

LONE STAR GROUNDWATER CONSERVATION DISTRICT

November 20, 2018

MINUTES OF SPECIAL 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 November 20, 2018.

CALL TO ORDER:

President Melder presided and called to order the Special Board of Directors meeting at 8:30 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:

Jon Paul Bouché
Harry Hardman
Webb Melder
Jonathan Prykryl
Larry A. Rogers
Jim Spigener
Stuart Traylor

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; 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 Melder called on Director Traylor, Secretary, for the opening prayer. Vice President Hardman led the Pledge of Allegiance and the Pledge of Allegiance to the state flag.

Ms. Kathy Jones recognized honoured guests as Judge Mark Evans; Mike Turco – General Manager of Houston-Galveston Subsidence District; James Stillwell – District (litigation) Attorney; and Brian Sledge – District’s General Counsel.

APPROVAL OF THE MINUTES:

President Melder stated the Board could consider all meeting minutes as listed for approval on today's agenda or take them individually. Without further discussion, upon a motion by Director Hardman and seconded by Director Spigener, the Board approved the meeting minutes as presented.

- a) November 13, 2018, Special Board Meeting
- b) November 13, 2018, Public Hearing on Permit Applications
- c) November 13, 2018, Regular Board of Directors Meeting
- d) November 16, 2018, Special Board Meeting to Canvass Election
- e) November 16, 2018, Special Meeting of Newly Elected Board of Directors

DISCUSS, CONSIDER, AND TAKE ACTION AS NECESSARY CONCERNING ELECTION OF TREASURER:

During the November 16, 2019 Special Meeting, Director Spigener was unanimously elected Treasurer, in his absence. Ms. Jones explained that as provided in the minutes of the November 16, 2018 Special Board meeting, legal counsel provided information regarding the need to place an item on today's Board meeting agenda to confirm Director Spigener's acceptance of the position of Treasurer. This would also allow the Board the ability to provide another nomination for the office of Treasurer in the event Mr. Spigener does not accept the position. Should Director Spigener accept this position, no further board action is required. Director Spigener accepted the position of Treasurer and no further action was taken.

DISCUSS, CONSIDER, AND TAKE ACTION AS NECESSARY REGARDING THE FOLLOWING:

- a) Overview of audit process -
Ms. Jones outlined the audit process and noted that the District operates on a calendar year. Ms. Jones gave an overview of the terms of the District's current audit engagement with BrooksWatson & Co., PLLC for fiscal years ending 2017-2018 and noted it was included in the board packet with a copy of the current engagement letter. She mentioned that should this board choose to use a firm other than BrooksWatson to perform the annual audit for fiscal year 2018, a request for proposal of services would be recommended. Ms. Jones introduced Kay Martin, District bookkeeper, as present and available to answer additional questions regarding the audit process itself. Director Hardman made a motion to approve retaining the existing auditor, BrooksWatson & Co., PLLC for fiscal year 2018. Director Rogers seconded, and the motion carried.
- b) Audit RFP
Ms. Jones noted that a draft Request for Audit Services had been provided in the packet in the event this board should decide to change audit providers for fiscal year 2018; or as a template to consider for selection of audit services for fiscal years 2019/2020. Director Hardman made a motion to send out a request for

proposals for the District's auditing services for 2019-2020. Director Spigener seconded. The motion carried.

c) Discuss, consider, and possible action to approve adoption of the 2019 Operating Budget following January 2019:

Ms. Jones mentioned that in previous discussions, the District's auditor has acknowledged that it is allowable to postpone adoption of the FY Budget, given that proper notice is posted, and action is taken at a board meeting open to the public. If that is the will of the Board then the 2018 Operating Budget will automatically carryover until the 2019 budget is adopted. A motion was made by Director Spigener and seconded by Director Bouché to carry forward the current 2018 operating budget until the 2019 operating budget is formally adopted. The motion carried.

