

LONE STAR GROUNDWATER CONSERVATION DISTRICT

February 13, 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 February 13, 2018.

President Moffatt called the meeting to order at 9:05 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

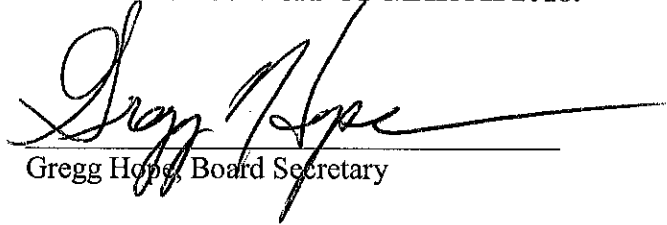
All members of the Board were present, with the exceptions of Director Stinson thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, District General Manager; Samantha Reiter, Assistant General Manager; Brian L. Sledge, District Counsel, District 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 9:05 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 9:56 AM.

No additional action was taken on matters discussed in Executive Session and President Moffatt adjourned the meeting at 9:56 AM.

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



Gregg Hope, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

February 13, 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 February 13, 2018.

CALL TO ORDER:

President Moffatt called to order the Public Hearing on Permit Applications at 10:07 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 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".*

PRAYER AND PLEDGES OF ALLEGIANCE:

President Moffatt gave the opening prayer. Next, President Moffatt led the Pledge of Allegiance and the Pledge of Allegiance to the state flag.

Assistant General Manager, Samantha Reiter informed the Board that there were eleven permit applications received in January. Ms. Reiter stated that the first group included items #1-8 and items #10-#11 and that it is the General Manager's recommendation to approve those items as requested. Ms. Reiter then noted item #9 was a request for a new permit which received the General Manager's approval to drill as well as authorization for a reduced permitted allocation.

Item #1, Peter Pletcher

Applicant is requesting an amendment to an Operating Permit to register one existing well that staff found in non-compliance as well as an increase in production authorization in the amount of 66,000 gallons for 2017 and 1,600,000 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 #2, Montgomery County MUD #157

Applicant is requesting registration and authorization to drill two new wells with a production authorization in the amount of 5,000,000 gallons for 2018 and 9,900,0000 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, City of Willis (AWS Wells 6 & 7)

Applicant is requesting an amendment to an Alternative Water Source Permit for an increase in production authorization in the amount of 86,000,000 gallons for 2017 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, RS Investments, LLC (Maximum Athletics)

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 190,000 gallons for 2017 and 277,000 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 being requested.

Item #5, Western Rim Property Services (Towers Woodland)

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 326,771 gallons for 2017 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 #6, Oral Burleigh

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,000,000 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 #7, Cleveland Stop

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 150,000 gallons for 2017 **only**. Based on technical review of the

information supplied, it is the General Manager's recommendation to approve that which is requested.

Item #8, CLW, Inc

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 550,000 gallons for 2017 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 #9, PSP Distributorship & Warehouse

Applicant is requesting the registration and authorization to drill a new well with a production authorization in the amount of 755,000 gallons for 2018 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to approve the registration and construction of the new well and further authorize a **reduced** allocation of 481,268 gallons for 2018 and 2019, and 318,343 gallons for 2020 and annually thereafter.

Item #10, Paradise Cove Water System

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 2,313,510 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.

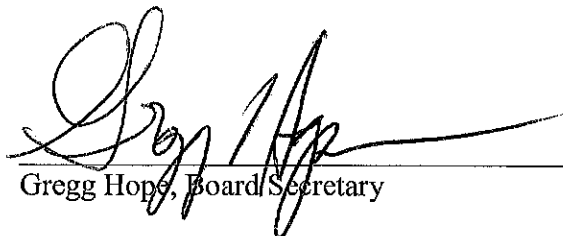
Item #11, Entergy Texas/Lewis Creek Plant

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.

Following Ms. Reiter's report, a motion was made by Director Wood, seconded by Director Hope to approve items #1-8 and items #10 and #11. The motion was approved. Director Weisinger abstained on items #2 and #11. Director Bleyl abstained on item #10. A motion to approve item #9 was made by Director Hope, and seconded by Director Bleyl. The motion was approved.

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

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


Gregg Hope, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

February 13, 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 February 13, 2018.

CALL TO ORDER:

President Moffatt presided and called to order the regular Board of Directors meeting at 10:16 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:

No comments.

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, seconded by Director Wood. The motion to approve the minutes was

approved unanimously.

- a) January 9, 2018, Special Board Meeting
- b) January 9, 2018, Public Hearing on Permit Applications
- c) January 9, 2018, Regular Board of Directors Meeting

Director Houston departed the meeting at 10:11 AM.

UPDATE REGARDING 2017 ANNUAL REPORT FOR THE LONE STAR GROUNDWATER DISTRICT: Mr. Ridgway reported that the draft of the annual report was in progress and he pledged to have a final draft to the Board of Directors for their review before the March board meeting.

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.
- 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 both the litigation and mediation discussions are moving forward. Mr. Sledge confirmed that the settlement team is working diligently. Legal briefs are continuing to be filed, but hearing dates will be in April if no settlement with plaintiffs can be reached.

