

LONE STAR GROUNDWATER CONSERVATION DISTRICT

November 12, 2013

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 November 12, 2013.

President Tramm called the meeting to order at 9:03 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 Stinson, 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 Sledge, General Counsel; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit “A”.*

Director Stinson arrived at 9:05 a.m.

Brian Sledge announced he had tendered his resignation with Lloyd Gosselink and has formed a new law firm with Kristen Fancher. Mr. Sledge stated his new firm would continue to provide the same expert service to the District.

General Manager, Kathy Turner Jones, recommended terminating the District’s contract with Lloyd Gosselink and hiring Brian Sledge to continue representing the District. A motion was made by Director Eichelberger and was seconded by Director Stinson to hire the law firm of Sledge Fancher, PLLC, as general counsel for the District. The motion carried unanimously.

After a proper and legally sufficient announcement to the public by President Tramm, the Board of Directors went into a Closed Executive Session at 9:09 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 9:25 a.m.

Following Executive Session, the Board reconvened in Open Session and declared it open to the public at 10:00 a.m.

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

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

M. Scott Weisinger, PG, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

November 11, 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 November 12, 2013.

President Tramm called to order the regular Board of Directors meeting at 10:50 a.m. announcing that it was open to the public.

The Board of Directors joined the General Manager, General Counsel, District Consultant, and District staff in the presentation of a service award to Reed Eichelberger in recognition of his dedication and service as an officer and board member to the Lone Star Groundwater Conservation District.

Samantha Reiter then administered the Oath of Office to Jace A. Houston, inducting him as the newest director to the Board of Directors of the Lone Star Groundwater Conservation District.

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

Sam W. Baker
John D. Bleyl, PE
Jace A. 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 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 that 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 Baker, and unanimously carried, to approve the meeting minutes:

- a) October 8, 2013, Special Board Meeting
- b) October 8, 2013, Public Hearing on Permit Applications
- c) October 8, 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 introduced Marlisa Briggs who reported on Public Outreach which included Toyota Bass Classic and Conroe Catfish Festival. They also took the trailer to Peet Jr. High and spoke at Leadership Montgomery County.

Mr. Nelson updated the board on his activities during the last month, which included various meetings and conferences he attended. He also gave a brief update on the weather station supported by Texas A&M.

Rules Development Committee – Kathy Turner Jones, Coordinator. Ms. Jones stated that the committee met on October 17th. She then asked Brian Sledge, General Counsel to update the Board on the proposed amendments to the District Rules.

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 met on October 5th; the topic of discussion was the Joint Funding Agreement.

Discuss, consider, and take action as necessary on committee recommendation concerning approval of joint-funding agreement with USGS for the period of 01.01.14 through 12.31.14 – Greg Stanton, USGS. Greg Stanton, Deputy Director of Studies with the USGS, gave a brief presentation on the joint-funding agreement work-plan for 2013 and 2014. A motion was made by Director Stinson for approval, seconded by Director Moffatt, and unanimously carried to approve the joint-funding agreement with USGS for the period of 01.01.14 through 12.31.14.

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 \$1,999,000 compared to a budget of \$2,180,000 and that actual expenses were \$1,486,000 versus a budgeted estimate of \$1,726,000.

Ms. Jones stated that she sent out Audit Proposals and plans to schedule a meeting soon to recommend approval to the Board.

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 introduced Jennifer Simon as the new staff assistant. She also stated she is preparing an RFP for a new pickup truck for LSGCD to be presented to the Board at the December Board Meeting.

GENERAL COUNSEL'S REPORT:

Mr. Sledge stated that he is focused on the Rules Amendments and the Management Plan. He praised Mr. Mullican on the outstanding job he had done on the Management Plan.

He announced that Proposition 6 passed by 75%, and Ms. Jones asked Director Houston to speak on the savings that could have been experienced if Prop. 6 had been approved sooner.

Mr. Sledge also announced that he and a small group have left the Lloyd Gosselink law firm and formed Sledge Fancher, PLLC. He then recognized Shauna Fitzsimmons, one of the attorneys with Sledge Fancher, PLLC in attendance.

