

Powered Land: How East Texas Water Is Being Committed Out of Public View

Oct. 15, 2026 | East Texas Legacy Coalition | @Fawn Elizabeth Zion

Executive Overview

Angelina County residents keep hearing the same number: about 500 gallons of water a day, roughly three houses. They heard it about the Amp Z data center at the old paper mill. A second data center developer told the groundwater district the same thing.

The records tell a different story. That second developer asked for 13 million gallons a year. A power plant planned north of Lufkin asked for 1.5 billion. The city that owns the mill's wells says it won't cap the water it sells, told us in February it had "no responsive documents available for release" about Amp Z's utility needs, and is now asking the Texas Attorney General whether it can withhold records about the project.

This piece pulls together records we obtained through public information requests to the county, the city and the Pineywoods Groundwater Conservation District, the reporting of the *Lufkin Daily News* and *The 936*, and officials' own words on camera. Documented facts say where they come from. Paragraphs marked **Our read** are our conclusions from those facts.

We are not claiming anyone was bribed, and we are not speculating about any criminal case. We are laying out how decisions about our water and land have been made, and asking the questions the record leaves open.

The Numbers

Project	What the public heard	What the records show	Source
Amp Z data center , former Southland mill, Hwy 103 East	About 500 gallons a day after an initial fill	A city official privately told ETLC the site could supply about 20 million gallons; city leaders say they won't cap use; Amp Z's abatement application lists water needs as "TBD"; water for the on-site gas turbines is unaccounted for.	City FAQ; ETLC founder's account of a Feb. 17, 2026 conversation; Amp Z abatement application; <i>Lufkin Daily News</i>
HyperDataGrid data center , Ben Dunn Road off Hwy 103 West	"About 500 gallons per day" (developer to the groundwater district)	Requested 13 million gallons a year, about 70 times that, just under the 15-million-gallon public-hearing trigger.	Pineywoods GCD emails
WattBridge power plant , north of Lufkin	No public figure we found	Requested 1.5 billion gallons a year in March	Pineywoods GCD general manager

		2026 (about 4.1 million gallons a day); now on hold.	
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The Site

The former Southland, later Abitibi, paper mill closed in the late 2000s and has sat idle since. It sits just outside Lufkin city limits, so the city has no zoning or building permit authority over it, and the county has almost none.

The property is owned by Verdant Industries and Verdant Industries Realty. The *Lufkin Daily News* reported that corporate records identify Eric Estes as president of both companies. On camera, Wright said the developers told him they had already spent money on upgrades to bring initial power to the site.

The land was not sitting empty. In a December 15, 2025 email to Commissioner Kenneth Jeffrey, County Judge Keith Wright answered a question about Amp Z: *"They have the crypto [sic] mining going on. They [have] a third party marketing the land for the data center."* The email does not make clear whether "they" means Amp Z or the landowner.

Amp Z Champion Data Center Holdings, a Denver-based company, does not own the land. The *Lufkin Daily News* reported that it holds an option to buy about 1,041 acres from Verdant. In October 2026, Wright described the company as owning land on both sides of Twin Oaks Road. Whether Amp Z has exercised its option is not clear from public reporting.

Building the Package

Before any official signed anything, the pieces that make an industrial site valuable to a data center buyer were already being assembled: an air permit, a power connection and an assurance of water.

- **The Air Permit:** The Texas Commission on Environmental Quality issued Verdant an air permit in January 2025 for a power plant with 12 natural gas turbines. The *Lufkin Daily News* found that the permit's annual particulate limit was set at 249.9976 tons, about 4.8 pounds below the 250-ton line that would have triggered a federal Prevention of Significant Deterioration review, with deeper air analysis and more public involvement. Later reporting by the paper showed TCEQ staff had asked the company whether it could lower its numbers to avoid that review.
- **The Water:** After a September 2025 meeting at the city's economic development offices, Ryan Smith of Amp Z asked Lufkin City Manager Kevin Gee how the company could "discretely speak to potential customers about the water situation in Lufkin," the paper reported. Gee, who is also president of the Pineywoods Groundwater Conservation District, sent the company a water-availability letter two days later.
- **The Engineering:** County emails show the Savannah engineering firm Thomas & Hutton invited Wright to a September 30, 2025 meeting with Amp Z executives and the project's engineers, and was working with him on site access by February 2026.

Our read: Each of these pieces raises what the site is worth to whoever ultimately builds on it.

