

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

August 9, 2016

## 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 August 9, 2016.

President Tramm called the meeting to order at 9:03 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  
Greg Hope  
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(s) McCoy, Stinson and Weisinger, 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”.**

After a proper and legally sufficient announcement to the public by President Tramm, the Board of Directors went into a Closed Executive Session at 9:04 AM 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.

Director(s) Stinson and Weisinger arrived to the meeting at 9:08 AM.

Following Executive Session, the Board reconvened in Open Session and President Tramm declared it open to the public at 10:12 AM.

No additional action was taken on matters discussed in Executive Session and President Tramm adjourned the meeting at 10:12 AM.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY OF SEPTEMBER 2016.**

  
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Rick Moffatt, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

August 9, 2016

## 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 August 9, 2016.

### CALL TO ORDER:

President Tramm called to order the Public Hearing on Permit Applications at 10:18 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.  
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 McCoy 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, District 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”.***

Permitting Director, Samantha Reiter stated there were five applications received for the month and that the items listed would be taken in two groups.

Item #1, **Andrew Gesford** – Applicant is requesting registration of a new well and production authorization in the amount of 150,000 gallons for 2016 and 300,000 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 being requested.

Item #2, **Del Lago Estates** – Applicant is requesting an amendment to an Historic Use 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 being requested.

Item #3, **Aqua Texas, Inc. (Lake Forest Creek)** – 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 being requested.

Item #4, **Sprint Montgomery County Landfill LP** – Applicant is requesting registration of a new well and production authorization in the amount of 30,000 gallons for 2016 and 100,000 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 being requested.

Item #5, **Del Webb The Woodlands Homeowners Association, Inc.** – Applicant is requesting registration of a new well and production authorization in the amount of 1,500,000 gallons for 2016 and 5,000,000 gallons for 2017 and annually thereafter. Based on technical review of the information supplied, it is the General Manager’s recommendation to approve the registration and construction of the well as well as authorize a reduced allocation of 968,773 gallons for 2016, 2,906,319 gallons for 2017, and 1,568,158 gallons for 2018 and annually thereafter.

Following Ms. Reiter’s report, a motion was made by Director Stinson, and seconded by Director Bleyl to approve items #1-4, in accordance with the General Manager’s recommendations. The motion passed unanimously.

A second motion was made by Director Stinson, and seconded by Director Moffatt to approve item #5 in accordance with the General Manager’s recommendations. The motion passed unanimously.

President Tramm adjourned the public hearing on permit applications at 10:21 AM.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY OF SEPTEMBER, 2016.**

  
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Rick Moffatt, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

August 9, 2016

## 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 August 9, 2016.

President Tramm called to order the Show Cause Hearing at 10:21 AM.

The roll was called of the members of the Board of Directors, to wit:

John D. Bleyl, PE  
Greg Hope  
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 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; 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” on the Regular Board of Directors Meeting minutes.**

President Tramm stated this was a continuation from last month’s Show Cause Hearing directing City of Patton Village, (Respondent), pursuant to District Rule 2.5, to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why the District should not issue a cease and desist order pursuant to District Rule 2.6(c) for failure to submit the Consent Order and/or remit the overproduction fees and fines associated with the 2015 withdrawal of groundwater in an amount which exceeded the specific amount authorized for withdrawal by ten percent (10%) or greater than the authorized amount; file a civil suit in this matter against Respondent; and take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

President Tramm asked if anyone representing the City of Patton Village was in attendance and wished to speak. Mr. Alan Petrov, attorney for The City of Patton Village was in attendance and asked to speak on behalf of the City.

Mr. Petrov stated that he had no new information to add other than that the Public Utilities Commission (“PUC”) is currently taking action to appoint Mr. John Davis as the emergency manager of the water system and take over operations for the City. Mr. Petrov also stated that a letter was included in the board packet that further detailed the current status with the PUC. He commented that the system is now working and he requested that the District consider granting an additional thirty-day extension in order to let the State finalize the order to appoint an emergency manager.

President Tramm asked if staff had any objections to allowing the extension. There were no objections from District staff. He added that he would like to see the contractor operating the system continue to take steps to better manage the system in order to keep pumpage within the permitted amount. President Tramm stated that the District is encouraged that the City is working to right this situation.