PUBLIC COMMENT: None

NEW BUSINESS: None

There being no further business, upon a motion by Director Moffatt, seconded by Director Bleyl, President Tramm adjourned the meeting at 11:56 a.m.

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

M. Scott Weisinger, PG, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

November 12, 2013

MINUTES OF PUBLIC HEARING ON PROPOSED RE-ADOPTION OF GROUNDWATER MANAGEMENT PLAN

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 November 12, 2013.

President Tramm called to order the Public Hearing on Proposed Re-Adoption of Groundwater Management Plan at 10:10 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, 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”.*

Bill Mullican presented an overview of the update to the District’s Management Plan, which is required by statute to be reviewed and updated with or without amendments at least once every five years. This management plan update was prepared in coordination with the Findings and Review Committee, District staff, and District General Counsel. Due to new statutory requirements for groundwater conservation district management plans, significant advances adopted by the District to their management approach and the recent adoption of the 2012 Texas Water Plan, there are several sections of the Management Plan that are either new or have been updated.

For the first time since the conclusion of the first round of joint-planning, the Desired Future Conditions (or DFC) and estimates of Modeled Available Groundwater (or MAG) for the

Gulf Coast Aquifer in the District are included in this management plan update. Reflective of the District's groundwater management goal for sustainability, estimates of MAG for the Gulf Coast Aquifer in Montgomery County start at 73,264 acre-feet per year in 2010 and then are reduced to 61,629 acre-feet per year from 2020 – 2060. DFCs for the Catahoula Formation have not been adopted by Groundwater Management Area 14 at this time and therefore are not included.

There have also been significant additions to the chapter, "Management of Groundwater Resources in the Lone Star Groundwater Conservation District" to reflect the changes made in District programs and rules since the adoption of the 2008 Management Plan.

Estimates of groundwater use in the District were updated to document recent trends in groundwater use. Total groundwater use in Montgomery County from as a result of the adoption of the 2012 Texas Water Plan, several sections of the Management Plan were updated to reflect current projections of surface water availability, water demand, water supply needs, and water management strategies for Montgomery County.

All goals, management objectives, and performance standards were reviewed as part of the update. As a result, certain management objectives and performance standards have been updated to better reflect current priorities as exemplified by the District permitting and educational programs. A new goal, management objective, and performance standard addressing natural resource issues has been included in the management plan update. A revision to the original draft language for Objective 6.1 was presented to the Board and discussed.

Finally, based on recent hydrogeological studies, many of which were supported by the District, the section on Groundwater Resources has been updated to reflect the results of this research.

PUBLIC COMMENT: None

A motion was made by Director Wood, and seconded by Director Bleyl to approve Resolution #13-008 to adopt the Groundwater Management Plan. The motion was passed unanimously. *A copy of Resolution #13-008 is attached hereto as Exhibit "B".*

The Public Hearing on Proposed Re-Adoption of Groundwater Management Plan was adjourned at 10:35 a.m.

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

Scott Weisinger, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

November 12, 2013

MINUTES OF HEARING ON PROPOSED CHANGES TO DISTRICT RULES

The Lone Star Groundwater Conservation District (“District”) held a Public Hearing on Amendments to the District Rules, open to the public, at 655 Conroe Park North Drive, Conroe, Texas, within the boundaries of the District on November 12, 2013.

The audio tape will serve as the official record for the Public Hearing on Proposed Changes to District Rules. The summary below is provided for convenience.

President Tramm called the meeting to order at 10:36 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, 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”.*

President Tramm announced the beginning of the presentation and discussion of proposed changes to the District Rules. He then asked the staff of the District to confirm that notice of the hearing was posted. Ms. Jones confirmed it was published and posted pursuant to statutory requirements, 20 days in advance of the hearing. Copies of the agendas as well as newspaper tear sheets were available for inspection. Copies of the proposed amendments to the rules were made available to the public for inspection for 20 days in advance of the hearing on the District website and at the District office.

President Tramm then turned over the hearing to Brian Sledge, General Counsel for the District, for a presentation of the proposed changes to the District Rules.

