

LONE STAR GROUNDWATER CONSERVATION DISTRICT

September 9, 2014

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 September 9, 2014.

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 Baker
John D. Bleyl, PE
Jace Houston
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; 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".*

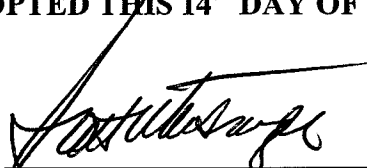
After a proper and legally sufficient announcement to the public by Director Tramm, the Board of Directors went into a Closed Executive Session at 9:03 a.m. pursuant to Texas Government Code, Sections 551.071, to consult with the District's attorney regarding pending or contemplated litigation, settlement 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 9:37 a.m.

Following Executive Session, the Board reconvened in Open Session and President Tramm declared it open to the public at 10:01 a.m.

No action was taken on matters discussed in Executive Session and President Tramm adjourned the meeting at 10:01 a.m.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF OCTOBER, 2014.

A handwritten signature in black ink, appearing to read "M. Scott Weisinger", written over a horizontal line.

M. Scott Weisinger, PG, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

September 9, 2014

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 September 9, 2014.

CALL TO ORDER:

President Tramm called to order the Public Hearing on Permit Applications at 10:01 a.m., announcing the meeting open to the public.

ROLL CALL:

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

Sam W. Baker
John D. Bleyl, PE
Jace Houston
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, 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, **Travis Bishop (Creekside Offroad Ranch)** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 500,000 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.

Item #2, **Aqua Pure (Beau View)** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 500,000 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.

Item #3, **Aqua Pure (Peach Creek Plantation)** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,000,000 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.

Item #4, **CWE Utilities (Garden West)** - Applicant is requesting registration of an existing well and production authorization in the amount of 3,000,000 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.

Item #5, **Howard Tenney III (Tenney & Company, Inc.)** - Applicant is requesting an amendment to an Operating Permit for drilling authorization for a new well. No additional production authorization is being requested at this time. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is being requested.

Item #6, **CSV Donwick, LLC** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 800,000 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.

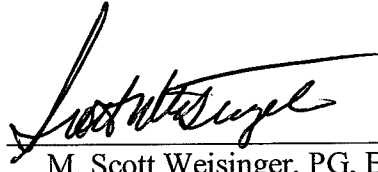
Item #7, **Quadvest, LP (Lakes of Magnolia)** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 5,000,000 gallons for 2014 and annually thereafter. The SJRA GRP Administrator has been notified by email and has not submitted any comments on the request. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is being requested.

Item #8, **Aqua Texas, Inc. (Crystal Forest)** - Applicant is requesting an amendment to an Operating Permit for drilling authorization for a new well. No additional production authorization is being requested at this time. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is being requested.

The first motion was made by Director Stinson, and seconded by Director Baker to approve items #1-8 in accordance with the General Manager's recommendations. The motion passed unanimously.

President Tramm adjourned the public hearing on permit applications at 10:11 a.m.

PASSED, APPROVED, AND ADOPTED THIS 14TH DAY OF OCTOBER, 2014.

A handwritten signature in black ink, appearing to read "M. Scott Weisinger", written over a horizontal line.

M. Scott Weisinger, PG, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

SEPTEMBER 9, 2014

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 September 9, 2014.

CALL TO ORDER:

President Tramm called to order the regular Board of Directors meeting at 10:11 a.m. announcing that it was open to the public.

ROLL CALL:

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

Sam Baker
John D. Bleyl, PE
Jace Houston
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, General Manager; Brian L. Sledge, General Counsel; Mark Lowry, P.E., District Engineer; 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 Weisinger, seconded by Director Stinson, and unanimously carried, to approve the meeting minutes:

- a) August 7, 2014, Board Work Session
- b) August 12, 2014, Special Board Meeting
- c) August 12, 2014, Public Hearing on Permit Applications

d) August 12, 2014, Regular Board of Directors Meeting

**PRELIMINARY FINDINGS AND OBSERVATIONS OF RISK MANAGEMENT
CONSULTANT – RICHARD WIGZELL (TWCA RMF)**

President Tramm noted that there would be no action on the above agenda item.

COMMITTEE REPORTS:

Water Awareness and Conservation Committee - Billy Wood, Chair

Briefing on Committee Activities - Director Wood reported that the committee had not met since the last board meeting.

Briefing on Public Outreach Efforts - Marlisa Briggs, Education/Public Awareness Coordinator – Mrs. Briggs' presentation highlighted the following public outreach efforts:

- Mobile Education Lab Aquifer Model Update
- Website Redesign Progress Report
- Lone Star General Brochure Update
- Conservation Outreach Coalition Update
- National Protect Your Groundwater Day Campaign
- Southern Montgomery County MUD's Reuse Project – Media Coverage Report
- Weekly Watering Recommendations Now on Lone Star GCD's Website
- Chambers of Commerce Board Meetings
- Ongoing e-blasts, press releases and social media communications
- Monthly Dock Lines article

Discussion, consideration and possible action to proclaim September 9, 2014, as "National Protect Your Groundwater Day" in Montgomery County, Texas (Resolution #14-007) – Marlisa Briggs

Mrs. Briggs presented a resolution proclaiming September 9, 2014, as National Protect Your Groundwater Day in Montgomery County. Director Weisinger moved to approve the resolution as presented. Director Stinson seconded the motion, and all were in favor, therefore the motion passed unanimously.

