

NO. 15-08-08942

CITY OF CONROE, TEXAS; § IN THE DISTRICT COURT
QUADVEST, L.P., d/b/a QUADVEST §
WATER AND SEWER UTILITY; §
WOODLAND OAKS UTILITY, L.P.; §
CRYSTAL SPRINGS WATER CO., §
INC., d/b/a CRYSTAL SPRINGS WATER §
AND SEWER UTILITY; EVERETT SQUARE, §
INC.; E. S. WATER CONSOLIDATORS, §
INC.; UTILITIES INVESTMENT CO., §
INC.; and T&W WATER SERVICE §
COMPANY §

Plaintiffs, §

v. §

RICHARD J. TRAMM, SAM W. BAKER, §
M SCOTT WEISINGER P.G., JIM §
STINSON, P.E., JOHN D BLEYL, P.E., JACE § MONTGOMERY COUNTY, TEXAS
HOUSTON, ROY MCCOY, JR., RICK §
MOFFATT, W. B. WOOD, in their Official §
Capacities as Directors of the Lone Star §
Groundwater Conservation District; KATHY §
TURNER JONES, in her Official Capacity as §
General Manager of the Lone Star §
Groundwater Conservation District; and the §
LONE STAR GROUNDWATER §
CONSERVATION DISTRICT, §

Defendants. § 284th JUDICIAL DISTRICT

FINAL JUDGMENT

The interlocutory appeal from this Court’s Order on Cross-Motions for Summary Judgment signed September 18, 2018, having been dismissed by the Court of Appeals for the Ninth District of Texas and consequently, the stay of this action lifted, the action

came on for final hearing before the Court. All parties appeared by and through their respective counsel of record.

1. The following motions for partial non-suit have been filed of record and are pending before the Court.

A. The Motion of Plaintiffs City of Conroe, Texas; Quadvest, L.P., d/b/a Quadvest Water and Sewer Utility; Woodland Oaks Utility, L.P.; Crystal Springs Water Co., Inc. d/b/a Crystal Springs Water and Sewer Utility; Everett Square, Inc.; E.S. Water Consolidators, Inc.; Utilities Investment Co., Inc.; and T&W Water Service Company (hereinafter collectively “Plaintiffs”) for non-suit with prejudice of their claims for wrongful taking in violation of Section 17 of Article I of the Texas Constitution and for attorneys’ fees against the Lone Star Groundwater Conservation District; and

B. The Motion of Lone Star Groundwater Conservation District for non-suit with prejudice of its counterclaim for attorneys’ fees, expert witness fees, and other costs against Plaintiffs; and

C. The Motion of Defendants Richard J. Tramm, Sam W. Baker, M. Scott Weisinger, P.G., Jim Stinson, P.E., John D. Bleyl, P.E., Jace Houston, Roy McCoy, Jr., Rick Moffatt, W. B. Wood, and Kathy Turner Jones, in their official capacities as former directors and the General Manager of the Lone Star Groundwater Conservation District, for non-suit with prejudice of their counterclaim for attorneys’ fees against Plaintiffs.

2. The three Motions for partial non-suit identified in Paragraph 1, above, are hereby GRANTED and the claims to which said Motions are directed are DISMISSED with prejudice to the refiling of same.

3. All other claims and counterclaims pending in this action having thereby been non-suited and dismissed with prejudice, Plaintiffs have filed a Motion for Entry of Final Judgment on the basis of this Court's Order on Cross-Motions for Summary Judgment signed September 18, 2018. Having considered Plaintiffs' Motion for Entry of Judgment and this Court's Order on Cross-Motions for Summary Judgment signed September 18, 2018, the Court concludes that Plaintiffs' Motion for Entry of Final Judgment is well taken and hereby GRANTS Plaintiffs' Motion for Entry of Final Judgment as follows:

4. IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT the following provisions from the Lone Star Groundwater Conservation District's Regulatory Plan were adopted by said District without legal authority and consequently are, and have been, unlawful, void, and unenforceable:

"1. By 2016, each LVGU in the District must meet its Initial Conversion Obligation, which means each LVGU must reduce its annual groundwater production to the greater of either:

A. no more than 70 percent of its Total Qualifying Demand, which is based upon the LVGU's 2009 permitted authorization and actually met not less than 30 percent of its Total Qualifying Demand by implementing water conservation measures and/or using an Alternative Water Source; or

