

LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 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 October 9, 2018.

President Moffatt called the meeting to order at 9:19 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) McCoy, 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 9:20 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 10:02 AM.

No additional action was taken on matters discussed in Executive Session and President Moffatt adjourned the meeting at 10:02 AM.

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


Gregg Hope, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 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 October 9, 2018.

CALL TO ORDER:

President Moffatt called to order the Public Hearing on Permit Applications at 10:02 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) McCoy, 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 called on Brian Sledge, District Counsel, for the opening prayer. President Moffatt led the Pledge of Allegiance and the Pledge of Allegiance to the state flag.

Assistant General Manager, Samantha Reiter briefed the Board on permit applications received for the month. Applications for consideration and recommended for possible approval included the below:

Item #1, City of Montgomery (AWS Production Well)

Applicant is requesting an amendment to an Alternative Water Source Permit for an increase in production authorization in the amount of 14,900,000 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 #2, Production Facilities Equipment Co., Inc.

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 215,000 gallons for 2018 and 415,000 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 #3, Tomball Concrete (Lessee) (SH 249)

Applicant is requesting registration of a new well and production authorization in the amount of 1,500,000 gallons for 2018 and 4,500,000 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 #4, Stanley Lake MUD (AWS Production Well)

Applicant is requesting an amendment to an Alternative Water Source 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 #5, Believers Fellowship Church

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 135,000 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.

Following Ms. Reiter's report, motion was made by Director Melder to approve permit applications and amendments presented as recommended by staff. Seconded by Director Houston. Motion carried with Director Bleyl abstaining from item #4.

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

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


Gregg Hope, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 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 September 11, 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) McCoy, 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:

No comment.

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. Without further discussion, upon a motion by Director Houston seconded by Director Wood, the Board approved the meeting minutes as presented.

- a) September 11, 2018, Special Board Meeting
- b) September 11, 2018, Public Hearing to Re-Adopt Management Plan
- c) September 11, 2018, Public Hearing on Permit Applications
- d) September 11, 2018, Regular Board of Directors Meeting
- e) September 18, 2018, Continuation of Hearing to Re-Adopt Management Plan

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 officially.
- 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 on the September 18th ruling from the 284th State District Judge Lamar McCorkle denying the District's attorneys' fees and granting the Plaintiffs' Motion for Partial Summary Judgment and denying the District's Motion for Partial Summary Judgment. Mr. Sledge highlighted that the court had failed to serve notice of the rulings on either party. The legal team is investigating the lag time between the ruling and their notification from the court. Mr. Sledge commented that the judge included all of the language order on the partial summary judgment motion to support the interlocutory appeal of it to the court of appeals. Mr. Sledge reminded the Board of the judge's statements at the partial summary judgment hearing in April that he knew this was really a matter for the appellate courts to decide, and both sides agreed at the hearing that whoever the judge ruled against would be wanting to appeal the decision on an interlocutory basis. The appeal petition and paperwork expected to be filed by the Wednesday deadline. It is hoped the matter will be visited in an interlocutory basis and validity of District's Rules.

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 there was no meeting.
- 2) Update on public outreach activities, water efficiency, and conservation efforts – Kathy Jones reported that the mobile lab was on site at The Woodlands Landscaping Solutions event on Saturday, September 29th but that the rain dampened the number of visitors. The mobile lab also spent the week in southern Montgomery County at Knox Jr. High school working with seventh graders. The District is already lining up visits with the mobile lab for this coming spring.

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

- 1) Brief the Board on the Committee's activities since the last regular board meeting – Director Stinson reported no 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 – Director Wood stated the committee had not met this month.
- 2) Review of monthly financial reports – Director Wood reported that, for the month of September, revenue was budgeted at \$198,000—actual was \$201,000. Expenses were budgeted at \$195,000—actual expenses were \$269,000. Net loss for the month was \$68,200. Year-to-date net income is \$501,000. Director Wood noted much of this month's loss was due to Montgomery County Election Board fees in the amount of \$122,000 which is 60% of the total election expense. The remaining 40% of the \$206,000 will be due later.
- 3) Review 3rd Quarterly Investment Report 2018 – Director Stinson reported July 1, 2018 fund balance, as \$540,000, Interest as \$1,200, Deposits as \$467,000, Withdrawals as \$335,000 and the September 30th ending balance as \$675,000.

