

LONE STAR GROUNDWATER CONSERVATION DISTRICT

August 13, 2013

MINUTES OF SPECIAL MEETING

The Board of Directors of the Lone Star Groundwater Conservation District (“District”) held a “Special Meeting,” 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 August 13, 2013.

President Tramm called the meeting to order at 9:02 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, with the exception of Director Baker and Director Weisinger, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, District General Manager; Paul R. Nelson, Assistant General Manager; Brian L. Sledge, General Counsel; 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 9:03 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 arrived at 9:29 a.m.

Following Executive Session, the Board reconvened in Open Session and declared it open to the public at 10:07 a.m.

No action was taken on matters discussed in Executive Session and the meeting was adjourned at 10:07 a.m.

PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF SEPTEMBER, 2013.

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

LONE STAR GROUNDWATER CONSERVATION DISTRICT

August 13, 2013

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 August 13, 2013.

President Tramm called to order the Public Hearing on Permit Applications at 10:12 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 Weisinger, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, General Manager; Paul R. Nelson, Assistant General Manager; Brian L. 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”.*

Item #1, **Chemtec Energy Service, LLC** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 58,000 gallons 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 #2, **Caden Kiser Investments, LLC** - 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 357,500 gallons 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 #3, **Rebel Contractors, Inc.** – 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 150,000 gallons 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 #4, **Legacy Preparatory Christian Academy** – Applicant is requesting drilling authorization for a new well to be drilled with a production authorization in the amount of 1,875,000 gallons for 2013 and 3,750,000 gallons for 2014 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 #5, **St. Paul Lutheran Church** – Applicant is requesting drilling authorization for a new well to be drilled with a production authorization in the amount of 83,335 gallons for 2013 and 200,000 gallons for 2014 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 #6, **LCBGH15, LLC** – Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,500,000 gallons for 2013 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to authorize a reduced amount of 36,000 gallons for 2013 and annually thereafter.

A motion was made by Director Baker, seconded by Director Stinson, and the above items were approved in accordance with the General Manager's recommendations and the motion passed.

President Tramm adjourned the public hearing on permit applications at 10:13 a.m.

PASSED, APPROVED, AND ADOPTED THIS 10TH DAY OF SEPTEMBER, 2013.

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

LONE STAR GROUNDWATER CONSERVATION DISTRICT

August 13, 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 August 13, 2013.

President Tramm called to order the regular Board of Directors meeting at 10:13 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 for Director Weisinger, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, General Manager; Paul R. Nelson, Assistant General Manager, Brian L. 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”.*

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 Moffatt, and unanimously carried, to approve the meeting minutes:

- a) July 9, 2013, Special Board Meeting
- b) July 9, 2013, Public Hearing on Permit Applications
- c) July 9, 2013, 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. 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 he and Mr. Chris Loomis of the City of Conroe have continued their efforts to visit with the boards of utility district in Montgomery County and that they had met with Montgomery County MUD #18 (Bentwater) on July 9, 2013. Meetings are scheduled with Montgomery County MUD #8 and Chateau Woods MUD later this month.

Mr. Nelson then informed the Board that he had attended the monthly meeting of the City of Conroe Water Conservation Committee on July 16th, where Mr. Mark Smith of SJRA presented an update of the surface water conversion project.

On July 18th, Mr. Nelson gave a presentation to the Sam Houston Chapter of the Water Utilities Association. There were approximately 75 persons in attendance and the material concerning the effects of pumping on the Gulf Coast Aquifer water levels and the new Gulf Coast Area Model was well received.

On July 31st, the monthly meeting of the Gulf Coast/Montgomery County was held at the offices of the District was held, with Mr. Kasmarek of the USGS standing in for Mr. Turco. There were 25 members present to listen to the presentation on the annual report on water table elevations and subsidence. Mr. Nelson then told the Board that the next meeting of the Network would again be held at the District's facilities on August 21st and would feature a presentation by Daniel Davidson. This presentation will be the one on the low impact and water features "re-design" of the District's grounds seen earlier by the Board.

Finally, Mr. Nelson informed the Board that he would be making a presentation on water conservation and the District's activities at the Home and Gardens Show at the Woodlands Marriot on the weekend of August 24-24.

Ms. Jones reminded the Board that Mr. Danielson would be also be giving the presentation to the Montgomery County Commissioners Court on Monday the 19th of August.

Ms. Jones then distributed an article on the ET Weather station that was to be e-blasted that morning and asked Mr. Nelson to give the Board an update on the installation and status of the station. Mr. Nelson informed the Board that installation of the weather station had been completed and that data was being monitored at this time. Work continues on the communications between the station and the PC that will be used to store the weather data. Mr. Nelson explained the ET process that will be coordinated with Texas A&M and that the results will be shared with the public at large. He further explained that remote rain gauges would be set up in the future, to give a broader application to the data. The data generated by the station and Texas A&M will be made available to the public via several media sources, including email. Mr. Nelson stressed that the next phase of the project is to get the information to the public and to help educate the public as to the use of their irrigation systems and how to apply only the required water.

Rules Development Committee – Kathy Turner Jones, Coordinator. Kathy Jones reported that the Rules Development Committee met on July 11th and that much of the meeting focused on the preliminary findings of the study being done by INTERA on well spacing. At this time, the Committee is reviewing the various scenarios and conditions presented in the finding and hope to schedule another meeting in the near future to continue discussions.

