

LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 8, 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 October 8, 2013.

Director Baker called the meeting to order at 9:07 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 exceptions of President Tramm and Director Stinson, 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 Director Baker, the Board of Directors went into a Closed Executive Session at 9:08 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.

Following Executive Session, the Board reconvened in Open Session and declared it open to the public at 10:04 a.m.

No action was taken on matters discussed in Executive Session and the meeting was adjourned at 10:06 a.m.

PASSED, APPROVED, AND ADOPTED THIS 12th DAY OF NOVEMBER, 2013.

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

LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 8, 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 October 8, 2013.

Director Baker called to order the Public Hearing on Permit Applications at 10:06 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 President Tramm, 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, **Koch Family Properties (Well #2)** - This is an existing well staff found in non-compliance and is not currently in service pending an ownership change. Applicant is requesting registration of the well and production authorization in the amount of 42,000 gallons for 2013 and 94,000 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, **Cal Sierra International, LLC** - Applicant is requesting registration and authorization to begin construction on a new AWS well which will be drilled into the Catahoula Restricted Formation. Applicant is requesting production authorization in the amount of 40,000,000 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 #3, **Southwind Freight** – This is an existing well staff found in non-compliance. Applicant is requesting registration of the well and production authorization in the amount of 100,000 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, **City of Conroe (FM 1488)** – No action will be taken today. Staff has discovered questions that require attention before a recommendation can be made.

Item #5, **First Baptist Church Willis** – Applicant is requesting registration and drilling authorization to construct a new well with production authorization in the amount of 50,000 gallons for 2013 and 200,000 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 #6, **Andrew Robinson** – Applicant is requesting registration and drilling authorization to construct a new well with production authorization in the amount of 300,000 gallons for 2013 and 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 #7, **Don Van Orden** – Applicant is requesting registration and drilling authorization to construct a new well with production authorization in the amount of 200,000 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 50,000 gallons for 2013 and 200,000 gallons for 2014 and annually thereafter as requested.

Item #8, **Crystal Springs Water (Woodridge Estates)** – Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 500,000 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 #9, **Clean Energy Texas LNG** – Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,200,000 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 #10, **Edward Mihalov** – Applicant is requesting registration of a well that was previously registered as exempt usage. Applicant is also requesting production authorization in the amount of 40,000 gallons for 2013 and 250,000 gallons for 2014 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to

approve 40,000 gallons for 2013 and authorize a **reduced** amount of 200,000 gallons for 2014 and annually thereafter.

Item #11, **Montgomery County MUD #99** – Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 63,000,000 gallons for 2013 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 #12, **Montgomery County MUD #112** – Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 40,000,000 gallons for 2013 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 #13, **Scrap Yard Sports, LTD** – Applicant is requesting registration and drilling authorization to construct a new well with production authorization in the amount of 250,000 gallons for 2013 and 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 #14, **Lake Lorraine** – No action will be taken today. Staff has discovered questions that require attention before a recommendation can be made.

No action was taken on item #4, City of Conroe (FM 1488) and item #14, Lake Lorraine, both will be reposted and considered for action at next month’s meeting.

A motion was made by Director Stinson, seconded by Director Eichelberger, and items #1-3 and items #5-13, were approved in accordance with the General Manager’s recommendations. Directors Bleyl and Weisinger abstained from voting on items #2 and #7, respectively and the motion passed.

Director Baker adjourned the public hearing on permit applications at 10:17 a.m.

PASSED, APPROVED, AND ADOPTED THIS 12TH DAY OF NOVEMBER, 2013.

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

LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 8, 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 October 8, 2013.

Director Baker called to order the regular Board of Directors meeting at 10:17 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 President Tramm, 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:

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

- a) September 10, 2013, Special Board Meeting
- b) September 10, 2013, Public Hearing on Permit Applications
- c) September 10, 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 the District hosted the Water Efficiency Network on September 25th. The guest speaker was Dr. Kaiser with Texas A&M. Dr. Kaiser presented information regarding water budgeting studies being conducted by A&M in conjunction with the City of Bryan. The meeting was very well attended.

On September 28th, the District's mobile lab was available to the public at the Woodlands Landscaping event.

Then on October 5th and 6th, the mobile lab was stationed at the Toyota Bass Classic.

Lastly, on October 12th and 13th, the mobile lab will be at the Conroe Catfish Festival.

Rules Development Committee – Kathy Turner Jones, Coordinator. Ms. Jones stated that the committee had not met and she had no formal report. A committee meeting will be scheduled for the near future.

Policy and Personnel Development Committee – Sam W. Baker, Chair. Director Baker stated that the Committee had not met since the last Board meeting but noted that the District had a new employee. Ms. Jones then introduced Marlisa Briggs, the District's new Education and Public Awareness Coordinator.

Findings and Review Committee – Paul R. Nelson, Coordinator. Mr. Nelson reported that the committee met on October 7th, the topic of discussion was the District's revised management plan. Mr. Nelson asked Mr. Sledge to give a summary of the presentation given by Bill Mullican at the meeting. Mr. Sledge stated that the District will be working with Mr. Mullican and staff to ensure we are within the guidelines required by the State. It is his hope to have information for consideration at next month's board meeting, with a goal to get the new management plan adopted by November.

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 \$1,980,000 compared to a budget of \$2,165,000 and that actual expenses were \$1,325,000 versus a budgeted estimate of \$1,601,000.

Building and Facilities Committee - Kathy Turner Jones, Coordinator. Ms. Jones reported that there was no committee report this month.

ENGINEERING REPORT:

Mark Lowry, District Consultant, stated that a copy of his report is included in the Board packet and offered to answer any questions.

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 20 of that report.

GENERAL COUNSEL'S REPORT:

Mr. Sledge stated that he is focused on updating the management plan, which must be updated every five years, by law. Mr. Sledge is working with staff and District Consultants, Mark Lowry and Bill Mullican to help update changes.

PUBLIC COMMENT: None

NEW BUSINESS: None

There being no further business, upon a motion by Director Moffatt, seconded by Director Wood, Director Baker adjourned the meeting at 10:41 a.m.

PASSED, APPROVED, AND ADOPTED THIS 12TH DAY OF NOVEMBER, 2013.

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