

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

January 9, 2018

## 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 January 9, 2018.

President Moffatt called the meeting to order at 9:07 AM, announcing that it was now open to the public.

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

John D. Bleyl, PE  
Gregg Hope  
Jace Houston  
Roy McCoy, Jr.  
Webb Melder  
Rick J. Moffatt  
Jim Stinson, PE  
M. Scott Weisinger, PG  
W. B. Wood

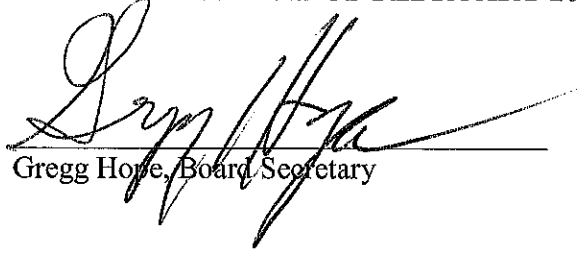
All members of the Board were present, with the exceptions of Director(s) Weisinger thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, District General Manager; Samantha Reiter, Assistant General Manager; Brian L. Sledge, District Counsel, 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 Moffatt, the Board of Directors went into a Closed Executive Session at 9:07 AM pursuant to Texas Government Code, Sections 551.071, to consult with the District’s attorney regarding pending or contemplated litigation, settlement offers, personnel matters, 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 President Moffatt declared it open to the public at 10:04 AM.

No additional action was taken on matters discussed in Executive Session and President Moffatt adjourned the meeting at 10:04 AM.

**PASSED, APPROVED, AND ADOPTED THIS 13th DAY OF FEBRUARY 2018.**



Gregg Hope, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

**January 9, 2018**

## 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 – James B. “Jim” Wesley Board Room located at 655 Conroe Park North Drive, Conroe, Texas, within the boundaries of the District on January 9, 2018.

### **CALL TO ORDER:**

President Moffatt called to order the Public Hearing on Permit Applications at 10:11 AM announcing the meeting open to the public.

### **ROLL CALL:**

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

John D. Bleyl, PE  
Gregg Hope  
Jace Houston  
Roy McCoy, Jr.  
Webb Melder  
Rick J. Moffatt  
Jim Stinson, PE  
M. Scott Weisinger, PG  
W. B. Wood

All members of the Board were present with the exceptions of Director(s) Weisinger, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, General Manager; Samantha Reiter, Assistant General Manager; Brian L. Sledge, District Counsel; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit “A”.*

### **PRAAYER AND PLEDGES OF ALLEGIANCE:**

Director Bleyl gave the opening prayer. President Moffatt led the Pledge of Allegiance and the Pledge of Allegiance to the state flag.

Assistant General Manager, Samantha Reiter informed the Board that there were fourteen permit applications received in December. Ms. Reiter stated that the first group included items #1-12 and it is the General Manager's recommendation to approve those items as requested. Ms. Reiter then noted the second group is for item #13, Third Coastal Services, LLC, which is requesting to register two existing wells, as well as drill a new well with an associated production allocation. For this item, it is the General Manager's recommendation to approve the registration and/or construction of the wells, as well as authorize a reduced allocation. The last item #14, East Montgomery County MUD #4, is a request for an increase in production allocation making the permit a LVGU and it is the General Manager's recommendation to authorize conditional approval upon receipt of a letter of assurance and signed contract with a certified Joint GRP.

**Item #1, New Danville Community**

Applicant is requesting an amendment to an Operating Permit for drilling authorization only. 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 requested.

**Item #2, Elias & Edit Faris**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 50,000 gallons for 2017 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #3, Larry Kruzie (Amber Springs)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 400,000 gallons for 2017 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #4, Alice Flores**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 600,000 gallons for 2017 **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, Denbury Onshore, LLC (Compressor Station)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 135,190 gallons for 2017 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #6, HMW Special Utility District (Mink Branch)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 150,000 gallons for 2017 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #7, 1314 Sawdust, LLC**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,000,000 gallons for 2017 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #8, East Fork Water Company (Exxon Rd)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 200,000 gallons for 2017 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #9, Cameron**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 229,000 gallons for 2017 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #10, Best Redi-Mix**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 500,000 gallons for 2017 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #11, W3 (Mansion Woodlands V)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 937,000 gallons for 2017, 175,000 gallons for 2018, and 382,000 gallons for 2019 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #12, 3083 Investments, LLC (Leisure Lane RV Park)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 200,000 gallons for 2017 and 4,800,000 gallons for 2018 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #13, Third Coastal Services, LLC (36530 FM 1774)**

