

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 13, 2009

## 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 October 13, 2009.

**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, which dealt with consideration of adoption of proposed Phase II(B) of the District Regulatory Plan, at 10:17 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, with the exception of Director Weisinger, Director Baker and Director McCoy, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, District General Manager; Brian Sledge, General Counsel; Jason Hill, Attorney; Mark Lowry, District Consultant; District staff; and members of the public. ***Copies of the public sign-in sheets are attached hereto as Exhibit “A”.***

Kathy Turner Jones, General Manager, stated that in compliance with District requirements, legal notice was provided to the public on September 23, 2009, with a copy of the proposed rules posted. Updated draft copies are available at the back of the room for the public.

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.

Mr. Sledge stated that the Board would hear public comments first and then proceed with the Public Hearing.

Public Comment:

**Tom Baudat, President, T&W Water Supply**, who had signed up to speak, stated he had nothing to say at this time.

**Jackie Chance, Montgomery County WC & ID No. 1**, suggested that if a person is not in a WRAP, the District should put in a rule that they can only have 70% of the per capita state average of water while they are out of a WRAP.

In brief the General Counsel explained he would like to review some of the changes. Phase II (B), which is currently under review, is the actual conversion regulations of the District to try to get all groundwater use down to the level the District has determined is sustainable, which, based on the best scientific evidence to date, is 64,000 acre-feet. In Phase II (B), the District has continued with the same approach following the submitted WRAP's (Water Resource Assessment Plan) which details the plan to successfully reduce groundwater production by 30% by the year 2015, in order to meet the 64,000 acre feet target. In this current Phase, the District is also setting forth some milestones, in an effort to track progress between now and 2015 and insure the progress meets the requirements of the District. The Board will republish an updated GRP after today's changes.

Mr. Sledge stated there was a significant overhaul of definitions. The District received feedback from several attorneys, representing MUDs 8 & 9 and MUD 3, regarding "Safe Harbor GRP", which is a joint GRP that accounts for at least 10% of the total water demand of all LVGUs within the District.

As far as nailing down the Total Qualifying Demand for an individual user group, what that amount of groundwater production will be in 2015 that they need to scale back from, the District has come up with a plan. Mr. Sledge added, "we don't want anybody to be able to run in early and artificially inflate their permitted amount." The concept of total qualifying demand is the District's largest concern. The way we can eliminate that happening is just say that whatever total amount of water they produce in the calendar year 2015, 30% must come from an alternative water source. The District is trying to base the demand numbers on Texas Water Development Board numbers. As discussed in the Workshop today, use 2009 as the benchmark for measuring the groundwater usage for 2015. Everyone could plan and know exactly what their groundwater amount would be. This new approach seems to solve the problems that have been arising.

That concluded the overview comments by Mr. Sledge.

The Public Hearing on Proposed Changes to District Rules was adjourned at 11:00 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 10<sup>TH</sup> DAY OF NOVEMBER, 2009.**

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Sam W. Baker, Board Secretary

# LONE STAR GROUNDWATER CONSERVATION DISTRICT

October 13, 2009

## MINUTES OF BOARD WORKSHOP

The Lone Star Groundwater Conservation District (“District”) held a “Board Workshop” open to the public, at 207 W Phillips Street, Suite 300, Conroe, Texas, within the boundaries of the District, on October 13, 2009.

President Tramm called to order the Board Work Session at 8:05 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, with the exception of Directors Weisinger, Baker and McCoy, 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; Jason Hill, Attorney; 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 stated the Board Workshop is a summary presentation of proposed amendments and/or revisions to District Rules related to the adoption of Phase II (B) of the District Regulatory Plan (DRP). President Tramm then turned the meeting over to Brian Sledge, District General Counsel.

Mr. Sledge stated the draft in the Board packet, dated October 13, 2009, is the “clean” version. Some language has changed and the District’s review period for GRPs has been changed from 60 days to 90 days. After meeting with attorneys from MUD 8 and MUD 9, their comments were incorporated into the Early Conversion Incentive.

The largest trouble spot is the concept of total qualifying demand. Mr. Sledge stated he had tried to come up with other options for a more workable system and suggested using 2009 numbers instead of 2015 numbers. If we used numbers from 2009, everyone would know what

amount of water they would need by 2015. Public water suppliers would be able to know what and how to plan for the final conversion in 2015.

Jason Hill, Attorney, stated that anyone coming in after 2015 would be required to be 100% surface water. Brian Reiterated that **everybody (BRAND NEW USER)** that comes n after 2015 has to come in 100% under alternative water supply.

Dave Scholler, SJRA, asked f the District is going to limit the amount of water pumped in 2015 by 30% of the 2009 numbers. Brian stated that every LVGU coming into the District will need to join a GRP that has already accounted for their water. All growth will be accounted for in 2015. If you are an individual GRP, you should be concerned. If you are in a Group GRP, then you are covered. Mr. Sledge also commented That the actual logistics to adding new LVGUs in the future is not of any concern.

9:10 a.m. – President Tramm recessed for a break.

9:20 a.m. – President Tramm reconvened the meeting.

General Counsel stated he and Jason had met with MUD 8 and MUD 9 attorneys regarding alternative water supply that failed to obtain a permit because of economic considerations or regulatory denial. Mr. Hill stated that under the DRP Phase II(B) Requirements, a paragraph had been added regarding an LVGU that timely submits a fully compliant GRP to the District, that later determines that one or more of its alternative water sources is no long available because of regulatory denials or unanticipated economic considerations, shall notify the District in writing as soon as possible. Within 180 days after submitting such notice to the District, the LVGU shall submit to the District an amended individual GRP or an amended Joint GRP that the LVGU has joined a Joint GRP.

There being no further business, the Board Workshop was adjourned at 9:55 a.m.

PASSED, APPROVED, AND ADOPTED THIS 10<sup>th</sup> DAY OF NOVEMBER, 2009

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Sam W. Baker, Board Secretary