

**MINUTES
HARRIS-GALVESTON SUBSIDENCE DISTRICT
REGULAR MEETING
OF THE BOARD OF DIRECTORS
MAY 14, 2014
10:00 A.M.**

MEMBERS OF THE BOARD PRESENT: Alan Petrov (Chair), Susan Baird, Chris Canonico, Pete Côté, James Edwards, Jason Hayley, Ken Hufstetler, Don Johnson, Bill Latimer, Paul Maaz, Lindall Murff, Pam Puckett, Dennis Sander, Kyle Sears, Linn Smyth and Robert Ybañez.

MEMBERS OF THE BOARD ABSENT: Edgar Barlow, Joe Goins and Alberto Gonzalez.

PRESIDING: Alan Petrov

Chairman Petrov called the meeting to order at 10:07 a.m. in the Boardroom of the District office and announced the presence of a quorum.

OATH OF OFFICE

Ms. Helen Stewart Truscott administered the oath of office to Mr. Hufstetler and Mr. Latimer.

APPROVAL OF THE MINUTES

1. Mr. Maaz moved that the minutes of the regular meeting of April 9, 2014, be approved as presented; it was seconded by Ms. Smyth. Chairman Petrov put the question and, after the vote, announced the motion carried.

HEARING EXAMINER'S REPORT

2. Ms. Helen Stewart Truscott presented the Hearing Examiner's Report for April 2014 (Exhibit #1).
 - 2.1 Ms. Truscott reviewed the testimony and findings for the recommendations of Jaymar Houston Ventures LLC, as well as 15 new wells and 64 wells with violations.
 - 2.2 Ms. Smyth moved to accept the Hearing Examiner's recommendations; it was seconded by Mr. Latimer. Chairman Petrov put the question and after the vote, announced the motion carried.

EMERGENCY PERMITS

3. The Board considered the General Manager's actions in granting emergency permits to Alsay Incorporated, Cy-Fair Sports Association, Denbury Onshore, LLC, Dominant Development, FS Clay, LLC, Generator Super Center, Helyn Jones, Mantra Properties, Bill Nguyen, Quadvest, LP, Washington Drive Trailer Park and WEK Cattle Company, LLC. No appeals were filed and no motions were made to reconsider the actions taken by the General Manager.

CONSIDER RECOMMENDATION FROM THE FINANCE COMMITTEE TO ACCEPT THE ANNUAL AUDIT

4. Mr. Maaz reported that the Finance Committee met with a representative from WhitneyPenn concerning the audit. The Finance Committee recommendation is to enter the audit in the permanent record.
 - 4.1 Ms. Maaz moved to accept the Annual Audit and enter it into the permanent record; it was seconded by Mr. Latimer. Chairman Petrov put the question and, after the vote, announced the motion carried.

CONTRACT WITH ARCHITECT

5. Mr. Turco reported that the District Office needs some modifications to lobby area to create a reception area and address security issues; enlarging the conference room; and address some building-maintenance needs. Mr. Turco would like authorization to contract with an architectural firm for these items, such contract not to exceed \$35,000.
 - 5.1 Mr. Canonico moved to authorize the General Manager to contract with an architectural firm for technical services in support of maintenance and reconfiguration of the District Office, not to exceed \$35,000; it was seconded by Mr. Maaz. Chairman Petrov put the question and, after the vote, announced the motion carried.

GENERAL MANAGER'S REPORT

6. Mike Turco submitted the General Manager's Report.

SPECIAL COUNSEL FOR AMICUS CURIE BRIEF

7. Greg Ellis updated the Board concerning the Cities of Richmond and Rosenberg v. Fort Bend Subsidence District case and the recommendation to hire a Special Counsel to write an Amicus Curie Brief on the behalf of the Harris-Galveston Subsidence District.
 - 7.1 Mr. Latimer moved to authorize the hiring of a Special Counsel to write an Amicus Curie Brief on the behalf of the Harris-Galveston Subsidence District not to exceed \$10,000; it was seconded by Mr. Maaz. Chairman Petrov put the question and, after the vote, announced the motion carried. Mr. Canonico abstained from voting.

EXECUTIVE SESSION REGARDING PENDING OR CONTEMPLATED LITIGATION OR SETTLEMENT OFFERS

8. The Board of Directors went into Executive Session at 10:57 a.m. as authorized by the Open Meetings Act, Section 551.071, Government Code, to discuss proposed settlement offers and pending or contemplated litigation in consultation with the General Counsel and personnel matters.

8.1 Mr. Murff has left the meeting.

8.2 Following Executive Session, the Board resumed the open meeting at 11:18 p.m.

COMPROMISE AND SETTLEMENT AGREEMENTS

9. Ms. Baird moved to accept the counter offers from Farid Tijerina (\$750.00), Fazel Ahmed (\$805.00), Hien Nguyen (\$750.00), Ana Gutierrez & Raul Martinez (\$338.00), Thao Nguyen (\$338.00) and deny the counter offer from Shell Hogue; it was seconded by Mr. Maaz. Chairman Petrov put the question and, after the vote, announced the motion carried.

10. Mr. Johnson moved to offer Shell Hogue an offer of \$1,346 to settle his violation; it was seconded by Mr. Canonico. Chairman Petrov put the question and, after the vote, announced the motion failed. (Yea - 4, Nay - 11) Ms. Baird, Mr. Côté, Mr. Edwards, Mr. Hayley, Mr. Latimer, Mr. Maaz, Ms. Puckett, Mr. Sander, Mr. Sears, Ms. Smyth and Mr. Ybañez voting against.

11. Ms. Baird moved to deny the counter offer from Shell Hogue; it was seconded by Mr. Sears. Chairman Petrov put the question and, after the vote, announced the motion carried.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, THE MEETING WAS ADJOURNED.

BY:



Chairman

ATTEST:



Secretary