DISCUSS, CONSIDER, AND TAKE ACTION AS NECESSARY TO APPROVE RESOLUTION #18-008 RE-ESTABLISHING DATE AND TIME OF FUTURE BOARD MEETINGS:

Ms. Jones explained that based on direction received during the September 16th special board meeting, Resolution #18-008 was provided for the board of directors to establish a new schedule for future regular monthly board meetings. She noted the blanks had been provided to record the agreed upon day of month and time. Upon some discussion, Director Spigener made a motion to keep the date of the monthly meetings as the second Tuesday of each month but change the time to 6:00 PM effective the December 11th board meeting. Director Bouché seconded. The motion passed. *A copy of signed Resolution #18-008 is attached hereto as Exhibit "B".*

DISCUSS, CONSIDER, AND TAKE ACTION AS NECESSARY TO APPROVE RESOLUTION #18-009 AMENDING DISTRICT BYLAWS:

Ms. Jones summarized that the District's Bylaws are in need of amendment based on the enactment of House Bill 1982 by the 85th Texas Legislature. Ms. Jones highlighted Section 2.2(c) as amended to include Section 36.051 of the Water Code to state how the appointment process for vacancies of the board will occur. She said that she thought a court would hold that reverting to 36.051(c) is the best means to fill a vacancy since the District Act is now unclear (no longer valid) on that issue. Ms. Jones also noted Section 2.2(f) as being amended to reflect the election of officers to occur in December of even-numbered years based on the recent election. Following discussion and review of the District Bylaws, a motion was made by Director Spigener, seconded by Director Traylor to approve the amended Bylaws as presented with the additional removal of Section 3.1(c). The motion passed. *A copy of signed Resolution #18-009 is attached hereto as Exhibit "C".*

GENERAL MANGER'S REPORT:

Ms. Jones made introductions of LSGCD staff to the new board members. She noted

an updated organization chart had been provided to each board member, which included those employees who were unable to be present. Ms. Jones introduced: Samantha Reiter – Assistant GM/Permitting Director; Kay Martin – Bookkeeper; Judy Servidio – Executive Assistant; Dawn Havran – Permitting Support; and Gary Irving – Field Operations.

Next, Ms. Jones discussed the need for Open Meetings Training required by Section 551.005 of the Texas Government Code. This training requirement applies to all elected or appointed officials who participate in meetings subject to the Open Meetings Act. She explained that the law requires that directors complete training within 90 days of taking the oath of office or otherwise assuming the responsibilities of office. She referred to the Office of the Attorney General's training video previously provided which satisfies the requirements imposed by Section 551.005 of the Open Meetings Act. Course completion certificates are available by following the directions at the end of the training video. The certificate must be maintained by the District and made available for public inspection upon request.

RECESS INTO EXECUTIVE SESSION:

After a proper and legally sufficient announcement to the public by President Melder, the Board of Directors went into a Closed Executive Session at 9:11 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 (§551.074); 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.

RE-CONVENE IN OPEN SESSION:

Following Executive Session, the Board reconvened in Open Session and President Melder declared it open to the public at 10:10 AM.

NEW BUSINESS:


President Melder opened the floor to new business discussion. Ms. Kathy Jones asked the board to set a time for the November 27, 2018 Special Meeting previously requested. Following discussion, President Melder announced the time of the said meeting to be 3:00 PM.

Ms. Jones conveyed a list of possible agenda items to include: 1) continued discussion of re-adoption of management plan; 2) well spacing; 3) monitoring wells; 4) review open contracts; 5) televised/broadcast board meetings; 6) committee selections; and 7) updating authorized banking signatures including TexPool Investments.

ADJOURN:

There being no further business, upon a motion made by Director Traylor and seconded by Director Hardman, the meeting was adjourned at 10:13 AM.

PASSED, APPROVED, AND ADOPTED THIS 27th DAY OF NOVEMBER 2018.



Board Secretary, Stuart Traylor



SIGN IN SHEET

November 20, 2018
Special Meeting at 8:30 AM

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail	Would you like to receive LSGCD updates & information?
	TINA FELKAI	CONROE	ON FILE	
	MICHAEL TURCO	Friendswood, TX	mturco@subsidence.org	
	SHANE PORTER	MONTGOMERY, TX	ON FILE	
	Bob LUX	the Woodlands, TX	boblux4MND60@gmail.com	✓
	Mark Evans	North Harris County Regional Water Authority	mevans@nhcrwa.com	
	Marc Wimberry	Conroe	mwimberry@cityofconroe.org	
✓	Michael Massey	Houston	mjm@pandmservice.com	✓
	Chris Uzelman	Montgomery	UZEG106@consolidated.net	✓
	Bob Harden	Austin TX 78730	on file	✓
	Wade Oliver	Sugar Land, TX	woliver@intra.com	
	Scott Cusack	The Woodlands, TX 77382	scott@sideofreason.com	
No	Michael Sullivan	Conroe, TX 77301	msullivan@blykengineering.com	
	Andrea Cusack	The Woodlands TX 77382	andrea@sideofreason.com	✓
	Claude Humbert	Spring Creek V.D.	claud_humbert@stcglobal.net	✓



