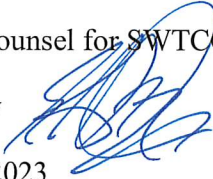


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**PRIVILEGED & CONFIDENTIAL
M E M O R A N D U M**

TO: Cole Ruiz, Counsel for SWTCGCD *via e-mail*
FROM: Ed McCarthy 
DATE: October 25, 2023
RE: Application of Clancy Utility Holdings, LLC for a Groundwater Operating Permit

In response to your October 18, 2023, e-mail (copy attached as Appendix “A”)¹ I am enclosing the information responsive to the two questions posited in the e-mail:

Question No. 1. Rule 3.4(A)(5)(b) requires the application to state if the proposed purpose of use of water from the well is wholly or partly to provide water to a pond, lake, or reservoir to enhance the appearance of the landscape.

We noticed on the diagram provided with the attached application supplement (page 0013), what looks like a few reservoirs. Can you provide us with an explanation as to whether these reservoirs will be sourced from groundwater, and what the reservoirs’ purposes are? Several reservoirs are located adjacent to the “Kids Club” and the “Ranch House.” The largest reservoir is located by the “Destination Restaurant and Cosm.”

Response: Clancy’s application did not speak to using any groundwater to maintain ponds, lakes, or reservoirs for any purpose because Clancy does not plan to pump groundwater into any pond, lake or reservoir. Additionally, as Clancy has previously advised both SWTCGCD and HTGCD, Clancy has abandoned its off-channel pond for storage of surface water to be diverted from the Pedernales River pursuant to Clancy’s LCRA Firm Water Contract. This decision was made to eliminate the potential evaporative losses of water stored in the off-channel pond.

In place of that pond, Clancy and the Developer plan to install three stainless steel potable water quality steel tanks with a capacity of 750,000 gallons each to provide replacement storage – total storage 2,250,000 gallons or 6.91 acre-feet.

¹ To reduce the number of pages, I only included Bates Stamped Pages 0010 and 0013 as the attachment to your October 18th e-mail as those pages were specifically identified out of the June 20, 2023, supplement to Clancy’s production permit application pending at SWTCGCD.

There is one pond still planned for use in the development as part of Clancy's utility operations. That pond is shown on the plat attached hereto as Appendix "B".

This remaining pond is reserved solely for storage of treated wastewater effluent for beneficial reuse for non-potable irrigation purposes. No groundwater will be pumped directly into this pond for storage pursuant to the groundwater production permits requested from either STWCGCD or HTGCD.

Question No. 2. Rule 3.4(A)(5)(c) requires documentation identifying the total number and location of all wells and an interconnection diagram showing estimated well production contributions and meter location(s).

The diagram provided on the attached application supplement (page 0010) does not include any meter locations. If this information is provided elsewhere in the application documents, please direct me to which document and page. However, in my review, I did not see any references to meter locations. If I'm correct that it has not been provided, please provide that information.

Response: Each well will be metered, including the Clancy Well No. 1 sought to be permitted through SWTCGCD. The exact location of the meter for each well has not been determined as the design of the well field and associated gathering and distribution system has not yet been determined, nor finalized. Clancy has always planned to meter each of its wells. Once it gets its permit for Clancy Well No. 1, and permits for Clancy Well Nos. 2 through 5 from HTGCD, Clancy will have its engineering consultants at Murfee Engineering, Inc., move forward with preparation of design and engineering work of the municipal public water supply well construction, including final applications to TCEQ's drinking water PWS review team. At that time, meter locations will be included with the overall design and construction drawings. Until that time, except for testing and construction, no water will be produced from any of the wells until the meter(s) is connected.

Once the meter location is determined, Clancy will notify the District of the location. As Clancy previously committed to SWTCGCD, Clancy will provide copies of its filings with TCEQ related to the approval of its PWS system, which will include the design and engineering drawings of Clancy's five PWS wells and the associated gathering and distribution system, which will include the identified locations of well meters. In the interim, Clancy is amenable to inclusion of a special condition in its Permit that requires a meter be installed before any water is produced from the well other than water produced for testing and construction purposes.

Conclusion

I have copied SWTCGCD's General Manager, Lane Cockrell here. After you have reviewed the enclosed materials with Mr. Cockrell, please confirm for me that the information provided satisfies the request in your October 18th e-mail.