Mr. Sledge, District General Counsel, stated that upon receipt of the final order from the PUC, District staff will contact the City to discuss the outstanding 2015 overpumpage fees and fines. Mr. Sledge then suggested the Show Cause Hearing be continued until the September 13, 2016 board meeting to allow for the State to finalize the orders appointing a temporary manager for the system.

President Tramm asked that the City stay in contact with the District as they receive updates from the State. President Tramm then stated that this hearing would be continued until 10:00 AM, September 13, 2016.

President Tramm adjourned the Show Cause Hearing at 10:25 AM.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY OF SEPTEMBER 2016.**

  
Rick Moffatt, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

August 9, 2016

## MINUTES OF PUBLIC MEETING TO ADOPT DESIRED FUTURE CONDITIONS (“DFCs”) FOR THE GULF COAST AQUIFER THAT APPLY TO THE LONE STAR GROUNDWATER CONSERVATION DISTRICT

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 August 9, 2016.

### CALL TO ORDER:

President Tramm presided and reconvened the special-called Board of Directors meeting at 10:25 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.  
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 McCoy 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".*

President Tramm stated that Mr. Bill Mullican would be discussing the Desired Future Conditions (DFCs) adopted by the district representatives of Groundwater Management Area 14 (GMA 14) at the GMA 14 joint planning meeting held on April 29, 2015.

Mr. Mullican opened by briefing members of the board and the public detailing the purpose and legal requirements of the hearing, providing an overview of what GMA 14 is, what the proposed desired future conditions are, and what steps are left in the current joint planning process. Mr. Mullican stated the purpose of the meeting was to comply with Chapter 36.108 (d-4) of the Texas Water Code which requires that, after submission of the DFC's and the explanatory report to the Texas Water Development Board, that the District will adopt the DFCs contained in the resolution adopted by GMA 14. Mr. Mullican followed with a presentation on the desired future conditions adopted for GMA 14 and the desired future conditions proposed for Montgomery County, as well as a summary of the steps and procedures that had been taken by GMA 14 and District to date, and detailed the DFC's adopted for the four major units of the Gulf Coast Aquifer system for the planning period for both GMA14 and for Montgomery County specifically. He then reported that a letter was received from the Executive Administrator of the Texas Water Development Board sent to the District on July 12, 2016, stating that the explanatory report and the accompanying materials met all the requirements of the statutes and rules and were determined to be administratively complete, and that from the date of the letter the Water Development Board will be calculating and providing to GMA 14 estimates of Modeled Available Groundwater for the aquifers for which the Desired Future Conditions were adopted.

Director Weisinger asked that copies of the presentation be sent to the board. He also asked if the Board had to act on the matter today, or could there be a delay to see if there might be additional information provided by the Strategic Plan Study that might have an effect on the Board's decision. Mr. Mullican advised that the District had already voted to support the proposed desired future conditions adopted by GMA 14 this past April, and at this point, the process is complete. Action today is a statutory requirement to formulize the DFCs adopted by GMA 14. He commented that the strategic study is ongoing, and that when the study is complete a year from now, the Board will consider those results, not for this round of planning, but for the next report that is due by September 1, 2020. Director Bleyl then asked Mr. Mullican if he was saying that there was no way to revise or amend the DFC's until 2022. Mr. Mullican responded that yes, the GMA 14 could, during the next four years, consider amending the adopted DFC's, but that they would have to go through the entire GMA 14 process of the nine considerations and develop an explanatory report in order to do so.

Director Houston commented on Director Weisinger's question, stating that the District was in the last stage of this round of DFC planning, which started in September of 2010, and that the board will immediately began addressing this issue upon completion of the strategic summary study, which could very likely result in the District agreeing to a different goal or different number. That will enable the District to amend the DFC and get that information into the regional planning process in time for the next round.



A discussion of the timing and requirements of the law as to the ramifications of not approving the DFC resolution today ensued, with comments made by Mr. Mullican and Mr. Sledge who reiterated the laws and regulations pertaining to approval.

Director Bleyl then stated that he agreed with Director Houston's remarks and wanted to state for the record that Conroe Mayor Powell is supportive of taking a look as quickly as possible at the DFCs. He further stated that these DFCs are based on the 64,000 acre-foot number and that number can change. He too is supportive of looking at the DFCs again soon and thinks the Mayor agrees with that position.

