

LONE STAR GROUNDWATER CONSERVATION DISTRICT

Tuesday, March 17, 2015

MINUTES OF SPECIAL MEETING

PUBLIC MEETING WITH CITY COUNCIL, CITY OF CONROE, TO DISCUSS PROPOSED AMENDMENTS TO DISTRICT RULES AND DISTRICT REGULATORY PLAN

The Rules and Bylaws Committee of the Lone Star Groundwater Conservation District attended a public meeting in the Conroe City Hall Council Chambers, 300 West Davis Street, Conroe, Texas, on Tuesday, March 17, 2015, at 9:30 a.m.

CALL TO ORDER:

Conroe Mayor Webb Melder called the meeting to order 9:30 a.m., announcing that it was open to the public.

ROLL CALL:

The roll was called of the Conroe City Council Members, and the following Council Members were present:

Mayor Webb Melder
Mayor Pro Tem Brooklyn (Guy) Martin
Councilman Gibson
Councilwoman Porter

Lone Star GCD Board President Richard Tramm also called roll of the Rules and ByLaws Committee, and the following members were present:

Richard J. Tramm
M. Scott Weisinger, PG
W. B. Wood
John D. Bleyl, PE

Mayor Melder read the sign-in sheets so that all those in attendance would be known.
(Copies of the public sign-in sheets are attached hereto as Exhibit "A").

Mayor Melder began by thanking Lone Star Rules and Bylaws Committee members for attending the meeting and noted that his door is always open for discussion on the topic of water

in Montgomery County. He also noted that the topics being discussed today have been collected from interested parties throughout the county and submitted to Council for today's discussion.

District Rules Timeline

The first topic covered was the basic history and background on the District's Rules and related timeline. President Tramm noted that the activity working toward the proposed changes began about 2 – 2 ½ years prior. The first public hearing on the topic was held in October 2014, and a follow up meeting was held the next month. Lone Star GCD did not initially receive a large amount of public comment, but as increased interest was generated, the District's board decided to continue the hearings from month to month for the last several months so that all public comment could be received and carefully considered.

TERS Report

Councilman Gibson noted the TERS report came out in June 2014, and asked if the District's consultants utilized that information to change the 64,000 acre-foot number. President Tramm responded that the TERS report, combined with studies that are currently underway, will be used to re-evaluate the 64,000 acre-foot number. He generally described the scope of the study and the timeline.

GMA14/DFCs

Scott Taylor, Executive Director of Infrastructure Services for the City of Conroe, expressed concern over the timing of re-evaluating the 64,000 acre-foot number, especially as it relates to being incorporated into GMA14 DFCs. He asked if it wouldn't be better to move up the timeline. President Tramm explained that the District didn't want to rush to change the number without having the science to back up the change. He also noted that the District is working to speed up the timeline of the current study as much as possible. He also noted there is an amendment process that may be utilized if needed.

Region H Water Plan/State Funding

Mr. Taylor also said the city is concerned that state funding would be unavailable if not in compliance. Currently it appears we've permitted more than current stated availability. President Tramm noted that topic had been discussed at the District's March board meeting, and that the current draft of the State Water Plan allows anyone who is in a GRP to be qualified for funding because by being in a GRP, they are already within the umbrella of the approved plan.

Enforcement

Mr. Taylor asked if Lone Star GCD has discussed enforcement action if the 64,000 acre-foot goal is not reached. President Tramm responded that at the moment we are not going to make it to the 64,000 acre-feet, and one of the primary reasons is the county's large amount of recent growth. He noted that Lone Star's regulator system will result in more groundwater being actually pumped as a policy decision because the District wants to see how the regulations play out. President Tramm did not speculate on enforcement.

64,000 Acre-Feet

A discussion began about the 64,000 acre-feet number, and after some conversation, President Tramm noted that the number was based on a USGS Recharge Study, and the District

commissioned a study following that one that resulted in a number close enough to the 64,000 acre-feet number that it was determined it wasn't a significant enough difference to warrant changing the number. However, that number is not set in stone, and going forward, indefinitely, if the best science available reveals that number should be changed, or if there's a better method of evaluating it, the Board is likely willing to do so.

GMA14 Preliminary DFCs Deadline

Councilman Martin asked the deadline for the GMA 14 preliminary DFCs to be submitted to the GMA for modeling. President Tramm said he thought the deadline has already passed, and that in the next couple of months the GMAs will issue Draft DFCs which will go out for public comment and need to be approved within a year at the GMA level.

