

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

August 11, 2015

## 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 August 11, 2015.

President Tramm called the meeting to order at 9:02 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 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, 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; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit “A” on the Regular Board of Directors Meeting minutes.*

After a proper and legally sufficient announcement to the public by President Tramm, the Board of Directors went into a Closed Executive Session at 9:04 a.m. pursuant to Texas Government Code, Sections 551.071, to consult with the District's attorney regarding pending or contemplated litigation, settlement offers, 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 Baker arrived at 9:52 a.m.

Following Executive Session, the Board reconvened in Open Session and President Tramm declared it open to the public at 9:55 a.m.

No action was taken on matters discussed in Executive Session and President Tramm adjourned the meeting at 9:56 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 8<sup>th</sup> DAY OF SEPTEMBER, 2015.**



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Rick J. Moffatt, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

August 11, 2015

## 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 655 Conroe Park North Drive, Conroe, Texas, within the boundaries of the District on August 11, 2015.

### CALL TO ORDER:

President Tramm called to order the Public Hearing on Permit Applications at 10:05 a.m., announcing the meeting open to the public.

### ROLL CALL:

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

Sam W. 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 meeting were Kathy Turner Jones, 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” on the Regular Board of Directors Meeting minutes.*

Item #1, **Jason Huckaby** – Applicant is requesting registration of a new well and production authorization in the amount of 300,000 gallons for 2015 and annually thereafter. Based on technical review of the information supplied, it is the General Manager’s recommendation to approve that which is being requested.

Item #2, **DMJM Enterprises LLC** – Applicant is requesting registration of a new well and production authorization in the amount of 625,000 gallons for 2015 and 7,500,000 gallons for 2016 and annually thereafter. Based on technical review of the information supplied, it is the General Manager’s recommendation to approve that which is being requested.

Item #3, **U.S. Land Corp.** – Applicant is requesting an amendment to an Operating Permit for drilling authorization for a new well and an increase in production authorization in the amount of 950,000 gallons for 2015 and annually thereafter. Based on technical review of the information supplied, it is the General Manager’s recommendation to approve that which is being requested.

Item #4, **CST Performance Products Corp. (Koalstad Rd.)** – 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 being requested.

Item #5, **Simply Aquatics, Inc** – This application was pulled from the agenda due to inaccurate information. No action was taken.

Item #6, **Montgomery County MUD #18 (AWS Production Well)** – Applicant is requesting an amendment to an Alternative Water Source permit for drilling authorization for a new well which will be drilled into the Catahoula Restricted Formation and an increase in production authorization in the amount of 200,000,000 gallons for 2016 and annually thereafter. Based on technical review of the information supplied, it is the General Manager’s recommendation to authorize conditional approval for the registration of and commencement of construction on the new well. In addition, it is the General Manager’s recommendation to authorize conditional approval for a reduced amount of 131,000,000 gallons for 2016 and annually thereafter. Approval of the construction of the well, and the requested permit allocation amendment is conditional upon receipt of a GRP amendment from the Joint GRP Sponsor to add the additional AWS well and/or amend the 2016 projected demand calculations for the GRP.

Item #7, **Lakeland Section 4 Civic Club** – Applicant is requesting an amendment to a Historic Use Permit and Operating Permit to add a secondary usage type of “lake replenishment” to the permit. 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 being requested.

The first motion was made by Director Stinson, and seconded by Director Baker to approve items #1-4, and #7 as requested, in accordance with the General Manager’s recommendations. The motion passed unanimously with Director Bleyl abstaining from item #3, Director Weisinger abstaining from items #3 and #4, and President Tramm abstaining from item #7.

The second motion was made by Director Stinson, and seconded by Director Moffatt to approve item #6, in accordance with the General Manager’s recommendation. The motion passed

unanimously with Directors Bleyl and Weisinger abstaining from item #6.

President Tramm adjourned the public hearing on permit applications at 10:14 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 8<sup>TH</sup> DAY OF SEPTEMBER, 2015.**



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Rick J. Moffatt, Board Secretary



# LONE STAR GROUNDWATER CONSERVATION DISTRICT

**August 11, 2015**

## **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 August 11, 2015.

President Tramm called to order the regular Board of Directors meeting at 10:15 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  
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 meeting were Kathy Turner Jones, 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”.**

### **PUBLIC COMMENT:**

There were no public comments to report.