SIGN IN SHEET

November 20, 2018
Special Meeting at 8:30 AM

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail	Would you like to receive LSGCD updates & information?
	TINA FELKAI	CONROE	ON FILE	
	MICHAEL TURCO	Friendswood, TX	mturco@subsidence.org	
	SHANE PORTER	MONTGOMERY, TX	ON FILE	
	Bob LUX	The Woodlands, TX	boblux4MUD60@gmail.com	✓
	Mark Evans	North Harris County Regional Water Authority	mevans@nhcrwa.com	
	Marv Winberry	Conroe	mwinberry@cityofconroe.org	
✓	Michael Massey	Houston	mjm@panduservice.com	✓
	Chris Uzelman	Montgomery	UZEG106@consolidated.net	✓
	Bob Harden	Austin TX 78730	on file	✓
	Wade Oliver	Sugar Land, TX	woliver@intra.com	
	Scott Cusack	The Woodlands, TX 77382	scott@sideofreason.com	
No	Michael Sullivan	Conroe, TX 77301	msullivan@blykenwelleng.com	
	Andrea Cusack	The Woodlands TX 77382	andrea@sideofreason.com	✓
	Claude Humbert	Spring Creek V.D.	claude_humbert@sbeglobal.net	✓



P. O. Box 2467, Conroe, TX 77305
Ph: (936) 494-3436 Metro: (936) 441-3437
www.lonestargcd.org

Speaker Request Form

Those wanting to comment or register support for or against a specific agenda item are asked to fill out the Speaker Request Form.

Date of Meeting: 11/20/18
Name: Robert H. Heilich
Address: 11 Chestnut Hill Ct.
City: The Woodlands State: TX Zip: 77380
Email: bobleilich@att.net

IF SPEAKING FOR AN ORGANIZATION:

Name of Organization The Woodlands MUD 1
Speaker's Official Capacity President, MUD 1

Agenda Item No.: _____

- FOR (If applicable)**
 AGAINST (If applicable)

Registering Position, **NOT** Testifying _____

To speak on an item not listed on the agenda, please indicate area of interest: _____

Please remember to step to the lectern as soon as you are recognized by the chair; state your name before beginning your presentation. If you have written notes you wish to present to the Board, PLEASE FURNISH AN EXTRA COPY FOR DISTRICT FILES.

The Board will appreciate each speaker limiting an address on any one item to three (3) minutes * Thank you for your cooperation

* Only three speakers will be recognized **speaking for** and three speakers **speaking against** any one issue.



655 Conroe Park North, Conroe, TX 77303
Ph: (936) 494-3436 Metro: (936) 441-3437
www.lonestargcd.org

Speaker Request Form

Those wanting to comment or register support for or against a specific agenda item are asked to fill out the Speaker Request Form.

Date of Meeting: 11/20/2018
Name: Wade Oliver
Address: _____
City: _____ State: _____ Zip: _____
Email: woliver@intera.com

IF SPEAKING FOR AN ORGANIZATION:

Name of Organization INTERA
Speaker's Official Capacity _____

Agenda Item No.: _____
 FOR (If applicable)
 AGAINST (If applicable)

Registering Position, **NOT** Testifying _____

To speak on an item not listed on the agenda, please indicate area of interest: _____

Please remember to step to the lectern as soon as you are recognized by the chair; state your name before beginning your presentation. If you have written notes you wish to present to the Board, PLEASE FURNISH AN EXTRA COPY FOR DISTRICT FILES.

The Board will appreciate each speaker limiting an address on any one item to three (3) minutes * Thank you for your cooperation

* Only three speakers will be recognized **speaking for** and three speakers **speaking against** any one issue.



P. O. Box 2467, Conroe, TX 77305
Ph: (936) 494-3436 Metro: (936) 441-3437
www.lonestargcd.org

Speaker Request Form

Those wanting to comment or register support for or against a specific agenda item are asked to fill out the Speaker Request Form.

