

LONE STAR GROUNDWATER CONSERVATION DISTRICT

May 12, 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 May 12, 2015.

President Tramm called the meeting to order at 9:01 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 Directors Baker, Bleyl and McCoy, 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.*

Director McCoy arrived at 9:03 a.m., and Director Baker arrived at 9:15 a.m.

After a proper and legally sufficient announcement to the public by President Tramm, the Board of Directors went into a Closed Executive Session at 9:02 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.

Following Executive Session, the Board reconvened in Open Session and President Tramm declared it open to the public at 10:13 a.m.

No action was taken on matters discussed in Executive Session and President Tramm adjourned the meeting at 10:13 a.m.

PASSED, APPROVED, AND ADOPTED THIS 9th DAY OF JUNE, 2015.

Samantha Reiter
~~M. Scott Weisinger, PG, Board Secretary~~
Samantha Reiter, Asst. Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

May 12, 2015

MINUTES OF CONTINUANCE OF PUBLIC HEARING ON PROPOSED AMENDMENTS TO DISTRICT RULES AND DISTRICT REGULATORY PLAN *(FROM OCTOBER 14, 2014)*

The Board of Directors of the Lone Star Groundwater Conservation District (“District”) held a “Public Hearing on Proposed Amendments to District Rules and District Regulatory Plan,” 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 May 12, 2015.

President Tramm called the meeting to order at 10:21 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 Bleyl, 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.*

PRESENTATION AND DISCUSSION OF PROPOSED AMENDMENTS TO THE DISTRICT RULES, INCLUDING WITHOUT LIMITATION AMENDMENTS TO PHASE II(B) OF THE DISTRICT REGULATORY PLAN (DRP)

President Tramm announced that the items being presented have additional revisions from what was presented in the previous month, based on stakeholder comments. Therefore, at the end of this hearing, he will ask for a continuance of the hearing until at least June.

Brian Sledge, General Counsel, provided a briefing for all present. Copies of the latest version of the proposed amendments were available at the meeting for those in attendance and are on the website as well. In the new document, the newest changes are highlighted in yellow.

The changes fall into three areas.

The first concern was that if in a Joint GRP, the group as a whole, busts the total permitted authorization for the group. The current rules call for us to primarily enforce, first and foremost, against the Joint GRP sponsor. But also notes that all participants to the Joint GRP remain jointly and separately liable for complying with the District's rule. One of the issues raised by Shenandoah is that if it can be demonstrated that someone is clearly not responsible for the group's busting of their permitted allotment, could there be a provision that they wouldn't get enforced against. The solution was the addition of the following wording, "A participant in a Joint GRP shall not be held jointly and severally liable for a violation of the District Rules or Regulatory Plan to the extent that the participant can demonstrate to the satisfaction of the board of directors of the District that the participant does not bear any individual responsibility for the violation. The board of directors may consider all relevant information related to the violation, including without limitation any agreements between the participants and whether the participant is in compliance with the Joint GRP schedule provided to the District by the Joint GRP Sponsor pursuant to Paragraph 2 of this section."

The second change was regarding language that allows for someone to petition for additional authorization over and above what's allowed to pump in the District Regulatory Plan. The changed language (highlighted in the latest draft) states, "...the request for increased production will enable the LVGU [Large Volume Groundwater User] or new LVGU to produce its fair share of the groundwater from the common aquifer while nonetheless achieving the relevant adopted desired future conditions for the aquifer or subdivision thereof in the area underlying the land owned by the LVGU or new LVGU."

The third change was throughout the document, which all stands for this one change. The city of Shenandoah asked that we change the proposed amendments from what they did say for the new 10 million gallon allocations to new LVGUs, which we say could be actually physically pumped by the new LVGU but could not be transferred unless they had Total Qualifying Demand as part of it, and they could not be offered for pumping at a different location under the umbrella of a Joint GRP by a different user. What the city of Shenandoah requested was the last part – the inability of them to throw it into the "Joint GRP kitty" so that some other participant in the GRP could pump that on their property. So we changed that provision; we thought that was a fair concession to consider.

