

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 9, 2012

## MINUTES OF SPECIAL MEETING

Lone Star Groundwater Conservation District (“District”) held a “Special Meeting,” open to the public, at 655 Conroe Park North Drive, Conroe, Texas, within the boundaries of the District on October 9, 2012.

President Tramm called the meeting to order at 9:06 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 Director Baker, Director Weisinger, Director McCoy, 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 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 9:07 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 9:35 a.m. Director Stinson arrived at 9:55 a.m.

Following Executive Session, the Board reconvened in Open Session and declared it open to the public at 10:03 a.m.

No action was taken on matters discussed in Executive Session and the meeting was adjourned at 10:00 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY OF NOVEMBER, 2012.**

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Samantha Reiter, Assistant Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 9, 2012

## 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 9, 2012.

President Tramm called to order the Public Hearing on Permit Applications at 10:04 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 Directors Weisinger, Baker, Stinson and McCoy 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 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, **Claude Guillemette** –This is an existing well that staff found in non-compliance. Applicant is requesting 100,000 gallons for 2012 and annually thereafter. Based on technical review it would be the General Manager’s recommendation to approve that which is being requested.

Item #2, **Carolyn Beal** – This is an existing well that staff found in non-compliance. Applicant is requesting 100,000 gallons for 2012 and annually thereafter. Based on technical review, it is the General Manager's recommendation to approve that which is being requested.

Item #3, **David Riddle** – This is an existing well that staff found in non-compliance. Applicant is requesting 500,000 gallons for 2012 and annually thereafter. Based on technical review, it is the General Manager's recommendation to approve that which is being requested.

Item #4, **David Dealejandro** – Applicant is requesting drilling authorization for a new well with a production authorization of 50,000 gallons for 2012 and 150,000 gallons 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, **Linda Bryson** – This is an existing well that staff found in non-compliance. Applicant is requesting 100,000 gallons for 2012 and annually thereafter. Based on technical review, it is the General Manager's recommendation to approve that which is being requested.

Item #6, **Industrial Gases, Inc.** – This is an existing well previously registered as exempt residential. Upon a change in status and water use type, applicant is requesting 500,000 gallons for 2012 and annually thereafter. Based on technical review, it is the General Manager's recommendation to approve that which is being requested.

Item #7, **Montgomery County MUD #99** – Applicant is requesting an amendment to operating permit for an increase in production authorization in the amount of 30,000,000 gallons for 2012 and annually thereafter. General Manager, Kathy Turner Jones stated Item # 7 be considered at the November Board meeting as additional technical information is needed before a recommendation can be made. No action was taken on this item.

Item #8, **Montgomery County MUD #89** – Applicant is requesting an amendment to an operating permit for an increase in production authorization in the amount of 60,000,000 gallons for 2012 and annually thereafter. Ms. Jones stated Item # 8 be considered at the November Board meeting as additional technical information is needed before a recommendation can be made. No action was taken on this item.

Item #9, **Vicki Deeb** – Applicant is requesting an amendment to Operating Permit for drilling authorization for a new well and an increase in production authorization in the amount of 150,000 gallons for 2012 and annually thereafter. Based on technical review, it is the General Manager's recommendation to approve that which is being requested.

Item #10, **Clean Energy Texas, LNG** - These are existing wells that staff found in non-compliance. In addition to permitting the two existing wells, applicant is requesting drilling authorization for a new well and aggregate production authorization in the amount of 9,000,000 gallons for 2012 and annually thereafter. Based on technical review, it is the General Manager's recommendation to approve the applications for existing wells, drilling authorization, and a reduced amount of 8,600,000 gallons for 2012 and annually thereafter.

Director Wood asked for clarification of the number of gallons requested by Clean Energy Texas LNG. Mark V. Lowry, District Consultant, stated that the Applicant request was based on three (3) things: production of water, fire water tests, and domestic use within the offices. Mr. Lowry further reported that following fire testing, the water is recycled and pumped into the detention pond.

Item #11, **Montgomery County Pct. 4 (Sallas Sports Complex)** - Applicant is requesting an amendment to operating permit for an increase in production authorization in the amount of 3,000,000 gallons for 2012 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 Stinson, seconded by Director Eichelberger, items #1 thru # 6, and items #9 thru #11 were approved in accordance with the General Manager's recommendations. Motion passed.

