

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

**JULY 13, 2015**

## MINUTES OF SPECIAL MEETING OF THE DISTRICT BOARD

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 13, 2015.

### CALL TO ORDER:

President Tramm called to order the Board of Directors special meeting at 9:07 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 special meeting were Kathy Turner Jones, 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".**

Brian Sledge, General Counsel, clarified that the posting was in compliance with the Open Meetings Act since it was posted within the required time frame and a majority of the dates on the agenda were accurate. Director Weisinger asked that it be noted for the record that he was attending the meeting under the advice from the District's legal counsel.

**ELECTION OF DIRECTOR TO FILL VACANCY IN OFFICE OF SECRETARY OF THE BOARD OF DIRECTORS TO SERVE REMAINDER OF UNEXPIRED TERM:**

Director Baker nominated Director Moffatt. Director Stinson seconded the nomination, which passed unanimously electing Director Rick Moffatt to serve as Secretary of the Board of Directors.

**UPDATE ON JULY 1, 2015 STAKEHOLDER ADVISORY COMMITTEE MEETING:**

Mr. Sledge gave an update of the Stakeholder Advisory Committee (SAC) meeting, explaining the meeting went very well, everyone provided meaningful discussion and feedback, and that, with some minor language clarifications, the Committee unanimously recommended support for adoption by the Board of the latest version of the proposed DRP amendments that were presented at the June board meeting. The meeting was attended by all of the committee members, with the exception of Luke Tussing. Specifically, the committee discussed whether to include the clause for "Petition for Additional Production Authorization" or the new option (presented at the June 9<sup>th</sup> board meeting) "Additional Interim Production Authorization". After discussion, the committee chose to add the new option, "Additional Interim Production Authorization," which will allow for a large volume groundwater user ("LVGU") to grow on groundwater to meet its post-2016 increases in demand between 2017 and 2020. The rule addition would still require a new LVGU to either create their own GRP or join a Joint GRP. Kathy Turner Jones, General Manager stated that the information they were requesting was available on the District's website.

Scott Taylor, City of Conroe, provided comment that he agreed with the summary presented today by Mr. Sledge but added that he had not had an opportunity to review the written changes agreed to before today's meeting. Mr. Byron Beavers, City of Shenandoah, concurred with Mr. Taylor's comments.

President Tramm clarified for the Board of Directors and public that the remaining agenda items would not necessarily be taken in the order listed on the agenda. He also stated that he sent an email out to all Board of Directors asking for any additional agenda items, to which he received responses requesting additional agenda items be added.

Director Weisinger requested that the Board of Directors meet in a closed Executive Session regarding agenda items #5-10 and item #13. There was a discussion between President Tramm and Director Weisinger regarding which closed session exceptions of the Open Meetings Act Director Weisinger wanted to use. Upon inquiry from the Board, Mr. Sledge stated that the only closed session exception available under the Open Meetings Act for today's agenda would be the attorney-client consultation exception. Mr. Sledge went on to explain that the only personnel matters exception item that could be legally discussed during executive session is agenda item #7. However, he noted that the General Manager has requested that that item be discussed during open meeting and that it is her right to request that under the Open Meetings

Act. Because of that, Mr. Sledge clarified that there can be no discussion in closed session under the personnel matters exception, but that the Board can request to receive legal advice on any of the agenda items in closed session.

After a proper and legally sufficient announcement to the public by President Tramm, the Board of Directors went into a Closed Executive Session at 9:22 a.m. pursuant to Texas Government Code, Sections 551.071 to consult with the District's attorney regarding attorney-client matters to discuss items #5 through #7 of the agenda.

Following Executive Session, the Board reconvened in Open Session and President Tramm declared it open to the public at 10:55 a.m.

**INVESTIGATION OF POTENTIAL ALLEGATIONS OF HARASSMENT OF THE DISTRICT'S GENERAL MANAGER AND/OR DISTRICT STAFF BY ONE OR MORE DISTRICT DIRECTORS:**

Director Stinson made a motion that the Board pursue action on this matter in accordance with legal advice received in executive session. Director Moffatt seconded the motion. A roll call of individual votes was taken and the motion passed unanimously.