Mr. Sledge offered to answer any questions from the audience. Seeing as there were none, they moved on to public comment.

PUBLIC COMMENT ON PROPOSED CHANGES TO THE DISTRICT RULES AND GRP

Bob Harden, representing the city of Conroe, addressed the board. He noted that since the last Lone Star GCD board meeting, the city passed a resolution, which was presented at the last rules workshop. In a nutshell, the city believes the current rules and the DRP are too

complicated. They don't believe little revisions can fix it. At the rules workshop, the District board member John Bleyl, who represents the city, said he was not ready to pass these. Speaking to the revision about the landowner petitioning to demonstrate achievement of DFCs, this quickly moves to GMA 14 and the method GMA 14 has employed to create a DFC, which is to assume 64,000 acre-feet of pumpage. So, right now a person can't petition and demonstrate compliance because of the manner the GMA employs to reverse-engineer DFCs. He then began speaking about the division between LVGUs and SVGUs. He says what will happen if things remain the same is that LVGUs will break up and fracture and become SVGUs because they can. That doesn't bode well for good, long-term management. He noted that the city is willing to work with the District to develop a new rule set.

Russell Johnson, representing the city of Shenandoah, spoke next. He expressed thanks with regard to how Lone Star GCD's staff has worked with the city to meet and agree to additional revisions. He noted they still have issues with the petition process; they will look at the language and respond to that. The process was responsive to them as a stakeholder. That being said, there's still more to be done. Their goal is to improve the process, not undo the process that has taken place to date. They would like to take a longer-term look at how we address groundwater in Montgomery County. Staff has been willing to listen to them, and they are very encouraged. They look forward to working together on the big picture issues as well.

DISCUSSION, CONSIDERATION AND POSSIBLE ACTION APPROVING AMENDMENTS TO THE DISTRICT RULES AND PHASE II(B) OF THE DISTRICT REGULATORY PLAN

President Tramm reiterated his earlier request that the board delay a vote. Director Weisinger also spoke in agreement on this point.

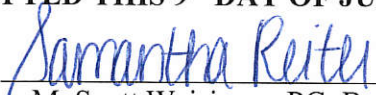
Director Weisinger then made a motion to delay a vote on the proposed amendments to the District Rules and Phase II(B) of the District Regulatory Plan until the proposed advisory committee has had the opportunity to meet and discuss the items presented. Director Baker seconded the motion and all those present were in favor, therefore the motion unanimously passed.

Mr. Sledge recommended that the Board officially continue this hearing until 10 a.m., Tuesday, June 9, 2015. He requested that the Board republish the latest version of the proposed changes to the public. Director Stinson made a motion in accordance with general counsel's recommendation. Director Weisinger seconded the motion, and all those present were in favor, therefore the motion unanimously passed.

ADJOURN

No further action was taken, and President Tramm adjourned the meeting at 10:45 a.m.

PASSED, APPROVED, AND ADOPTED THIS 9th DAY OF JUNE, 2015.


~~M. Scott Weisinger, PG, Board Secretary~~
Samantha Reiter, Asst. Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

MAY 12, 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 May 12, 2015.

CALL TO ORDER:

President Tramm called to order the Public Hearing on Permit Applications at 10:45 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, with the exception of Director Bleyl, 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, **Saddle River Range** - Applicant is requesting registration of a new well and production authorization in the amount of 400,000 gallons for 2015 and 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 #2, **George Turek** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,255,000 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 #3, **E.G. Thompson** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 100,000 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, **Houston Grass** - Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 710,000 gallons for 2015 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to authorize a **reduced** allocation increase of 70,000 gallons for 2015 and annually thereafter.