President Tramm adjourned the Public Hearing on Permit Applications at 10:18 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>TH</sup> DAY OF NOVEMBER, 2012.**

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Samantha Reiter, Assistant Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 9, 2012

## 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 655 Conroe Park North Drive, Conroe, Texas, within the boundaries of the District on October 9, 2012.

**The audio recording will serve as the official record for the Show Cause Hearing. The summary below is provided for convenience**

President Tramm called to order the Show Cause Hearing at 10:18 a.m.

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 McCoy 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”.*

President Tramm stated this was a Show Cause Hearing directing **AAction Mulch of Texas**, (“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 permit and meter a non-exempt water well; file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, an attorneys’ fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

President Tramm asked if anyone representing the above Respondents was in attendance. No one responded indicating they were 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 Respondent to resolve the violation and bring the well into compliance with District rules. 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 Moffatt, seconded by Director Stinson and unanimously passed to proceed with the recommendation of the General Manager

President Tramm adjourned the Show Cause Hearing at 10:20 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY OF NOVEMBER, 2012.**

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Samantha Reiter, Assistant Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 9, 2012

## 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 655 Conroe Park North Drive, Conroe, Texas, within the boundaries of the District on October 9, 2012.

President Tramm called to order the regular Board of Directors meeting at 10:21 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 with the exception of Director Weisinger and Director McCoy 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 Sledge, General Counsel; District staff; Mark Lowry, District Consultant; 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 Baker and seconded by Director Eichelberger and unanimously carried, to approve the meeting minutes as presented:

- a) September 11, 2012, Special Board Meeting
- b) September 11, 2012, Public Hearing on Permit Applications
- c) September 11, 2012, Regular Board of Directors Meeting



## COMMITTEE REPORTS:

**Water Awareness and Conservation Committee – Billy Wood, Chair.** Director Wood reported that no meeting had been held since the last board meeting. He asked that Assistant General Manager, Paul Nelson, give an update on conservation activities since the last Board meeting.

### Briefing on conservation efforts.

Mr. Nelson reported attending a meeting of the Water Conservation Committee for the City of Conroe on September 18, 2012 concerning the city's ongoing conservation efforts.

On September 20, 2012, the District and Mr. Nelson held a meeting of the Gulf Coast/Montgomery County Water Efficiency Network at the HGAC offices. There were more than 40 persons in attendance at this meeting. The next meeting of the Gulf Coast /Montgomery County Water Efficiency Network is scheduled to be held October 18 at 1:30 at the LSGCD offices. Chris Loomis with the City of Conroe will discuss conservation advances by the City of Conroe, including the mandatory watering ordinance.

On September 28 – 30, 2012, LSGCD's mobile lab was onsite for the Toyota Bass Classic. Despite the weather, there was a good turnout and a number of people came by to visit staff at the education trailer.

Mr. Nelson will be speaking at the Greater Montgomery County Restaurant Association meeting. He will discuss the water-on-request program among other topics.

Mr. Nelson stated he has continued to track visit with the County and track plats. He has found that there were 273 lots on 127 acres platted last month. All are to be served by a public water supply. Mr. Nelson added that he intends to schedule a meeting later this month with the City Administrator of Magnolia to discuss involvement in their development planning and platting process.

Mr. Nelson reported that Lone Star GCD's media contract to provide conservation messaging was expiring this month and would be up for renewal. During the past twelve months of the contract, it was estimated that 2.8 million people attended movies in Conroe, The Woodlands, and Kingwood at the 50 screens covered under the agreement. While Mr. Nelson was not certain how many of these watched the actual video, it is assumed a large percent of attendees do actually view paid advertisements before each movie in the theaters. Preliminary discussion with NCM Cinema Network has indicated renewal will be at the same cost as the last contract. Director Stinson stated that this is a very worthwhile project.

**Rules and Bylaws Committee – Kathy Turner Jones, Coordinator.** Ms. Jones reported that the committee has not met since the last Board meeting. However, the committee is scheduled to meet today, October 9, 2012, immediately following the Board meeting.

**Policy and Personnel Development Committee – Sam W. Baker, Chair.** Director Baker stated that the committee met on October 2, 2012 to discuss employee salary and compensation. The committee will meet again in November to finalize recommendations for compensation packages.

