

LONE STAR GROUNDWATER CONSERVATION DISTRICT

April 13, 2010

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 – Board Room located at 207 W. Phillips Street, Suite 300, Conroe, Texas, within the boundaries of the District on April 13, 2010.

President Tramm called to order the regular Board of Directors meeting at 10:25 a.m. announcing that it was open to the public.

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

Sam W. Baker
Reed Eichelberger, PE
Orval R. Love, PE
Roy McCoy, Jr.
Jim Stinson, PE
Richard J. Tramm
Scott Weisinger, PG
James B. Wesley
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, District 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”.*

APPROVAL OF THE MINUTES:

President Tramm stated the Board would consider all four (4) meeting Minutes listed as one item. Upon review of the following, a motion was made by Director Wood, seconded by Director Love and unanimously carried, to approve the meeting minutes as presented:

- a) March 9, 2010, Special Board Meeting
- b) March 9, 2010, Public Hearing on Permit Applications
- c) March 9, 2010, Regular Board of Directors Meeting
- d) March 25, 2010 Special Board Meeting

Kathy Turner Jones, General Manager, stated for the record that there was another set of Minutes inadvertently omitted from the Agenda. It doesn’t change anything, except they cannot be approved and will be added to the May 11, 2010, agenda.

President Tramm stated the meeting would proceed but the order of the agenda items would be altered at the request of a presenter.

Discuss, consider, and take action as necessary regarding Annual Financial Report for fiscal year 2009 – Bob Vanwassehnova, CPA; Bob Vanwassehnova and Associates.

Mr. Vanwassehnova reviewed the report with the Board and asked if there were any questions regarding the report. Mr. Vanwassehnova stated he had worked with Daphne Walker, District Bookkeeper, in the past and has known her to be very detail oriented. Mr. Vanwassehnova commented that District Staff works together well to accumulate the data for the financial statements and the District should be happy with the stewardship that the Board provides the community.

Director Stinson stated, as chairman of the Budget and Finance Development Committee, that the committee had met on March 25, 2010, and the committee recommends that this audit be presented to the Board for acceptance. Upon a motion by Director Baker, seconded by Director Wesley and unanimously carried, the Board accepted the 2009 audit.

Kathy Turner Jones, General Manager, thanked Daphne Walker, District Bookkeeper, for all of her hard work in helping to prepare the audit.

USGS PRESENTATION REGARDING GROUNDWATER ACTIVITIES, DATA COLLECTION, WATER LEVEL MONITORING, AND WATER WELL INVENTORIES FOR MONTGOMERY COUNTY (MARK KASMAREK, USGS)

Mark Kasmarek, Hydrogeologist, USGS, gave a slide presentation to the Board and the public showing water level altitudes for 2010 and water-level changes in the Chicot, Evangeline, and Jasper Aquifers and compaction 1973-2009 in the Chicot and Evangeline Aquifers for the Houston-Galveston Region. Following the presentation, Mr. Kasmarek stated that he had given Kathy Turner Jones, General Manager, a hard copy of the contour maps, in addition to a CD of the data. Deadline for comments will be May 1, 2010.

COMMITTEE REPORTS:

Rules and Bylaws Committee – Kathy Turner Jones, Coordinator. Ms. Jones reported that the committee met April 7, 2010, with the Focus Group regarding amenity ponds. The Committee recommends revisions to the District's rules governing the use of groundwater produced within the District in surface impoundments, including a proposed rescission of Order No. 09-009 of the District Board of Directors instituting a temporary moratorium on the issuance of certain permits. These rule revisions will be made available to the public for review and Public Hearing. Ms. Jones added that is the committee's recommendation to authorize the general manager to post notice of a Hearing on Rule changes for the May 11, 2010 Board Meeting. Copies of the draft amendments will be made available to the public no later than April 21, 2010.

11:00 a.m. – President Tramm stated that as this time the District will continue the Board Meeting at conclusion of today's Public Hearing on Proposed Changes to District Rules.

11:15 a.m. President Tramm stated the Regular Board Meeting of Lone Star Groundwater Conservation District would continue.

Discussion, consideration, and possible action approving amendments to the District Rules regarding adoption and amendment of Phase II(B) of the District Regulatory Plan.

Without further discussion a motion was made by Director Weisinger, seconded by Director Stinson to postpone action on this item until April 22, 2010. Motion passed.

