



Blanco-Pedernales Groundwater Conservation District

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BOARD ORDER NO. 20260115-2

STATE OF TEXAS

COUNTY OF BLANCO

ORDER CONDITIONALLY GRANTING PERMIT AMENDMENT TO CITY OF JOHNSON CITY SUBJECT TO PHASED AQUIFER TESTING AND SETTLEMENT AGREEMENT EXECUTION

WHEREAS:

- The Blanco-Pedernales Groundwater Conservation District ("District") is a political subdivision of the State of Texas, created and operating under the authority of Chapter 36 of the Texas Water Code;
- The District has adopted rules governing the permitting and regulation of groundwater wells within its jurisdiction;
- On September 16, 2025, the District held a public hearing at 601 West Main St., Johnson City, TX, to consider an amendment to the permit application of the City of Johnson City ("City"), Application No. P-20250028, to increase its authorized groundwater withdrawal;
- The City seeks to increase its authorized withdrawal from 150,000,000 gallons per year (460.34 acre-feet per year) to 272,594,775 gallons per year (approximately 836.56 acre-feet per year) for Public Water Supply purposes from the following wells located in Johnson City, Texas:
 - Well #2: (Danz Well) 811 Danz Well Rd (BPGCD Reg #20240028);
 - Well #3: 1709 W Hwy 290 (BPGCD Reg #20240030);
 - Well #4: 1709 W Hwy 290 (BPGCD Reg #20240029);
 - Well #5: End of Ave J (BPGCD Reg #20250055);
 - Well #6: End of Ave J (BPGCD Reg #20250056);

- The amendment represents an increase of 122,594,775 gallons per year (376.23 acre-feet per year) over the current authorized withdrawal;
- A contested case hearing was requested by Mr. Lanny Counts regarding the Application via letter dated September 11, 2025;
- The City and Mr. Lanny Counts have entered into a Compromise and Settlement Agreement dated February 15, 2026 (the "Agreement"), which resolves the contested case request in exchange for the City implementing a specific Phased Aquifer Testing Plan, which settlement agreement is incorporated herein in full as an enforceable condition of this permit;
- The Agreement requires the City to conduct three phases of aquifer testing over a three-year period to determine the sustainable yield and hydraulic characteristics of the aquifer, specifically addressing concerns regarding hydraulic connection to Mr. Counts' Irrigation Well (BPGCD Reg #20060005);
- The Board has reviewed the Application, the Agreement, the Phased Aquifer Testing Plan prepared by KT Groundwater (dated January 14, 2026), and public comments;
- The Board finds that granting the permit amendment is in the public interest, provided it is strictly conditioned upon the City's adherence to the testing schedule, the specific monitoring protocols for Mr. Counts' well, and the phased authorization of withdrawal amounts as detailed in the Agreement.
- The Board further finds that Well #1, which is located off of Pattern Dr (BPGCD Reg #20120025) and was included in the application as a potential point of withdrawal, is not operational and therefore not authorized for production under this permit.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS THAT:

1. CONDITIONAL PERMIT AMENDMENT GRANTED: The application of the City of Johnson City, Application No. P-20250028, for a permit amendment to increase groundwater withdrawal, is hereby **CONDITIONALLY GRANTED**, subject to the following mandatory conditions, which are incorporated by reference into this Order:

A. Phased Authorization & Finality of Approval: The Board hereby grants final approval for the total authorized withdrawal of 272,594,775 gallons per year. This approval is binding and

irrevocable, subject only to the successful completion of the Phased Aquifer Testing Plan and the verification of projected population growth. The City is not required to amend this permit or seek additional Board approval for the withdrawal amounts for Phase 2 or Phase 3. Upon successful completion of each test phase and confirmation that verified population growth or water demand justifies the increase, the corresponding withdrawal increment will be authorized by the District staff in accordance with this Order. The testing and reporting process serves solely as a dual verification mechanism (hydrogeologic capacity and demonstrated need) to ensure the water supply is both sustainable and necessary, a safeguard mutually desired by the City and the District.

