

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

December 10, 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 December 10, 2013.

President Tramm called the meeting to order at 9:08 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; 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 9:10 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 9:26 a.m.

Following Executive Session, the Board reconvened in Open Session and declared it open to the public at 9:59 a.m.

No action was taken on matters discussed in Executive Session and the meeting was adjourned at 9:59 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 14<sup>th</sup> DAY OF JANUARY, 2014.**

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M. Scott Weisinger, PG, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

**December 10, 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 December 10, 2013.

### **CALL TO ORDER:**

President Tramm called to order the Public Hearing on Permit Applications at 10:09 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; 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, **Corinthian Point MUD No. 2 (AWS Well)** - 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 8,800,000 gallons for 2014 and 43,800,000 gallons for 2015 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 the requested permit allocation is conditional upon receipt of a letter amendment from the Joint GRP sponsor adding the AWS well to the GRP.

Item #2, **Capital Growth** - Applicant is requesting registration and drilling authorization to construct a new well with production authorization in the amount of 20,000 gallons for 2013 and 100,000 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, **Davis Family Realty, LLC** – Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 75,000 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 #4, **Quadvest, LP.1 (Mostyn Manor)** – Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 15,000,000 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 #5, **CST Performance Products Corp. (Koalstad Rd.)** – Applicant is requesting an amendment to an Operating Permit for an increase in 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 #6, **CST Performance Products Corp.** – Applicant is requesting an amendment to an Operating Permit for an increase in 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 #7, **Montgomery County MUD #15** – Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 25,000,000 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 #8, **Pinehurst Decker Prairie** – 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 #9, **Crystal Springs Water (Timberland Estates)** - 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 Porter SUD 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, **Domestic Water Company** - 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 #11, **T&W Water Services (Rio Vista)** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,000,000 gallons for 2013 and 1,500,000 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 #12, **Mueller Inc.** - This is an existing well staff found in non-compliance. Applicant is requesting registration of the well and production authorization in the amount of 3,000,000 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 #13, **Bohler Downhole Tech** - This is an existing well staff found in non-compliance. Applicant is requesting registration of the well and production authorization in the amount of 20,000 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, **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 approve that which is being requested for 2013 only.

Item #15, **Ronnie Montgomery** - These are existing wells staff found in non-compliance. Applicant is requesting the registration of six existing wells not previously registered with the District. 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 #16, **Abercrombie Real Estate LLC** - Applicant is requesting registration of a previously exempt well as well as registration and authorization to construct a new well with production authorization in the amount of 200,000 gallons for 2013 and 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 the registration of the existing well. Additionally, it is the General Manager's recommendation to approve registration and construction of the new well, with an allocation of 200,000 gallons for 2013 and authorize a reduced amount of 766,000 for 2014 and annually thereafter.

Item #17, **The Woodlands United Methodist Church** - No action was taken on the item. Staff received additional information that needed to be reviewed before a recommendation could be

made.

Item #18, **Western Rim Property Services** – Applicant is requesting registration and drilling authorization to construct a new well with production authorization in the amount of 9,500,000 gallons for 2014 and annually thereafter. Based on technical review of the information supplied, it is the General Manager’s recommendation to authorize a reduced amount of 1,300,000 gallons for 2014 and annually thereafter.

Item #19, **Ball Winch LLC** – This is an existing well staff found in non-compliance. Applicant is requesting registration of the well in aggregate and production authorization in the amount of an additional 1,000,000 gallons for 2013 and annually thereafter. Based on technical review of information supplied, it is the General Manager’s recommendation to authorize a reduced amount of 500,000 gallons for 2013 and annually thereafter.

A clarification was made that Item #14, LCBGH15, LLC was a recommended allocation increase for 2013 only. Item #17, The Woodlands United Methodist Church, was deferred until the January 2014 Board meeting.

A motion was made by Director Stinson, seconded by Director Weisinger to approve items #1-15 in accordance with the General Manager’s recommendations. Director Weisinger abstained from voting on item #1, Corinthian Point MUD No. 2 (AWS Well) and the motion passed.

A motion was made by Director Stinson, seconded by Director Moffatt to approve items #16, #18, and #19, in accordance with the General Manager’s reduced recommendations. Director Weisinger abstained from voting on item #18, Western Rim Property Services (366 FM 1488) and the motion passed.

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

**PASSED, APPROVED, AND ADOPTED THIS 14<sup>TH</sup> DAY OF JANUARY, 2014.**

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M. Scott Weisinger, PG, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

**December 10, 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 December 10, 2013.

### **CALL TO ORDER:**

President Tramm called to order the regular Board of Directors meeting at 10:17 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; 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”.*

### **PRESENTATION – MADISONVILLE HIGH SCHOOL FFA AG ISSUES FORUM TEAM:**

The FFA Ag Issues Forum Team from Madisonville High School presented its award-winning UIL presentation, with the topic of Proposition 6, to the District Board and meeting attendees.

