Permit No. P-20250112

BEFORE THE BOARD OF DIRECTORS OF THE BLANCO-PEDERNALES GROUNDWATER CONSERVATION DISTRICT

ORDER DENYING REQUESTS FOR CONTESTED CASE HEARING AND ISSUING OPERATING PERMIT TO LAGOM RANCH LLC FOR A WELL OPERATING PERMIT AS A PUBLIC WATER SYSTEM

BOARD ORDER

On consideration of the Hearing Examiner's Proposal for Decision, the record presented at the preliminary hearing held July 20, 2026, the filings and arguments of the parties, the Board's August 20, 2026 final hearing on the above-referenced application, the August 20, 2026 Board Order No. 20260820-2, Final Order Granting Commercial Permit to Lagom Ranch, LLC, and applicable law, the Board of Directors of the Blanco-Pedernales Groundwater Conservation District finds and concludes as follows.

Findings of Fact

1. Lagom Ranch LLC applied to the District for a well operating permit as a public water system associated with the production of approximately 1,755 gallons per day of groundwater from approximately 35.51 acres located at 2501 Old Red Ranch Road, Dripping Springs, Texas.
2. The well was registered with the District on September 18, 2025, under Blanco County Well Registration No. 20250112, and is identified as an existing well drilled on May 12, 1975, completed in the Cow Creek member of the Travis Peak Formation within the Middle Trinity Aquifer.
3. The application materials included engineering, hydrogeological, water-quality, and regulatory compliance analyses prepared by licensed Texas professionals, including a potable water demand determination by VEI Consulting Engineers and a water availability study and constant-rate pumping test by BBA Hydro.
4. The Applicant's analyses included a conservative worst-case raw water demand assumption of 3,510 gallons per day and incorporated probable wells within 2,500 feet of the development as required by applicable subdivision rules.
5. The District published notice of the deadline to file protests, and protests were filed by Donna Leigh, Doug McIntire, Kyle Moreland, individually and as attorney-in-fact and authorized agent for Germaine E. Joy, Gary Moreland and Kari Moreland, Scott and Mia Spring, J. Ray (Tex) Riley, Chelita Riley, Sherri Hendrix, Victoria Rose, Laura Adair, Bill Gravenor, Gary Byrne, Larry and Kathy Parker, Julie Pryor, Chris Mansour, Rebecca Clark, Dottie Laferney, Harold Buershinger, Regan Miller, Kathy Leach, Jaden Miller, Kevon Miller, Richard Miller, and John Gillespie.
6. Kyle Moreland, individually and as attorney-in-fact and authorized agent for Germaine E. Joy, and Gary Moreland and Kari Moreland withdrew their protest or otherwise did not pursue party status.
7. The remaining Protestants other than Donna Leigh and Doug McIntire failed to appear at the preliminary hearing and failed to present evidence establishing a personal justiciable interest.

8. Doug McIntire appeared and testified that his property and domestic water supply depend on groundwater and that his well is approximately 0.72 miles south of the Applicant's well, more than 2,500 feet from the proposed permitted well.
9. Mr. McIntire did not establish by sufficient evidence a reasonable probability that issuance of the permit would cause a concrete, particularized, actual or imminent injury to his well, water quality, property value, or health interests.
10. Mr. McIntire did not establish by sufficient evidence that any alleged injury was fairly traceable to issuance of the permit or likely to be redressed by denial of the permit.
11. Donna Leigh appeared and testified regarding concerns about the accuracy of the Applicant's reports and application materials, past experience with a dry well, the cost of redrilling, potential water use, irrigation, a swimming pool, number of cabins, and whether Lagom might sell water.
12. Ms. Leigh did not establish by sufficient evidence a reasonable probability that issuance of the permit would cause a concrete, particularized, actual or imminent injury to her well, property, financial interests, or groundwater interests distinct from an interest common to the general public.
13. Ms. Leigh did not establish by sufficient evidence that any alleged injury was fairly traceable to issuance of the permit or likely to be redressed by denial of the permit.
14. The Hearing Examiner recommended that the Board deny the requests for a contested case hearing because the Protestants failed to establish standing, and the recommendation did not reach the ultimate merits of the permit application.
15. On August 20, 2026, the Board approved Board Order No. 20260820-2, Final Order Granting Commercial Permit to Lagom Ranch, LLC ("Final Order").
16. The Final Order found that the Application requested authorization to withdraw up to 977,553 gallons per year, equivalent to 3.0 acre-feet per year, for a public water supply serving 20 cabins used for commercial lodging.
17. The Final Order found that notice of the February 19, 2026 public hearing was published in the Johnson City Record Courier on January 28, 2026, February 4, 2026, and February 11, 2026, with a notarized affidavit of publication, in accordance with District Rules and Chapter 36 of the Texas Water Code.
18. The Final Order found that the Application was administratively complete on January 14, 2026, before the temporary suspension of new non-exempt drilling, operating, and transport permit applications became effective on January 15, 2026, and therefore remained eligible for approval under the exceptions provision of Temporary Suspension Resolution 2026-001.
19. The Final Order found that the permitted well is an existing well to be converted into a Public Water Supply well and that TCEQ conditionally approved the Public Water System under PWS CG_Hays_CO_20250926_Exception dated September 26, 2025, with Applicant required to respond to TCEQ conditions by September 26, 2028.
20. The Final Order found that a monitoring well has been installed approximately 554 feet northeast of the permitted well, registered as Well Registration No. 20250126, located at Latitude 30.228889 N, Longitude 98.223056 W.
21. The Final Order found that the Application complies with District Rules and the requirements of Chapter 36 of the Texas Water Code.
22. The Final Order granted the Application subject to permit conditions addressing the maximum annual withdrawal, permitted well location, permit designation, use restrictions, monitoring requirements, Public Water System conversion, TCEQ approval, drainage, property-size reference, rule compliance, and periodic permit review.