- Phase 1: Initial authorization shall be limited to the City's current baseline or the amount determined by the results of City Test 1 (Well #3 pumping with Well #4 and Mr. Counts' Well as observation wells), to be conducted as soon as possible.
- Phase 2: Upon successful completion of City Test 2 (Well #5 pumping, Well #6 as observation well) scheduled for December 2026, the District shall authorize an additional withdrawal increment based on the test results and verified population growth.
- Phase 3: Upon successful completion of City Test 3 (Well #2/Danz pumping, BPGCD monitoring well as observation) scheduled for December 2027, the District shall authorize the remaining withdrawal amount, provided the data supports such yield and that the demand justifies the additional volume.

B. Mandatory Testing Schedule & Methodology: The City shall strictly adhere to the Phased Aquifer Testing Plan (incorporated as Exhibit A to the Settlement Agreement), including:

- Well Pairings:
 - Test 1: Pumping of Well #3 with observation at Well #4 (compliance) and Mr. Counts' Well (supplemental).
 - Test 2: Pumping of Well #5 with observation at Well #6.
 - Test 3: Pumping of Well #2 (Danz) with observation at the BPGCD Monitoring Well (approx. 2,150 ft away).
- Monitoring of Mr. Counts' Well (Test 1 Only):

- Mr. Counts' Well (BPGCD Reg #20060005), located approximately 2,200 feet from Well #3, shall be monitored.
- Variance from Standard Shutdown Periods:
 - Pre-Test Shutdown: The City is granted a variance to reduce the standard 48-hour pre-test shutdown to 6 hours for City wells and 24 hours for Mr. Counts' well, based on public health and safety requirements to maintain system pressure and fire protection.
 - Recovery Shutdown: The City is granted a variance to reduce the standard 24-hour recovery monitoring period to 6 hours (or until 90% recovery is achieved), provided data is collected to determine the pre-pumping trend for extrapolation.
- Data Collection: Water levels shall be recorded at intervals of every 30 seconds (0-2 min), every minute (2-5 min), every 2 minutes (6-10 min), every 5 minutes (11-30 min), every 10 minutes (31-60 min), every 20 minutes (61-120 min), and every 30 minutes thereafter for a minimum 24-hour pumping duration.

C. Reporting and Data Sharing:

- Within 30 days of each test completion, the City shall submit to the District and Mr. Lanny Counts a written hydrogeology report analyzing test results and stamped by a Professional Geoscientist.
- All raw water-level, pumping, and water quality data shall be provided to the District and Mr. Counts at no cost within 72 hours of test conclusion.
- Photographic Documentation: The City shall provide photographs of wellheads and meters (pumping and observation) prior to and following each test. Mr. Counts shall provide similar photos of his wellhead and meter to verify non-operation during testing.

D. Final Withdrawal Limit: The final maximum annual withdrawal amount shall be determined by the District based on the hydrogeologic data obtained from the three phases of testing and verified population growth, consistent with the "Special Conditions" proposed in the District's letter dated August 18, 2025 (Exhibit C to the Settlement Agreement).

E. Compliance with Rules: The City shall comply with all applicable District Rules, including reporting, metering, conservation, and well construction standards, and all requirements of Chapter 36 of the Texas Water Code.

F. Special Conditions:

- Annual Growth and Demand Reporting: Each year, the City shall submit updated population growth and water demand estimates using data such as utility connections, building permits, or tax records. These figures shall be evaluated against the 10-year growth projections submitted with the original permit amendment to determine eligibility for incremental increases in withdrawal.
- BPGCD Determinations on Withdrawal Amounts: Pump test results may be used to establish the maximum withdrawal amount from each well or well pair in a manner that prevents unreasonable interference with other permitted or registered exempt wells. Verified population growth rates may serve as the basis for authorizing annual increases in permitted withdrawal volumes.
- Annual Pump Testing Reporting: Within 30 days of each test completion, the City shall submit to the District: (i) test results and analysis of maximum annual yield from the tested well or well pair; (ii) historical annual pumping records for the tested well(s); and (iii) a calculation of the additional pumping capacity sustainably available from the tested well(s).

