

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

February 14, 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 207 W. Phillips Street, Suite 300, Conroe, Texas, within the boundaries of the District on February 14, 2012.

President Tramm called to order the Public Hearing on Permit Applications at 10:02 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 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, 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; 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 #2, **Don E. Granger** – Applicant is requesting amendment to their existing permit for additional production authorization for 2011 only. Based on technical review of the information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Stinson, and seconded by Director Eichelberger to approve the above amendment in accordance with the recommendations of the General Manager. Motion passed.

Item #1, **SCI, Texas Funeral Services, Inc.**, Item #3, **Production Facilities Equipment Co., Inc.**, Item #4, **Porter Special Utility District**, and Item #8, **T & W Water Services (Hidden Springs Ranch)** – Applicants are requesting amendments to their existing permits for additional production authorization for 2011 and annually thereafter. Based on technical review of the information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Stinson, and seconded by Director Eichelberger to approve the above amendments in accordance with the recommendations of the General Manager. President Tramm and Director Bleyl abstain from voting and the motion passed.

Item #7, **Ray Morris** – Applicant is requesting an amendment to their existing permit for production authorization for 2012 and annually thereafter. Based on technical review of the information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Stinson, and seconded by Director Eichelberger to approve the above permit amendment in accordance with the recommendations of the General Manager. Motion passed.

Item #5, **East Montgomery County MUD 3**, and Item #6, **Crystal Springs Water (Oak Tree)** – Applicants are requesting an amendment to their existing permits to add a new well only. Based on technical review of the information supplied by application, it is the General Manager’s recommendation to approve that which is requested. A motion was made by Director Stinson, and seconded by Director Eichelberger to approve the above permit amendments in accordance with the recommendations of the General Manager. Director Weisinger abstains from voting and the motion passed.

Item #9, **Stanley Lake MUD (AWS Production Well)** – Applicant is requesting an amendment to their existing permit for production authorization for 2012 and annually thereafter. Based on technical review of the information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Stinson, and seconded by Director Eichelberger to approve the above permit amendment in accordance with the recommendations of the General Manager. Director Bleyl abstains from voting and the motion passed.

President Tramm adjourned the Public Hearing on Permit Applications at 10:03 a.m.

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

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Samantha Reiter, Assistant Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

February 14, 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 207 W. Phillips Street, Suite 300, Conroe, Texas, within the boundaries of the District on February 14, 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 10:03 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 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; Mark Lowry, District Consultant; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit “A”.*

President Tramm stated the Show Cause Hearing involving 1404 Blaketree, LP was settled prior to today’s Board of Directors Meeting. No action was taken.

The show cause hearing was adjourned at 10:04 a.m.

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

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Samantha Reiter, Assistant Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

February 14, 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 207 W. Phillips Street, Suite 301, Conroe, Texas, within the boundaries of the District on February 14, 2012.

President Tramm called to order the regular Board of Directors meeting at 10:04 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 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; 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 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 Weisinger and unanimously carried, to approve the meeting minutes as presented:

- a) January 10, 2012, Special Board Meeting
- b) January 10, 2012, Public Hearing on Permit Applications
- c) January 10, 2012, Regular Board of Directors Meeting

## COMMITTEE REPORTS:

**Water Awareness and Conservation Committee – Billy Wood, Chair.** Director Wood stated that the committee had not met since the last Board meeting.

**Briefing on conservation efforts.** Mr. Nelson reported that the final attendance figures for the four (4) theaters running the LSGSD/SJRA video were in. Those numbers showed that the video was shown on the 50 screens a total of approximately 24,000 times during the 4 months since the project started. In addition, the Lobby Entertainment Network Spots that play on the 42” screens located in the lobbies was shown 210 times per week.