Update on Conservation Efforts – Marlisa Briggs, Education/Public Awareness Coordinator – In Mr. Nelson's absence, Marlisa Briggs briefed the Board on additional conservation activities, including

- Lake Conroe Watershed Protection Plan Meeting update
- City of Conroe's Water Conservation Advisory Committee update
- August Gulf Coast/Montgomery County Water Efficiency Network meeting - Michael Bloom gave a presentation on the origins of Low Impact Development (LID) principles and features, and discussed current trends in the region

- The September meeting will feature a presentation by Sam Masiel, Utility Billing Manager for the City of Conroe, on the use of the Automatic Meter Read (AMR) system as a conservation tool. The meeting will take place Thursday, September 25 at 1:30 p.m. at the Lone Star GCD offices.
- 2015 Gulf Coast Water Conservation Symposium – This annual event attracted more than 130 attendees in 2014. Mr. Nelson and Mrs. Briggs are on the conference planning committee for the March 2015 event. Details will be provided as they are available.

Rules Development Committee – Kathy Turner Jones, General Manager

Briefing on Committee Activities – Ms. Jones reported that the committee had met at least twice since the last board meeting. She asked Mr. Brian Sledge to provide a summary report for the committee, which is given in the agenda item that follows.

Discussion and Possible Action to Authorize Publication of Proposed Amendments to the District Rules and the District Regulatory Plan and a Public Hearing to Consider Same – Brian Sledge, General Counsel

Mr. Sledge reported that the committee is recommending changes to the following with regard to the District Rules:

Well Spacing and Location Requirements (Rules 6.1 – 6.7)

- a. Gulf Coast Aquifer – the committee is recommending a required minimum tract size of 1.5 acres. This number was derived by considering both Montgomery County’s platting requirements and technical information prepared by the District’s hydrogeologists on water level drawdown and well interference. Additionally, all new wells should be required to be screened at a depth no less than 150 feet, regardless of the capacity of the well, in order to prevent well interference problems caused by wells being drilled too shallow.
- b. Catahoula Aquifer – the committee is recommending minimum spacing requirements for new wells based on the production capacity of the new well. Spacing requirements are reduced if there is a vertical offset of 100 feet or more in the elevation of the well screen of the new well and that of the existing well. These recommendations were derived based upon studies and technical information prepared by the District’s hydrogeologists balanced with practical considerations of the needs of Catahoula well owners.

Mr. Sledge reported that the committee is recommending changes to the following regarding the District Regulatory Plan (DRP):

The proposed revisions to the DRP address some problems related to certain new Large Volume Groundwater Users (LVGUs) in the current version of the DRP, who effectively get no ability to produce groundwater from their own groundwater property rights once their demand increases from something below 10 mgd to a demand of 10 mgd or above. The proposed revisions also clarify the rules applicable to the transferability of permits as well as the operations and procedures applicable to Joint GRP participants and sponsors.

Director Weisinger made a motion to approve authorization of publication of proposed amendments to the District Rules and the District Regulatory Plan and a public hearing to consider same. Director Moffatt seconded the motion, and all those present were in favor.

Policy and Personnel Development Committee – Sam W. Baker

Briefing on Committee Activities – Director Baker reported that the committee had not met since the last Board meeting, and therefore there was no report. However, he did note that the committee will try to meet before the October board meeting.

Findings and Review Committee – Kathy Turner Jones

Briefing on Committee Activities – Ms. Jones reported on committee activities since the last board meeting. Following the August 7, 2014 board workshop, committee members met to discuss recommendations regarding development of a county wide strategic plan.

Discussion and possible action to authorize studies and retain consultants related to the development of a strategic plan evaluating opportunities for additional development of water resources in the District while ensuring long-term viability of the aquifers within the District, possibly including review of the adequacy of the District's groundwater monitoring program to monitor impacts to aquifers in the District of the initial conversion obligation under the District Regulatory Plan, review of the total estimated recoverable storage numbers released by the Texas Water Development Board and possible implications to groundwater management in the District, and review of related groundwater management issues, and opportunities for public input related to the development of the strategic plan. – President Tramm commented the above item was placed on the agenda as a placeholder in the event the committee had final recommendations to present to the Board for consideration and possible action. Tramm added the F&R Committee has tasked Bill Mullican (Mullican & Associates), John Seifert (LBG Guyton) and Mark Lowry to work with stakeholders to develop a scope of work to include, but not necessarily limited to, review and make recommendations to the District's existing well monitoring program to monitor impacts to aquifers in the District of the initial conversion obligation and identify potential opportunities for additional development of water resources in the District while ensuring long-

term viability of the aquifers within the District, possibly including review of the total estimated recoverable storage numbers.