G. No Further Board Action Required: The parties acknowledge that the Board's approval of the total volume in this Order is final. The City is not required to seek additional Board resolutions, hearings, or votes in 2026 or 2027 to access the authorized water volumes for Phases 2 and 3. The release of these volumes is contingent solely on the administrative verification of: (i) the hydrogeologic data from the aquifer tests, and (ii) the verified population growth and water demand data submitted by the City. Once these two conditions are met, the release of the authorized volume shall occur automatically without further legislative delay.

H. Administrative Authorization Process: To effectuate the automatic authorization of Phases 2 and 3, the following procedure shall apply, acknowledging the extended timeline for the initial adoption of this Order:

1. Submission: Within 120 days of completing each aquifer test phase, the City shall submit a report detailing the Annual Growth/Demand Report to the District General Manager.
2. Staff Review: Upon receipt, the District General Manager (or designated staff) shall have 30 business days to verify that: (a) The report, prepared by a licensed Professional Geoscientist, provides a complete determination of sustainable yield in accordance with the Phased Aquifer Testing Plan and District testing specifications; and (b) The verified population growth or demand data supports the requested increase.
3. Issuance of Certificate: If the data is verified as satisfactory, the General Manager shall issue a "Certificate of Phased Authorization" to the City within the 30-business-day window. This Certificate shall follow the template example provided in Exhibit D attached hereto.¹
4. Deemed Approval: If the General Manager or his designated delegate fails to issue a Certificate or a written notice of deficiency within the 30-business-day review period, the authorization for that specific phase shall be deemed automatically granted effective on the 31st business day. Upon such deemed approval, the City may immediately commence pumping only at the authorized increment requested for that specific phase as detailed in the hydrogeologic report and Annual Growth/Demand Report, and not at any higher volume or for any subsequent phase until its respective review period has concluded.
5. Notice of Deficiency: If the data is insufficient, the General Manager must provide a written notice of deficiency within the 30-business-day period, specifying the exact data gaps. The City shall have 20 business days to cure such deficiencies. The 30-business-day review clock shall reset upon receipt of the cured data.

¹ Note on Exhibit Numbering: Exhibits A, B, and C referenced in this Order correspond to the documents incorporated from the Settlement Agreement (Testing Plan, Technical Specifications, and Special Conditions Letter, respectively). Exhibit D is assigned to this Certificate Template to maintain continuity with the Settlement Agreement's exhibit structure and to distinguish this Board-created template from the Settlement Agreement's existing exhibits.


I. Aggregate Permit Structure and Well #1 Status:

- **Aggregate Permit:** The permit amendment granted herein shall be issued as a single Aggregate Well Operating Permit covering Wells #2 through #6 (BPGCD Reg #s 20240028, 20240030, 20240029, 20250055, and 20250056). The total authorized withdrawal volume of 272,594,775 gallons per year applies to the aggregate production of all authorized wells within this group.
- **Well #1 Non-Operational Status:** Well #1 (BPGCD Reg #20120025) is expressly prohibited from production under this permit. It shall remain in a non-operational status indefinitely unless the City submits an amendment application to authorize withdrawals from Well #1 that is approved by a separate Board Order.
- **Quarterly Reporting Requirement:** The City shall submit Quarterly Production Reports to the District General Manager. These reports must include meter readings and totalization data for all wells operated by the City. For Well #1, the report must include meter readings and a certification that the well was not pumped during the reporting period.

2. PREVIOUS ORDERS SUPERCEDED: All provisions, obligations, and references contained in any prior Board Orders or resolutions (including but not limited to Permits related to State Well Grid Number 5745810) are hereby rescinded and replaced by the terms of this Order. This Order supersedes any conflicting terms in previous administrative actions regarding the City of Johnson City's permit amendment.

3. EFFECTIVE DATE AND ADOPTION: This Order is conditionally approved by the Board and shall become effective and fully adopted only upon the City's full execution of the Settlement Agreement dated February 10, 2026, and the District's written acceptance thereof. Until such execution, this Order remains pending and non-binding.