Item #5, **CJGC Holdings LLC** - This is an existing well staff found in non-compliance. Applicant is requesting registration of the well and production authorization in the amount of 100,000 gallons for 2015 and annually thereafter. Based on technical review of the information supplied, it is the General Manager's recommendation to authorize a **reduced** allocation of 60,000 gallons for 2015 and annually thereafter.

Item #6, **Legends Trace Interests, Ltd** - Applicant is requesting registration of a new well and production authorization in the amount of 9,900,000 gallons for 2015 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, as well as authorize a **reduced** allocation of 9,775,530 gallons for 2015 and annually thereafter.

The first motion was made by Director Houston, and seconded by Director Weisinger to approve items #1-3 as requested, in accordance with the General Manager's recommendations. Director Stinson abstained from item #2. The motion passed unanimously.

The second motion was made by Director Weisinger, and seconded by Director Houston to approve items #4-6, in accordance with the General Manager's recommendation to approve the registration and construction of the wells and authorize a reduced recommendation. The motion passed unanimously.

President Tramm adjourned the public hearing on permit applications at 10:47 a.m.

PASSED, APPROVED, AND ADOPTED THIS 9TH DAY OF JUNE, 2015.

Samantha Reiter

~~M. Scott Weisinger, PG, Board Secretary~~
Samantha Reiter, Asst. Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

May 12, 2015

MINUTES OF SHOW CAUSE HEARING

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 May 12, 2015.

The audio recording will serve as the official record for the Show Cause Hearing. The summary below is provided for convenience

President Tramm called to order the Show Cause Hearing at 10:47 a.m.

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 with the exception of Director Bleyl, 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.*

SHOW CAUSE HEARING FOR INRI, PURSUANT TO DISTRICT RULE 2.5

President Tramm asked if anyone was in attendance representing INRI for the Show Cause Hearing. No one indicated they were present to represent INRI.

Mr. Sledge stated that the District has been notified that the defendant is in the midst of bankruptcy. His recommendation is that to avoid spending time and funds on bankruptcy hearings, the best cause of action is to suspend their permit. Director Houston made a motion to suspend INRI's permit in agreement with general counsel's recommendation. Director Wood seconded the motion, and all those present were in favor.

**SHOW CAUSE HEARING FOR TEXAS NATIONAL GOLF CLUB, PURSUANT
TO DISTRICT RULE 2.5**

President Tramm asked if anyone was in attendance representing Texas National Golf Club for the Show Cause Hearing. No one indicated they were present to represent Texas National Golf Club.

Mr. Sledge stated that he and Permitting Director Samantha Reiter have researched and discovered that it seems that the golf club has gone out of business. Director Baker stated he believes the club has been sold. Mr. Sledge suggested that the District turn the matter over to the local attorney, Mr. Fowler, for further investigation. Mr. Sledge recommended that no action be taken until the next board meeting, upon a report from Mr. Fowler's findings.

Director Baker made the motion to act in accordance with Mr. Sledge's recommendation. Director Houston seconded the motion, and all those present were in favor.

ADJOURN

President Tramm adjourned the Show Cause Hearing at 10:52 a.m.

PASSED, APPROVED, AND ADOPTED THIS 9th DAY OF JUNE, 2015.



~~M. Scott Weisinger, PG, Board Secretary~~
Samantha Reiter, Asst. Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

MAY 12, 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 May 12, 2015.

CALL TO ORDER:

President Tramm called to order the regular Board of Directors meeting at 10:53 a.m. announcing that it was open to the public.

