

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

November 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 November 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) Weisinger, 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”.*

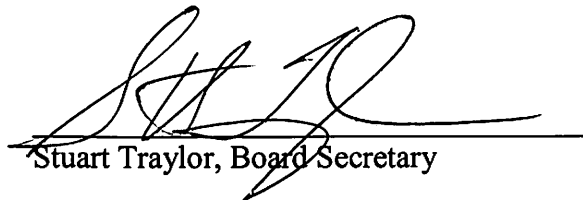
After a proper and legally sufficient announcement to the public by President Moffatt, the Board of Directors went into a Closed Executive Session at 9:20 AM pursuant to Texas Government Code, Sections 551.071, to consult with the District’s attorney regarding pending or contemplated litigation, settlement 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.

Director Weisinger joined Executive Session at 9:05 AM.

Following Executive Session, the Board reconvened in Open Session and President Moffatt declared it open to the public at 10:01 AM.

No additional action was taken on matters discussed in Executive Session and President Moffatt adjourned the meeting at 10:01 AM.

**PASSED, APPROVED, AND ADOPTED THIS 20<sup>th</sup> DAY OF NOVEMBER 2018.**



Stuart Traylor, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

November 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 November 13, 2018.

### CALL TO ORDER:

President Moffatt called to order the Public Hearing on Permit Applications at 10:01 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, 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 called on Director Bleyl, for the opening prayer. President Moffatt led the Pledge of Allegiance and the Pledge of Allegiance to the state flag.

Assistant General Manager, Samantha Reiter briefed the Board on permit applications received for the month. Applications for consideration and recommended for possible approval included the below:

**Item #1, Texcon Ready Mix**

Applicant is requesting registration of a new well and production authorization in the amount of 210,000 gallons for 2018 and 2,400,000 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 #2, Resco Electric Ltd**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 71,000 gallons for 2018 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #3, TRS Construction**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 40,000 gallons for 2018 and 25,000 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 #4, New Horizons**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 125,000 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 #5, Montgomery County MUD #137**

Applicant is requesting an amendment to an Operating Permit for drilling authorization only. 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.

**Item #6, Lakelands Section II**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 300,000 gallons for 2018 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #7, City of Willis – AWS Well #6 & 7**

Applicant is requesting an amendment to an Alternative Water Source Permit for an increase in production authorization in the amount of 94,000,000 gallons for 2018 and 110,000,000 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 #8, Nazu Enterprises Inc (dba 830 Marina & Campground)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 35,000 gallons for 2018 and 100,000 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 #9, Bays Chapel Methodist Church**

Applicant is request an amendment to an Operating Permit for drilling authorization of one new well and an increase in production authorization in the amount of 21,200 gallons for 2018 and 377,350 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 #10, Deer Trail**

Applicant is requesting registration of a new well and production authorization in the amount of 9,000,000 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 #11, Bailey Properties, LLC**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 1,500,000 gallons for 2018 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #12, Denbury Onshore, LLC (Compressor Station)**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 155,600 gallons for 2018 **only**. Based on technical review of the information supplied, it is the General Manager's recommendation to approve that which is requested.

**Item #13, Mike Bulger/The Carriage House**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 50,000 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 #14, Aaron or Jeffrey Spratlen**

Applicant is requesting registration of a new well and production authorization in the amount of 150,000 gallons for 2018 and 400,000 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 #15, Angel Brothers Enterprises**

Applicant is requesting registration of a new well and production authorization in the amount of 500,000 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 #16, City of Patton Village (Patton Lake Club)**

Applicant currently has an Historic Use Permit and is requesting the issuance of an Operating Permit in order to amend the existing permit for drilling authorization only. 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.

**Item #17, Sanberg Investments**

Applicant is requesting an amendment to an Operating Permit for an increase in production authorization in the amount of 120,000 gallons for 2018 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 2018 and further approve the requested allocation of 120,000 gallons for 2019 and annually thereafter.

Following Ms. Reiter's report, motion was made by Director Stinson and seconded by Director Wood to approve permit applications and amendments for items #1-16 as recommended by staff. The motion carried with Director Bleyl abstaining from item #7 and Director Weisinger abstaining from items #5 and #15. Director Stinson then made a motion to approve staff's recommendation as presented for item #17. Director Wood seconded the motion for item #17 and the motion carried.

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

**PASSED, APPROVED, AND ADOPTED THIS 20<sup>th</sup> DAY OF NOVEMBER 2018.**



Stuart Traylor, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

November 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 November 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, 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:

Mr. Jackie Chance spoke on the need and importance to manage aquifer levels in Montgomery County and spoke on his experience with decreasing water levels in his public supply wells in the southern part of the county. He also thanked the Board of Directors for their work. He then expressed his hope that the new Board would continue on the path to ensure there is sufficient water supply for generations to come.

## **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. Without further discussion, upon a motion by Director Houston seconded by Director Wood, the board approved the meeting minutes as presented.

