



Board Meeting Minutes

Thursday, August 14, 2025, at 1:30 pm.

District Office at 601 West Main Street, Johnson City, Texas

Present: Directors: President Jimmy Klepac, Tom Murrah, James Sultemeier, George Cofran

Director Precinct 4: Vacant

Staff: Erik Kubinski, Amy Haynes, Greg Stevens

Citizens: See Sign-In Sheet

1. Call to Order

The Called Board Meeting of the Blanco-Pedernales Groundwater Conservation District was called to order at 1:30 PM on Thursday, August 14, 2025, by President Jimmy Klepac.

2. Invocation

The invocation was led by BPGCD staffer Gregory Stevens.

3. Public Comment

There were no public comments.

4. Approval of Minutes for July 17, 2025, Regular Board Meeting

Motion to approve the minutes for the Regular Board Meeting of July 17, 2025, was made by Director James Sultemeier and seconded by Director Tom Murrah. The motion carried unanimously.

5. Public Hearing for Water Well operating permit Public Hearing for water well operating permit: Hye Development, LLC, well registrations #20240013, #20240040, #20240103

President Klepac opened the public hearing at 1:32 PM.

James McGarr, representing Hye Development, provided a summary of their request. He explained that they had lost a well and tried to replace it with one nearby, but that replacement did not produce sufficient water. They then drilled a third well to replace the lost well. Mr. McGarr noted that the new well is in a better location, more central to the property, which would have less impact on adjacent neighbors.

Board member Sultemeier inquired about the status of capping the abandoned wells. Mr. McGarr responded that one well has a big cap and the second one would be capped lower down so it could be cut and sealed from the production zone to the surface.

Director George Cofran proposed that the Board consider a conditional statement in the application acceptance that the capping must be completed prior to approval of the new well, subject to District inspection.

Mr. McGarr clarified that the abandoned well would be capped approximately 20 feet below grade. The original column would be cut and filled up to that point, effectively sealing it from 20 feet below the surface to prevent any issues with future grading work. He added that this work was scheduled to happen that week and might have already been completed.



The Board discussed making a motion with the condition that the wells be capped with District inspection. However, General Manager Erik Kubinski clarified that this was only a public hearing and the action item was scheduled for the next regular meeting on August 26th.

President Klepac closed the public hearing at 1:38 PM.

6. Continuing Business

a. Discuss and possible action on Johnson City permit amendment.

General Manager Erik Kubinski reported that, as directed by the Board, he had met with Johnson City officials to negotiate a pump plan, which was included in the meeting packet along with proposed permit conditions. Mr. Kubinski noted that the city had not yet seen the written conditions, though they had been discussed verbally.

Mr. Kubinski outlined the key points of the proposed permit conditions:

- The permit condition structure provides the city with reasonable assurance they will ultimately receive the full amount originally requested in their permit amendment without needing a contested hearing case.
- It ensures the District that water is available and being used for beneficial purposes, not wasted.
- The approach requires annual pump testing of one well or well pairs over the next three years, which reduces financial burden by spreading testing costs over time.
- Tests will be aligned with the city's actual growth and water demand.
- After each annual test, the city will provide test results and analysis, maximum annual yield for testing wells, historical pumping records, and calculations of incremental pumping capacity.
- Each year, the city will submit updated population growth and demand figures based on objective data such as utility connections, meter readings, and other pertinent data.

Rick Shroder, City Manager of Johnson City, clarified that in their discussions, they had understood that upon approval of the permit with conditions, the city would receive 25% of their requested amount, with an additional 25% each year after completing the required pump tests and showing population growth, not one-third as mentioned during the meeting.

Alyssa Balzen asked about the growth data requirements, questioning whether the city had to meet specific growth metrics to obtain the percentage increases. She also raised concerns about transient population that impacts water usage but isn't reflected in permanent resident counts. Mayor Stephanie Fisher from Johnson City added that facilities like schools increase their daytime population by hundreds of people, which affects water usage but isn't captured in building permits or residential counts.

Board member Sultemeier suggested that usage data would show these increases through metered consumption.



Mr. Shroder also asked for clarification about whether Johnson City would be guaranteed the full requested amount of 273 million gallons per year if they showed the required population growth, even if it took longer than the initial three-year timeframe. Mr. Kubinski confirmed that the permit was structured to provide the full amount when growth metrics were met, regardless of timeframe.

Mr. Kubinski indicated he would follow up with the attorney, who was listening in on the recent meeting with the City, to confirm the percentage structure (25% versus one-third) and address the contingency buffer with the city. He stated that the plan would be finalized and the conditions sent to the city for review before the August 26th meeting when action would be taken.

George Cofran asked about the status of Johnson City's request to TCEQ related to this application. Mr. Shroder explained that their petition for inquiry with TCEQ was related to the determination of administrative completeness, not the permit application itself, and that TCEQ had determined the petition was not void but that the city hadn't proven its case.

Mr. Kubinski also inquired about Johnson City's Certificate of Convenience and Necessity (CCN), and Mr. Shroder confirmed that their CCN had been approved for everything within their corporate city limits, including the well locations.

7. New Business

- a. Discuss and possible action on updating the authorized bank signatures

Erik Kubinski explained that with the resignation of Bob Reed, who was a signatory on the District's bank accounts, he needed to remove him as a signatory. Mr. Kubinski recommended waiting until the Board appoints a new director so they could update all signatures at once, rather than doing it twice. He requested something in the meeting minutes that he could take to the bank to remove Bob Reed from the signature cards at both Security State and Texas Regional Bank.

No formal motion was made on this item.

- b. Discuss and possible action on General Manager's Annual Review

The Board went into Executive Session at 2:00 PM to discuss personnel matters under Texas Government Code Section 551.074.

The Board reconvened in open session at 2:36 PM.

Motion to adjust the General Manager's compensation package by a 4.5% increase was made by George Cofran and seconded by Jimmy Klepac. The motion carried unanimously.

President Klepac thanked Erik Kubinski for his service over the past year, noting that he had gotten up to speed quickly and accomplished a great deal. Mr. Kubinski expressed appreciation for the feedback and support from the Board.



8. Set future meeting dates and propose future agenda items

The Board confirmed that the next regularly scheduled meeting would be Tuesday, August 26, 2025. During this meeting, they would address unfinished business related to the Johnson City permit amendment and the Hye Development permit.

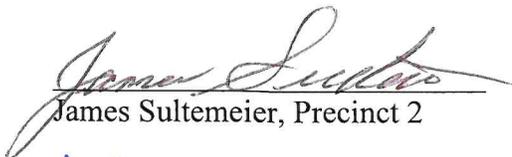
The Board also discussed the September meeting, which needed to be rescheduled from the third Thursday (September 18th) due to a scheduling conflict for Board member Sultemeier. They agreed to meet on Tuesday, September 16, 2025. Mr. Kubinski noted that this meeting would include a public hearing on the tax rate and budget, as well as proposed rule changes.

Mr. Kubinski informed the Board that he would need to publish notice for the tax rate hearing seven days ahead of the meeting. He requested to meet with each Board member individually to discuss the budget and would also distribute budget materials by email for their review and feedback.

9. Adjournment

Tom Murrah moved to adjourn the meeting. James Sultemeier seconded. The motion carried unanimously. The meeting was adjourned at 2:42 pm

We hereby attest that the minutes of the meeting held on August 14, 2025, accurately reflect the discussions and decisions made by the Board of Directors:


James Sultemeier, Precinct 2


Jimmy Klepac, Board President