested GRPs or Joint GRPs presented today.

A motion was made by Director Wood, seconded by Director Weisinger and unanimously carried, to approve the certification of the uncontested Groundwater Reduction Plans (GRPs) and Joint Groundwater Reduction Plans (Joint GRPs) heard, in accordance with the General Manager's recommendations. Abstentions included Director Eichelberger from voting on the Joint GRP sponsored by San Jacinto River Authority; Director McCoy from voting on the Joint GRP sponsored by Montgomery County MUD #8; Director Bleyl from voting on the GRP sponsored by Lake Windcrest POA, Inc., the GRP sponsored by Montgomery County MUD #18, the GRP sponsored by Montgomery County MUD #56, the GRP sponsored by Ridge Lake Shores POA, the Joint GRP sponsored by River Plantation MUD, and the Joint GRP sponsored by Montgomery County MUD #8.

President Tramm stated that there was no need to schedule the continuance of contested hearings at this time and adjourned the Public Hearing on Certification of GRP's and Joint GRP's at 10:29 a.m.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF JULY, 2011.

M. Scott Weisinger, PG, Board Secretary