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

President Tramm stated the Board would consider all meeting minutes listed as one item. Jim Stinson requested that the fee scenario sheets that he submitted at the July Board Meeting be included for the approval of July 14, 2015 Regular Board of Directors Meeting minutes. Such attachment has been included in those minutes. Upon review of the following, a motion was

made by Director Wood, seconded by Director Moffatt, and unanimously carried, to approve the meeting minutes listed below. **Copies of the attachment are attached hereto as Exhibit "B".**

- a) June 9, 2015, Special Board Meeting
- b) June 9, 2015, Show Cause Hearing
- c) June 9, 2015, Continuance of Public Hearing on Proposed Amendments to District Rules and District Regulatory Plan.
- d) June 9, 2015, Public Hearing on Permit Applications
- e) June 9, 2015, Regular Board of Directors Meeting
- f) July 13, 2015, Special Board of Directors Meeting
- g) July 14, 2015, Special Board Meeting
- h) July 14 2015, Continuance of Public Hearing on Proposed Amendments to District Rules and District Regulatory Plan.
- i) July 14, 2015, Public Hearing on Permit Applications
- j) July 14, 2015, Regular Board of Directors Meeting

## **COMMITTEE REPORTS:**

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

- 1) Briefing on Committee Activities - Director Wood reported that the committee had not met since the last board meeting.
- 2) Update on water efficiency, conservation efforts and public outreach – Paul R. Nelson – Mr. Nelson presented a 30 second water conservation theatre ad – “Water, Simply Indispensable”, sponsored by Save Water Texas Coalition, San Jacinto River Authority (“SJRA”), Woodlands Joint Powers Agency (“WJPA”), and the District. Mr. Nelson updated the Board on presentation given at the Bentwater Town Hall Meeting about conservation in general and updates on the District’s latest developments. Mr. Nelson noted he and Ms. Jones were invited to attend the Texas Water Development Board (“TWDB”) Raincatcher Award presentation at the Conroe Chamber of Commerce. The award was presented by TWDB director Kathleen Jackson to the District and Leadership Montgomery County Class of 2014 for their joint efforts on the class project of installing rainwater harvesting sites throughout the community. Lastly, Mr. Nelson stated that the Water Efficiency Network will meet on August 27th at 1:30 PM at the District’s office. This month’s speaker will be Dr. Emily Seldomridge, Water Policy and Outreach Specialist with the Galveston Bay Foundation (“GBF”) who will update the network on the Foundation’s conservation efforts.

### **B. Rules Development and Bylaws Committee – Richard Tramm, President**

- 1) Briefing on Committee Activities – President Tramm stated that the committee had not met since the last Board meeting.

### **C. Policy and Personnel Development Committee – Sam W. Baker, Chair**

- 1) Briefing on Committee Activities – Director Baker stated that there was a Committee Meeting held on Monday, July 13, 2015, following the Special Board of Directors meeting regarding performance issues related to District staff and consultants. Time did not allow for all issues to be addressed and a second meeting has been scheduled for Tuesday, August 12, 2015.

**D. Findings and Review Committee – Richard J. Tramm, Chair**

- 1) Briefing on Committee Activities – President Tramm stated that a public Stakeholder meeting was held on July 29, 2015 to review the draft technical memo on the Strategic Study, prepared by John Seifert, LBG-Guyton, and allow for public input. The deadline for public comments was set as 4:00 pm on August 5<sup>th</sup>
- 2) Status Update: Update regarding development of a strategic plan evaluating opportunities for additional development of water resources in the District while ensuring long-term viability of the aquifers within the District, possibly including review of the adequacy of the District's groundwater monitoring program to monitor impacts to aquifers in the District of the initial conversion obligation under the District Regulatory Plan, review of the total estimated recoverable storage numbers released by the Texas Water Development Board and possible implications to groundwater management in the District, and review of related groundwater management issues, and opportunities for public input related to the development of the strategic plan. John Seifert – Mr. Seifert stated that current efforts have included drafting the memo for Task 1 and meeting with the committee to discuss and address comments. Mr. Seifert further explained that work was still be perform in review of the TERS information and investigating storage, both of which are part of Task 2. President Tramm stated that comments were submitted up until late last week to the Findings and Review Committee. Mr. Seifert stated his goal is to address the comments within the next 14-20 days. Once addressed the comments will be incorporated to the memo and the final draft will be reviewed by the committee and another Stakeholder meeting will be scheduled.
- 3) Groundwater Management Area 14 – Update the board on the status of the current desired future conditions development process in GMA 14 – Kathy Turner Jones – Ms. Jones informed the board that there will be a Public Hearing on the GMA 14 proposed DFCs on September 17, 2015 at 8:30 am. Save-the-Date e-mail notices will be sent out to the public this week.

**E. Budget and Finance Development Committee – Jim Stinson, Chair**

- 1) Briefing on Committee Activities – Director Stinson reported that a Budget and Finance meeting was held on August 7, 2015. Director Stinson, President Tramm, Ms. Jones, and District bookkeeper, Kay Martin were present.
- 2) Review of Monthly Financial Reports - Director Stinson reported that the financial statement indicated an actual income through July 31st of \$1.8



million compared to an annual budget of \$2.1 million, and actual expenses through July 31<sup>st</sup> are at \$1 million, compared to an annual budget of \$2.1 million.