Wright's description of "a third party marketing the land" fits that picture.

The Endorsements

The last piece was political support, and it was requested in writing.

On November 7, 2025, Mayor Mark Hicks hosted a meeting at the former Temple-Inland boardroom in Diboll. His invitation listed the Estes Family Office, Amp Z executives, Wright, state Rep. Trent Ashby, state Sen. Robert Nichols, U.S. Rep. Pete Sessions, Angelina College President Michael Simon, Lufkin ISD Superintendent James Hockenberry and Lufkin EDC Director Larissa Philpot-Brown. The agenda included "Discussion of utility/Oncor-related issues" and "Brainstorming where and how we can best utilize assistance." According to Hicks, Wright posted a group photo on Facebook that day: *"Working together to bring a major opportunity to Lufkin and Angelina County! Stay tuned."*

Five days later, Raine Cotton of EPG Champion Development, also an Amp Z governing person, emailed the attendees a form letter. It declared "full support" for turning the mill into "a state-of-the-art data center and on-site power generation facility." Cotton wrote that he would compile every signature "into a single version for submission." The letter is addressed "To Whom It May Concern." Nobody has said where it was submitted.

According to the *Lufkin Daily News*, Councilman Robert Shankle signed it November 17, Hicks signed it on city letterhead the next day despite a city policy against business endorsements, and Hockenberry and Simon confirmed signing. Nichols said he did not recall signing, and House candidate Rocky Thigpen said he took no position.

Wright returned his on November 18 with two words: "See attached." Our records request shows his copy was signed "Angelina County Judge" and stamped with the official seal of Angelina County. The template Cotton sent had no seal. When the paper asked in September 2026 whether he had signed, Wright did not say. In a later interview with *The 936*, he acknowledged it: *"Yes, we supported it. I supported it."* He said he had been given a two-hour window to respond and could not find the letter.

We reviewed the Commissioners Court's minutes for Nov. 12, 17, 21 and 25 and Dec. 9, 2025, and found no vote to endorse the project.

The Money

While the package was being assembled, people connected to the project were giving to officials whose support it needed. All figures below come from campaign records reported by the *Lufkin Daily News*.

Date	Donor	Recipient	Amount	Returned
Sept. 25, 2025	Eric Estes	Rep. Trent Ashby	\$10,000	Jan. 30, 2026
Oct. 9, 2025	Raine Cotton	Rep. Trent Ashby	\$10,000	Not reported by the paper
Dec. 5, 2025	Eric Estes	Judge Keith Wright	\$5,000	Jan. 28, 2026
Dec. 8, 2025	Eric Estes	Rep. Pete	\$3,500	No refund reported

		Sessions		through June 30, 2026
Dec. 9, 2025	Eric Estes	Rocky Thigpen	\$5,000	Jan. 28, 2026
Sept.–Dec. 2025	Eric Estes	Kristi Skillern (district judge campaign; then Lufkin city attorney; now 217th District Judge)	\$1,000	Jan. 30, 2026

The Estes contribution to Ashby is dated the same day Gee sent Amp Z the city's water-availability letter.

The Estes contribution to Wright came 17 days after he signed the support letter and six days before a December 11 call. The next day, Amp Z's director of site development thanked Wright for "the direction" and said its tax consultants would draft an incentive "that aligns with the framework we discussed."

The returns came after Eric Estes was indicted on Jan. 23, 2026, in a 2022 shooting death at the mill property. In his 936 interview, Wright said the money was returned "in March" and that "we felt like at that point, 'Hey this is a conflict.'"

Campaign records show his refund was dated Jan. 28. In the same interview, Wright said he got the money "significantly before I was asked to do anything," and that Harold Estes had given to his first campaign. The contribution he returned, \$5,000 from Eric Estes, is dated Dec. 5, 2025, 17 days after Wright signed the support letter.

Kristi Skillern, who returned Eric Estes's \$1,000 on Jan. 30, was appointed judge of the 217th District Court in July 2026. County court records list her as the presiding judge in the murder case against Eric Estes.

Separately, *The 936* reported that Forge the Future Project with Meta, a Meta-funded political committee, spent \$192,827.64 in independent expenditures supporting Ashby in the 2026 primary. That spending was not a direct contribution.

To be clear: none of this proves a vote or a signature was bought, and we are not alleging that. It shows who was in the room, who was giving, and when.