Applicant is requesting registration of two existing wells that staff found in non-compliance and registration of one new well to be drilled. One of the existing wells will be plugged. Applicant is also requesting a production authorization in the amount of 1,000,000 gallons for 2017 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve registration and construction of the wells as requested.

Further it is the General Manager's recommendation to authorize a **reduced** allocation in the amount of 868,400 gallons for 2017, 1,000,000 gallons for 2018, and 868,400 gallons for 2019 and annually thereafter.

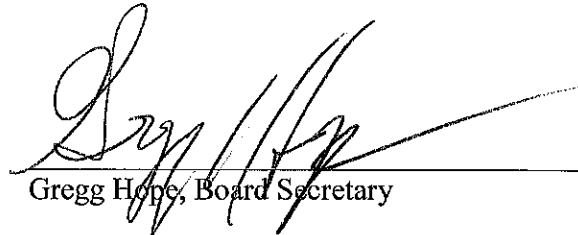
**Item #14, East Montgomery County MUD #4**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,000,000 gallons for 2017 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 requested permit allocation amendment is conditional upon receipt of a letter of assurance and signed contract with a certified Joint GRP.

Following Ms. Reiter's report, a motion was made by Director Stinson, seconded by Director Hope to approve items #1-12. The motion was approved. A motion to approve item #13 was made by Director Stinson, and seconded by Director Hope. The motion was approved. Lastly, a motion to authorizing conditional approval for item #14 was made by Director Stinson and seconded by Director Hope. Director Bleyl abstained. The motion was approved.

President Moffatt adjourned the public hearing on permit applications at 10:16 AM.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY OF FEBRUARY 2018.**



Gregg Hope, Board Secretary



# LONE STAR GROUNDWATER CONSERVATION DISTRICT

January 9, 2018

## 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 January 9, 2018.

### CALL TO ORDER:

President Moffatt presided and called to order the regular Board of Directors meeting at 10:16 AM, announcing that it was open to the public.

### ROLL CALL:

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

John D. Bleyl, PE  
Gregg Hope  
Jace Houston  
Roy McCoy, Jr.  
Webb Melder  
Rick J. Moffatt  
Jim Stinson, PE  
M. Scott Weisinger, PG  
W. B. Wood

All members of the Board were present, with the exceptions of Director(s) Weisinger, thus constituting a quorum of the Board of Directors. Also in attendance at said meeting were Kathy Turner Jones, General Manager; Samantha Reiter, Assistant General Manager; Brian L. Sledge, District Counsel, District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit "A".*

### PUBLIC COMMENTS:

President Moffatt recognized Kent Maggert of The Woodlands. Mr. Maggert stated he attended the December 8, 2017 GMA 14 meeting and had comments regarding LSGCD’s Task 3 Strategic Water Planning Study presented to the GMA. He stated that he believed the 25 million gallon a day output from the SJRA’s water plant to be an inaccurate assumption within the report. He noted that the SJRA water plant’s production is currently 17 million gallons a day and he believes SJRA’s plan does not anticipate producing the 25 million gallons a day put forth in the study and urged the Board to re-evaluate the study’s figures. In conclusion, Mr. Maggert

stressed the fact that for every gallon of water the plant does not produce, that is another gallon of groundwater that must be produced.

#### **APPROVAL OF THE MINUTES:**

President Moffatt stated the Board would consider all meeting minutes as listed for approval on today's agenda as one item. A motion was made to approve the meeting minutes by Director Stinson, seconded by Director Hope. The motion to approve the minutes was approved unanimously.

