

LONE STAR GROUNDWATER CONSERVATION DISTRICT

March 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 March 13, 2018.

President Moffatt called the meeting to order at 9:02 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) Houston, and Wood 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 9:02 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 9:57 AM.

No additional action was taken on matters discussed in Executive Session and President Moffatt adjourned the meeting at 9:57 AM.

PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF APRIL 2018.


Gregg Hope, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

March 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 March 13, 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 exceptions of Director(s) Houston and Wood, 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:

Director Weisinger 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 five permit applications received in February. Ms. Reiter stated that the first group included items #1-2 and that it is the General Manager's recommendation to approve those items as requested. Ms. Reiter then noted the second group including items #3-5 as requests for new well permits which received the General Manager's approval to drill and also as authorization for a reduced permitted allocation.

Item #1, Acacia Originals

Applicant is requesting registration of an existing well that staff found in non-compliance and production authorization in the amount of 100,000 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, Believers Fellowship Church

Applicant is requesting registration of a new well and production authorization in the amount of 20,000 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 #3, Woodland Lakes POA

Applicant is requesting registration of two new wells and production authorization in the amount of 9,754,956 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 wells and further authorize a **reduced** allocation of 3,901,000 gallons for 2018 and annually thereafter.

Item #4, CSNC Inc. dba Lighting Works

Applicant is requesting registration of one existing well that staff found in non-compliance and registration of one new well to be drilled. Applicant is also requesting a production authorization in the amount of 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 the registration and construction of the wells and further authorize a **reduced** allocation of 74,000 gallons for 2018 and annually thereafter.

Item #5, 83 Properties, LLC

Applicant is requesting registration of a new well and production authorization in the amount of 126,000 gallons for 2018 and 145,600 gallons for 2019 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 well and further authorize a **reduced** allocation of 50,000 gallons for 2018 and annually thereafter.

Following Ms. Reiter's report, a motion was made by Director Stinson, seconded by Director Bleyl to approve items #1-2. The motion was approved. A motion to approve items #3-5 was made by Director Stinson, and seconded by Director Bleyl. Director Weisinger abstained from voting on item #3. The motion was approved.

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

PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF APRIL 2018.



Gregg Hope, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

March 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 March 13, 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) Houston and Wood, 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 Bleyl, seconded by Director Weisinger. The motion to approve the minutes was

approved unanimously.

- a) March 13, 2018, Special Board Meeting
- b) March 13, 2018, Public Hearing on Permit Applications
- c) March 13, 2018, Regular Board of Directors Meeting

UPDATE REGARDING 2017 ANNUAL REPORT FOR THE LONE STAR

GROUNDWATER DISTRICT: Mr. Ridgway presented a final draft of the annual report to the Board of Directors for their consideration and approval. Following discussion, Director Bleyl motioned to approve the 2017 Annual Report with inclusion of recommended edits presented today. Motion was seconded by Director Stinson and unanimously approved by all members present.

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 settlement team had met several times and asked District’s counsel, Brian Sledge, to give an update.
- 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 confirmed the settlement team is continuing to work toward a resolution. However, a hearing on the motion for summary judgement is scheduled for April 25th, which if needed, will include motions to recover legal fees in defending the directors.

B. Water Awareness and Conservation Committee - Billy Wood, Chair

- 1) Brief the Board on the Committee’s activities since the last regular Board meeting – No meeting.
- 2) Update on public outreach activities, water efficiency, and conservation efforts – James Ridgway – Mr. Ridgway announced there was no March Water Efficiency Network meeting in lieu of the Gulf Coast Water Conservation Symposium scheduled for March 22nd. Mr. Ridgway presented a timeline illustrating future education and public outreach events. Mr. Ridgway reported that he had spoken at the Magnolia Rotary and Lion’s Club. As a kick-off activity for National Groundwater Awareness Week, Mr. Ridgway conducted Mobile Lab demonstrations at Little Beakers Science Lab for Kids in The Woodlands. Upcoming events include: The Texas Wildlife & Woodland Expo on March 24th and Houston Scout Fair on April 14th.