Managing the Message

The *Lufkin Daily News* broke the story in February 2026. By then, several officials had been engaged for months and had signed letters of support. What followed was a managed rollout, documented in records obtained by the paper.

- **The News Release:** On February 5, Philpot-Brown sent city leaders a draft release and noted, "*I sent this to Amp Z for review.*" It repeated the developer's projections for investment, jobs and water use.
- **The Talking Points:** The next morning, hours before Wright's State of the County address, she emailed Wright and city staff a draft for talking points: "*Not my best work, but*

it's the best ChatGPT and I could do in ten minutes."

- **The Water Number:** The city's FAQ repeated Amp Z's estimate of about 500 gallons a day after an initial fill, compared to three homes. The paper reported that number came from the developer, was not independently verified, and did not address the water the 12 gas turbines could use. Gee later said it was an estimate, not a limit the city would enforce.
- **Asking Austin to Stay Out:** On February 9, Philpot-Brown sent Gee, Bray, Hicks and Wright "Chamber Days Talking Points" for meetings with Ashby and Nichols' staff. One line urged lawmakers "to resist efforts to get between data center developments and the cities and counties that serve them."

When Councilman Jimmy Ford asked basic questions about the cooling system's water use, noise and emissions, Philpot-Brown replied that she would forward them "to Amp Z to get their answers directly."

Meanwhile, the record undercuts the reassurances. Verdant's TCEQ air permit application states "No water balance is possible." Amp Z's county tax abatement application, filed in March 2026, listed water, wastewater, electric and gas needs as "TBD" and checked "No" for environmental issues needing to be addressed.

The Water Question

The City of Lufkin owns the former mill's wells, which it bought in 2009. It is the one local government with a real lever over this project: whether, and how much, water to sell. What residents have been told about that lever does not line up.

- **What a city official told us privately:** On February 17, 2026, a City of Lufkin economic development official told ETLC's founder that the site could supply about 20 million gallons, but that the city was capping the project's water, and that if the project tried to use more than it had stated, it would have to apply for new permits. The official also said the city had plans in place so the project could not drain the aquifers. This is our founder's firsthand account of that conversation. Separately, Mayor Hicks told *The 936* on camera that the paper mill used about 20 million gallons of water a day when it operated. We are not naming the official, who appeared to be trying to protect residents.
- **What city leaders said on the record:** City Manager Kevin Gee told the *Lufkin Daily News* the 500-gallon figure was "an estimate, not a limit the city intended to enforce." Mayor Hicks told *The 936*: "*We didn't limit any type of water usage by a user. We don't do that with anyone.*"
- **What the city said about its records:** On February 17, 2026, the same day, ETLC asked the city for any utility agreements, impact studies, and communications with Amp Z about utility capacity. Two days later the City Secretary replied that "after conducting a reasonable search," there were "no responsive documents available for release at this time," and cited the economic development exception. In October 2026, answering a later ETLC request, the city said "certain potentially responsive records" had been sent to the Texas Attorney General for a ruling on whether they can be withheld. The same day, Oct.

9, the city referred records from a second ETLC request to the Attorney General as well.

City leaders have also been open about wanting a large water customer. In February, Hicks told the *Lufkin Daily News* that "for years, people have talked about, 'We've got to find somebody to come in here that can use our water.'" In the 936 interview, the officials described selling water to industry as "a profit center for the city."

Our read: Either a written cap and an aquifer protection plan exist, or residents were given a reassurance with nothing behind it. The city now holds records about this project that it has asked the Attorney General for permission to withhold. We have asked the city for any document setting a water cap or aquifer protection plan, and for a copy of its request to the Attorney General.

Beyond Amp Z: The Other Draws on the Same Water

Amp Z is not the only project. Records ETLC obtained from the Pineywoods Groundwater Conservation District show how water for this wave of development is being lined up across the county, and how often the public is kept out of it.