Mr. Sledge reported that the proposed changes to the District Rules focus on the issue of the threshold in the regulatory plan between Large Volume Groundwater Users (“LVGU”) and non-LVGU’s under the District Regulatory Plan (“DRP”) Phase II(B). An LVGU is defined as a water user that pumps more than 10 million gallons of water per year. The rule revisions clarify that a person or entity owning or operating two or more independent water operations not tied to a common distribution system may nonetheless qualify as an LVGU if the systems or operations are at the same location. Mr. Sledge explained that this proposed change prevents a person or entity whose demand exceeds 10 million gallons at a single location from escaping the regulatory requirements imposed by the DRP on all LVGUs by obtaining multiple small volume permits.

Additionally, the proposed rule revisions authorize an LVGU to meet its Initial Conversion Obligation by reducing its annual groundwater production to 10 million rather than reduce its annual production to 70 percent of its Total Qualifying Demand, if 10 million gallons is greater than 70 percent of its Total Qualifying Demand. Mr. Sledge stated that this proposed change basically sets an annual production floor for LVGUs at 10 million gallons. Thus, LVGUs whose Total Qualifying Demand range between 10 million gallons to 14.3 million gallons will not be required to reduce their annual production to an amount less than 10 million gallons, which would put them worse off than a non-LVGU.

The proposed revisions to the DRP also address the transferability of permits from non-LVGUs to LVGUs. While the District generally prohibits the transfer or conveyance of a permit from non-LVGU to an LVGU, the revised rules allow for such a transfer in the limited circumstance where the transferred permit will continue to be used to provide water for the same purpose and water demand it had been used for before the transfer.

Finally, the proposed rule revisions clarify that an LVGU that reduces its water demand and, as a result, seeks to amend its permit to an amount below 10 million gallons per year shall be regulated as a non-LVGU. Mr. Sledge explained that ultimately the revisions ensure that all permit holders are treated fairly.

PUBLIC COMMENT: None

A motion was made by Director Wood, seconded by Director Eichelberger to approve Resolution #13-009 to adopt amendments to the District Rules regarding adoption and amendment of Phase II(B) of the District Regulatory Plan. The motion passed unanimously. *A copy of Resolution #13-009 is attached hereto as Exhibit “B”.*

The Public Hearing on Proposed Changes to District Rules was adjourned at 10:45 a.m.

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

M. Scott Weisinger, PG; Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

November 12, 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 November 21, 2013.

Director Baker called to order the Public Hearing on Permit Applications at 10:46 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, **City of Conroe (FM 1488)** -This is an existing permitted well recently acquired by the City of Conroe. Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,457,000 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, **Montgomery County MUD #105** - Applicant is requesting registration and authorization to construct a new well with production authorization in the amount of 10,000,000

gallons for 2014 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to authorize conditional approval for that which is being requested. Approval of the well registration, construction of the well, and requested permit allocation of 10,000,000 gallons annually is conditional upon receipt of a fully executed contract between the applicant and a GRP, with the capacity to handle applicant's projected demand.

Item #3, **Aqua Texas, Inc. (Greenfield Forest)** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 10,000,000 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 #4, **Paul G. Hurst** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 340,000 gallons for 2013 only. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is being requested.

Item #5, **K & K Construction, Inc. (1097 East)** - Applicant is requesting an amendment to an Operating Permit for an increase in 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 approve that which is being requested.

Item #6, **Amerigas** - Applicant is requesting registration and drilling authorization to construct a new well with production authorization in the amount of 160,000 gallons for 2013 and 2,000,000 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, **Grace Covenant Baptist Church** - Applicant is requesting registration and drilling authorization to construct a new well with production authorization in the amount of 35,000 gallons for 2013 and 150,000 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 #8, **Rising Scholars Learning Center** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 70,000 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, **Westwood North Water Supply** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 7,000,000 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 #10, **Acrosports International Inc.** - Applicant is requesting an amendment to an Operating Permit for an increase in 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 #11, **Splendora Pipe Services** - Applicant is requesting an amendment to an Operating Permit for an increase in 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 #12, **MSEC Enterprises (Montgomery Trace WS/Crown Oaks)** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 36,000,000 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, **MSEC Enterprises (Stillwater Estates)** - Applicant is requesting registration and drilling authorization to construct a new well with production authorization in the amount of 1,000,000 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 #14, **Newton Amalgamated LLC** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 50,000 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 #15, **Wayne Trivett** - Applicant is requesting registration and drilling authorization to construct a new well with 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 #16, **Entergy Texas/Lewis Creek Plant** - 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 #17, **Montgomery County MUD #96** - Applicant is requesting registration and authorization to construct a new well with production authorization in the amount of 10,000,000 gallons for 2014 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to authorize conditional approval for that which is being requested. Approval of the well registration, construction of the well, and requested permit allocation of 10,000,000 gallons annually is conditional upon receipt of a fully executed contract between the applicant and a GRP, with the capacity to handle applicant's projected demand.