Date of Meeting: 11-20-18
Name: Bill Beran
Address: 12002 WALDEN RD
City: MONTGOMERY State: TX Zip: 77356
Email: wberan@CONSOLIDATED.NET

IF SPEAKING FOR AN ORGANIZATION:

Name of Organization SELF

Speaker's Official Capacity _____

Agenda Item No.: _____

- FOR (If applicable)**
 AGAINST (If applicable)

Registering Position, **NOT** Testifying _____

To speak on an item not listed on the agenda, please indicate area of interest: WELL YIELDS IS MORE THAN 1% - 2% IS DRAWN OUT OF THE 180,000,000 AC-FT TOTAL STORAGE

Please remember to step to the lectern as soon as you are recognized by the chair; state your name before beginning your presentation. If you have written notes you wish to present to the Board, PLEASE FURNISH AN EXTRA COPY FOR DISTRICT FILES.

The Board will appreciate each speaker limiting an address on any one item to three (3) minutes * Thank you for your cooperation

* Only three speakers will be recognized **speaking for** and three speakers **speaking against** any one issue.



655 Conroe Park North, Conroe, TX 77303
Ph: (936) 494-3436 Metro: (936) 441-3437
www.lonestargcd.org

Speaker Request Form

Those wanting to comment or register support for or against a specific agenda item are asked to fill out the Speaker Request Form.

Date of Meeting: 11-20-18
Name: BOB HARDEN
Address: 8704 GLENLAKE Drive
City: AUSTIN State: Tx Zip: 78736
Email: bob@hardenhidrology.com

IF SPEAKING FOR AN ORGANIZATION:

Name of Organization Quadrest LP
Speaker's Official Capacity Consultant

Agenda Item No.: _____
 FOR (If applicable) Public Hearing
 AGAINST (If applicable) Management plan

Registering Position, **NOT** Testifying _____

To speak on an item not listed on the agenda, please indicate area of interest: _____

Please remember to step to the lectern as soon as you are recognized by the chair; state your name before beginning your presentation. If you have written notes you wish to present to the Board, PLEASE FURNISH AN EXTRA COPY FOR DISTRICT FILES.

The Board will appreciate each speaker limiting an address on any one item to three (3) minutes * Thank you for your cooperation

* Only three speakers will be recognized **speaking for** and three speakers **speaking against** any one issue.



655 Conroe Park North, Conroe, TX 77303
Ph: (936) 494-3436 Metro: (936) 441-3437
www.lonestarged.org

Speaker Request Form

Those wanting to comment or register support for or against a specific agenda item are asked to fill out the Speaker Request Form.

Date of Meeting: 11/20/2018
Name: Marc Winberry
Address: _____
City: _____ State: _____ Zip: _____
Email: _____

IF SPEAKING FOR AN ORGANIZATION:

Name of Organization City of Conroe
Speaker's Official Capacity City Attorney

Agenda Item No.: _____

- FOR (If applicable)
 AGAINST (If applicable)

Public Hearing
Management Plan

Registering Position, NOT Testifying _____

To speak on an item not listed on the agenda, please indicate area of interest: _____

Please remember to step to the lectern as soon as you are recognized by the chair; state your name before beginning your presentation. If you have written notes you wish to present to the Board, PLEASE FURNISH AN EXTRA COPY FOR DISTRICT FILES.

The Board will appreciate each speaker limiting an address on any one item to three (3) minutes * Thank you for your cooperation

* Only three speakers will be recognized **speaking for** and three speakers **speaking against** any one issue.



655 Conroe Park North, Conroe, TX 77303
Ph: (936) 494-3436 Metro: (936) 441-3437
www.lonestargcd.org

Speaker Request Form

Those wanting to comment or register support for or against a specific agenda item are asked to fill out the Speaker Request Form.

Date of Meeting: 11/10/18
Name: Michael J. Massey
Address: 2342 Tangley St
City: Houston State: TX Zip: 77005
Email: mjm@pandmservice.com

IF SPEAKING FOR AN ORGANIZATION:

Name of Organization _____
Speaker's Official Capacity _____

Agenda Item No.: _____

- FOR (If applicable)**
 AGAINST (If applicable)

Registering Position, **NOT** Testifying _____

To speak on an item not listed on the agenda, please indicate area of interest: _____

Please remember to step to the lectern as soon as you are recognized by the chair; state your name before beginning your presentation. If you have written notes you wish to present to the Board, PLEASE FURNISH AN EXTRA COPY FOR DISTRICT FILES.

