

**MINUTES OF THE BOARD OF DIRECTORS' PUBLIC HEARING  
NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT**

**TUESDAY, NOVEMBER 18, 2014**

**CITY OF GAINESVILLE  
CITY COUNCIL CHAMBERS  
200 SOUTH RUSK  
GAINESVILLE, TX 76240**

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Members Present: Thomas Smith, Philip Sanders, Ronny Young, Chris Boyd, Eddy Daniel, and Kenny Klement

Members Absent: Dan Collins, Evan Groeschel, and Ron Sellman

Staff: Drew Satterwhite, Debi Atkins, Carolyn Bennett, and Carmen Catterson

Visitors: Axel and May Haubold, Mack's Bed Rock Ranch  
Keith King, The Weekly News of Cooke County  
Pete Schulmeyer, Collier Consulting  
Neal Welch, City of Sanger

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1. Call to order, declare hearing open to the public, and take roll

President Smith convened the show cause hearing at 9:32 AM. All Board members were present except Board Members Collins, Groeschel and Sellman. President Smith determined that a representative from Strittmatter Irrigation was not present at the show cause hearing.

2. Conduct Show Cause Hearing under Rule 9.6 on the following for alleged violations of District Rules; discuss, consider, receive testimony, and take appropriate action, including without limitation authorizing the District to initiate a civil lawsuit to enforce compliance with the District rules, including recovery of civil penalties, costs, and attorneys fees, and all other appropriate legal and equitable relief:

A. Strittmatter Irrigation & Supply, Inc., 800 North Highway 377, Pilot Point, Texas 76258

Mr. Satterwhite provided the Board with the evidence necessitating the show cause hearing, including violations of District Rules 3.3 and 3.5 (registration of new wells), Rule 3.7 (submission of well reports), Rule 7.6 (well report deposit), and Rule 7.8 (well registration fee). Mr. Satterwhite discussed that Strittmatter Irrigation received multiple notices of these violations and multiple opportunities to cure them. He also discussed that Strittmatter Irrigation received two notices by certified mail and email related to the show cause hearing in accordance with District Rule 9.6.

Pursuant to Government Code 551.071, the Board of Directors adjourned into closed Executive Session at 9:36 AM.

The Board reconvened the show cause hearing at 10:09 AM.

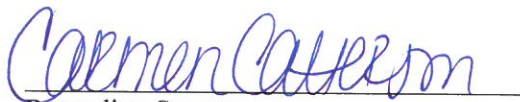
Ms. Fancher recommended a motion to the Board to assess a penalty against Strittmatter Irrigation for violation of District Rules, Chapter 36 of the Texas Water Code, and the District's enabling legislation, in the amount of \$4,000.00, which is consistent with the enforcement provisions in the District's Enforcement Policy and Civil Penalty Schedule, District Rule 9.2, Section 36.102 of the Texas Water Code, and Section 8856.106 of the Special District Local Laws Code (the District's enabling legislation), based on the evidence offered by the General Manager showing falsification of records, failure to register new wells, failure to file well reports, failure to pay the well report deposit, and failure to pay the well registration fee. The recommended motion also included a deadline of 5:00 PM. on Friday, November 21, 2014, for Strittmatter Irrigation to provide the District with all required documentation, including registration documents, fees, and well reports and payment of the \$4,000.000 penalty. Failure to provide all required materials by the deadline would result in a lawsuit by the District under District Rule 9.2 and Section 36.102 of the Texas Water Code, and notice to the well owners. The motion was made by Secretary/Treasurer Young

The motion was amended to also include notice that the District would begin assessing additional penalties after the 5:00 PM, November 21, 2014 deadline of \$10,000.00 per day for each day of the continued violations by Strittmatter Irrigation. Ms. Fancher discussed that this was acceptable and authorized under Section 36.102(b) of the Texas Water Code, District Rule 9.2(b), and Section 8856.106 of the District's enabling legislation given the severity and continuance of the violations, and will be set forth in the notice sent to Strittmatter Irrigation. The amended motion was seconded by Vice President Sanders and passed unanimously with Board Members Collins, Groeschel and Sellman absent. Ms. Fancher explained that notice would be provided to Strittmatter with all of the terms of the motion passed by the Board as soon as possible after the Board meeting is adjourned so that they would have ample notice of the Board's decision and related deadline.

3. Adjourn or continue show cause hearing.

The public hearing adjourned at 10:12 AM.

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Recording Secretary

  
Secretary-Treasurer