Following the discussion, upon a motion by Director Houston, seconded by Director Stinson, with Directors Bleyl, and Weisinger voting nay, the Board approved the desired future conditions as presented. *Copy of the approved resolution is attached hereto as Exhibit "B".*

The Public Meeting was adjourned at 10:49 AM.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY OF SEPTEMBER 2016.**

  
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Rick Moffatt, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

August 9, 2016

## 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 August 9, 2016.

### CALL TO ORDER:

President Tramm presided and called to order the regular Board of Directors meeting at 10:50 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.  
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 McCoy 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:

Director Weisinger asked that the July 12, 2016 regular board minutes be tabled until the September 13, 2015 regular board of directors meeting for further review. President Tramm stated that he would withhold action today on the regular minutes of the July 12, 2016 board meeting and place on the agenda for consideration and approval at the September 13, 2016 board meeting. Upon review of the following, a motion was made by Director Moffatt, seconded by Director Stinson, and unanimously carried, to approve the following minutes as presented.

- a) July 12, 2016, Special Board Meeting
- b) July 12, 2016, Public Hearing on Permit Applications
- c) July 12, 2016, Show Cause Hearing
- d) July 12, 2016, Special Hearing on Desired Future Conditions

## **COMMITTEE REPORTS:**

### **A. Executive Committee – Richard J. Tramm, President**

- 1) Brief the Board on the Committee’s activities since the last regular Board meeting – President Tramm noted that there had not been a meeting of the Executive Committee since the last board meeting.
- 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 noted that the Board was briefed and updated on issues related to the lawsuit filed by the City of Conroe et al during the closed executive session portion of the August 9, 2016 special board meeting.

### **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 met on August 5<sup>th</sup> to review and discuss the results of the Waterwise Education Program. Mr. Wood then asked Mr. Drew Talley with Resource Action Programs to share some of the highlights presented to the committee at that meeting. Resource Action Program is the company LSGCD contracted with to implement the educational outreach program with area 5<sup>th</sup>-grade students. Mr. Talley noted that the program had educated approximately thirteen hundred 5<sup>th</sup> grade students on water conservation during last year’s school term. He then commented that of the participating teachers, all of them said, “if given the opportunity, they would conduct the program again, as well as recommend the program to other teachers”. When parents were questioned, they all answered that they would like to see this program in all local schools. Mr. Talley stated that the Harris-Galveston Subsidence District had been sponsoring the Waterwise Program in the Ft. Bend/Harris County area for more than 2 decades.

Director Weisinger left the meeting at 11:01 AM.

- 2) Update on water efficiency, conservation efforts – Paul R. Nelson  
Mr. Nelson told the board that he spoke at an H-GAC seminar on July 21<sup>st</sup> during which he met with a group of small city and MUD representatives about reuse and the conservation benefits of implementing purple pipe systems. He also shared that on July 28<sup>th</sup>, a Water Efficiency Network meeting was held at the offices of LSGCD. Following that, on August 2<sup>nd</sup>, Mr. Nelson spoke to a group of local real estate agents and brokers regarding the role of groundwater conservation districts and Section 5 of the state-mandated Sellers Disclosure Form. Upcoming on August 25<sup>th</sup>, the monthly

Water Efficiency Network meeting will be held at the offices of the Houston-Galveston Area Council, with Jason Afinowicz providing an overview of the 2016 Region H Water Plan and the role conservation plays in that plan.

3) Briefing on public outreach activities – James Ridgway

Mr. Ridgway briefed the board that the social media analytics illustrate continued outreach growth online. Mr. Ridgway also discussed the District sponsored Minecraft Water Challenge contest for area students, explaining that after reaching out to Microsoft (the company that owns Minecraft) about potential opportunities, Microsoft agreed to partner with LSGCD on the Minecraft Water Challenge. Mr. Ridgway then introduced Ms. Tilicia Johnson, Community Development Specialist with Microsoft. Ms. Johnson communicated to the Board that Microsoft sees value in endeavours which utilize its platforms for educational purposes. She said the District's Minecraft Water Challenge meets that criteria. In the immediate future, she said Microsoft will be hosting a winner announcement event in their Woodlands Mall Microsoft Store at 3 p.m. on Aug. 28, 2016. Furthermore, she added that she believes there is potential for further, similar partnering going forward.