Mr. Nelson further reported that he attended the regular meeting of the Central Texas Water Efficiency Network in Cedar Park, Texas on February 9, 2012. This is a group of public works representatives and conservation officers from cities in the Austin area that gather to exchange information about conservation efforts and drought contingencies. Representatives from LCRA, the city of Austin, the city of Georgetown and San Marcos were in attendance, as well as others. Mr. Nelson stated that he found the meeting very useful and announced that he and the General Manager were actively pursuing the establishment of a similar group for Montgomery County and surrounding area. The guest speaker at the meeting was a gentleman with the Green Zone Home company. This firm inspects houses to see that they comply and qualify as water efficient housing (per federal standards). A representative of KB Homes was also present. KB is building a subdivision consisting of only such homes in the Austin area. The homes are built with water efficiency in mind; both inside and out.

The “Don’t Ask, Don’t Serve” or Water on Demand program is now in the maintenance stage. We will continue to monitor restaurants and our goal is that they will continue the program, despite the cooler, wetter winter.

**Rules and Bylaws Committee – Kathy Turner Jones, Coordinator.** Ms. Jones reported that the committee has not met since the last board meeting but that the committee has started conversations on changes to District rules. A committee meeting is planned for February 21, 2012 and she will have more to report at the next meeting.

**Policy and Personnel Development Committee – Sam W. Baker, Chair.** Ms. Jones stated that there had been no meeting and there was no report.

**Findings and Review Committee.** Mr. Nelson gave a brief summary of the public meeting held on February 9, 2012 at the LSGCD offices, during which Mr. Mike Reedy of Freese-Nichols provided an overview of the Regional Groundwater Update Project, with focus on the draft results of the decadal population projections for the study area (including Montgomery County) performed as part of that update. Mr. Reedy also presented findings on the Gallons Per Capita Day (“GPCD”) for Montgomery County as well. These values will be very important in the projections of water demands over the next forty (40) years.

**Update and status project report related to Regional Groundwater Update Project with HGSD and the FBSD – Bill Thaman (FNI).** Mr. Nelson introduced Mr. Bill Thaman of Freese-Nichols, who presented an update of the status of the Regional Groundwater Update Project being performed through a joint effort of the LSGCD, and the Harris-Galveston and Ft. Bend County Subsidence Districts. Mr. Thaman provided a PowerPoint presentation, detailing the progress of the modeling efforts on the Gulf Coast Aquifer system, as well as an analysis of the

methods used to determine population density, current (2011) water usage, and projected water demands. These demands will then be used in conjunction with the updated model to determine effects on the aquifers.

Status Report on Catahoula Formation Hydrostratigraphic and Model Study – John Seifert (LBG). Mr. Seifert, LBG-Guyton, gave a brief overview on the status of the Catahoula Formation Hydrostratigraphic and Model Study. Mr. Seifert then introduced Mr. Bill Hutchison of Guyton, who presented details of the assumptions and preliminary findings of the modeling effort. Mr. Seifert stated that a public meeting is planned for March 21, 2012 to brief the public and answer any questions they may have regarding the Status Report.

Update and status project report related to other activities and/or projects ongoing within the District. Mark Lowry stated that he had nothing additional to report than what was presented by Mr. Thaman and Mr. Seifert.

Building and Facilities Committee – Kathy Turner Jones. Ms. Jones stated that the committee met on February 8<sup>th</sup> to discuss a letter received from Byrne Medical regarding the District's request to them to reimburse the District for costs incurred when we found their sanitary sewer line going across our property. Byrne Medical has corresponded to the District via their legal team that they believe they have a right there and are not interested at this time in reimbursing the District for our costs nor paying costs associated with moving the sanitary sewer line. The committee has authorized staff to hire legal counsel to assist in negotiations with Byrne Medical. The building is still on schedule for move-in the first part of April. Currently, the plumbing has stalled while Collier waits for the countertops to be placed in the bathrooms; cisterns have been put in place; interior and exterior paint is ongoing; the acoustical ceiling tiles have been installed; electrical and mechanical work has been completed as well as the roofing. The exterior landscaping is slow due to the weather but it will not hold up the move-in deadline.

