

Minutes of Show Cause Hearing
Panola County Groundwater Conservation District
July 23, 2019

A Show Cause Hearing was held by the Panola County Groundwater Conservation District Board of Directors at 5:30 p.m. in the District Conference Room on Tuesday, July 23, 2019, for alleged violations of District Rules by Mr. Jeff Talley, KWS Water Well Drilling & Service (“KWS”), and Keithville Drilling. The following were in attendance:

Board Members:

Precinct #1: Mike Pennington
Precinct #2: Larry Dorman
 Todd Malone
Precinct #3: Scott Yarnell
Precinct #4: Ronny McMillan
 Ray Davis

District Staff: Teresa Griffin, General Manager; Ashley Whitaker, Office Manager; David Waldrop, Field Technician/Inspector; Jess Landreneau, Field Technician

Absent: Mike Williford, At Large; Danny Reed, Precinct #1; Denzel Harrison, Precinct #3

Others: James Browning; Jackie Janson; James Beck; Ty Embrey, Lloyd Gosselink, P. C.

1. The Show Cause Hearing was called to order by presiding officer Mike Pennington, Board President, at 5:30 p.m. on Tuesday, July 23, 2019 with a quorum of board. Mr. Pennington established that the hearings shall be conducted by the Board under applicable Texas law, including Chapter 36 of the Texas Water Code, Chapter 551 of the Texas Government Code, as well as the District’s enabling act and the District’s Rules.

The District established jurisdiction over Mr. Jeff Talley based on the facts; 1) Jeff Talley made himself subject to the jurisdiction of the District by performing acts or actions governed by the District’s Rules within the territorial boundaries of the District; 2) that the General Manager recommended to the Board that Jeff Talley appear before them to address alleged violations of District Rules, and; 3) that notice requirements for this hearing were met as prescribed by District Rule 13.6. Mr. Pennington stated if there were any objections to these three (3) points he would take them when testimony began.

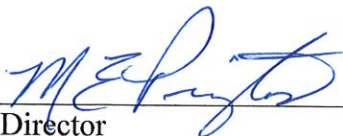
Mike Pennington explained the timing and type of notice required under Texas law and District Rules to conduct this proceeding. Mr. Pennington discussed the authority of the District to enforce its rules and the criteria the District has to consider in assessing the extent of rule violations and associated penalties and fines. He stated that the District exercises its powers as granted to the District by Chapter 36 of the Water Code and pursuant to District Rule 13.3.

2. Teresa Griffin, General Manager, submitted documentation of both verbal and written notice of violations to Jeff Talley dated May 17, 2017 through July 17, 2019. Mrs. Griffin also provided evidence demonstrating proper notice of the Show Cause Hearing thirty (30) days prior to the hearing date (posted June 19, 2019) in accordance with District Rules. Lastly, Mrs. Griffin provided evidence that the agenda for this public meeting was posted a minimum of seventy-two (72) hours prior to the start of the meeting as required by the Texas Open Meetings Act. Mr. Pennington admitted into the official record all the notice-related documents and all documents on file with the District relevant to the alleged violations by Mr. Talley.


As to the specific violations alleged against Mr. Talley, Mrs. Griffin provided evidence to the Board of two (2) accounts for drilling without a license, (1) account of failure to provide a well report to the District, and (1) account drilling without an approval and improper surface completion. Mrs. Griffin stated that all the violations are considered "major" offenses under District Rules, and the potential fines totaled \$616,500.00.

3. Mike Pennington then asked for appearances on behalf of Mr. Talley, KWS or Keithville Drilling. There was no response from anyone in attendance, and thus Mr. Talley had no representation present at the July 23, 2019 Show Cause Hearing and no one presented evidence or testimony to the Board on his behalf. Mr. Pennington next asked if anyone else wished to submit any additional evidence, on behalf of Mr. Talley or the District, before the conclusion of the evidentiary portion of the hearing. Teresa Griffin stated that Mr. Talley rejected deliver of the Show Cause Hearing notice sent to him by the District via FedEx. No one else provided any further evidence or testimony.
4. After discussing all alleged District rule violations of Jeff Talley, KWS, and Keithville Drilling, the Board decided to lower the accumulated fine of \$616,500 to \$30,000 in addition to the delinquent \$6,500 previously assessed and established a deadline of 30 days for the payment of the total assessed fines. The Board directed a court injunction to be filed to prohibit Jeff Talley, KWS, or Keithville Well Service from drilling water wells in Panola County until the assessed fine is paid in full. Scott Yarnell moved, and Todd Malone seconded the motion to move forward with the assessed penalty and injunctive relief. The motion passed with four for and one against.
5. Mr. Pennington adjourned the Show Cause Hearing at 6:21 p.m.

Approved this 27th day of August 2019.



Director



Director