Item #18, **Jeannie Parsons** - Applicant is requesting registration and drilling authorization to construct a new well with production authorization in the amount of 6,100 gallons for 2013 and 356,000 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 #19, **Peach Creek RV** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 800,000 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 #20, **Montgomery County MUD #18 (AWS Production Well)** - Applicant is requesting an amendment to an Alternative Water Source Permit for an increase in production authorization in the amount of 60,000,000 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 #21, **Woodlands Nursery LLC** - This is an existing well staff found in non-compliance. Applicant is requesting registration of the well and production authorization in the amount of 1,800,000 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 #22, **Lake Lorraine** - Applicant is requesting an amendment to a Historic Use Permit and an Operating Permit for a change in water use type. No additional production authorization is being requested at this time. The Montgomery County UD #3 GRP Administrator has been notified 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 #23, **Westmont Mobile Home Park** - Applicant is requesting an amendment to a Historic Use Permit for a decrease in production authorization in the amount of 3,500,000 for 2013 and annually thereafter. The amended permit allocation for 2013 and annually thereafter will be 9,500,000 gallons. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is being requested. Applicant has agreed that the permit amendment seeks to reduce the total authorized withdrawal below the 2016 Total Authorized Production Amount and if approved, the applicant will not be entitled or eligible to increase the total authorized annual amount of groundwater permitted to produce from the Gulf Coast Aquifer under this permit or any other permit beginning in 2016 and future years unless through a purchase or other transfer of total qualifying demand from another LVGU.

Item #24, **Fellowship of the Woodlands** - Applicant is requesting an amendment to an Operating Permit for a decrease in production authorization in the amount of 4,072,000 for 2013 and annually thereafter. The amended permit allocation for 2013 and annually thereafter will be 9,500,000 gallons. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is being requested. Applicant has agreed that

the permit amendment seeks to reduce the total authorized withdrawal below the 2016 Total Authorized Production Amount and if approved, the applicant will not be entitled or eligible to increase the total authorized annual amount of groundwater permitted to produce from the Gulf Coast Aquifer under this permit or any other permit beginning in 2016 and future years unless through a purchase or other transfer of total qualifying demand from another LVGU.

Item #25, **Portofino Shopping Center (Select Strategies Brokerage – OZ Division, Inc.)-** Applicant is requesting an amendment to an Operating Permit for a decrease in production authorization in the amount of 5,000,001 for 2013 and annually thereafter. The amended permit allocation for 2013 and annually thereafter will be 9,999,999 gallons. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is being requested. Applicant has agreed that the permit amendment seeks to reduce the total authorized withdrawal below the 2016 Total Authorized Production Amount and if approved, the applicant will not be entitled or eligible to increase the total authorized annual amount of groundwater permitted to produce from the Gulf Coast Aquifer under this permit or any other permit beginning in 2016 and future years unless through a purchase or other transfer of total qualifying demand from another LVGU.

Items #1-22 are requesting approval for permits and permit amendments, while items #23-25 are requesting an amendment to their permit for a decrease in production authorization. It is the General Manager's recommendation to approve all items as requested.

A motion was made by Director Stinson, seconded by Director Baker to approve items #1-23. Director Bleyl abstained from voting on item #20, Montgomery County MUD #18 (AWS Production Well) and the motion passed.

A motion was made by Director Stinson, seconded by Director Bleyl to approve items #23-25. The motion passed unanimously.

President Tramm adjourned the public hearing on permit applications at 10:50 a.m.

PASSED, APPROVED, AND ADOPTED THIS 10TH DAY DECEMBER, 2013.

M. Scott Weisinger, PG, Board Secretary