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 March 29th at 11:00 am to discuss 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 –
No report.
- 2) Review of monthly financial reports – Director Stinson reported that, for the month of February, revenue was budgeted at \$198,629—actual was \$206,163. He said expenses were budgeted at \$158,578—actual expenses were \$126,336. Year-to-date net income is \$192,890.

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 that member districts and participants for GMA 14 met February 28th to continue working to accomplish statutory mandates to support the development of DFCs for the current round of joint planning. During public comment, Lone Star GCD gave a presentation requesting that GMA 14 district representatives formally consider at their March meeting approval of another request for amended DFCs and take possible action to consider the DFC request referred to as “Run D of Task 3 of the Lone Star GCD Strategic Water Resources Planning Study” that was previously approved for formal consideration by GMA 14 on December 8 only as an amendment to the DFCs previously adopted for the second cycle of joint planning (2010 – 2016). The next meeting of the planning group is scheduled for 1:00 pm, Tuesday, March 27th.

Following Ms. Jones’ report, Director Stinson moved that the Board authorize the General Manager to represent to the Groundwater Management Area 14 district representative that the Lone Star board of directors wishes to: (1) express its gratitude for GMA 14’s actions on December 8, 2017, to grant Lone Star’s request for formal consideration of the Run D DFCs; (2) express its support for the revised request presented to GMA 14 for consideration at its March 27, 2018, meeting for consideration of the Run D DFCs only as amendments to the second joint planning cycle DFCs; and (3) express its commitment to pay for costs associated with GMA 14’s consideration of this request to the extent that those costs are limited to paying the contracted consultant and/or LBG-Guyton to participate as necessary in holding an abbreviated number of joint planning meetings for consideration of that DFC request, utilization of the existing groundwater availability model runs prepared as part of the District’s Strategic Water Resources Planning Study, the development of a

supplement to the existing DFC explanatory report as required by the TWDB to reflect the changes in the DFCs as those differ from the DFCs represented in the existing DFC explanatory report approved in 2016 and submitted to the TWDB, and the preparation and submission of that explanatory supplement and supporting materials for the amended DFCs to the TWDB. Director Hope seconded the motion, which passed unanimously.

GENERAL MANAGER'S REPORT:

Ms. Jones updated the Board on Texas Water Development Board's new board member, Brooke Paup, appointed by Governor Greg Abbott. Director Paup has served as the director of legislative affairs for the Texas Comptroller of Public Accounts for the last four years. She is formerly the deputy division chief of intergovernmental relations and former special assistant for policy and research for the Office of the Attorney General, where she worked on legislative issues, special litigation, and public finance, including the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT).

1) Brief the Board on November 6, 2018, board of directors' election and process.

Ms. Jones confirmed the District is working with the Montgomery County Elections Administrator and further stated that July 23rd marks the first day for filling of application for place on the ballot for the November 6th election. Following discussion, it was the consensus of the Board that notice to 'Order the Election' be placed on the June 12, 2018 agenda for consideration and possible action.

GENERAL COUNSEL'S REPORT:

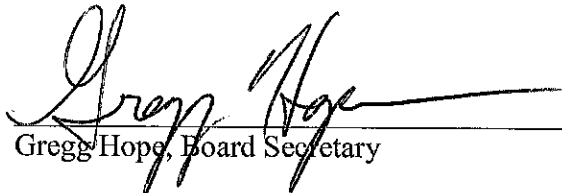
Mr. Sledge previously briefed the Board on the upcoming GMA 14 meeting.

NEW BUSINESS:

There was no new business although Director Hope suggested staff study the effects on groundwater should the state adopt a no Daylight Savings Time change for Texas.

There being no further business, upon a motion made by Director Weisinger and seconded by Director Bleyl, the meeting was adjourned at 10:54 AM.

PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF APRIL 2018.


Greg Hope, Board Secretary