ROLL CALL:

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 Bleyl, 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, P.E., District Engineer; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit "A".*

APPROVAL OF THE MINUTES:

President Tramm stated the Board would consider all meeting minutes listed as one item, with the exception of the May 5, 2015 meeting minutes. These will be approved at the June board meeting. Upon review of the following, a motion was made by Director Weisinger, seconded by Director Moffatt, and unanimously carried, to approve the meeting minutes:

- a) April 14, 2015, Special Board Meeting

- b) April 14, 2015, Show Cause Hearing
- c) April 14, 2015, Public Hearing on Permit Applications
- d) April 14, 2015, Regular Board of Directors Meeting
- e) April 29, 2015, Rules and By-law Committee Workshop
- f) May 5, 2015, Special Board Workshop of the Findings and Review Committee

COMMITTEE REPORTS:

Water Awareness and Conservation Committee - Billy Wood, Chair

Briefing on Committee Activities - Director Wood reported that the committee had not met since the last board meeting.

Briefing on Public Outreach Efforts – Marlisa Briggs, Education/Public Awareness Coordinator - Ms. Briggs noted District efforts with regard to public outreach and education:

- The 2014 Annual Report is complete and has been printed. These reports arrived in the District office during the board meeting.
- Movie Ads/NCM Media – the ad partners have selected a new ad, and logos are currently being added to the final version.
- Watering Recommendations Mapping – the vendor has provided a draft and is working to finalize
- TWDB Rain Catcher Award Recipient – Leadership Montgomery County class project which Lone Star GCD sponsored. LSGCD staff applied for the award on behalf of LMC.
- Recent Outreach Activities:
 - April 18 – Montgomery County Water Symposium
 - April 21 – Lone Star Internet Radio Interview
 - April 21 – Rainwater Harvesting Demo at Home Depot – Shenandoah
 - April 22 – Woodlands Children’s Museum
 - April 22 – Woodlands Pavilion/Houston Symphony Event
 - April 24 – Rainwater Harvesting Demo at Home Depot – Conroe
 - April 25 – Conroe KidzFest
 - April 30 – WaterWeek at Houston WaterWorks
 - May 9 – WaterFest at Northshore Park
- Upcoming Outreach Activities:
 - May 11-12 – Mobile Lab at SJRA for Willis ISD Visit
 - May 20 – Mobile Lab at SJRA for Montgomery ISD Visit
 - May 26 – Mobile Lab at Nichols Sawmill Elementary (Magnolia ISD)
 - May 29 – Mobile Lab at New Waverly Fishing Derby (SJRA/New Waverly Middle School)
 - June 6 – Texas Sawmill Festival @ Bull Sallas Park, New Caney

Update on Water Efficiency and Conservation Efforts – Paul R. Nelson, Assistant General Manager – Mr. Nelson noted District efforts with regard to water efficiency and conservation:

- Mr. Nelson provided details about the Conservation Symposium and noted that the attendance was approximately 100 people. He thanked the Woodlands Township for hosting the event.
- Water Efficiency Network – met on April 23 at 1:30 at LSGCD. Gene Fissler, Director of Water Resources at NRG, spoke about the relationship between energy and water. It was very well received by all in attendance.
- Upcoming Water Efficiency Network – May 21 at 1:30 at H-GAC. Chris Steubing, City Engineer for City of Sugar Land will speak about Low Impact Development and changes they have made to help promote this type of development.
- Oak Ridge North – Healthy Kids/Healthy Community Day - April 25th. Paul attended the event and distributed yard signage. He also thanked the city of Oak Ridge for their support in city council's approval of the lawn signs on properties in the city.
- Director Wood recognized Lone Star GCD's Assistant General Manager Paul R. Nelson for being named the North Houston Association's Compass Award recipient for 2014. The award is given to an individual who has made a significant contribution to both the organization and the region. Mr. Nelson will be presented his award at a luncheon on Thursday, May 21.
- Director Wood also thanked Directors Stinson and Houston for their support in all of Lone Star GCD's conservation efforts in the county.

Rules Development and Bylaws Committee – Richard Tramm, President

Briefing on Committee Activities – Mr. Tramm noted that there was an April 29th workshop of the committee as well as a May 11th stakeholder meeting with the city of Shenandoah. Specific items covered have already been discussed in today's meeting.