- a) December 12, 2017, Special Board Meeting
- b) December 12, 2017, Public Hearing on Permit Applications
- c) December 12, 2017, Regular Board of Directors Meeting

#### **COMMITTEE REPORTS:**

##### **A. Executive Committee and/or Settlement Committee – Rick Moffatt, Chair**

- 1) Brief the Board on the Committee's activities since the last regular Board meeting – President Moffatt reported that the committee had not met.
- 2) Defense of the following lawsuit: City of Conroe et al. v. Lone Star Groundwater Conservation District (and the District's directors and general manager in their official capacities) – President Moffatt reported that there is continuing dialogue with the City of Conroe. He stated that he and Ms. Jones had met with the mayor and a city council member. Moffatt was reassured that this discussion had led to better understanding.
- 3) Defense of Appeal of Desired Future Conditions Adopted by the District: Cities of Conroe/Magnolia and Quadvest – Mr. Sledge reported that there was no update since the appeal was made final last month.

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

- 1) Brief the Board on the Committee's activities since the last regular Board meeting – Director Wood reported that the committee had not met.
- 2) Update on public outreach activities, water efficiency, and conservation efforts – James Ridgway – Mr. Ridgway announced the next Water Efficiency Network meeting on Thursday, January 25<sup>th</sup>. Mr. Ridgway presented a timeline illustrating future education and public outreach events. He showed photos recently taken of his visits to local LEGO League teams and discussed one of the projects incorporating the animated "Nemo" character in the project's goal of saving Nemo's water system. Mr. Ridgway reported that the District had received three invites from surrounding Lions Clubs. Since last month's presentation from Brazos Valley's WaterSmart Program, Director Wood inquired if there had been any follow-up. Ms. Jones commented that there seem to be opportunities of outreach if the District can partner



with them. This may be feasible and not a major expenditure given that the District has ET equipment. Mr. Ridgway will be contacting them shortly.

**C. Rules and Regulatory Planning Committee – Jim Stinson, Chair**

- 1) Brief the Board on the Committee’s activities since the last regular board meeting – No report but Director Stinson is planning a meeting for this month to further discuss guidelines for well spacing.

**D. Policy and Personnel Development Committee – Jace Houston, Chair**

- 1) Brief the Board on the Committee’s activities since the last regular Board meeting – No report.

**E. Budget and Finance Development Committee – Billy Wood, Chair**

- 1) Brief the Board on the Committee’s Activities – Director Wood  
No report.
- 2) Review of monthly financial reports – Director Wood reported that, for the month of November, revenue was budgeted at \$138,878—actual was \$150,810. He said expenses were budgeted at \$230,235—actual expenses were \$335,454. Year-to-date net loss is \$909,925.
- 3) Review 4<sup>th</sup> Quarterly Investment Report 2017 – Director Stinson reported that according to the investment report, the District has approximately \$569,000 invested between TexPool and the Money Market account.

**F. Findings and Review Committee – Rick Moffatt, Chair**

- 1) Brief the Board on the Committee’s activities since the last regular Board meeting – No report.
- 2) Groundwater Management Area 14 – update the board on the legal, technical, and financial issues related to joint planning activities and development of desire future conditions in GMA 14 – Ms. Jones, reported the next scheduled meeting of the GMA 14 is Wednesday, January 24<sup>th</sup> at 9:00 am.

**GENERAL MANAGER’S REPORT:**

No report.

**GENERAL COUNSEL’S REPORT:**

Mr. Sledge reported that the Denbury injection well has performed two tests in compliance with our requests. Mr. Sledge will bring an update next month. He used part of his report time to highlight the life of one of the past board presidents, Orval R. Love. He praised

Mr. Love as being a quality person. He discussed how Love went to A&M University after he had been ranching and received his engineering degree, balancing studies and managing his own ranch. He recounted the period when Love was President of LSGCD and the single focus Love maintained as always caring for the good of Montgomery County. President Moffatt shared fond words about his past experiences working with Love. Ms. Jones explained that the funeral arrangements for Mr. Love were pending but likely to be at the end of February.

**NEW BUSINESS:**

There was no new business.

There being no further business, upon a motion made by Director Wood and seconded by Director Stinson, the meeting was adjourned at 10:48 AM.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY OF FEBRUARY 2018.**



Gregg Hope, Board Secretary