District Management Plan

Councilman Martin noted that he heard there was some confusion on the Lone Star GCD Board with regard to approval of the District's Management Plan. Martin commented, apparently some board members didn't understand that the November 2014 vote was to approve preliminary/draft DFCs to GMA 14 using the same sustainability models that have been used since they were adopted. Councilman Martin asked if the Board would place the item on a future agenda and take a re-vote, because it was his thought that all members were not sufficiently aware of what they voted for. President Tramm responded that there is no plan for a revote but does plan to include the item for discussion at a future meeting of the Lone Star board of directors.

Sharing of Information

Mayor Melder said there was community concern over the way management and consultants work through the process, and feel that the community isn't informed each step of the way, or given an explanation with regard to decisions made. The community learns about decisions or timelines made after the fact. President Tramm responded by noting that District board meetings are public, and historically they have not been well attended. Tramm added, the District utilizes other outreach opportunities in efforts to educate our public including outreach groups and stakeholder workshops. He encourages and welcomes the public and community leaders to attend.

Clarification of Management Plan Approval as it Relates to TERS

Some members of the Council thought the District Management Plan was re-adopted in November 2014, following the release of the TERS report by the TWDB in June 2014. President Tramm advised Councilmembers present that in fact the District Management Plan was re-adopted in November 2013, prior to the TERS report being released. Mayor Melder thanked President Tramm for this important date clarification.

Bob Harden/Graphs and Charts

In his comments, Mr. Harden said that the recharge rate of an aquifer becomes very important when the pumpage rate is large when compared to the storage. And conversely, if the pumpage rate is small compared to storage, the recharge rate is not important, which is the case for the Gulf Coast Aquifer at this time in history. President Tramm pointed out that the total storage number on the graph is not recoverable storage. The discussion then turned to population

growth, and how growth has exceeded historical projections. Mr. Harden said this is one reason why you shouldn't try to predict what the maximum pumpage rate should be, because we can't even project population accurately. President Tramm also questioned why there is a question mark on the graph under the 64,000-acre-foot bar, implying it's a made-up number. Mayor Melder said he placed the question mark there because until today, he had not received an answer where the number came from. However, now that he knows it came from a study by Turner Collie & Braden/USGS, he will be happy to change the label once he receives the official name/date of the study. President Tramm said he will have District staff to verify that and provide the correct information to Mayor Melder.

Legal Counsel and Policy Matters

Councilman Martin stated that there's a perception among those in the city, and throughout the county, that the District's attorney is acting more than legal counsel and somewhat driving the agenda, the outcomes of meetings and involved in setting policy. President Tramm said that legal counsel is not turned to for hydrogeological advice, and perhaps because Mr. Sledge has a lot of opportunities to speak at meetings, people are getting that impression.

Legal Counsel Fees

Mayor Melder noted that for the 90 days following the District's press release on the TERS report, there were over \$100,000 in legal fees. This gives the perception that legal counsel is involved in policy, and this large bill also concerns Lone Star's rate payers. President Tramm noted that the fees may have been attributed to workshop preparation, which (workshop) took place two months later. Concern was also expressed that the District was 100% over budget in the area of legal fees. The public wants transparency. President Tramm responded that as a practice, the District places a low amount in the budget for consultants so that they (consultants) don't look at the budget and aspire to reach that number. He said in this case there were two factors here: 1) the District under-budgeted and 2) there were some unexpected expenses.

"Crisis"

The city recently met with SJRA to encourage them to stop using the word "crisis" with regard to our water supply in Montgomery County. It's bad for economic development and growth. They asked that the District also stop using this word. President Tramm replied that he had not seen usage of that word by the District in quite some time, and the District will continue to not use it in any communication. President Tramm noted that the District is working to be more proactive, scheduling smaller meetings with stakeholders so their individual concerns and questions can be addressed.

Recharge

Mayor Melder asked Mr. Harden to speak on a report created by Bill Guyton in the 1970s. Mr. Harden said the report was written to the city of Conroe and The Woodlands. It stated that the limiting factor for groundwater development in Montgomery County is not recharge, it's the ability to reduce artesian pressure and the costs associated with that. It's mostly an economic limit. It applies to the Catahoula and Jasper, and to an extent the Evangeline and Chicot.