Policy and Personnel Development Committee – Sam W. Baker, Chair. Director Baker reported that the committee had not met since the last Board Meeting.

Water Awareness and Conservation Committee – Billy Wood, Chair. Director Wood stated that the committee had not met since the last Board Meeting and asked Marjie Risk, Education/Public Awareness Coordinator, to proceed with a report of her activities during the past month.

Ms. Risk stated that one of her goals for the last month was to provide the Board with a timely submittal of the 2009 Annual Report. Ms. Risk noted that a draft copy had been provided to the Board and the General Manager at the March 9th 2010 Board Meeting. The Board was given a deadline of two weeks to provide comments. Changes were made as requested to include the addition of a “Definition of Terms” that could be referenced and Ms. Risk handed out completed copies of the District’s 2009 Annual Report.

Ms. Risk stated the District has set up a display at the Montgomery County Fair with information regarding groundwater use and aquifers in addition to a rainwater harvesting display. In addition, Ms. Risk also attended Earth Day last Saturday (April 10, 2010) at The Woodlands High School. Ms. Risk spoke with attendees about the need for water efficiency and also about rainwater harvesting. Water efficiency information for homeowners was provided in addition to faucet aerators and rain gauges.

Ms. Risk also mentioned that she had placed five (5) Water IQ billboards in Montgomery County, with an additional one to be installed when available on May 1, 2010.

Ms. Risk stated that the Lone Star Groundwater Conservation District had created a 30 second water conservation message that will run on KSTAR radio for the next six months. The messages began on April 9th and will run four times per day and fifty (50) messages will run each month for a total of 300 messages.

Ms Risk has ordered new water related student booklets which are also very useable with older audiences. These booklets were ordered from the National Project WET Foundation which is a national leader in water education. Booklets were ordered that address water conservation, drought, and groundwater and springs. The water conservation booklets were showcased at the Earth Day events held at the Woodlands High School.

Ms. Risk introduced a new approach to water conservation and efficiency to the Board, which was to start making the connection between water and energy use, which might be a more successful way of reaching business owners as saving water saves energy as well. Ms. Risk

stated that for the last two years she has been working with the National Project WET Foundation on a high school activity that explains the water and energy connection.

Ms. Risk stated she would like LSGCD to host a two (2) day Water Audit Training Workshop for commercial, industrial and institutional facilities. This workshop would train water utility staff to identify water waste and opportunities for water efficiency programs. Possible dates for this workshop could be the first few days in June. The water and energy connection would be discussed and the training would also have an outdoor irrigation component.

Ms. Risk updated the Board on the national work she is doing for the American Water Works Association (AWWA) to develop a new accredited water conservation standard for water utilities which would provide a baseline set of measures for acceptable water conservation programs. Once completed, the new standard would have great applicability in Montgomery County. Ms. Risk had attended meetings in Albuquerque on Sunday and Monday, April 11 & 12, 2010, to update the Water Conservation Division of the AWWA on project progress.

Budget and Finance Development Committee – Jim Stinson, Chair. Director Stinson reported his committee met March 25, 2010, to review the audit, giving the committee another opportunity to look at the budget. The most current revised budget is included in each Board packet. Director Stinson commented to the public that each time this agenda item has been deferred, it gives the committee another opportunity to refine the projected expenses and projected revenues with current data.

Review of Monthly Financial Reports. Director Stinson stated he has reviewed the monthly financial report and if anyone has any questions he would be glad to address those. The District currently has income of 1.3 million and expenses of about \$277,000.

Review 1st Quarterly Investment Report 2010. Director Stinson stated that he has reviewed the 1st Quarterly Investment Report, along with the General Manager, and a copy is included in each Board packet.

Discuss, consider, and possible action regarding approval of Resolution #10-001 adopting FY 2010 Operating Budget. Director Stinson reported the current budget has projected expenses of 2.2 million and projected income of 2.2 million, noting that approximately \$121,000 will come out of reserve—which are about twelve (12) months of the District’s operating expenses. Without further discussion, upon a motion by Director Weisinger, seconded by Director Wesley, the 2010 Operating Budget for the Lone Star Groundwater Conservation District was adopted. *Copy of Resolution #10-001 is attached hereto as Exhibit “B”.*

Findings and Review Committee – Orval R. Love, Chair. Director Love reported the committee met prior to the last Board Meeting with three (3) consultants for redevelopment of information technology/GIS web-based mapping. Of those interviewed, the committee selected Half Associates for final recommendation to the Board of Directors.