- a) October 9, 2018, Special Board Meeting
- b) October 9, 2018, Public Hearing on Permit Applications
- c) October 9, 2018, Regular Board of Directors 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 no 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 reported that the appeals brief was filed with the 9<sup>th</sup> Court of Appeals on November 7<sup>th</sup>. He stated the appellate court had accepted the request to appeal and the plaintiff has a November 27<sup>th</sup> deadline in which to file a brief.

### **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 there was no meeting.
- 2) Update on public outreach activities, water efficiency, and conservation efforts – Kathy Jones reported that the mobile lab is visiting the Jones State Park this week to participate in a Classroom Without Walls presentation. The District continues to reach out to area schools and anticipates more scheduled visits for the mobile lab in the spring.

### **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 reported no meeting.

### **D. Policy and Personnel Development Committee – Jace Houston, Chair**

- 1) Brief the Board on the Committee's activities since the last regular board meeting – Director Houston reported that a presentation was given to the board in Executive Session.



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

- 1) Brief the Board on the Committee’s Activities – Director Wood reported the Committee met on November 7<sup>th</sup> to discuss the Agreed Upon Procedures audit results.
- 2) Review of monthly financial reports – Director Wood reported that, for the month of October, revenue was budgeted at \$198,632—actual was \$202,093. Expenses were budgeted at \$207,295—actual expenses were \$196,252. Net loss for the month was \$5,841. Year-to-date net income is \$214,861.
- 3) Receive Agreed Upon Procedures (AUP)– audit presentation for the period January 1, 2018 through October 31, 2018 – Jon Watson, CPA; Brooks Watson & Co., PLLC - Louis Breedlove, CPA, presented the report on behalf of Jon Watson. He described the nine procedures, as agreed upon, by the Board of Directors, for the period of January 1, 2018 to October 31, 2018. No apparent errors, significant deficiencies, or material weaknesses in internal controls were noted.

Director Stinson made a motion that the board approve the AUP report. Director Bleyl seconded. The motion carried.

Kathy Jones recognized Kay Martin, bookkeeper, for her excellent work.

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

- 1) Brief the Board on the Committee’s activities since the last regular Board meeting – President Moffatt reported the committee had not met.

**GROUNDWATER MANAGEMENT AREA 14 - UPDATE THE BOARD ON THE LEGAL, TECHNICAL, AND FINANCIAL ISSUES RELATED TO JOINT PLANNING ACTIVITIES AND DEVELOPMENT OF DESIRED FUTURE CONDITIONS IN GMA 14:**

Ms. Jones reported that the next meeting of the GMA 14 is scheduled for January 30<sup>th</sup> at 10:00 AM at the LSGCD offices.

**GENERAL MANAGER’S REPORT:**

Ms. Jones made no additional report to that in the board packet.

- 1) Discuss final board meeting for canvassing of election results – Ms. Jones reported the unofficial results are posted on the LSGCD website. The new directors are: Stuart Traylor – Place 1, Jim Spigener – Place 2, Jon Paul Bouché – Place 3, Jonathan Prykryl – Place 4, Harry Hardman – Place 5, Webb Melder – Place 6, and Larry A. Rogers - Place 7. The November 16<sup>th</sup> board meeting would include the swearing in of the new Board of Directors and receiving the Certificates of Election.

- 2) Discuss transition to newly elected board, including without limitation November 20, 2018, hearing on re-adoption of District Management Plan – Brian Sledge briefed the board regarding the time frame for re-adopting the District Management Plan. He noted that an amendment to the District Management Plan would not necessarily be precluded at the November 20<sup>th</sup> meeting. He reminded the Board that the deadline for submitting the Management Plan is December 17<sup>th</sup>.

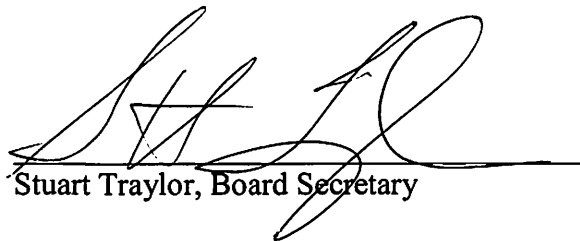
**GENERAL COUNSEL’S REPORT:**

Mr. Sledge’s report highlighted the upcoming 86<sup>th</sup> Legislative Session, which had 428 new bills filed, along with 24 amendments to the Constitution on the first filing day. He announced the new speaker as Rep. Dennis Bonnen, (R). He noted that it takes 76 out of the 150 representatives to elect the Speaker of the House and it appeared that Rep. Bonnen has those votes, though he will not be officially sworn in until the second Tuesday in January.

**NEW BUSINESS:**

There being no further business, upon a motion made by Director Weisinger and seconded by Director Wood, the meeting was adjourned at 10:36 AM.

**PASSED, APPROVED, AND ADOPTED THIS 20<sup>th</sup> DAY OF NOVEMBER 2018.**

  
Stuart Traylor, Board Secretary