

LONE STAR GROUNDWATER CONSERVATION DISTRICT

May 9, 2023

MINUTES OF SHOW CAUSE HEARING ON ENFORCEMENT MATTERS

The Board of Directors of the Lone Star Groundwater Conservation District (“District”) met in regular session, open to the public, held in person in the Lone Star GCD – James B. “Jim” Wesley Board Room located at 655 Conroe Park North Drive, Conroe, Texas, and remotely via the publicly accessible webinar/telephone conference call within the boundaries of the District on May 9, 2023.

CALL TO ORDER:

President Spigener called to order the Show Cause Hearings at 6:17 PM.

ROLL CALL:

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

Jon Paul Bouché
James Spigener
Jonathan Prykryl
Kenneth Earnest
Janice Thigpen
Stuart Traylor
Garry Dent

All members of the Board were present, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Samantha Reiter, General Manager; Stacey V. Reese, District Counsel; District staff; and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".*

Ms. Reiter stated that Angel Texaco, Dioselina Medina, Flor Fuentes and Forest Shadows Pet Resort would be removed from the list as they have come into compliance.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Chuck Cauthorn** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondent had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to remit 2023 water use fees and associated penalty fines. 2022 water use fees are invoiced in early to mid-November of the prior year and due January 1st of the current year, while production reports are due annually on or before February 15th. Multiple attempts to contact the permittee have not been successful, that of which included emails, phone calls and notice of violation. The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) failure to remit 2023 annual water use fees and/or fines associated with timely submission;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorney's fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Director Dent seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **CKG Services LLC**, to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondent had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to submit the 2023 annual water use fees and failure to submit the 2022 annual water production report. Multiple attempts to contact the permittee have not been successful, that of which included emails, phone calls and notice of violation. The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) failure to submit the 2023 annual water use fees and failure to submit the 2022 annual water production report;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorney's fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Director Dent motioned to approve District staff to initiate further enforcement actions. Treasurer Prykryl seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Estate of Rita Biespiel** to appear before the Lone Star Groundwater Conservation

District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to submit the Consent Order and failure to submit the 2023 annual water use fees and failure to submit the 2022 annual water production report. The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to submit the 2023 annual water use fees and failure to submit the 2022 annual water production report;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorney's fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Director Earnest seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Falls at Borough Park** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to submit the 2022 annual water production report and/or fines associated with timely submission. The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to submit the 2022 annual water production report and/or fines associated with timely submission;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorneys' fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Director Dent seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Jim Fox** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to submit the Consent Order and/or failure to remit 2023 annual water use fees and/or fines associated with timely submission.

The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to remit 2023 annual water use fees and/or fines associated with timely submission;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorneys' fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Treasurer Prykryl seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Popular Investments** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to remit 2023 annual water use fees and/or fines associated with a timely submission.

The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to remit 2023 annual water use fees and/or fines associated with a timely submission;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorneys' fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and

3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Director Earnest seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **Sir Kingwood Villas/Villas of Kingwood** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to remit 2023 annual water use fees and/or fines associated with a timely submission.

The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to remit 2023 annual water use fees and/or fines associated with a timely submission;
2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorneys' fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Vice President Traylor motioned to approve District staff to initiate further enforcement actions. Director Dent seconded the motion. The motion passed.

President Spigener announced a Show Cause Hearing pursuant to District Rule 12.5, directing **TDC-DS Company/Valero** to appear before the Lone Star Groundwater Conservation District Board of Directors and show cause why proposed enforcement action should not be pursued by the District. He asked if anyone was present to represent the permittees, none of which were present.

Ms. Reiter stated that the respondents had been requested to appear before the Lone Star Groundwater Conservation District to show cause why the District should not take action for failure to remit 2023 annual water use fees and/or fines associated with a timely submission.

The following actions were voted on by the Board:

1. issue a cease-and-desist order pursuant to District Rule 12.6(c) for failure to remit 2023 annual water use fees and/or fines associated with a timely submission;

2. file a civil suit against Respondent in State District Court seeking enforcement of District rules and the collection of all due and owing water use fees, late payment penalties, other civil penalties, and attorneys' fees and court costs incurred by the District in the prosecution of claims against Respondent for its violations of District Rules; and
3. take all other enforcement action that is necessary and appropriate under the laws of the State of Texas.

Director Dent motioned to approve District staff to initiate further enforcement actions. Vice President Traylor seconded the motion. The motion passed.

President Spigener adjourned the Show Cause Hearing at 6:29 PM.

PASSED, APPROVED, AND ADOPTED THIS 13th DAY OF JUNE 2023.



Janice Thigpen, Board Secretary