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

Briefing on Committee Activities – Director Baker noted that the committee had not met since the last Board meeting.

Findings and Review Committee – Richard J. Tramm, Chair

Briefing on Committee Activities – The committee hosted a workshop earlier in the month, and the minutes from that meeting will be presented for approval at the June LSGCD board meeting.

Groundwater Management Area 14 (GMA 14) – Update the board on the status of the current desired future conditions development process in GMA 14, the upcoming GMA 14 meeting, and provide guidance to the General Manager on course of action to pursue regarding same. – Richard J. Tramm

There will be an upcoming GMA 14 meeting, and President Tramm asked the board to provide the General Manager with direction for that meeting. His recommendation is that board direct Ms. Jones to tell the GMA 14 that the District is working to gather additional information, and while we do not have any additional science to present to them at the moment, we believe we will have that to them in time so that they can finalize whatever it is they need to do at a later date with regards to their administrative procedures. If they feel they must move forward, they may move forward with what we've provided to them previously but to strongly tell them we will be coming back to them with additional information if available. And we are working towards that. I know we had a comment at the last meeting from Russ Johnson, with Shenandoah, who believes the time exists there, so we want to proceed with them. The Findings and Review Committee has already committed to the Seifert study and where possible, we can fast track that to get information necessary. Director Stinson made a motion to approve the direction described by President Tramm, and Director Moffatt seconded the motion. Director Weisinger wanted to ensure the motion on the table includes the opportunity for stakeholders to return back to the LSGCD board to present alternatives after the GMA 14 meeting. President Tramm agreed. Director Houston then asked if the District works with stakeholders, develops additional model runs, etc. This may cause stakeholders to incur additional costs, and he asked if the District would be able to cover the cost of items requested by LSGCD. President Tramm agreed with Director Houston that these additional costs would be reasonably considered. All board members present were in favor of this motion, therefore the motion unanimously passed.

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 - Mark Lowry

Mr. Lowry noted that Mr. Seifert is working on the project communication task, and is heavily into the evaluation of the data regarding the response of the aquifer as a result of the 2010 North Harris County Regional Water Authority's implementation of a large surface water project. He's evaluating that data and working on the technical memorandum for that, looking at the water level data

and hydrographs, looking for any weakness in the data. He's also working through all the permitted wells in Montgomery County to identify the aquifer that's screened for each well. He's also reviewing procedures and data sources used to develop the TERS estimate, and looking specifically at transitions in water quality in each of the water sections. He feels like he is on track with regard to the project schedule timeline.

Update: Groundwater data acquisition and analysis study of potential groundwater contamination – Paul R. Nelson - Mr. Nelson reported that all TCEQ data has been received, but because of congested calendars, no meeting of the committee has taken place. He will work to get the meeting set and to have a full report for the board at the June meeting. Director Weisinger asked if the data can be placed on the District's website once the study is complete.

Budget and Finance Development Committee - Jim Stinson, Chair

Briefing on Committee Activities – Director Stinson reported that the committee recently met to review a draft of the District's fiscal year audit.

Review of Monthly Financial Reports – Director Stinson reported that through April, income is budgeted at \$1,517,000 and actual is \$1,498,000. Expenses were budgeted at \$756,000 actual expenses came in at \$586,000.

Receive audit presentation for GY 2014 – Bob VanWassehnova, CPA, Bob VanWassehnova and Associates – Mr. VanWassehnova provided a summary of the District's annual audit, noting that the District is in financially sound shape. The reports are in the board packets, and Director Stinson is available for any questions. Director Stinson also noted a typo in the summary, where it refers to the District as a "city" on three references on page 9. That will be corrected.

Director Baker made a motion to accept the audit. Director Stinson seconded the motion, and all those present were in favor.

