

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

July 10, 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 July 10, 2018.

President Moffatt called the meeting to order at 9:00 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, 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 9:01 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.

Director Melder exited the meeting at 9:22 AM.

Following Executive Session, the Board reconvened in Open Session and President Moffatt declared it open to the public at 9:49 AM. Director Stinson departed at that time.

No additional action was taken on matters discussed in Executive Session and President Moffatt adjourned the meeting at 9:54 AM.

**PASSED, APPROVED, AND ADOPTED THIS 14<sup>th</sup> DAY OF AUGUST 2018.**



Gregg Hope, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

July 10, 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 July 10, 2018.

### CALL TO ORDER:

President Moffatt called to order the Public Hearing on Permit Applications at 10:03 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 exception of Director(s) Stinson, 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”.*

### PRAYER AND PLEDGES OF ALLEGIANCE:

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

Assistant General Manager, Samantha Reiter informed the Board that there were eight permit applications received for the month, which was a mix of new permit applications and permit amendment applications. Ms. Reiter then stated that for items #1-8 it was the General Manager's recommendation to approve as requested.

**Item #1, Noel Bonilla**

Applicant is requesting registration of a new well and production authorization in the amount of 474,500 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 #2, 7E Property Holdings, LP**

Applicant is requesting registration of an existing well not previously registered, as well as a new well and production authorization in the amount of 3,000,000 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 #3, Tam Nguyen Retreat Center**

Applicant is requesting an amendment to an Operating Permit for registration of an existing well not previously registered with the District and an increase in production authorization in the amount of 600,000 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 #4, Cornelio Cordova**

Applicant is requesting registration of an existing well not previously registered with the District and production authorization in the amount of 1,650,000 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 #5, Quadvest, LP 1 (Red Oak Ranch WS)**

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 requested.

**Item #6, Dempsey Carter (C-3 Tree Farm)**

Applicant is requesting Historic Use Permit holder, requesting issuance of an Operating Permit for drilling authorization for two new wells. 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 #7, Lifepoint Church**

Applicant is requesting registration of a new well and production authorization in the amount of 350,000 gallons for 2018 and 800,000 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 #8, Tomball Concrete (Lessee)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,398,600 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.

Following Ms. Reiter's report, a motion was made by Director Wood, seconded by Director Hope to approve items #1-8. The motion was approved with Director Melder abstaining from item #5 and Director Weisinger abstaining from items #6.

President Moffatt adjourned the public hearing on permit applications at 10:06 AM.

**PASSED, APPROVED, AND ADOPTED THIS 14<sup>th</sup> DAY OF AUGUST 2018.**

  
Gregg Hope, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

July 10, 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 July 10, 2018.

### CALL TO ORDER:

President Moffatt presided and called to order the regular Board of Directors meeting at 10:06 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) Stinson, 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:

Mike Stoecker provided public comment on the agenda item related to approval of the interlocal agreement for governmental functions and services for joint planning in GMA 14. Mr. Stoecker expressed concern over GMA 14's hiring of INTERA and that Lone Star should not be entering into any agreements and becoming obligated to expend funds when a new board will be elected in November, and the current board would be tying their hands. He noted that delaying GMA 14's activities for another three or four months would not matter in this instance. The

General Manager noted that GMA 14 had already approved hiring INTERA at a prior meeting, and that the item on the agenda today has to do with the cost sharing arrangement between the entities participating in GMA 14, of which Lone Star's share is \$35,000 for the planning cycle, and which has already been budgeted by Lone Star.

#### **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 Houston and seconded by Director Bleyl. The motion to approve the minutes was approved unanimously by those present.

- a) June 12, 2018, Special Board Meeting
- b) June 12, 2018, Public Hearing on Permit Applications
- c) June 12, 2018, Notice to Call Election
- d) June 12, 2018, Regular Board of Directors Meeting

#### **REGION H WATER PLANNING GROUP PRESENTATION – MAG PEAK FACTORS:**

President Moffatt introduced the presentation by stating Regional Planning Groups when developing Regional Water Plans (RWPs) consider water supply availability under drought of record conditions and do not reflect wet year pumping, while the joint planning process for groundwater considers long-term average conditions. For the 5th cycle of RWP development, the Texas Water Development Board (TWDB) has allowed the implementation of MAG peak factors, which are multipliers greater than 100% applied to long-term Modeled Available Groundwater (MAG) values to estimate dry-year availability. The intent of the peak factor is to bridge the gap between joint planning and regional planning perspectives, allowing RWPs to reflect how GCDs already are able to manage groundwater. Philip Taucer and Courtney Corso with Freese & Nichols provided an overview of Region H Water Planning Group's consideration of a MAG Peaking Factor and recommendations for Montgomery County. Mr. Taucer emphasized that the MAG Peak Factor only relates to planned pumping. It does not limit permitting and does not guarantee approval of any future groundwater permit.

Following discussion, Director Bleyl motioned to accept Region H's recommended Peak Factor of 133.2% with an allowable pumpage of 85,224 acre/ft in each decade. Director Houston seconded the motion. The motion passed with Director(s) McCoy, Melder, and Weisinger voting in opposition.