4. COMPLIANCE MONITORING: District staff is directed to monitor the City's compliance with the testing schedule and reporting requirements. Failure to complete any phase of the testing, failure to adhere to the Agreement terms (including the specific monitoring of Mr. Counts' well), or violation of the variance conditions may result in the suspension or revocation of the permit amendment.



5. WRITTEN ORDER: This written order fulfills District Rule 8.2.i, reflecting the Board's decision to grant the permit subject to the specific conditions of the Compromise and Settlement Agreement.

CONDITIONALLY PASSED AND APPROVED the 15th day of JANUARY 2026, subject to execution of the Settlement Agreement dated February 10, 2026, by the Board of Directors of the Blanco-Pedernales Groundwater Conservation District.

Jimmy Klepac, Board President, At-Large

Date: April 16, 2026

Greg Stevens, Board Secretary, Precinct 4

Date: April 16, 2026

EXHIBIT D

TEMPLATE FOR CERTIFICATE OF PHASED AUTHORIZATION (Assigned as Exhibit D to maintain continuity with the Settlement Agreement's Exhibit A, B, and C structure)

BLANCO PEDERNALES GROUNDWATER CONSERVATION DISTRICT CERTIFICATE OF PHASED AUTHORIZATION

Pursuant to Board Order No. 20260115-2, Section 1.H

DATE: [Date of Issuance],

TO: City of Johnson City, Texas

RE: Authorization of Incremental Withdrawal – Phase [Number]

1. BASIS OF AUTHORIZATION

This Certificate is issued following the successful completion of City Test [Number] conducted on [Date of Test] involving:

- Pumping Well: [Well Name/Number]
- Observation Well(s): [Well Name/Number]
- Reporting Consultant: KT Groundwater (KTGW)

2. VERIFICATION OF DATA

The District General Manager has reviewed the submitted reports and verifies the following:

(A) Hydrogeologic Capacity: Based on the KTGW Report (prepared by a licensed Professional Geoscientist as required by the Settlement Agreement), the sustainable yield is determined to be [Insert Sustainable Yield from KTGW Report] gallons per year for the tested well(s) without unreasonable interference to other wells. The General Manager has verified that this determination was made in accordance with the Phased Aquifer Testing Plan and District testing specifications.

(B) Verified Demand: Based on the Annual Growth/Demand Report (submitted by the City as required by the Settlement Agreement), the population growth and water demand data justifies an increase of [Insert Calculated Gallons/Year].

3. AUTHORIZED INCREMENT

Pursuant to the "lesser of" principle established in Board Order 20260115-2, the City is hereby authorized to increase its annual withdrawal limit by the lesser of the Sustainable Yield identified in the preceding Section 2(A) or the Verified Demand identified in the preceding Section 2(B):

[INSERT FINAL CALCULATED GALLONS PER YEAR] (Calculated as the lesser of the values in the preceding Section 2(A) or Section 2(B))

4. NEW TOTAL AUTHORIZED LIMIT

- Previous Authorized Limit: [Insert Previous Total] gallons per year.
- Current Phase Increment: [Insert Increment Amount] gallons per year.
- NEW TOTAL AUTHORIZED LIMIT: [Insert New Total] gallons per year.
- Maximum Cap per Board Order: 272,594,775 gallons per year.

5. EFFECTIVE DATE

This authorization is effective immediately upon the date of this Certificate. The City may commence pumping at the new authorized limit immediately.

6. CONDITIONS

This authorization is subject to the City's continued compliance with all conditions of Board Order 20260115-2, including the completion of subsequent testing phases, adherence to the Phased Aquifer Testing Plan, and the quarterly reporting requirements for Well #1 as specified in Section 1.I.



ISSUED BY:

Erik Kubinski General Manager Blanco-Pedernales Groundwater Conservation District

ACKNOWLEDGED RECEIPT:

City of Johnson City Representative

Date: _____

END OF BOARD ORDER NO. 20260115-2