Review changes to billing procedures and rates for legal services to reduce costs and promote transparency – Director Stinson noted that changes with regard to billing procedures for legal services were implemented following the first of the year to be more transparent and to assist the District in better tracking projects. Another change in legal services is that effective February 2015 the fee structure for legislative monitoring was changed to a monthly retainer, as opposed to an hourly fee structure. The monthly retainer is \$6,000 during the legislative session and \$3,000 for non-legislative. Director Stinson made a motion to accept this revised set of billing procedures. The motion was seconded by Director Houston, and all those present were in favor.

Building and Facilities Committee - Kathy Turner Jones, Coordinator

Briefing on Committee Activities – Ms. Jones reported that the committee did not meet, and therefore there was no report. There simply has not been sufficient time available.

DISCUSSION AND POSSIBLE ACTION TO ISSUE A SHOW CAUSE ORDER DIRECTING THE FOLLOWING PERMITTEES, OR THEIR DESIGNATED REPRESENTATIVE, TO APPEAR AT A SHOW CAUSE HEARING FOR THAT PURPOSE AND SHOW CAUSE WHY APPROPRIATE ENFORCEMENT ACTION SHOULD NOT BE TAKEN, INCLUDING WITHOUT LIMITATION INITIATING A LAWSUIT AGAINST IT FOR OVERPRODUCTION OF 2014 PERMITTED ALLOCATION AND/OR FINES ASSOCIATED WITH TIMELY SUBMISSION:

- A. CAROLYN BEAL, OP-12090601**
- B. CAPITAL GROWTH (DOLLAR GENERAL FOSTORIA RD), OP-13102902**
- ~~C. REDIDRILL ENERGY, OP-13012805~~**

None of the above-mentioned parties were represented at the meeting. President Tramm noted that item “C” above, RediDrill Energy, has been resolved and may be stricken from the agenda item for action today. Ms. Reiter noted that item “B”, Capital Growth, has indicated that payment has been mailed. Ms. Jones asked, in accordance with general counsel’s recommendation, that the District move forward and see about finalizing completion of the existing compromise, and in the event that we are not able, to go ahead and move forward with a show cause hearing at the next board meeting. Director Stinson made a motion to approve the above action item; Director Houston seconded the motion, and all those present were in favor. Therefore, the item passed unanimously.

ENGINEERING REPORT:

Review of Monthly Engineering Status Reports – Mark Lowry, District Consultant, reported that his report is in the Board packets. He offered to answer any questions.

GENERAL MANAGER'S REPORT:

Ms. Jones noted that her report is included in the board packet, and the majority of items have already been covered under previous agenda items today. She noted that staff has been busy with outreach programs, as noted earlier. The District is also wrapping up compromise and settlement notices, and the District has received a number of permittees submitting rebate forms. GMA 14 meeting will be held May 28th, and the TAGD Groundwater Summit will take place in August.

Director Moffatt left the meeting at 11:20 a.m.

GENERAL COUNSEL'S REPORT:

Mr. Sledge provided a legislative update to the board, including legal analysis on bills that are of interest to the District, including an update on Injection Well Monitoring Program. He said there was an application filed to amend an existing class two injection well in the Conroe Field Unit. Our expert had some minor concerns with the maximum injection rate and pressure and recommended that we get with the applicant to ask them to amend their application down slightly to satisfy our need to protect the groundwater resources. He recommended the District's board authorize the general manager and legal counsel to work with the applicant to address the district's concerns consistent with our technical recommendations of our UIC expert. Director Stinson made the motion. Director Baker seconded the motion, and all those present were in favor.

He also updated the board on legislative action, including Senator Nichols' bill (SB 2049), related to the qualification of Lone Star GCD Board members. That bill has made it through the Senate and is currently in the House's Natural Resources Committee. Mr. Sledge has visited with the Senator's staff regarding the one LSGCD Board member this impacts.

Director Houston left the meeting at 11:30 a.m.