Budget and Finance Development Committee - Jim Stinson, Chair

Briefing on Committee Activities - Director Stinson reported that the committee met on October 15 to review the District's investment policy. Revised policy is in the board packet, with changes noted, along with a corresponding proposed resolution.

Review of Monthly Financial Reports - Director Stinson reported that the financial statement indicated an actual income of \$2 million compared to projected \$2.1 million, and expenses are at \$1.3 million, compared to projected expenses of \$1.5 million.

Consider and act on Resolution #14-005 reviewing and approving Investment Policy and Investment Strategies as required annually by the Public Funds Investment Act of Texas - Director Stinson noted that the committee recommended the resolution be approved as presented. Director Weisinger made a motion to approve the resolution; Director Bleyl seconded the motion, and all those present were in favor, therefore the motion passed unanimously.

Building and Facilities Committee - Kathy Turner Jones, Coordinator

Briefing on Committee Activities - Ms. Jones reported that the committee had not met since the last board meeting.

Update and Possible Action Regarding Construction and Redesign of Existing Detention Pond - Ms. Jones reported that the redesign phase is complete and came in at \$9,000-\$10,000 under budget. Ms. Jones has received a scope from former Texas A&M students on the next phases, and the next step is to schedule a committee meeting to review the proposal, however she acknowledged that board members have been extremely busy with other District committees, and she was trying to avoid too much demands on their time. She hopes that the committee will have the opportunity to meet in October.

ENGINEERING REPORT:

Mark Lowry, District Consultant, reported that most of his activity during the month was routine, and a copy of his report is included in the Board's packet. The only item out of the ordinary was working on the proposed amendments to District Rules and Regulatory Plan.

GENERAL MANAGER'S REPORT:

Ms. Jones directed the Board to her written report in their board packets, but highlighted the Texas Groundwater Summit. She reported that a number of board members attended the Summit, sponsored by the Texas Alliance of Groundwater Districts (TAGD). She noted that this

year's Summit was the most successful with over 300 attendees. The Summit was held August 26-28 at the San Marcos Embassy Suites & Conference Center with 50 key industry leaders and experts presenting over this three-day event.

The Summit provided an in-depth look at crucial topics currently surrounding groundwater management and state-wide water planning efforts with sessions highlighting all areas of groundwater use, management and conservation. These included upcoming legislative session roundtables, case law updates, brackish groundwater science, oil and gas issues, regional and joint water planning, and updates from the Texas Water Development Board. Summit keynote speakers included State Representatives Jason Isaac, Lyle Larson, Doug Miller, and Eddie Lucio III, and Texas Water Development Board Chairman Carlos Rubinstein.

GENERAL COUNSEL'S REPORT:

Mr. Sledge noted that he had covered the majority of his items during previous reports in the meeting. He also noted that the TWCA is trying to wrap up its process in preparation for its board meeting in October, and Mr. Sledge will provide an update at the next Board meeting.

PUBLIC COMMENT:

Mr. Lance Stahl inquired as to the reasoning behind Lone Star GCD board meetings being held during business hours. President Tramm replied that the District's constituents were initially polled, and indicated they prefer daytime meetings because the majority of those interested in attending would be representing their places of business.

NEW BUSINESS:

There being no further business, Director Weisinger made a motion to adjourn the meeting; Director Baker seconded the motion, therefore the meeting was adjourned at 11:11 a.m.

PASSED, APPROVED, AND ADOPTED THIS 14TH DAY OF OCTOBER, 2014.



M. Scott Weisinger, PG, Board Secretary

**LONE STAR
GROUNDWATER CONSERVATION DISTRICT**

September 23, 2014

MINUTES OF SPECIAL MEETING

***GROUNDWATER MANAGEMENT AREA 14 JOINT PLANNING
COMMITTEE MEETING***

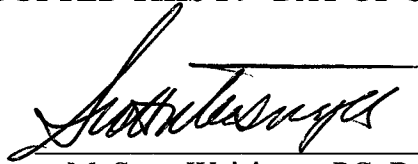
A meeting of the Groundwater Management Area 14 Joint Planning Committee, open to the public, in the Lone Star GCD - James B. "Jim" Wesley Board Room located at 655 Conroe Park North Drive, Conroe, Texas, within the boundaries of the District at 1:30 PM on September 23, 2014.

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

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

Board members present: Jace A. Houston. No other board members were present, thus no quorum of the Board of Directors was established and a meeting of the Lone Star GCD Board of Directors was not convened. *Copies of the public sign-in sheets are attached hereto as Exhibit "A".*

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF OCTOBER, 2014.



M. Scott Weisinger, PG, Board Secretary