Finally, I am also copying Charlie Flatten, General Manager of the Hays Trinity GCD, so that he has the same information as Lane as he processes Clancy's separate applications to HTGCD. I am also copying HTGCD's General Counsel, Greg Ellis, to keep him in the loop.

Please let me know if there are any questions.

cc: Lane Cockrell, General Manager, SWTCGCD
Clancy Utility Holdings, LLC
Attn: Jim Truitt, Vice President
Murfee Engineering
Attn: Bryce Canady, P.E.
Charlie Flatten, General Manager, HTGCD
Greg Ellis, General Counsel, HTGCD

Appendix “A”

Your E-mail dated October 18, 2023

From: [Cole Ruiz](#)
To: [Ed McCarthy](#); [Jim Truitt](#)
Cc: [Lane Cockrell](#); [Ty Embrey](#)
Subject: Clancey Utility Holdings LLC--Application for SWTCGCD Operating Permit Review Questions
Date: Wednesday, October 18, 2023 7:42:13 PM
Attachments: [image932122.png](#)
[image370131.png](#)
[image716865.png](#)
[6-20-23 - SWTCGCD-HTGCD Clancey Application Supplement - w-Appendices - BATES STAMPED \(2\).pdf](#)

Good evening Ed and Jim,

Following up on our call earlier this week, Lane was preparing to deem Clancey Utility Holdings, LLC's application administratively complete when he and I noticed two issues. I'm hoping both can be easily addressed without too much inconvenience.

Rule 3.4(A)(5)(b) requires the application to state if the proposed purpose of use of water from the well is wholly or partly to provide water to a pond, lake, or reservoir to enhance the appearance of the landscape.

We noticed on the diagram provided with the attached application supplement (page 0013), what looks like a few reservoirs. Can you provide us with an explanation as to whether these reservoirs will be sourced from groundwater, and what the reservoirs' purposes are? Several reservoirs are located adjacent to the "Kids Club" and the "Ranch House." The largest reservoir is located by the "Destination Restaurant and Cosm."

Rule 3.4(A)(5)(c) requires documentation identifying the total number and location of all wells and an interconnection diagram showing estimated well production contributions and meter location(s).

The diagram provided on the attached application supplement (page 0010) does not include any meter locations. If this information is provided elsewhere in the application documents, please direct me to which document and page. However, in my review, I did not see any references to meter locations. If I'm correct that it has not been provided, please provide that information.

Our letter deeming the application administratively complete is nearly complete, but we do need to verify the information requested in this email before issuing the letter.

Please let me know if you have any questions.

Thank you,

Cole

COLE RUIZ

Attorney

512-322-5887 Direct

Lloyd Gosselink Rochelle & Townsend, P.C.