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

- 1) Brief the Board on the Committee's activities since the last regular Board meeting – Director Stinson noted there had not been a meeting of the committee since the last board meeting nor had any meetings been scheduled.

**D. Policy and Personnel Development Committee – Richard J. Tramm, Chair**

- 1) Brief the Board on the Committee's activities – President Tramm noted there had been a meeting of the committee on July 20th to review and consider possible revisions to policies of the District. Several items were discussed and another meeting would be set in the near future to further discuss.

**E. Budget and Finance Development Committee – Billy Wood, Chair**

- 1) Brief the Board on the Committee's Activities – Director Wood briefed the Board that the committee had not met since the last board meeting but a meeting has been scheduled for August 30<sup>th</sup> to consider possible rate structure scenarios as discussed at the July 12<sup>th</sup> board meeting. Director Wood also noted that other items coming before the committee to discuss include annual review of the District's administrative fee schedule as well as its investment policy.
- 2) Review of monthly financial reports – Director Wood reported that the actual year-to-date loss is less than the expected year-to-date loss.

**F. Findings and Review Committee – Rick Moffatt, Chair**

- 1) Brief the Board on the Committee's activities since the last regular Board meeting – Director Moffatt reported that the Findings and Review Committee had not held a meeting since the last board meeting.
- 2) 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 – John Seifert, LBG Guyton & Associates. Mr. Seifert reported to the Board regarding the Groundwater Management Study and projected schedule update. He explained that Task 1 is set for June 2017 to review the aquifer response to pumping after surface water conversion. He further commented that Task 2 includes presenting the draft report to the Findings and Review Committee and revising based on comments in October 2016. He went on to say that Task 3 would be a review of the Catahoula Aquifer response to pumping and GMA 14 stimulation and present possible future pumping themes which is currently scheduled for October 2016. Also included in Task 3 is to perform up to three simulations and present the results to the Findings and Review Committee to review and revise final comments and finalize in January 2017. Finally he stated that in March of 2017, future groundwater development and recommendations will be presented along with revised recommendations and draft report presented in May of 2017.
- 3) Groundwater Management Area 14 – Update the board on the status of the current desired future conditions development process in GMA 14 – Kathy Turner Jones . Ms. Jones stated that there had not been a meeting of the GMA since the last board meeting. Ms. Jones did advise the board that as mentioned in Mr. Mullican's presentation, the District had received a formal notice that the Water Development Board was in receipt of the explanatory report and deemed it administratively complete.

#### **ENGINEERING REPORT:**

Mark Lowry, District Consultant, reported that a copy of his report was included in the Board's packet.

Director Houston distributed copies of a line graph detailing the groundwater pumpage records of the SJRA Joint GRP for the years 2010 through June of 2016. He pointed out that 2011 was very high-demand year as shown on the graph and that 2015 had a very wet spring, showing below average usage and then back to normal for the remainder of the year. In 2016, the line representing the pumpage for all of the 151 utilities in the SJRA GRP graphically demonstrates that there is conversion happening in the county.

#### **GENERAL MANAGER'S REPORT:**

Kathy Turner Jones stated that a copy of this month's general manager's report is included in the board packet and that the majority of the items included had previously been discussed during earlier agenda items today.

**GENERAL COUNSEL'S REPORT:**

Mr. Sledge provided a report to the Board on pertinent legal issues and developments impacting the District since the last regular Board meeting. Mr. Sledge noted that the Board was briefed and updated on issues related to the lawsuit filed by the City of Conroe et al. during the closed executive session in today's special board meeting. Mr. Sledge further noted that the Senate Agriculture, Water, and Rural Affairs Committee had held a hearing on groundwater district issues on July 25th at which Senator Creighton was present. Mr. Sledge communicated that he would keep the Board apprised of the legislative developments

**PUBLIC COMMENTS:**

There were no public comments.

**NEW BUSINESS:**

No new business was reported.

There being no further business, upon a motion made by Director Moffatt and seconded by Director Houston, the meeting was adjourned at 11:27 AM.

**PASSED, APPROVED, AND ADOPTED THIS 13<sup>th</sup> DAY OF SEPTEMBER 2016.**

  
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Rick Moffatt, Board Secretary