- **Amp Z has filed nothing with the groundwater district:** On September 22, 2026, District General Manager Wil Blough wrote that the district had "not been in contact" with Amp Z or Verdant, had received no well permit applications near the mill in two years, and had "not been involved in any talks with this entity over groundwater use." The wells near the property belong to the City of Lufkin or other industries. The district said none of those well owners has asked to increase its permitted pumping. That means Amp Z's water, whatever the amount, runs through the city's existing wells, with no new groundwater permit and no district hearing.
- **HyperDataGrid: "About 500 gallons per day" and a 13-million-gallon request:** The developers of the second data center site, on Ben Dunn Road off Highway 103 West, bought a 187-acre tract with five water wells through Paluxy LandCo. In an August 5, 2026 email, Blough wrote to developer Clay Roberts that he had said "you did not think you would be using more than about 500 gallons per day." Three of the wells previously held permits totaling 17 million gallons a year. Blough then explained the thresholds: *"If you are wanting to keep all 5 and not have a board meeting/public hearing, the cumulative permit total for all five wells needs to be under 15 million gallons per year and pumps cannot be over 69 gpm."* Pumps under 17.3 gallons per minute "would not need permits." By September, the developers had asked by phone and email for a lower total of 13 million gallons a year. No action had been taken. Five hundred gallons a day is about 182,500 gallons a year. Thirteen million is roughly 70 times that, and sits just under the line that would require a public hearing.
- **A power plant asking for 1.5 billion gallons a year:** Blough also disclosed that WattBridge was approved in late 2024 or early 2025 for 80 million gallons a year for a power plant north of Lufkin, which was never drilled. In March 2026 the company changed the plant from peaking to continuous 24/7 operation and requested 1.5 billion gallons a year, about 4.1 million gallons a day. The project went on hold again in July 2026 at the company's request. Separately, Judge Wright said on camera that a power plant the county gave a tax abatement is "talking about producing 1.2 gigawatts" and supplying data centers directly.

Our read: The public keeps hearing "500 gallons a day," project by project. The records show the larger volumes sit elsewhere: in city wells the city says it won't cap, in well fields sized just under the hearing trigger, and in the power plants built to feed this load. Margaret Cook of the Houston Advanced Research Center has warned against cooling choices that end up "moving the water use upstream to your power plant," and has called for a measure that counts the water used by a data center and its power source together. Nobody is adding these together.

The Turn

The public didn't accept the managed version. Residents rallied at Lufkin City Hall in May 2026 and packed the Commissioners Court in June. In an online *Lufkin Daily News* reader poll, which was not a scientific survey, 79% opposed the project, according to the paper's opinion contributor Sylvia Weathers.

Officials repositioned:

- **The money went back:** The Estes contributions to Wright, Ashby, Thigpen and Skillern were returned in late January 2026, after the indictment.
- **The abatement stalled:** Amp Z's consultant, KE Andrews, filed for a ten-year abatement in March 2026: 100% in the first year, stepping down 10 points a year. Wright wrote back asking for job, wage, local-spending and conservative water figures. The county later said the application had been rejected and no new one had been submitted.
- **The resolution:** On July 14, 2026, the Commissioners Court unanimously passed Resolution 010-26, asking the Legislature for authority over setbacks, noise, lighting and water impact statements. Its own text warns that a single data center "can consume millions of gallons of water per day" and that NDAs leave residents learning of projects "only after permits are issued."
- **The words softened:** Greg Weatherbee of *The 936* reminded Wright that at his February State of the County address he had said data centers are coming and people need to accept it. Wright said he had been misunderstood and was talking about global competition, and that his "position has evolved" and he is "more concerned about the impacts of data centers."

We credit that shift. Wright and the court did more than most counties have. But some public statements still don't match the record. In August, the *Lufkin Daily News* reported that Wright reassured Rotarians data centers' water needs should not be a concern, weeks after signing a resolution warning the opposite. On camera, Hicks said that in November 2025 "no one was talking about data centers," though the form letter he was sent and signed that month calls the project "a state-of-the-art data center" in its first sentence.

Where It Stands

Amp Z has gone quiet. It has not submitted a new abatement application. In August, Gov. Greg Abbott directed the PUC and ERCOT to hold off approving new data center grid connections pending an audit. In September, he ordered the Texas Commission on Environmental Quality to pause all data center permits until that audit is finished, and said the next legislative session will work to eliminate financial incentives for data centers. A second project, HyperDataGrid, is

moving faster on Highway 103 West, and Hicks said on camera it will use wells on its own site.

The county's remaining leverage is a road-use agreement. On October 13, 2026, commissioners hired attorney Bruce Green for \$1,500 to draft one. Wright told KLTV the company wants to close part of a nearby road, which would limit access from Twin Oaks Mobile Home Park to Highway 103. In June, Wright promised at least two public hearings before any deal with Amp Z is finalized.

Our read: The fight does not end if Amp Z walks away. The turbine permit, the substation, the water letter and the political goodwill stay with the land. Whoever buys the package next inherits all of it, and none of the questions below go away.