- 3) Discuss, consider, and take action to approve Budget and Finance Committee's recommendation of bank depository for the District's public funds for a two year term with a two year renewal – Director Stinson stated that proposals for banking services were submitted by First Financial (formerly First Bank of Conroe) and Bank of America. The committee reviewed a summary of banking services prepared by the District's bookkeeper. The committee recommended that banking services continue with First Financial. Ms. Jones provided a summary and update to the committee on proposals received by the District for a new field.

#### **F. Professional Services Review Committee – Richard J. Tramm, Chair**

- 1) Selection of chair and consideration of charge – President Tramm stated that at last month's board meeting, the committee voted to re-establish the Professional Services Review Committee, consistent with the District's Professional Services Policy, and appointed the members of that committee. As Board President, and consistent with the District's Bylaws, it is President Tramm's intention to appoint Director Moffatt to Chair that committee. For the record, and to prevent any overlap in the responsibilities of the various committees, President Tramm clearly stated that the committee's charge is to review all of the outside consultants currently providing professional services to the District, and to report the results of its review along with any recommendations back to the full Board – again, consistent with our Professional Services Policy. A motion was made by Director Stinson, seconded by Rick Moffatt motioned. All members approved. President Tramm noted for Director Moffatt that the last time the committee was appointed, the Chair of the committee, Director Stinson, developed a questionnaire for each board member and each consultant to compete to assist in the committee's review, which may be an approach Director Moffatt finds helpful as he undertakes the committee work.

#### **ENGINEERING REPORT:**

Mr. Lowry stated that his report was included in the packet.

#### **GENERAL MANAGER'S REPORT:**

Ms. Jones stated the District held a meeting on July 29, 2015 with Dr. Earl Johnson. The meeting was scheduled in response to Dr. Johnson's request to discuss the facts and the general public's views about the District. Dr. Johnson states he is trying allow both sides to be heard and understood. Dr. Johnson's recently published a publication, "The Texas County Inspector", whose July 2015 issue focused on water and "setting the record straight" on water issues within

the county. All parties involved welcomed comments and are seeking a resolution that could benefit both the public as well as the District.

The group discussed a significant list of potential topics for Dr. Johnson's future publications. While the exact specifics of the major topics were general and needed "firming up", the following is a summary list of the non-legal topics:

- TERS and the Gulf Coast Aquifer – A reality check of what the TERS report means to the Gulf Coast Aquifer;
- Montgomery County, LSGCD, Region H, and Groundwater Management Area 14 – How do all the pieces fit together;
- The LSGCD Strategic Water Resources Planning Study – What does it mean for the future of groundwater management in Montgomery County;
- SWIFT – How will it help communities in Montgomery County;
- Subsidence in Montgomery County – past, present, and future;
- The 64,000 AFY question; and
- Information on the situation plaguing the Northern Trinity area and High Plains GCD

Ms. Jones also informed that there were several upcoming meetings including: the Texas Alliance of Groundwater Districts (TAGD) Groundwater Summit in San Marcos on August 25<sup>th</sup>-27<sup>th</sup>; the Greater East Montgomery County Chamber Luncheon on September 2<sup>nd</sup>, where Paul Nelson will be speaking; the Texas Water Conservation Association (TWCA) Fall meeting in San Antonio on October 14<sup>th</sup>; and the GMA 14 meeting on October 28<sup>th</sup>.

Ms. Jones concluded, if anyone questions, she would be glad to address them.

#### **GENERAL COUNSEL'S REPORT:**

Mr. Sledge stated it has been a moderately undemanding month. An application was submitted on August 10<sup>th</sup>, 2015 by the Railroad Commission for a Class II injection well located 7 miles southeast of Conroe by Temporary Offshore. This application is going through the District's normal review process and Mr. Sledge will follow up with the board once concluded. He also noted that the TCEQ is engaging on an accelerated rule making package on its aquifer storage recovery rules. Lastly, Mr. Sledge stated that before next month's board meeting Senate Bill 2049 will go into effect. Chapter 171 Conflict of Interest provisions under the local government code will apply to the Board of Directors, which means that disclosure affidavits will need to be completed where there is a legal conflict of interest in lieu of a normal abstention. Ms. Jones stated that the required forms will be mailed prior to the next board meeting. President Tramm asked that when the forms are sent, Mr. Sledge send a summary of the rules that are to be followed in association with the passed legislation. Finally, Ms. Jones questioned the time frame for filing the forms and Mr. Sledge confirmed that the Directors must simply file the proper forms before action is taken.

#### **NEW BUSINESS:**

President Tramm reported there was no new business to report.

There being no further business, upon a motion by Director Stinson, seconded by Director Moffatt, President Tramm adjourned the meeting at 10:47 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 8<sup>TH</sup> DAY OF SEPTEMBER, 2015.**



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Rick J. Moffatt, Board Secretary