The Board will appreciate each speaker limiting an address on any one item to three (3) minutes * Thank you for your cooperation

* Only three speakers will be recognized **speaking for** and three speakers **speaking against** any one issue.

LONE STAR GROUNDWATER CONSERVATION DISTRICT

Resolution No. 18-008

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LONE STAR GROUNDWATER CONSERVATION DISTRICT RE-ESTABLISHING DATE AND TIME FOR DISTRICT BOARD MEETINGS

WHEREAS, the Lone Star Groundwater Conservation District (the "District") was created by the Legislature of the State of Texas by the Act of May 17, 2001, 77th Leg., R.S., ch. 1321, 2001 Tex. Gen. Laws 3246, as amended (the "Enabling Act"), as a groundwater conservation district operating under Chapter 36, Texas Water Code, and the Enabling Act; and

WHEREAS, Section 36.064 of the Texas Water Code provides that the Board of Directors ("Board") shall meet at least quarterly, and at all other times as required for conducting the business of the District; and

WHEREAS, following the November 6, 2018, election of directors, the Board desires to establish a new schedule for regular monthly Board meetings; and

WHEREAS, in accordance with Section 2.6(a) of the District Bylaws, the Board hereby establishes a new meeting date and time as set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LONE STAR GROUNDWATER CONSERVATION DISTRICT THAT:

1. The above recitals are true and correct.
2. The Board of Directors of the Lone Star Groundwater Conservation District hereby establishes its future regular monthly Board of Directors meeting date and time as the second Tuesday (day of the month) at 6:00 PM (time).
3. All future regular meeting notices shall reflect such new date and time as that for all regularly scheduled meetings of the District Board of Directors.
4. The Board of Directors and District staff are further authorized to take any and all action necessary to implement this resolution.

AND IT IS SO ORDERED.

PASSED AND ADOPTED on this 20th day of November, 2018

LONE STAR GROUNDWATER CONSERVATION DISTRICT

By: Webb Melder
Webb Melder, Board President

ATTEST:

Stuart Traylor
Stuart Traylor, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

Resolution No. 18-009

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LONE STAR GROUNDWATER CONSERVATION DISTRICT REVIEWING AND ADOPTING AMENDMENTS TO THE DISTRICT BYLAWS

WHEREAS, the Lone Star Groundwater Conservation District (the "District") was created by the Legislature of the State of Texas by the Act of May 17, 2001, 77th Leg., R.S., ch. 1321, 2001 Tex. Gen. Laws 3246, as amended (the "Enabling Act"), as a groundwater conservation district operating under Chapter 36, Texas Water Code, and the Enabling Act; and

WHEREAS, §36.057(f) of the Texas Water Code provides that the District Board of Directors may adopt bylaws to govern the affairs of the District to perform its purposes; and

WHEREAS, the District Board of Directors has determined that the District's Bylaws are in need of amendment based on the enactment of House Bill 1982 by the 85th Texas Legislature, Regular Session (2017) ("H.B. 1982"); and

WHEREAS, the proposed amendments to the District's Bylaws implement H.B. 1982, and make all conforming changes necessary to reflect the election of District Directors.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LONE STAR GROUNDWATER CONSERVATION DISTRICT THAT:

1. The above recitals are true and correct.
2. The Lone Star Groundwater Conservation District "Bylaws" dated November 20, 2018, attached hereto and incorporated herein in full, are hereby adopted as the "Bylaws" of the District.
3. The Bylaws supersede any and all bylaws previously adopted by the Board of Directors.
4. The Bylaws shall govern the Board of Directors and Staff of the District until amended, repealed or replaced.
5. The Board of Directors and District staff are authorized to take any and all action necessary to implement the Bylaws and this resolution.

AND IT IS SO ORDERED.

PASSED AND ADOPTED on this 20th day of November, 2018

LONE STAR GROUNDWATER CONSERVATION DISTRICT

By: Webb Melder
Webb Melder, Board President

ATTEST:

Stuart Traylor
Stuart Traylor, Board Secretary