B. 10 million gallons.

2. For any growth in water demand experienced by an LVGU after 2009 that cannot be met by the implementation of water conservation measures, such increased demand must be met using an Alternative Water Source beginning in 2016, unless:

A. The LVGU does in fact timely meet or exceed its Initial Conversion Obligation; and

B. the LVGU's overall annual groundwater production, when averaged over the 2016-2045 planning period, does not exceed:

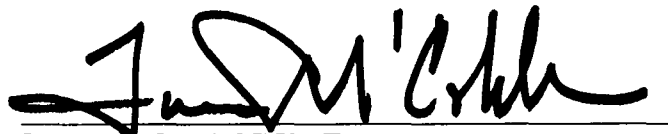
- i. 70 percent of its Total Qualifying Demand, or
- ii. 10 million gallons.

Thus, groundwater use by an LVGU after its successful 2016 groundwater reduction and conversion will not exceed either 70 percent of its Total Qualifying Demand or 10 million gallons per year, whichever amount is greater, except as specifically allowed under this averaging provision, regardless of what percentage such groundwater use is of an LVGU's overall water use or demand. In addition, LVGU's must also achieve any further groundwater reductions that may be adopted in the future by the District."

5. IT IS FURTHER ORDERED that all parties to this action shall bear their own costs of court, attorneys' fees, expert witness fees, and all other costs and expenses.

6. This is the Final Judgment of the Court in this action. All relief requested by any party in this action that is not expressly granted herein is hereby DENIED.

DATE SIGNED: May 17, 2019



LAMAR McCORKLE
SENIOR DISTRICT JUDGE
SITTING BY ASSIGNMENT

APPROVED AS TO FORM AND SUBSTANCE:

/s/ Michael V. Powell

Michael V. Powell

Texas Bar No. 16204400

LOCKE LORD LLP

2200 Ross Avenue, Suite 2800

Dallas, Texas 75201

Telephone: 214-740-8520

Facsimile: 214 756-8520

mpowell@lockelord.com

Raymond G. Viada

Texas Bar No. 20559350

VIADA & STRAYER

17 Swallow Tail Court

The Woodlands, Texas 77381

Telephone: 281-419-6338

Facsimile: 281-661-8887

rayviada@vaiadastrayer.com

ATTORNEYS FOR PLAINTIFF
THE CITY OF CONROE, TEXAS

/s/ Marvin W. Jones

Marvin W. Jones

Texas Bar No. 10929100

SPROUSE SHRADER SMITH PLLC

701 S. Taylor, Suite 500

Amarillo, Texas 79101

Telephone: 806-468-3300

Facsimile: 806-373-3454

marty.jones@sprouselaw.com

ATTORNEY FOR PLAINTIFFS

QUADVEST, L.P., d/b/a QUADVEST WATER AND
SEWER UTILITY; WOODLANDS OAKS UTILITY, L.P.;

CRYSTAL SPRINGS WATER CO, INC. d/b/a

CRYSTAL SPRINGS WATER AND SEWER UTILITY;

EVERETT SQUARE, INC.; E.S. WATER CONSOLIDATORS., INC.;

AND T&W WATER SERVICE COMPANY

APPROVED AS TO FORM ONLY:

/s/ James H. Stilwell

James H. Stilwell

Texas Bar No. 00794697

MARTIN, EARL & STILWELL, LLP

1400 Woodloch Forest Drive, Suite 590

The Woodlands, Texas 77380

Telephone: 281-419-6200

Facsimile: 281-419-0250

james@meslawfirm.com

ATTORNEY FOR DEFENDANT

LONE STAR GROUNDWATER CONSERVATION DISTRICT

/s/ Natasha J. Martin

Natasha J. Martin

Texas Bar No. 24083255

GRAVES, DOUGHERTY, HEARON & MOODY, P.C.

401 Congress Avenue, Suite 2200

Austin, Texas 78701

Telephone: 512-480-5603

Facsimile: 512-536-9913

ATTORNEY FOR DEFENDANTS

RICHARD J. TRAMM, SAM W. BAKER, M. SCOTT

WEISINGER, P.G., JIM STINSON, P.E., JOHN D. BLEYL, P.E.,

JACE HOUSTON, ROY MCCOY, JR., RICK MOFFATT, AND

W.B. WOOD, in their Official Capacities as former Directors of the

Lone Star Groundwater Conservation District and KATHY TURNER

JONES, in her Official Capacity as General Manager

of the Lone Star Groundwater Conservation District