**PERSONNEL ISSUES REGARDING THE EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF THE GENERAL MANAGER:**

Director Baker made a motion pursuant to legal advice received in executive session, to refer the agenda item to the Policy and Personnel Committee for evaluation and report back to the Board. Director Stinson seconded the motion. A roll call of individual votes was taken and the motion passed unanimously.

**POSSIBLE AMENDMENTS TO DISTRICT PERSONNEL POLICY, DISTRICT CODE OF ETHICS, DISTRICT BYLAWS, AND/OR OTHER EXISTING OR NEW POLICIES OF THE DISTRICT TO FURTHER DELINEATE ROLES AND RESPONSIBILITIES OF DISTRICT DIRECTORS, DISTRICT GENERAL MANAGER, AND DISTRICT STAFF AND COMMUNICATIONS BETWEEN SAME:**

Director Houston made a motion that President Tramm work with legal counsel and defer the specific agenda items to either the Policy and Personnel Committee or the Rules and Bylaws Committee, as appropriate. Director Bleyl seconded the motion. A roll call of individual votes was taken and the motion passed unanimously.

**ADOPTION OF MOTION OR RESOLUTION OF CONFIDENCE IN THE DISTRICT'S  
GENERAL MANAGER BY THE DISTRICT'S BOARD OF DIRECTORS:**

Director Houston made a motion that the Board take a vote expressing confidence in the General Manager. Director Baker seconded the motion. A roll call of individual votes was taken and the motion and vote of confidence passed 6-0-3 with Directors Bleyl, McCoy, and Weisinger abstaining.

After proper and legally sufficient announcement to the public, President Tramm stated that the Board would recess into closed executive session at 11:00 a.m., pursuant to Texas Government Code, Sections 551.071, to consult with the District's attorney regarding agenda item(s) #9 through #12.

Following Executive Session, the Board reconvened in Open Session and President Tramm declared it open to the public at 12:29 p.m.

**LEGAL MATTERS PERTAINING TO THE LETTER FROM MARVIN W. JONES  
WITH SPROUSE SHRADER SMITH, PLLC DATED JUNE 5, 2015:**

President Tramm stated that he would issue a reply to the letter on behalf of the District.

**WITHDRAWN INJECTION WELL APPLICATION, TRACKING NO. 43185;  
APPLICATION BY DENBURY ONSHORE, LLC TO INJECT FLUID INTO  
RESERVOIR PRODUCTIVE OF OIL AND GAS (FORM H-1); MONTGOMERY  
COUNTY, TEXAS:**

No action will be taken on agenda item #10.

**POSTING ITEMS ON THE DISTRICT'S WEBSITE:**

No action will be taken on agenda item #11.

**GROUNDWATER MANAGEMENT AREA 14, THE PROPOSED DESIRED FUTURE  
CONDITIONS, PROCESS AND RECOMMENDATIONS:**

No action will be taken on agenda item #12.

**ESTABLISHMENT OF A PROFESSIONAL SERVICES COMMITTEE PURSUANT TO SECTIONS 4.01 AND 4.02 OF THE DISTRICT'S CODE OF ETHICS:**

Director Weisinger made a motion to create a Professional Services Committee, to consist of four (4) Board of Directors including – Director Bleyl, Director Moffatt, Director Stinson, and himself. He explained that the purpose of the committee was consistent with the District's Professional Services Policy to review the performance of consultants providing professional services to the District. Director McCoy seconded the motion. A roll call of individual votes was taken and the motion was passed unanimously.

**REVIEW CONTRACT, EVALUATION, OR DISMISSAL OF LEGAL SERVICES OF SLEDGE LAW & PUBLIC STRATEGIES, PLLC:**

No action will be taken on agenda item #14, as recommended by Director Weisinger.

**ADOPTION OF MOTION OR RESOLUTION OF CONFIDENCE IN THE DISTRICT'S LEGAL COUNSEL BY THE DISTRICT'S BOARD OF DIRECTORS:**

No action will be taken on agenda item #13, as recommended by Director Houston.