Consider authorizing General Manager to execute Professional Services Agreement for redevelopment of Information Technology. Kathy Turner Jones, General Manager, recognized Jeff Christiansen, Managing Director - Visual Science & Tech; Half Associates. Ms. Jones reported that the District is in the process of redeveloping its information technology.

There are numerous rule requirements that mandate more public input on record keeping and greater public accessible is imperative. The committee has been working on this project for five to six (5-6) months and is now down to a task specific responsibility. The committee is recommending to move forward with this project, but not to exceed \$150,000.

Jeff Christiansen, added that this is essentially two (2) projects in one. The first part being the “meat” of the GIS issue is to get the public more involved with data, as well as being able to understand the data on a layer-by-layer basis. Second, further advancement of the information technology will include a mobile GIS capability for gathering information that is far more accurate than how it is being gathered at the present time. This will include field equipment costs for use out into the field to acquire data more quickly and easily, as well as updating that data daily (real time). Annual maintenance is \$10,000 and includes all software upgrades. Mr. Christiansen stated Halff is one of three providers in the state of Texas that is referred to as an ASP provider, which means, that Halff not only can sell the software, but they work with software development companies in order to make sure the software is working.

Without further discussion, a motion was made by Director Love, seconded by Director Weisinger, with Director McCoy abstaining, to authorize the General Manager to execute a Professional Services Agreement for redevelopment of Information Technology with Halff Associates not to exceed \$150,000. Motion passed.

USGS Recharge Project Update. Mike Turco, Sub-district Chief, stated there has not been a lot of change since his last report. He added that USGS expects to have a Draft to the District by the end of May, 2010, and will also provide a copy to Mark Lowry, District Consultant. At that point, the report will go through a peer review process and USGS expects it to be published by August or September. When the Draft is ready to be presented, USGS will give a presentation to the Findings and Review Committee.

Building and Facilities Committee – Kathy Turner Jones. Ms. Jones stated the committee met March 23, 2010. Since that time, Ms. Jones stated she had a couple of additional meetings regarding potential real estate opportunities. Ms. Jones stated this is information she needed to report back to her committee.

ENGINEERING REPORT:

Mark Lowry, District Consultant, stated his report was included in the Board packets, but did mention several items he worked on this past month. Mr. Lowry reported he assisted in coordinating with the amenity pond issue and rules, along with looking at a potential issue regarding groundwater waste, plus working with the brackish groundwater expert panel team.

Update on activities and findings of brackish groundwater review panel of consultants retained by District. John Seifert, LBG Guyton, presented a report from the committee stating that the committee met on April 9, 2010. Mr. Seifert reported he had met with a group of Districts interested in brackish or test hole drilling and they are in the process of developing a model to help in this analysis and expects to have some results in about a week. The panel has also looked at the quality of the water in the Upper Jasper and, at this point, does not feel that pumping the Catahoula is going to have an adverse effect on the quality of the water in the Jasper, Chicot or Evangeline Aquifers. The panel should have a draft of their responses to

the questions they were charged with in approximately two weeks to present to the General Manager, General Counsel, and District Consultant.

Mr. Lowry stated that the delay in presenting the findings has been due to the construction of the model, which has taken longer than anticipated.

DISCUSS, CONSIDER, AND TAKE ACTION REGARDING PROTOCOL FOR REVIEW AND DETERMINATION OF “TOTAL QUALIFYING DEMAND” UNDER THE DISTRICT REGULATORY PLAN PHASE II(B) FOR PERMITS USED BY THE DISTRICT BEFORE JANUARY 1, 2010.

Brian Sledge, General Counsel, stated that he, along with District staff, and Mark Lowry, District Consultant, had been reviewing data related to 2009 permitted authorizations, as well as 2009 production reports due to the District February 15, 2010. After extensive review and analysis of the data, Mr. Sledge recommends that the Board instruct the General Manager to conduct a Technical Review on all LVGUs permits whose permit authorization exceed by 20% or more their 2009 production and make a recommendation on whether their permitted amount unreasonably exceeds their demand, as set forth by the District Regulatory Plan; and for those that the General Manager does determine to unreasonably exceed their demand, to initiate by action and bring those before the Board for a permit amendment. A motion was made by Director Stinson, seconded by Director Weisinger and unanimously passed to proceed with the recommendation of General Counsel.