Purpose for Calling the Meeting

Mayor Melder expressed a desire to work with the District, and noted there is too much honest science to be put in a box and be legislated into giving up legal rights and property rights and the freedom of choice to obtain water. His purpose for calling the meeting today is for the District to take into consideration the freedom of economic choice in the future, the non-forfeiture of legal and property rights. The District has used the same consultants for some time now, and he would like to have an open discussion so some people have the opportunity to re-think some things. President Tramm noted there are 33 GRPs, all with different plans; the District didn't want a one-size-fits-all situation. However, we are a regulatory agency so there are some things that are mandated by the state. Mayor Melder referred to subsidence districts in the same aquifer system which regulate differently than Lone Star GCD.

Analyzing Aquifers Separately/Jasper Water Volume

Mayor Melder asked if the District plans to analyze each individual aquifer, and if necessary set some kind of management policy or rule that addresses each aquifer. He believes science bears that out. Mayor Melder continued that around 2009/2010, he and other city and District representatives met with the District's General Manager to make the District aware of the vast amount of water in the Jasper Aquifer, and the TERS report validates that. He noted this was not information that first came out in 2014, and he doesn't know what was done with that knowledge. His desire is to take today's meeting and move forward, and make something positive happen for the county.

Next Steps

Mayor Melder asked if things will remain "status quo" until the current (Seifert) study is complete. President Tramm replied that he doesn't think there's a need to wait until the 21-month timeline is up, and that he and the General Manager have approached Mr. Seifert about how his numbers could be used to get a modification to the DFCs prior to the completion of his report.

Production Limits

Mayor Melder asked if the District would be open to consider a management policy that doesn't have a cap, but manages in a different manner, with flexibility. President Tramm said he is willing to have that discussion. President Tramm also noted that he thinks flexibility will not be just considered according to each individual aquifer, but also consider different production zones by area. The District originally considered regulating by zone, but decided on a county-wide approach instead. Mr. Bleyl noted that the committee and some board members have looked at water levels and DFCs artesian pressures as an option to consider going forward.

Subsidence

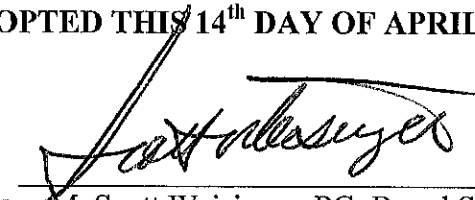
Mayor Melder thinks subsidence is being used as a tool by some who want to blanket the entire county with the issue, when it only affects a small part of the county. President Tramm said the District is happy to take that into consideration.

Closing

All parties thanked the others, all offered to continue meeting, perhaps informally, to discuss the issues at hand today.

There being no further questions from the committee or the public, the meeting was adjourned at 11:52 a.m.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF APRIL, 2015.



M. Scott Weisinger, PG, Board Secretary

SPECIAL COUNCIL MEETING
March 17, 2015

SIGN IN SHEET

ENTITY	NAME	PHONE NUMBER
Lake County Network	Michael Madney	936-206-7072
	Jerry W. Stanslow	936-271-7772
LSGW ID	W. R. Wood	
Houston Chronicle	C. Horswill	
KSTAR	BETH OBAMA	
CITY OF MAGNOLIA	PAUL MENDES	281 856 2260
Bob Harden		
R.W. HARDEN	BOB HARDEN	512 343 2319
John Eckstein	OBSERVER	936-756-1300
Jim Ruff	Lilipam	936 870 1313
Michael Mihasi	CARRIER	
Garry DENT		281-635-4242
Lynn SCOTT	DAVID RAMA	832-526-0136
Scott Weisinger	L	
LSGCD	Scott Weisinger	713-209-7606
LSGCD	Richard Tramm	
RP MUD	Jack Curtzinger	713 542 0744
COE	Danielle Scherer	
Harlow G		

John D. Huff

SPECIAL COUNCIL MEETING

March 17, 2015

SIGN IN SHEET

ENTRY	NAME	PHONE NUMBER
Lake County Members Network	Michael Massey	936-206-7572
	Jerry W. Stanslow	936-271-7772
LSGW 17	W.R. Wood	
Houston Chronicle	C. Howell	
KSTAR	Beth O'Brien	
CITY OF MAGNOLIA	Paul Mendes	281-856-2260
Board		
R.W. HARDELL	BOB HARDELL	512-345-2319
John Eckstein	Observer	936-796-1300
Jim Ruff	L. Ryan	936-870-1317
Michael Minasi	Council	
Garry DEWITT		281-635-1242
Lynn Scott	Anderson	832-526-0136
Scott Weisinger	L	
LSGCD	Scott Weisinger	713-249-7606
LSGCD	Richard Tramm	
RP MUD	Jack Cartsinger	713-542-0744
LSGCD	Danielle Scherer	
LSGCD		

John D. Huff