Budget and Finance Development Committee – Jim Stinson, Chair. Director Stinson reported that the committee met on January 25<sup>th</sup> to discuss the 2012 budget. Director Stinson explained that the budget anticipates an income of approximately \$2,068,000 and expenses of \$2,043,200. Ms. Jones further explained that the anticipated income is based on figures from the annual water use fees decided in July of 2011 and what is known regarding the amount of existing water use permits, historic use permits, Catahoula well projects, and an estimated number for projected additional permits that may be permitted during the 2012 fiscal year. Mr. Stinson directed any questions regarding the budget to the General Manager and District staff.

Review of Monthly Financial Reports. Director Stinson stated he had reviewed the monthly financial reports and if anyone had any questions he would be glad to address those.

Discuss, consider, and possible action regarding approval of Resolution #12-001 adopting FY 2012 Operating and Capital Outlay Budgets. A motion was made by Director Stinson, seconded by Director Eichelberger, and unanimously carried to approve Resolution #12-001 adopting FY 2012 Operating and Capital Outlay Budgets.

## **ENGINEERING REPORT:**

Mark Lowry, District Consultant, stated that his report was included in the packet and if there were any questions he would be happy to answer them. This month Mr. Lowry's work has consisted of reviewing permit applications, updating the watering recommendations spreadsheets with the evaporation and rainfall data, and visiting with Rod Hailey, District Field Operations Coordinator, on his inspection reports.

**CONSIDERATION AND POSSIBLE ACTION REGARDING APPLICATION FOR EARLY CONVERSION CREDITS PURSUANT TO THE EARLY CONVERSION INCENTIVE AS DESCRIBED IN ADDENDUM D OF THE LSGCD RULES – PROCESS WATER CONSERVATION PROJECT, RIVER PLANTATION MUD.**

River Plantation MUD has submitted an application for Early Conversion Credits for their existing project whereby they have converted their wastewater treatment plant washdown from domestic water to water reuse. Within the application, the applicant states the project was completed February 2008. A meter was installed January 20, 2012.

Under the Rules, the project is not eligible for an early conversion incentive credit because it was completed prior to November 11, 2008 as stipulated in the rules. Based on precedent set in June and July of 2010 with River Plantation Country Club and Panorama Country Club, it is the General Manager's recommendation to recognize River Plantation MUD's long term commitment to preserving aquifer levels by implementing reclaimed water at the waste water treatment facility and recommend a modified one-to-one ration early conversion credit for reuse water metered beginning January 30, 2012. A motion was made by Director Eichelberger, seconded by Director Wood, and unanimously carried to approve the recommendation by the General Manager. Director Bleyl abstains.

**GENERAL COUNSEL REPORT:**

Brian L. Sledge updated the Board on pertinent legal issues and developments impacting the District since the last regular Board Meeting. Mr. Sledge stated that most of his work over the past month has been on the changes to the District's Rules & Bylaws, as well as working on the Chapter 356 rules of the Water Development Board and implementing Senate Bill 667.7 and also monitoring the recently released interim charges to the Natural Resource Committee in the Senate.

Ms. Jones exited at 11:25am.

**GENERAL MANAGER'S REPORT:**

President Tramm stated that Ms. Jones' report was included in the packets and if anyone had any questions he would be glad to address them.

Update regarding 2011 Annual Report for the Lone Star Groundwater Conservation District – Samantha Reiter. Ms. Reiter asked that Directors please provide any comments to her by Friday, February 17<sup>th</sup>.



**PUBLIC COMMENT:** None.

**NEW BUSINESS:** None.

There being no further business, upon a motion by Director Stinson, seconded by Director Bleyl, President Tramm adjourned the meeting at 11:29 a.m.

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

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Samantha Reiter, Assistant Board Secretary