## **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 Moffatt, seconded by Director Bleyl, and unanimously carried, to approve the meeting minutes:

- a) November 12, 2013, Special Board Meeting
- b) November 12, 2013, Public Hearing on Proposed Re-Adoption of Groundwater Management Plan
- c) November 12, 2013, Public Hearing on Proposed Changes to District Rules
- d) November 12, 2013, Public Hearing on Permit Applications
- e) November 12, 2013, Regular Board of Directors Meeting

## **COMMITTEE REPORTS:**

### **Water Awareness and Conservation Committee – Billy Wood, Chair.**

#### Briefing on Committee Activities – Billy Wood, Chair

Director Wood reported that the committee had not met since the last board meeting. He asked Marlisa Briggs and Paul R. Nelson to update the Board on public outreach efforts and conservation activities 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:

- Provided 37,930 annual bill stuffers to the community
- Presentation before the Madisonville High School Ag Issues Team
- Presentation to the Chambers of Magnolia Legislative Alliance
- Ongoing e-blasts, press releases and social media communications
- Monthly Dock Lines article
- Participation with Woodlands Chamber of Commerce's Legislative Committee
- Updated LSGCD's website to include the newly-adopted rules and the updated plan.

#### Update on Conservation Efforts – Paul R. Nelson, Assistant General Manager

Mr. Nelson briefed the Board on HB 1461, which requires that cities, MUDs and other water utilities provide the results of water loss audits to their customers and the TWDB on an annual basis, beginning in 2014. He then discussed the following conservation efforts:

- Attended four MUD Board Meetings to learn about their conservation efforts, as well as to brief them on District happenings.
- Served as a presenter at the City of Conroe's Conservation Committee meeting
- Hosted and organized the Water Efficiency Network meeting with the topic of recent retrofitting of the irrigation system at Cinco Ranch MUD #1.



- Spoke to the Houston Gulf Coast Irrigation Association about water conservation.

### **Rules Development Committee – Kathy Turner Jones, Coordinator.**

Briefing on Committee Activities - Ms. Jones stated the Rules Development Committee had not met since the November 12<sup>th</sup> board meeting. District staff is working with legal staff on notification letters to LVGU regarding GRP amendments adopted at the November board meeting.

### **Policy and Personnel Development Committee – Sam W. Baker, Chair.**

Briefing on Committee Activities – Director Baker stated that the committee met on November 14<sup>th</sup> to review and discuss employee compensation for 2014.

Consideration and Possible Action on Committee Recommendations Regarding 2014 Payroll Expenses – Kathy Turner Jones, General Manager - Ms. Jones reported that the Committee had met to review salary compensation and staffing needs for the 2014 fiscal year. Committee members recommended an overall increase to salaries expense of just under three percent. A motion was made by Director Stinson, seconded by Director Moffatt, and unanimously carried to approve the 2014 salary projections.

### **Findings and Review Committee – Paul R. Nelson, Coordinator.**

Briefing on Committee Activities - Mr. Nelson reported that the committee had not met since the last Board meeting.

### **Budget and Finance Development Committee - Jim Stinson, Chair.**

Briefing on Committee Activities - Director Stinson stated that the committee met on December 3<sup>rd</sup> to review proposals from three auditing firms as well as to review proposals on the purchase of a new District vehicle. Regarding the vehicle, the bids were rejected by the committee due to the need for modification of specs.

Discuss, Consider, and Take Action to Approve Budget and Finance Committee’s Recommendation of Audit Firm to Serve as the District’s Auditor for the Fiscal Years of 2013 and 2014. - Regarding the three audit firm proposals received, the committee recommended the Board approve entering into a two-year agreement with Van Wassehnova & Associates for auditing services. Director Baker made the motion, Director Moffatt seconded and all those present were in favor.

Discuss, consider, and possible action to approve adoption of the 2014 Operating Budget following January 2014. Ms. Jones stated that LSGCD historically delays adopting the Operating Budget until after the first of the new fiscal year. With the Board’s approval, the 2013 Operating Budget will carryover until such time as the 2014 Operating Budget is adopted. A motion was made by Director Bleyl, seconded by Director Moffatt and unanimously carried, to carry forward the 2013 budget to 2014 until the 2014 Operating Budget is adopted.

Review of monthly financial reports. Director Stinson reported that the financial statement indicated an actual income of \$2,009,000 compared to a budget of \$2,195,000 and that actual expenses were \$1,596,000 versus a budgeted estimate of \$1,861,000.

**Building and Facilities Committee - Kathy Turner Jones, Coordinator.**

Briefing on Committee Activities - Ms. Jones reported that the committee had not met, but proposals for dirt work to redevelop existing storm water detention have been received, and all are within 2013 approved budget. The District will regain fifty percent of the existing retention area, due to preexisting water conservation efforts not accounted for in construction and building design and recent changes in local regulations. Carter's Landscaping (\$50,780) was selected to preform redesign work. Ms. Jones added that work is expected to begin immediately with completion planned for late January or early February 2014, depending on the weather.

**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 24 of that report. Specifically, she highlighted the upcoming TWCA Conference, noting it will be held in The Woodlands in 2014 (March 5-7), and she is hoping Lone Star has a strong Board presence at the event.

**GENERAL COUNSEL'S REPORT:**

Mr. Sledge stated that the District is auditing all of the county's Large Volume Groundwater Users to ensure they are on track to meet the 2016 deadline. Letter requesting status update of compliance goals were mailed to all GRP sponsors and GRP participants, the deadline to respond is February 1, 2014.

**PUBLIC COMMENT:**

A member of the public requested that the engineering report be made available to the public as a handout at future Board meetings.

**NEW BUSINESS:** None

There being no further business, upon a motion by Director Baker, seconded by Director Wood, President Tramm adjourned the meeting at 11:21 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 14<sup>TH</sup> DAY OF JANUARY, 2014.**

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M. Scott Weisinger, PG, Board Secretary