**HIRING OF ADDITIONAL LEGAL COUNSEL FOR THE DISTRICT:**

No action will be taken on agenda item #16, as recommended by Director Weisinger.

**PUBLIC COMMENT:**

President Tramm recognized Mike Stoecker, who stated that he would withhold his comments until the committees presented to the District Board.

President Tramm then stated he received a comment card from Duke Coon who was no longer present, who wished to show his support for the General Manager under agenda item #5.

Jackie Chance, General Manager of Montgomery County WCID #1, was recognized and stated that he has watched the District since its formation and believes the District is run very well. Mr. Chance stated that it is a helpful organization and he can get any information easily by getting onto the computer or by calling in to the office. He has had nothing but good experiences with the District and stated the District has a good general manager.

President Tramm stated that he received written comments by several people by email and they would be passed on to the proper committees for consideration.

**NEW BUSINESS:**

There being no further business, Director Stinson made a motion to adjourn the meeting; Director Baker seconded the motion, and all those present were in favor. Therefore the meeting was adjourned at 12:37 p.m.

**PASSED, APPROVED, AND ADOPTED THIS 11TH DAY OF AUGUST, 2015.**



---

Rick J. Moffatt, Board Secretary



# SIGN IN SHEET

July 13, 2015  
Special Meeting

| Do you wish to speak on an agenda item? | NAME              | CITY, STATE, ZIP    | E-Mail                  |
|---|-------------------|---------------------|-------------------------|
| No                                      | JOHNSON, E.L.     | 77378               |                         |
| No                                      | LANCE McLEOD      | 77379               | lmclead@browning.com    |
| yes                                     | Mik Steach        |                     | patrickb@eunvest.com    |
| no                                      | Patrick Bond      | Quakert, LA         | sunnyday@wans.net       |
| no                                      | Heather Nehila    | Everett Square INC  | wberan@consolidated.net |
| No                                      | BILL BERAN        | WALDEN              | daphneawalker@yahoo.com |
|   | DAPHNE WALKER     | PARADISE VILLAGE    | N/A                     |
|   | VANDENMARK E      | MONTGOMERY          | SWEETP@AOL.COM          |
| might                                   | Jackie Charles St | MCWCHD#1            |                         |
| No                                      | Elizabeth Ferry   | Round Rock, TX      | eferry@tj.walker.com    |
| No                                      | Charles Barron    | Montgomery TX 77352 | czbarron@qtrn.com       |
| No                                      | Bill Kotlar       | Conroe TX 77384     | bkotlar@browning.com    |
| Yes                                     | Kely Shea         | Houston TX 77077    | KShea@KSSresolution.com |
| 110                                     | Kandice Cabets    | Quakert.            |                         |



# SIGN IN SHEET

July 13, 2015  
Special Meeting

| Do you wish to speak on an agenda item? | NAME              | CITY, STATE, ZIP         | E-Mail                 |
|---|-------------------|--------------------------|------------------------|
|   | Stephen Reiter    | Magnolia, Tx, 77354      | Reiter284@yahoo.com    |
|   | SUELEN STAGGS     | Conroe TX 77304          | Sstagg@STRA.net        |
|   | Mitchell Page     | SPH                      | m.page.sph@p.com       |
|   | HARWARD KRAVETZ   | PANDORAMA VILLAGE        | PANORAMA@SUBCOM.MA.COM |
|   | MIKE LEE          | The Woodlands TX         | mtlee@usgs.gov         |
|   | David Brown       | " " "                    | dsbrown@usgs.gov       |
|   | Byron Bevers      | Shenandoah               |                        |
|   | GREG SMITH        | SHENANDOAH               |                        |
|   | BOB HARREN        | Austin TX                |                        |
|   | Joe Skretwin      | Oak Ridge North          |                        |
|   | Scott Taylor      | City of Conroe           |                        |
|   | Seronica Osagbada | City of Houston          |                        |
|   | Lynn Hancock      | Senator Nicholas' office |                        |