#### **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 –  
No meeting.
- 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) – Mr. Sledge reported that an update had been presented in Executive Session.

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

- 1) Brief the Board on the Committee's activities since the last regular Board meeting – No meeting.
- 2) Update on public outreach activities, water efficiency, and conservation efforts – James Ridgway – Mr. Ridgway provided a photo of the Texas 4-H Water Ambassadors visit on June 18<sup>th</sup>. Other topics discussed: the District's portable aquifer and its usefulness as a teaching aid in classroom settings, and outreach presentations at the Lone Star College's Discovery Camp. Announcements: the next meeting of the Water Efficiency Network is scheduled for Thursday, July 26<sup>th</sup>.

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

- 1) Brief the Board on the Committee's activities since the last regular board meeting – General Manager, Kathy Turner Jones reported the committee met on July 2<sup>nd</sup> and plan to meet again on July 31<sup>st</sup> before presenting draft recommendations for well spacing guidelines to the Board at the August board meeting.

**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 – No report. However, Director Wood stated that there would be a committee meeting scheduled soon to include the annual review of District water use fees.
- 2) Review of monthly financial reports – Director Wood reported that, for the month of June, revenue was budgeted at \$41,325—actual was \$116,335. Expenses were budgeted at \$157,303—actual expenses were \$82,189. Net income for the month was \$116,335. Year-to-date net income is \$419,827.
- 3) Review 2<sup>nd</sup> Quarterly Investment Report 2018 – General Manager, Kathy Turner Jones reported June 30, 2018 fund balances, including TexPool and First Financial Bank (FFB), as \$564,000 with approximately \$2.5 million in securities pledged.

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

- 1) Brief the Board on the Committee's activities since the last regular Board meeting – President Moffatt reported no meeting.



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 that GMA 14 did not meet in June. Ms. Jones reminded directors that the planning group took action at their May meeting and authorized approval of the scope of work presented by INTERA Inc for professional services. The next meeting of the GMA 14 will be held on Wednesday, July 25<sup>th</sup>.

(a) Discussion and possible action related to approving interlocal agreement for governmental functions and services related to the third round of Joint Planning in GMA 14 – Ms. Jones explained that GMA 14’s proposed budget for services related to the third round of joint planning increased by 38% from costs associated with round two. The approved scope of work provides for one additional model run than scoped in the previous planning cycle and anticipates an increased number of meetings and increased costs of services over a three-year period.

GMA 14 consists of five groundwater districts, with the majority of the districts estimated to provide equal funding. Lone Star’s proportionate funding obligation is \$35,000. Historically, both subsidence districts have contributed to the funding commitment by participating in the interlocal agreement(s). Further, it is anticipated that both Washington and Chambers counties plan to participate and will be contributing as well. Ms. Jones added that funds to cover the District’s commitment have been approved and anticipated in the 2018 budget. Therefore, Ms. Jones recommended that the Board approve the Interlocal Agreement and the District’s cost participation not to exceed \$35,000 for the 3<sup>rd</sup> round of joint planning.

Following discussion, Director Houston made the motion to authorize the general manager to enter into an interlocal agreement with GMA 14 for governmental functions and services related to the third round of joint planning, with a not to exceed of \$35,000. Motion was seconded by Director Bleyl. The motion passed with Director Melder opposing.

#### **GENERAL MANAGER’S REPORT:**

Ms. Jones reported that it had been a busy month. Ms. Jones gave an election update and reminded everyone that places for application on the ballot were open until 6 pm, August 23<sup>rd</sup>. The public is encouraged to visit the District’s website to keep current with board election information.

#### **GENERAL COUNSEL’S REPORT:**

Mr. Sledge had nothing further as his report had been given in Executive Session. He made reference to the dichotomy of Mr. Stoecker’s earlier comment; that on the one hand Mr. Stoecker was willing to delay the onset of INTERA’s work by three or four months but on the

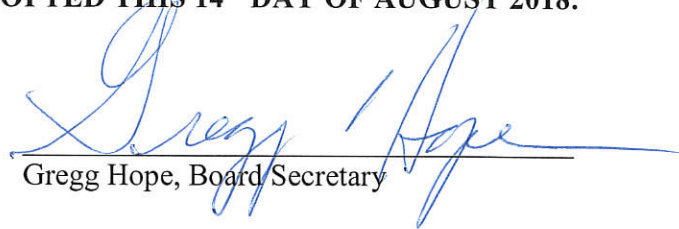
other hand in legislative hearings Mr. Stoecker's attorney argued the urgency to get the DFCs revised.

**NEW BUSINESS:**

There was no new business.

There being no further business, upon a motion made by Director Wood and seconded by Director Houston, the meeting was adjourned at 10:56 AM.

**PASSED, APPROVED, AND ADOPTED THIS 14<sup>th</sup> DAY OF AUGUST 2018.**

  
Gregg Hope, Board Secretary