General Counsel Report:

Brian Sledge, General Counsel, reported that Denbury Onshore, LLC, a Plano based oil and gas exploration and production company who recently acquired a working interest in the Conroe Oil Field mineral rights, filed a motion to intervene in the TexCom. Following the pre-hearing conference yesterday, before the Administrative Law Judges, the motion to intervene was approved and Denbury was granted “party status”. General Counsel commented as a “party” in the case, Denbury will have an opportunity to present evidence in the SOAH hearings in June 2010.

The House Natural Resources Committee is having a Hearing on Thursday, April 15, 2010, on the groundwater conservation districts with issues related to desired future conditions. Lone Star Groundwater Conservation District has been invited to testify and give an overview to the committee on its operations.

Mr. Sledge reported that since last month, the lawsuit filed by Clayton Williams’ company against the Middle Pecos Groundwater District for refusing to process his permit application as being administrative complete, has been dismissed.

General Counsel commented that TWCA recently formed groundwater committee that is trying working to hammer out legislative recommendations to prevent a stand-off between groundwater marketers in West Texas and the groundwater conservation districts.

Mr. Sledge reminded the Board that the Speaker of the House has created a select committee and after visiting with the chairman of that committee, is led to believe the committee is more oriented toward developer type districts and not groundwater conservation districts.

Mr. Sledge mentioned that TWCA mid year conference is June 9-10, 2010 at South Padre, Texas and stated he has been asked to give a legislative update.

GENERAL MANAGER'S REPORT:

Kathy Turner Jones, General Manager, reported the lawsuit has been served on Mary Lou Kirves regarding her failure to permit in compliance with District Rules. Papers are being filed in the courts for James Cappiello regarding the same non-compliance. The District is moving forward to send a message to the public that everyone needs to abide by the rules and the District has groundwater reduction to implement.

Ms. Jones stated she attended a TAGD meeting at the end of March in Austin. One of the presenters was Weir Labatt, TWDB member. Ms. Jones stated she had bulleted some of his comments her general manager's report that she found disturbing as a Groundwater District Manager and encouraged the Board members to read those comments.

PUBLIC COMMENT: President Tramm stated Mike Stoecker had signed up to speak on the contract with SJRA and wanted Mr. Stoecker to understand that this was an SJRA matter and not a Lone Star Groundwater Conservation District matter.

Mike Stoecker, Investor Owner Utility – Mr. Stoecker stated he understood that and therefore, would address President Tramm and Director Baker as representatives of Investor Owned Utilities (IOUs). Mr. Stoecker stated that he feels that the IOUs are not being treated fairly and wants their LSGCD representatives to speak to SJRA and let the IOUs have ample time to read the contract before having to sign.

NEW BUSINESS: None

There being no further business, upon a motion by Director Wood, seconded by Director Weisinger, the meeting was adjourned at 12:00 p.m. The next regular meeting of the Board of Directors is scheduled for May 11, 2010, at 10:00 a.m.

PASSED, APPROVED, AND ADOPTED THIS 11th DAY OF MAY, 2010.

Sam W. Baker, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

April 13, 2010

MINUTES OF SPECIAL MEETING

Lone Star Groundwater Conservation District (“District”) held a “Special Meeting,” open to the public, at 207 W Phillips Street, Suite 300, Conroe, Texas, within the boundaries of the District on April 13, 2010.

President Tramm called the meeting to order at 9:05 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 W. Baker
Reed Eichelberger, PE
Orval R. Love, PE
Roy McCoy, Jr.
Jim Stinson, PE
Richard J. Tramm
Scott Weisinger, PG
James B. Wesley
W. B. Wood

All members of the Board were present, with the exception of Director Baker and Director Weisinger, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, District 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 9:06 a.m. as authorized by the Open Meetings Act, Sections 551.071, Government Code, 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, Vernon's Texas Codes, Annotated.

Director Weisinger arrives at 9:08 a.m.

Director Baker arrives at 9:09 a.m.

Following Executive Session, the Board reconvened in Open Session and declared it open to the public at 10:00 a.m.

No action was taken on matters discussed in Executive Session and the meeting was adjourned at 10:01 a.m.