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 the committee had not met.

GROUNDWATER MANAGEMENT AREA 14 - UPDATE THE BOARD ON THE LEGAL, TECHNICAL, AND FINANCIAL ISSUES RELATED TO JOINT PLANNING ACTIVITIES AND DEVELOPMENT OF DESIRED FUTURE CONDITIONS IN GMA 14:

Ms. Jones reported on the September 26th meeting of GMA 14. In addition to the planning group accepting MAG Peak Factor recommendations for Region H, presentations received included an update from the Harris Galveston Subsidence District on recent research and subsidence in the region. Last, Ms. Jones reported that Mr. John Martin, Southeast Texas GCD, was elected chairman of the planning group for this round of joint planning. No other meeting is planned during 2018. The next meeting of the GMA 14 is scheduled for January 30th at 10:00 AM at the LSGCD offices.

GENERAL MANAGER'S REPORT:

Ms. Jones reported that notice had been received from TCEQ stating that a Class 2 modification for the TexCom Gulf Disposal nonhazardous industrial waste permit had been granted. The Class 2 modification changes are associated with the removal, addition, and modification of waste management units that include changes to: Containment and Unloading Area design and tank storage capacity; facility layout; secondary containment; reconfigure and reposition unloading area to a drive-through design; etc... The facility is located at 16185 Creighton Road, Conroe. Ms. Jones added that several citizens had approached her to voice concerns regarding TexCom Waste Disposal. Ms. Jones expects the injection well application to move forward after the TCEQ's ruling. Director Melder asked that a copy of the notice be sent to him and forwarded to two governmental entities; the City of Conroe and the Montgomery County judge.

In conclusion, Ms. Jones personally thanked staff for their hard work and efforts processing the voluminous amount of annual permit renewals over the past few weeks. President Moffatt also commended Ms. Reiter and the permitting staff for the good job in handling over 1400 permit renewals.

- 1) Brief the Board on the November 6, 2018, Board of Directors' Election – Ms. Jones reminded everyone early voting begins October 22 and runs through Saturday, November 2nd. Deadline for 30-day Campaign Finance Reports - October 9th.

Next, Ms. Jones reviewed YTD costs associated with the November 6th election, noting that projects costs for LSGCD's 2018 budget were estimated based on actual costs associated with the county-wide 2014 gubernatorial and its 2016 presidential general elections. Using these costs as a guideline, the District budgeted \$175,000 for 2018 election expenses. The District received the final cost estimate of \$205,800 last week from the County specifying the District's actual pro-rata cost associated with the general election. As required under the election service agreement, a deposit of 60 percent had been paid to Montgomery County Elections the remaining 40 percent to be paid at a later date.

GENERAL COUNSEL'S REPORT:

Mr. Sledge reported on the succession of officers in the Texas Commission on Environmental Quality (TCEQ). The former chairman, Brian Shaw retired, and Jon Niermann replaced him. Former commissioner, Toby Baker became the new Executive Director of the agency. Governor Abbott appointed Emily Lindley as Commissioner. Of interest, is Adrian Evans who is now in the Lieutenant Governor's office for special district work.

Mr. Sledged briefed members on September 27th House Natural Resource Committee (HNRC) interim hearing held in Brownsville. A final interim hearing of the HNRC is planned for October 16th in Waco.

NEW BUSINESS:

President Moffatt brought forward the need to schedule a meeting date to canvass the November 6, 2018 board of directors' election and take action as necessary concerning approval of election results. After discussion, Director Melder motioned for the Board to approve setting the meeting for 9:00 AM, November 16th. Motion seconded by Director Weisinger. Motion carried.

Director Bleyl stated the Draft District Management Plan needed to be submitted by October 18th and inquired its status. Ms. Jones confirmed that the cover letter was in process of being finalized by the District's attorney and that the Draft Management Plan was available to the public on the District's website. Mr. Sledge commented the cover letter should be available this week to be submitted to the Texas Water Development Board along with the Draft Management Plan.

There being no further business, upon a motion made by Director Weisinger and seconded by Director Wood, the meeting was adjourned at 10:37 AM.

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



Gregg Hope, Board Secretary