816 Congress Ave., Suite 1900, Austin, TX 78701



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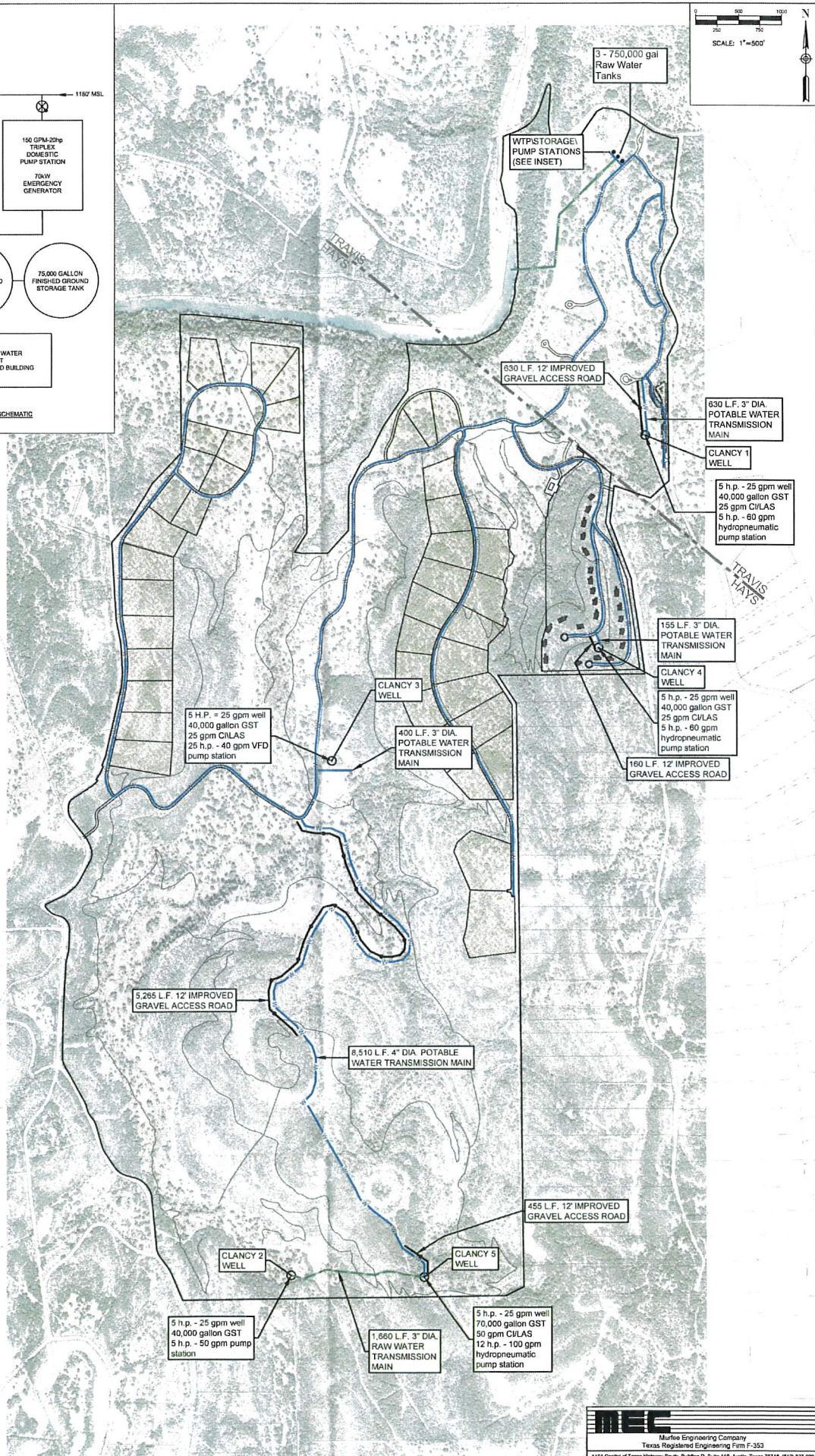
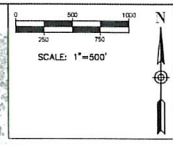
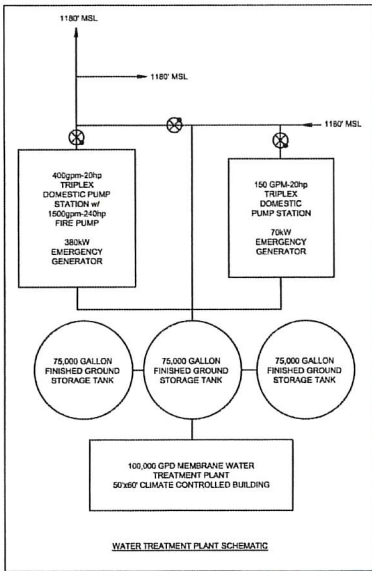
A "REPLY TO ALL" OF THIS EMAIL COULD LEAD TO VIOLATIONS OF THE TEXAS OPEN MEETINGS ACT. PLEASE REPLY ONLY TO LEGAL COUNSEL.

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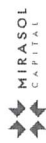
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Mirasol Engineering Company Texas Registered Engineering Firm F-353 1101 Capital of Texas Highway South, Building D, Suite 110, Austin, Texas 78748, (512) 327-6204		
MIRASOL CONCEPTUAL PLAN GROUNDWATER SUPPLY PLAN		
DATE: 9/20/23	JOB NO: 19-011-10	SCALE: AS NOTED
DESIGNED BY: DAN	DRAWN BY: RLM	CHECKED BY: DAN

FILE: \\W:\Shared\Conceptual\MIRASOL_E-CONCEPTUAL_PLANS\mudrol.dwg



Travis County Site Plan

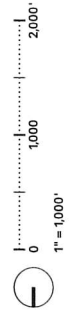
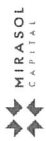


Appendix “B”

Updated Plat depicting a Single Pond



Overall Site Plan





Travis County Site Plan