President Tramm declared a short recess before beginning the Regular Board Meeting.

PASSED, APPROVED, AND ADOPTED THIS 11th DAY OF MAY, 2010.

Sam W. Baker, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

April 13, 2010

MINUTES OF PUBLIC HEARING ON PROPOSED CHANGES TO DISTRICT RULES

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 207 W. Phillips Street, Suite 300, Conroe, Texas, within the boundaries of the District on April 13, 2010.

The audio tape will serve as the official record for the Public Hearing on Proposed Changes to District Rules. The summary below is provided for convenience.

President Tramm called to order the Public Hearing on proposed changes to District Rules at 11:00 a.m.

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

Sam W. Baker
Reed Eichelberger, PE
Orval R. Love, PE
Roy McCoy, Jr.
Jim Stinson, PE
Richard J. Tramm
Scott Weisinger, PG
James B. Wesley
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, District 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”.*

President Tramm announced he would now turn over the hearing to Brian Sledge, General Counsel for the District, for a presentation of the proposed changes to the District Rules.

In brief, the General Counsel explained that the District published changes that would clarify some of the things the District has been working on with the District’s Brackish Panel and some of the LVGUs who wish to explore the feasibility of that option as an alternative water source. The District has defined “brackish groundwater”; lowered the TDS threshold to 1,000; set up a process for drilling test bores for brackish exploration and gives the General Manager the authority to do that without the process of going through a Hearing. The District also set up

some standards for sealing wells without contamination. The most important task is to solve the definition problem regarding the Catahoula being part of the definition of the Gulf Coast Aquifer. The District has removed the Catahoula formation out of the definition of Gulf Coast Aquifer. Therefore, anyone wanting to produce from the Catahoula would still be required to demonstrate to the satisfaction of the Board, how production would impact the quality or quantity of fresh water supplies in the overlying formations. Mr. Sledge pointed out that the District received one set of comments from MUDs 8 & 9 and subsequently met with their attorneys to go over those comments. There is still some question regarding the use of the Lower Jasper, in addition to the Catahoula, and whether that production would be part of the 64,000. Once again, it would need to be demonstrated that it would not be affecting the quantity of fresh water supplies above it, and whether we could have production from the Lower Jasper. Mark Lowry, District Consultant, had a meeting with the District's panel of experts this past week and discussed the Lower Jasper. Mr. Sledge stated that the District needs to continue to modify the definition of what the Gulf Coast Aquifer is, from which reductions would have to occur under the DRP. Mr. Sledge stated that after hearing from the public, the District should schedule another Hearing on Thursday, April 22, 2010, and conclude this Hearing today, leaving the record open for submission of additional written comments through 5:00 pm, Friday, April 16, 2010. Counsel added that a marked up copy would be provided to the Board by Monday (April 19, 2010).

PUBLIC COMMENTS:

Lynda Pierce, MUD 18 – Ms. Pierce requested clarification on the postponement of adoption of draft changes to the DRP Phase II (B). MUD 18 needs to go out for bids for drilling test wells for brackish water, but are hesitant to publish that need until they believe this matter will not be taken off the table.

Kathy Turner Jones, General Manager, responded to Ms. Pierce's concerns by saying it is the Board's wishes that the District move forward and that drilling test wells for brackish water is not off the table.

Brian Sledge, General Counsel, reiterated that the District is not going to change that decision. The District is just going to be looking at the definition of Gulf Coast Aquifer, and the timeline on plugging a well after drilling.

The Public Hearing on Proposed Changes to District Rules was adjourned at 11:13 a.m.

PASSED, APPROVED, AND ADOPTED THIS 11TH DAY OF MAY, 2010.

Sam W. Baker, Board Secretary

LONE STAR GROUNDWATER CONSERVATION DISTRICT

April 13, 2010

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 207 W. Phillips Street, Suite 300, Conroe, Texas, within the boundaries of the District on April 13, 2010.