Update and status project report related to Intera Study on well spacing calculations—Kathy Jones/Mark Lowry Mr. Lowry provided additional information relating to the progress of the well-spacing study. In addition to the discussion of the various scenarios presented by INTERA, it was decided that the pump curves for all of the current Catahoula wells would be obtained and that Mr. Lowry would evaluate the data to attempt to develop any relationships between drawdown and pump efficiency. Mr. Lowry stated that he has spent some time studying this information, but that more time was needed to complete his effort. INTERA will not proceed with additional efforts until they get feedback from the pump data evaluation. Mr. Lowry stated that he felt he would have additional results from his evaluation within the next week. Depending on those results, the timing for the next meeting and INTERA’s availability, Mr. Lowry stated that “final” results might be 30 to 60 days out.

Policy and Personnel Development Committee – Sam W. Baker, Chair. Director Baker stated that the Committee had not met since the last Board meeting.

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

Budget and Finance Development Committee - Jim Stinson, Chair. Director Stinson stated that there was no committee report this month.

Review of monthly financial reports. Director Stinson reported that the financial statement indicated an actual income of \$1,700,000 compared to a budget of \$1,800,000 and that actual expenses were \$1,000,000 versus a budgeted estimate of \$1,250,000.

Building and Facilities Committee - Kathy Turner Jones, Coordinator. Ms. Jones reported that the committee has not met since the last board meeting but is in the process of scheduling a meeting that would match the timing for when we receive the dirt and can move forward with the project. She hopes to be able to schedule a meeting in the near future.

Update and possible action regarding detention pond redesign. Ms. Jones reported that we are waiting for word of when the dirt will be available for moving. Mr. Bleyl stated that the engineering design portion of the project to partially fill in the detention pond has been done and approved by the City of Conroe. There remains a construction component of the project; that is making provisions for moving and placing the dirt. Ms. Jones stated that this segment of the project will be addressed as we get closer to being able to obtain the fill and will work with the committee during the process

Discuss, consider, and take action as necessary to approve proposed amendment(s) to District Bylaws to include statutory changes following HB1563.

- a) **Relating to fees of office for directors of groundwater conservation districts**

Ms. Jones presented a proposed amendment to Section 2.4(a) of the District's Bylaws to receive fees of office set forth in Section 36.060(a) of the Texas Water Code for each day the director spends performing the duties of a Director. Ms. Jones pointed out that the fee of \$250 per day goes into effect on September 1st and that the fees may not exceed \$9,000 a year. After discussion, a motion to approve the proposed amendment was made by Director Baker, seconded by Director Eichelberger and carried. Director Wood voted against the matter.

ENGINEERING REPORT:

Mark Lowry, District Consultant, reported that the Kingwood weather station used in ET calculation had been down for seven weeks and that he may have to go back and ratio between historical Kingwood data versus Huntsville data to try to fill in the data gap. Mr. Lowry then discussed the network of stations across Texas to which Lone Star will be added, and the possible addition of other stations throughout the county. Because of differences in rainfall, the more stations or reporting points we have, the more meaningful the data. A copy of Mr. Lowry's report is in the Board packet.

GENERAL MANAGER'S REPORT:

Ms. Jones informed the Board that most of her activities were included in the General Manager's Report found in their packets and mentioned some important calendar dates that were included on page 16 of that report, specifically the next Water Efficiency Network meeting and the upcoming groundwater summit.

- a) Update and status report on GMA 14 The GMA has met and was scheduled to meet again in August, but that meeting has been postponed. The consultants are still gathering data to use in the model run and we are also waiting on other participants to come back to the GMA with their adopted interlocal agreements and financial agreements. Ms. Jones pointed out that one of the groundwater districts was unable to commit to the agreed upon share and the GMA will be discussing ways to compensate for the resulting deficit. She has also been made aware of one county that had not been expected to participate is reconsidering and she will be following up. The GMA 14 will be meeting again on September 18th and stressed that the GMA is on a fast track to get the numbers resolved and to the TWBD in a timely manner.

GENERAL COUNSEL'S REPORT: Mr. Sledge stated that he had been working with staff on a number of issues including a more organized enforcement system for determining the progress of the Large Volume Water Users ensure that progress is being made on their GRPs incrementally during the period between now and the Initial Conversion Obligation of 2016. This process is being put in place to make certain that the steps detailed in the GRPs are being met on schedule. Mr. Sledge stated that there would be more information on this effort presented at future board meetings. As to the legislature, Mr. Sledge told the Board that there would be interim committees established during recess and that the issues of how to handle or address brackish water would be looked at, as well as other bills that had been introduced last session that would have had an impact on our District. The latter bills would have addressed permit

renewals and deadlines and we will be monitoring the progress of those bills to ensure that there is no inadvertent negative impact on LSGCD and its regulatory plan. Mr. Sledge pointed out the Texas Water Conservation Association would be forming stakeholder groups to discuss these same issues, as they did 2 sessions ago.

PUBLIC COMMENT: None

NEW BUSINESS: None

There being no further business, upon a motion by Director Stinson, seconded by Director Moffatt, President Tramm adjourned the meeting at 10:53 a.m.

PASSED, APPROVED, AND ADOPTED THIS 10TH DAY OF SEPTEMBER, 2013.

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