**Findings and Review Committee – Paul R. Nelson, Coordinator.** Mr. Nelson stated that the committee has not met since the September 6, 2012, meeting. At that meeting, a presentation on an update of the Catahoula formation study was provided by James Beach with LBG- Guyton. The presentation has been uploaded to the LSGCD web page. The deadline for comments is October 23, 2012. Once comments are received, the committee will come back to the Board in November.

**Budget and Finance Development Committee – Jim Stinson, Chair.** Director Stinson stated the committee has not met since the last Board meeting.

Director Stinson reported actual income of \$1,986,000 compared to YTD budget of \$2,068,398; Expenses of \$1,285,508 compared to YTD budget of \$1,495,939; Capital project expenditure of \$844,000 versus budget of \$798,790.

Director Stinson advised the third quarter investment report was included in the board packet.

**Building and Facilities Committee – Kathy Turner Jones.** Ms. Jones reported the Building and Facilities Committee met Monday, October 8, 2012 to consider pursuing construction of an onsite storage facility to house the District's mobile teaching lab. During the committee meeting, it was decided that the District still needed to resolve outstanding issues in regards to the sanitary sewer line in trespass on District property. Based on discussion with legal counsel in executive session, it is the General Manager's recommendation to authorize the District's legal counsel and General Manager to act in accordance with legal advice received. A motion was made by Director Bleyl, seconded by Director Eichelberger and unanimously passed to proceed with the recommendation of the General Manager

Ms. Jones reported the District had successfully received the variance to building set back requirements from the Conroe Industrial Development Corporation (CIDC) to facilitate the construction of a metal building to house the District's mobile teaching lab. Variance allows a minimum setback of twenty feet from the west side property line (Original = 40').

The Building Committee recommends the Board of Directors authorize the General Manager to seek bids to construct a 20 x 40 metal building onsite to permanently house the District's mobile teaching lab and to bring bid submittals back to the Building and Facilities Committee for review and approval to construct. Motion was made by Director Eichelberger, seconded by Director Wood to authorize the General Manager to seek bids to construct a 20 x 40 metal based on recommendation of the Committee. Motion passed.

## **ENGINEERING REPORT:**

Mark Lowry stated a detailed report of his activities for the prior month has been included in the board packets. The majority of time spent since the last board meeting has focused on his role as the Houston Area Groundwater Model Update liaison District and working with members of the Catahoula Model Study.

## **GENERAL COUNSEL REPORT:**

Brian Sledge updated the Board on pertinent legal issues and developments impacting the District since the last regular Board Meeting. Mr. Sledge updated the Board on activities relative to the changes in DFC rules pursuant to Chapter 336. He reported that the Water Development Board held a public meeting on September 20, 2012 and the Texas Water Development Board administrative rules will be published in the Texas Register. That will be followed by a period of public comment. Mr. Sledge indicated that the rules proposed seem to reflect the comments that he and others had submitted earlier, and that he was okay with the changes being suggested.

Mr. Sledge added that last week that the Lieutenant Governor released appointments of committee chairs for the Senate. He reappointed Senator Frazier to the Natural Resources Committee. Senator West moved to Jurisprudence and Senator Hinojosa to Intergovernmental Relations. Mr. Sledge also announced that Montgomery County Senator Williams was appointed to the Finance Committee and Senator Nichols was appointed to the Transportation Committee, both prestigious appointments.

## **GENERAL MANAGER'S REPORT:**

On September 27, 2012, Ms. Jones participated in the Southeast Legislative Tour presenting information on the District as they toured areas of Houston and Montgomery County. The group toured numerous sites including the City of Houston's Northeast Water Purification Plant and the dam on Lake Conroe. Following the tour, a dinner was held at the San Jacinto River Authority to discuss conservation and progress being made by local water groups and possible legislative needs for the 2013 session.

Ms. Jones added, the District launched its e-newsletter in early October. In addition the District is revamping the website with goals to have launched before the November board meeting. Ms. Jones noted MUD #18 generously allowed a link to the e-newsletter to their own newsletter to be blasted to residents within Bentwater and MUD #18. In addition, Lone Star GCD is now on Facebook and Twitter.

**PUBLIC COMMENT:** None.

**NEW BUSINESS:** None.

There being no further business, upon a motion by Director Baker, seconded by Director Wood, President Tramm adjourned the meeting at 10:42 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY NOVEMBER, 2012.**

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Samantha Reiter, Assistant Board Secretary