COMMITTEE ASSIGNMENTS

Appointment of advisory committee members – Richard J. Tramm. President Tramm presented the following individuals as members of the newly-created Stakeholder Advisory Committee:

- Byron Bevers, City of Shenandoah
- Scott Taylor, City of Conroe
- Mike Mooney, Woodlands Joint Powers Association
- Tom Michel, San Jacinto River Authority
- Luke Tussing, WSC Board Member (non-MUD public system)
- Wayne Register, Retired Engineer/Former Soil & Water Conservation District
- Rigby Owen, Private Resident (Lake Conroe area)
- Kerry Masson, MUD Director
- Ryan Quigley, Quadvest
- placeholder

The purpose of this committee is to build close working relationships with the different stakeholder groups of the District so that the District's Board of Directors and staff can obtain feedback from this group on significant issues. Director Weisinger asked about how the committee will function. President Tramm noted that the intent is for the committee members to work with District staff to provide input directly to District committees and the board.

Director Sam Baker made a motion to approve the above committee members as presented. Director Stinson seconded the motion, and all those present were in favor.

President Tramm also provided a new 2015-2016 LSGCD Committee Assignment List. He noted that the Building & Facilities Committee will be dissolved, and the remaining conservation-related activities associated with the District's building will be rolled into the Water Awareness and Conservation Committee. *A copy of the 2015-2016 LSGCD Committee Assignments is attached hereto as Exhibit "B".*

As an added note, the District's 2014 Annual Report has been delivered, and are on the sign-in table for the public.

PUBLIC COMMENT:

Mike Stoecker spoke first, representing the IOU group, thanked the District for forming the Advisory Committee. From the way he understands it, GMA 14 and the DFCs will move forward, but there will be verbiage that says there could very well be some changes provided in the near future. President Tramm agreed this is correct.

Bob Harden, representing the city of Conroe, presented a cross-section of the aquifer and described how they dip southeast toward the coast. He distinguished between the outcrop and artesian zones. He talked about water pressure as it relates to pumpage. He said the water levels are related to pressure, not the amount of storage that's in the aquifer. He says there's a meaningful depletion of storage has not occurred. The artesian changes in the Jasper are economic, not environmental, issues. The regional response of pressure change due to production in the Jasper aquifer is a key point. It makes sense to incorporate the area of affect in a more cumulative way rather than to piecemeal county by county. To summarize, the city feels that there is an excellent opportunity for GMA 14, and the District to help lead and provide an example of what good management programs are for groundwater.

President Tramm announced that Amy Beussink will be leaving her current role with USGS, and received a promotion as a state Director in Missouri. General Manager Kathy Turner Jones presented her with a small gift and the board wished her the best of luck. Ms. Beussink presented the board with the newest USGS water level static maps as well.

Mike Thornhill wanted to clarify that with regard to GMA 14, asking if the May 28 GMA 14 meeting was the only time that someone could propose alternate DFCs. President Tramm replied that is not the case; additional proposals will be taken and heard even after that date.

NEW BUSINESS:

There being no further business, Director Baker made a motion to adjourn the meeting; Director Wood seconded the motion, and all those present were in favor. Therefore the meeting was adjourned at 12:00 p.m.

PASSED, APPROVED, AND ADOPTED THIS 9TH DAY OF JUNE, 2015.

Samantha Reiter
~~M. Scott Weisinger, PG, Board Secretary~~
Samantha Reiter, Asst. Board Secretary



SIGN IN SHEET

May 12, 2015
Board Meeting

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail
	Mike Foster	Conroe TX	
	Tom Michel	Conroe TX	
	Philip Tespek	Houston TX	ptepk@apairnu.com
	Melissa Montagna	Houston 77040	
	Patrick Bond	Quadrant	
	Ryan Quirk	Quadrant	Ryan@Quadrant.com
	Bob Hurdan	Austin TX	bob.hurdan@rw.harden.com
	Mike Thornhill	Round Rock, TX	Mthornhill@tji-water.com
	Lance Stahl	HMW-SWD	
	SuEllen Steggs	The Woodlands (STRA)	ssteggs@STRA.net
	Byron Benav	Shenandoah	
	Richard Ramirez	RO MHD	
	Laura Hancock - Sta. Nichols' Office		
	Veronica Ossegueda	Houston	Veronica.Ossegueda@houstontx.gov