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 that the committee had not met.
- 2) Update on public outreach activities, water efficiency, and conservation efforts – James Ridgway – Mr. Ridgway announced the next Water Efficiency Network meeting here in Conroe on Thursday, February 22nd featuring Mr. Yost. Mr. Ridgway presented a timeline illustrating future education and public outreach events. He showed photos recently taken of his visits to local LEGO League teams. Mr. Ridgway reported that he had spoken at the Conroe Noon Lion’s Club this month; yielding accolades and positive feedback. Mr. Ridgway highlighted the three-day mobile lab visit to Vogle Schools which served 600 students. Director Wood inquired about follow-up with the Brazos Valley’s WaterSmart presentation and whether there could be any implementation of elements from that program for Montgomery County. Ms. Jones commented that in a future meeting with WaterSmart program participants, the next steps would be to identify other nearby entities currently using a similar program; inventory any equipment which the District can utilize; recognize a method to ease into the WaterSmart type program with the least amount of expenditure. The making of a YouTube demonstration was also mentioned as an inexpensive avenue for outreach.

- 3) Presentation to receive and take action to proclaim March 11-17, 2018 as “National Groundwater Awareness Week” in Montgomery County, State of Texas. (Resolution #18-001) – Mr. Ridgway discussed activities and event planned in recognition of celebrating National Groundwater Awareness Week in Montgomery County. Following reading of Resolution #19-001, Director Hope motioned to accept the resolution proclaiming March 11 – 17, 2018 as “National Groundwater Awareness Week”. Director Weisinger seconded the motion. The resolution was approved unanimously. *A copy of Resolution #18-001 is attached hereto as Exhibit "B".*

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

- 1) Brief the Board on the Committee’s activities since the last regular board meeting – No report but the next meeting is scheduled for February 22nd at 2:00 pm to begin discussions with INTERA regarding potential guidelines for well spacing.

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
No report.
- 2) Review of monthly financial reports – Director Wood reported that, for the month of January, revenue was budgeted at \$198,629—actual was \$202,131. He said expenses were budgeted at \$158,578—actual expenses were \$93,260. Year-to-date net income is \$108,871.

F. Findings and Review Committee – Rick Moffatt, Chair

- 1) Brief the Board on the Committee’s activities since the last regular Board meeting – No report.
- 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 the committee met on January 24, 2018 at the District office regarding a path forward to accomplish the statutory requirements. At that meeting the group authorized posting requests for qualifications for professional services to support the development of the desired future conditions for the third round of joint planning. The RFQ was released on February 6th with final submissions due February 26th. The next scheduled meeting of the GMA 14 is Wednesday, February 28th at 10:00 am.

GENERAL MANAGER’S REPORT:

Ms. Jones updated the Board on the status of Denbury Onshore LLC injection well application. As requested by the District, Denbury completed the radioactive tracer (RAT) survey and annulus pressure tests. Based on the results provided by this RAT survey and pressure test, and the District's technical consultants review and recommendation, the District withdrew its protest of the permit amendment on January 18, 2018.

GENERAL COUNSEL'S REPORT:

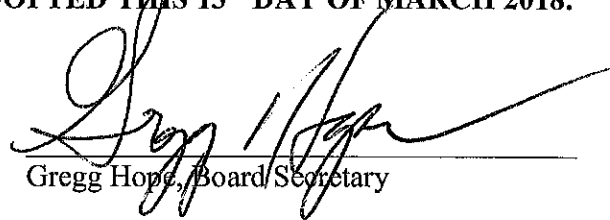
Mr. Sledge commended the Denbury Onshore LLC for conducting extra tests, at their own expense, to satisfy the injection well application. He affirmed the District's desire to allow the application process to proceed and not stand in the way of injection wells.

NEW BUSINESS:

There was no new business.

There being no further business, upon a motion made by Director Weisinger and seconded by Director Bleyl, the meeting was adjourned at 10:38 AM.

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


Gregg Hope, Board Secretary

RESOLUTION NO. #18-001
LONE STAR GROUNDWATER CONSERVATION DISTRICT
RESOLUTION DESIGNATING MARCH 11-17 AS "NATIONAL
GROUNDWATER AWARENESS WEEK"

THE STATE OF TEXAS §

COUNTY OF MONTGOMERY §

WHEREAS, it is beneficial and necessary for the public to better understand and appreciate the value of groundwater to their communities and;

WHEREAS, the National Groundwater Association has designated one week each year "National Groundwater Awareness Week" to bring such attention to groundwater, such week this year being March 11 through March 17, and;

WHEREAS, protection of the Gulf Coast Aquifer within the boundaries of Montgomery County is an essential purpose of Lone Star Groundwater Conservation District, as authorized by the 77th Texas Legislature through House Bill 2362 and;

WHEREAS, protection of the Gulf Coast Aquifer is absolutely essential to the further economic development of Montgomery County and, further, such protection requires reduction of aquifer use to a sustainable level by means of conservation of water resources and use of alternative water supplies and;

WHEREAS, public understanding and support for alternative water supplies and robust conservation measures are prerequisites for effective action by water suppliers;

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

1. The Board of Directors of the District encourages the public within Montgomery County to mark "National Groundwater Awareness Week" as March 11-17, 2018 by learning about and discussing ways to best protect the Gulf Coast Aquifer, the cornerstone of the county's economic development.
2. The General Manager is authorized to take any and all action necessary for the implementation of this resolution.

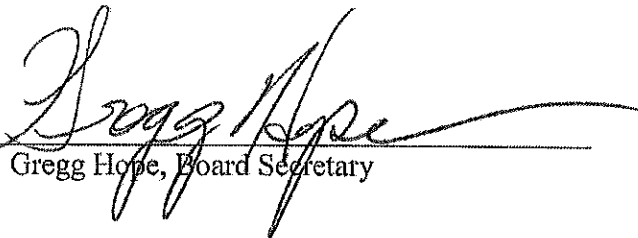
AND IT IS SO ORDERED.

PASSED AND ADOPTED this 13th day of February, 2018

LONE STAR GROUNDWATER CONSERVATION DISTRICT

By: 
Rick Moffatt, President

ATTEST:


Gregg Hope, Board Secretary