What We Still Don't Know

Question	Record that would answer it
Does a written cap on the project's water use exist? Is there a plan to protect the aquifer?	Any city document setting a limit, permit condition or protection plan (requested Oct. 2026).
What records is the city asking the Attorney General to let it withhold?	The city's ruling request to the Attorney General (requested); the AG's decision.
What did the city's water-availability letter to Amp Z promise?	The letter itself, reported by the <i>Lufkin Daily News</i> but not yet released to ETLC.
Where were the signed support letters submitted?	Cotton's compiled "single version for submission"; any ERCOT, Oncor or state program filing it was attached to.
Has a large-load interconnection been requested for this site, and by whom?	ERCOT large-load interconnection reports; Oncor correspondence.
Is the 1.2 GW power plant referenced by Judge Wright the same facility as the 1.5B gallon WattBridge project?	County abatement filings; TCEQ air and water permit logs; ERCOT queue listings.
Has Amp Z exercised its option on the 1,041 acres?	Angelina County deed records; the option agreement's terms and expiration.
What "framework" for incentives did Wright give Amp Z on December 11, 2025?	Notes, calendar entries, texts and emails from that call.
Who runs the crypto mining on the site, and on whose land?	County easement and parcel records; Verdant and Exacore filings.
How much water would the full campus, including the gas turbines, actually use?	Turbine design specs; any revised TCEQ or Pineywoods GCD filings.
Will the Twin Oaks Road agreement get the public hearings Wright promised?	Commissioners Court agendas and minutes.

What We're Asking

To every official who signed the letter, and to Judge Wright first among them:

1. **Withdraw the letters in writing**, to the same people you sent them to. Wright said any commitment would require a Commissioners Court vote. The court's minutes for Nov. 12 through Dec. 9, 2025 show no such vote, yet his letter carries the county seal.

2. **Say where the letters went.** If they were submitted to ERCOT, Oncor, investors or a state program, the public deserves to know.
3. **Release the December 11 "framework"** and every record of communication with Amp Z, Verdant and EPG Champion, including texts on personal phones. Under the Texas Public Information Act, those are public records.
4. **Correct the record** on the campaign contribution dates.
5. **Hold the hearings.** Before any road-use agreement or incentive is approved, hold the public hearings Wright promised, and require a cleanup bond, water reporting and noise limits in writing.

To Rep. Trent Ashby, the Republican nominee to succeed retiring Sen. Robert Nichols, and to **Rocky Thigpen**, the Republican nominee for Ashby's House seat: Gov. Abbott has called on the Legislature to require data centers to report their electricity and water use, and Angelina County has asked for limited authority to regulate them. Put both in a bill in 2027.

Primary Sources & References

Primary Records

- **Angelina County records** produced to the East Texas Legacy Coalition under the Texas Public Information Act: Wright's emails with Thomas & Hutton, Amp Z, EPG Champion and Mayor Hicks (Sept. 2025–Mar. 2026); the form letter and Wright's signed copy; the KE Andrews abatement application and Exhibit A; Resolution 010-26.
- **City of Lufkin responses** to ETLC public information requests: Feb. 19, 2026 ("no responsive documents," citing Section 552.131 of the Government Code); Oct. 9, 2026 (CRR-2026-315 and CRR-2026-319, records referred to the Attorney General).
- **Pineywoods Groundwater Conservation District records** and correspondence produced to ETLC, Sept. 2026, including emails with HyperDataGrid's developers and expired permits A0046–A0048.
- **ETLC founder's firsthand account** of a Feb. 17, 2026 conversation with a city economic development official.
- **Angelina County Commissioners Court minutes**, Nov. 12, 17, 21 and 25 and Dec. 9, 2025, posted at angelinacounty.net.
- **State of Texas v. Eric Estes**, Case No. 2026-0037, 217th Judicial District Court, Angelina County register of actions.
- **Judge Wright and Mayor Hicks**, video interview with Greg Weatherbee of *The 936*, transcribed by ETLC.

News Reporting & Secondary Sources

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center to come to Angelina County," The Lufkin Daily News, Sept. 18, 2026.

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- KLTV, *"Angelina County hires legal help for proposed data center road agreement,"* Oct. 13, 2026.
- KTRE, *"2 men indicted for murder in 2022 shooting death at Angelina County paper mill,"* Jan. 30, 2026.
- Data Center Dynamics, *"Multi-gigawatt data center campus planned in East Texas."*