President Tramm called to order the Public Hearing on Permit Applications at 10:15 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 W. Baker
Reed Eichelberger, PE
Orval R. Love, PE
Roy McCoy, Jr.
Jim Stinson, PE
Richard J. Tramm
Scott Weisinger, PG
James B. Wesley
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, District 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”.*

Item #1, **Thousand Trails Lake Conroe** – This is an application for a new Operating Permit requesting allocation only in the amount of 2,000,000 gallons. This application is associated with an existing Historic Use Permit. Based on Technical Review, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Stinson, seconded by Director Love to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #2, **Dena McKinney** – Applicant has requested drilling authorization for a new well and 374,000 gallons for 2010 and 500,000 for 2011. Applicant will be providing water for an RV Park. Based on Technical Review, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Wesley, seconded by Director Stinson to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #3, **Louis Holub (Lakeside Collision Specialist)** – Applicant has requested 250,000 gallons for 2010 and annually thereafter. This is an existing well, operating since 2001 for a paint and body shop that staff found in non-compliance. Based on technical review of information supplied by application, it is the General Manager’s recommendation to authorize a reduced amount to the amount registered by meter for the remainder of the year, not to exceed 210,000 gallons. A motion was made by Director Eichelberger, seconded by Director Baker to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #4, **Virginia Falcon** – Applicant has requested 600,000 gallons for 2010 and annually thereafter. This is an existing well recently brought online as non-exempt due to a change in use. Based on Technical Review of information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Wood, seconded by Director Wesley to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #5, **Magnolia Enterprises Partnership** – Applicant has requested drilling authorization for a new well and 739,800 gallons for 2010 and 1,000,000 for 2011. Applicant will be providing water for a warehouse facility. Based on Technical Review of information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Stinson, seconded by Director Wood to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #6, **The Church of Jesus Christ of Latter Day Saints** – Applicant has requested drilling authorization for a new well and 3,000,000 gallons for 2010 and annually thereafter. Applicant will be providing water to the church. Based on technical review of information supplied by application, it is the General Manager’s recommendation to authorize a reduced amount of 450,000 gallons for 2010 and annually thereafter. A motion was made by Director Baker, seconded by Director Wesley to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #7, **Shoreline Storage** – Applicant has requested 100,000 gallons for 2010 and annually thereafter. This is an existing well, operating since 2002 for a storage facility that staff found in non-compliance. Based on Technical Review of information supplied by application, it is the General Manager’s recommendation to authorize a reduced amount to the amount registered by meter for the remainder of the year, not to exceed 60,000 gallons. A motion was made by Director Stinson, seconded by Director Love to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #8, **Montgomery County Hospital District** – Applicant has requested drilling authorization for a new well and 100,000 gallons for 2010 and 200,000 gallons annually thereafter. Applicant will be providing water for an EMS substation. Based on Technical Review, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Wesley, seconded by Director Love to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #9, **City of Shenandoah** – Applicant is requesting drilling authorization only for a new well. No additional water is being requested at this time. Based on Technical Review, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Wesley, seconded by Director Wood to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #10, **J. H. Parsley (JP Properties)** – Applicant has requested 100,000 gallons for 2010 and annually thereafter. This is an existing well, operating since 1976 for a real estate office that staff found in non-compliance. Based on Technical Review supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Stinson, seconded by Director Wesley to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #11, **Brenda Borrayo** – Applicant has requested drilling authorization for a new well and 234,000 gallons for 2010 and 250,000 gallons annually thereafter. Applicant will be providing water for 2 single family homes. Based on technical review of information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Stinson, seconded by Director Wesley to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #12, **Synergy Star LLC** – Applicant has requested drilling authorization for a new well and 350,000 gallons for 2010 and 500,000 gallons annually thereafter. Applicant will be providing water to Synergy Star offices. Based on technical review of information supplied by application, it is the General Manager’s recommendation to approve that which is being requested. A motion was made by Director Stinson, seconded by Director Wesley to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

Item #13, **Rick Kuykendall** – Applicant has requested 100,000 gallons for 2010 and annually thereafter. This is an existing well, operating since 1980 for a small office that staff found in non-compliance. Based on technical review of information supplied by application, it is the General Manager’s recommendation to authorize a reduced amount to the amount registered by meter for the remainder of the year, not to exceed 36,500 gallons. A motion was made by Director Stinson, seconded by Director Love to approve the permit application in accordance with the recommendation of the General Manager. Motion passed with Director Weisinger abstaining.

President Tramm adjourned the Public Hearing on Permit Applications at 10:24 a.m.

PASSED, APPROVED, AND ADOPTED THIS 11th DAY OF MAY, 2010.

Sam W. Baker, Board Secretary