Conclusions of Law

1. The District has jurisdiction over the application and authority to regulate permits for wells within its jurisdiction under Chapter 36 of the Texas Water Code and the District Rules.
2. Texas Water Code § 36.415 requires the District to limit participation in a hearing on a contested application to persons who have a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest within the District's regulatory authority and affected by the permit application, excluding interests common to members of the general public.
3. Under the standing standard applied by the Hearing Examiner, a Protestant must demonstrate a concrete and particularized injury in fact, not common to the general public, that is actual or imminent, fairly traceable to issuance of the permit as proposed, and likely to be redressed by a favorable decision.
4. A timely protest may permit participation at the preliminary hearing, but ultimate participation as a party in a contested case remains subject to the personal justiciable interest requirement imposed by Texas Water Code § 36.415 and District Rule 8.4(j).
5. The Protestants who withdrew their protests, failed to appear, or failed to present evidence did not carry their burden to establish standing.
6. Mr. McIntire did not establish standing because the evidence did not demonstrate a reasonable probability of injury that was concrete and particularized, actual or imminent, fairly traceable to the proposed permit, and likely to be redressed by denial of the permit.
7. Ms. Leigh did not establish standing because the evidence did not demonstrate a reasonable probability of injury that was concrete and particularized, actual or imminent, fairly traceable to the proposed permit, and likely to be redressed by denial of the permit.
8. Because no Protestant established standing to obtain a contested case hearing, the Board may deny the requests for a contested case hearing and proceed to act on the application.
9. Based on the administrative record described in the Hearing Examiner's findings, the application materials, and the absence of any Protestant with standing to contest the application, the Board concludes that Permit No. P-20250112 should be issued subject to all applicable District Rules, permit terms, and regulatory requirements.
10. The Board approved the applications and issued the Final Order pursuant to Texas Water Code § 36.113(d) and the District's Rules.
11. The Board may incorporate and rely on Board Order No. 20260820-2, approved August 20, 2026, as the Board's prior final determination that the Application complies with District Rules and Chapter 36 of the Texas Water Code and should be granted subject to the conditions stated in that order.
12. The Board has authority to deny requests for a contested case hearing for lack of standing and, after denying those requests, to issue the permit in accordance with its prior approval and all applicable permit conditions.

Order

1. The Board adopts the findings of fact and conclusions of law contained in the Hearing Examiner's Proposal for Decision issued July 24, 2026.

2. The Board adopts the findings of fact and conclusions of law contained in Board Order No. 20260820-2, Final Order Granting Commercial Permit to Lagom Ranch, LLC, approved August 20, 2026.

PASSED AND APPROVED this __th day of SEPTEMBER 2026, by the Board of Directors of the Blanco-Pedernales Groundwater Conservation District.

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Gregory Stevens, Board Secretary-Treasurer
Date signed: _____

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Jimmy Klepac, Board President, At-large
Date signed: _____