SIGN IN SHEET

May 12, 2015
Board Meeting

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail
	AMY BEUSSINK	SPRING, TX	ambeussi@usgs.gov
	JOHN LANGLEY	PANORAMA VILLAGE, TX	
	ABEL BAUTISTA	AQUA TEXAS, INC	abautista@aquaamerica.com
	JACKIE W CHANCE SK	MONTEREY CO. WCIP #1	slw557P10A01.com
	JOE SHERWIN	City of Oak Ridge North	jsherwin@oakridgenorth.com

2015-2016 LSGCD Committee Assignments
(Effective Date May 13, 2015)

Budget and Finance

Jim Stinson, Chair
Richard Tramm

Roy McCoy
John Bleyl

Policy and Personnel

(To include annual GM review and consultant review and recommendation to Board)

Sam Baker, Chair
John Bleyl

Rick Moffat
Jace Houston

Rules and By-Laws

Richard Tramm, Chair
Scott Weisinger

Billy Wood
Jim Stinson

Water Awareness and Conservation

(To include conservation related activities associated with the District building)

Billy Wood, Chair
Scott Weisinger

Rick Moffat
Roy McCoy

Findings and Review

(To include working with staff and consultants as necessary on updates to the District Management Plan and District Regulatory Plan)

Richard Tramm, Chair
Rick Moffat

John Bleyl
Jace Houston

Executive Committee

(This committee is tasked to work with staff and consultants on matter related to pending and future legislation related to the District and groundwater management.)

Richard Tramm, Chair
Sam Baker

Scott Weisinger
Jim Stinson

Stakeholder Advisory Committee Member Appointments

<u>Name</u>	<u>Agency Contact</u>
Byron Bevers	City of Shenandoah
Scott Taylor	City of Conroe
Mike Mooney	WJPA
Tom Michel	SJRA
Luke Tussing	WSC Board Member (non-MUD public system)
Wayne Register	Retired Engineer/former Soil and Water Conservation District
Rigby Owen	Private Resident (Lake Conroe area resident)
Kerry Masson	MUD Director
Ryan Quigley	Quadvest
Jim Lester, PhD	Houston Advance Research Center



SIGN IN SHEET

May 12, 2015
Board Meeting

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail
	Mike Stecker	Conroe TX	
	Tom Michel	Conroe TX	
	Philip Tespek	Houston TX	ptepk@apacilnu.com
	Melissa Montague	Houston 77040	
	Patrick Bond	Quedust	
	Ryan Quilty	Quedust	Ryan@Quedust.com
	Bob Harden	Austin TX	bob.harden@rwharden.com
	Mike Thornhill	Round Rock, TX	MThornhill@tjji-water.com
	Lance Stahl	HMW-SWD	
	SuEllen Staggs	The Woodlands (STAR)	sstaggs@STAR.net
	Byron Benens	Shenandoah	
	RICHARD RANIER	RO MUD	
	Lynn Hancock - Sta. Nichols' Office		
	Neronica Ossegueda	Houston	Neronica.Ossegueda@houstontx.gov



SIGN IN SHEET

May 12, 2013
Board Meeting

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail
	Amy Beussink	Spring, TX	ambeussi@usgs.gov
	John Landley	Panorama Village, TX	
	Abel Bautista	AQUA TEXAS, INC	abautista@aquaaamerica.com
	Jackie W. Chavira	Montgomery Co. WCID #	jlwcst@10401.com
	Joe Sherman	City of Oak Ridge, North	jsherwin@oakridge.north.com