Operating Permit for Withdrawal of Groundwater in
Southwestern Travis County Groundwater Conservation District

Permit No.	OP-LT-58492OP2
Permittee/ Well Owner:	OP III ATX Ledgestone I, LP c/o Luke Phillippi
Permittee Mailing Address:	500 W. 5th Street, Ste. 700 Austin, Texas 78701
Permit Type:	Operating Permit
Number of Wells:	One (1)
Well Identifications:	District Well ID# 58492OP2 (State Well Report Tracking No. 696105)
Well Location(s) and Place(s) of Use:	The well is located at 9021 W. U.S. Hwy 290, Austin, Texas 78736 (Longitude: -97.923969; Latitude: 30.228822), and water produced from the well will be used for landscape irrigation at the same address.
Permit Term:	The Permit Term is one year, beginning on the date of issuance listed below, and ending on ___ __, 2026, and is renewable under District Rule 3.4(D)(3).
Authorized Uses:	Irrigation of landscaped grounds, subject to the Standard and Special Permit Conditions incorporated in this Permit, the District's Rules, and Chapter 36 of the Texas Water Code.
No Export Authorization:	Groundwater produced under this Operating Permit must be used within the Place of Use and may not be exported outside the District's jurisdictional boundaries.

Authorized Production Amount:
The Permittee is authorized to withdraw up to ~~2,086,000~~2,980,000 gallons (~~6.40~~9.15 acre-feet) of groundwater annually from the Lower Trinity Aquifer at a rate not to exceed ~~20~~ 35 gallons per minute and place it to beneficial use for the purpose stated in this Permit, subject to restrictions on withdrawals set forth in this Permit and the District rules, which may be amended from time to

time in the future. The Permittee's authorized groundwater withdrawal is limited to only the amount of water which is required without being wasteful during the term of the Permit, but not to exceed the Authorized Production Amount in place at the time.

Fees

Production Fee:

a) Permittee must pay a quarterly production fee based on the actual amount of groundwater withdrawn at the rate of $0.20 per thousand gallons of water reported as actually withdrawn from the well in accordance with District Rule 3.4(D)(7) and the District's Fee Schedule.
b) The aforementioned production fee rate is subject to future changes in accordance with the District rules.

Export Fee:
Not Applicable

Service Connection Fees:
Not Applicable

Standard Permit Conditions

Meter Requirements:

a) Prior to producing any groundwater, each well must be equipped with a water meter, purchased, installed, and maintained at the Permittee's expense.
b) The Permittee must register the meters with the District, and the meters must be approved by the District in accordance with District Rule 3.4(D)(6). The registration must identify the manufacturer and model of the meters, and the serial number of the particular meter installed at each well.
c) The Permittee must provide the District with a time-stamped photograph of the face plate of each meter showing its identification number and current reading.
d) Each meter must be a mechanically driven, digital, totalizing water meter and must be functioning at all times. The digital totalizer must not be resettable by the Permittee and must be capable of a maximum reading greater than the maximum expected pumpage and rate during the expected lifetime of the meter.
e) Battery operated registers must have a minimum five-year life expectancy and must be permanently hermetically sealed. Battery operated registers must visibly display the expiration date of the battery.
f) All meters must meet the requirements for registration accuracy set forth in the American Water Works Association standards for cold-water meters.
g) Meters may be inspected for proper installation and operation, and they may be read by District personnel at any time between regular use reporting, subject to property access conditions set forth in District Rule 4.5.

Reporting Requirements:

a) Permittee shall report monthly meter readings from each meter indicating actual groundwater use on forms provided by the District. Meter readings must be read within five (5) days of the end of each reporting month and submitted to the District no later than ten (10) days after the end of the reporting month.
b) False reporting or logging of meter readings, intentionally tampering with or disabling a meter, or similar actions to avoid accurate reporting of groundwater use and pumpage constitute a violation of the District Rule 3.4(D)(6) and this Permit, and will result in such penalties as the Board may assess, in accordance in Chapter 36 of the Texas Water Code and District Rule 7.4, as may be amended from time to time.
c) The District may charge late fees for meter readings that are not timely provided by the Permittee in accordance with the District's Fee Schedule, in addition to or in lieu of assessing enforcement penalties for violating permit conditions.

Drought Management:

By accepting this Permit, the Permittee acknowledges and agrees that the Permittee will comply with the District's Drought Management Rules and the Permittee's adopted User Drought Contingency Plan in accordance with District Rule 5.2.

Well Construction Standards:

By accepting this Permit, the Permittee acknowledges and agrees that the Permittee will comply with District Well Construction Standards in accordance with District Rule 4.3.

Periodic Permit Review:

This Permit is subject to periodic review and enforcement by the General Manager or the General Manager's designees to assess and record each well's use, pumpage volume, and compliance for use in future permit renewal assessments and enforcement in accordance with District Rule 3.6(A).

Enforcement and Involuntary Amendment or Revocation:

This Permit is subject to all enforcement remedies available to the District under the laws of the State of Texas and the District rules, including involuntary amendment or revocation for violation of District rules, this Permit, Chapter 36 of the Texas Water Code, the District's Enabling Legislation, waste of groundwater, falsifying records or reports, or other actions the Board determines to be detrimental to the groundwater resources in the District.

Change of Well Ownership:

Any change of ownership in the wells must be reported by the new owner by submitting the appropriate form to the General Manager within 90 days following the change of ownership in accordance with District Rules 3.2(C)(1) and 3.6(C).

Change of Well Condition, Operation, or Status:

No person may change the type of use of a registered well; alter the size of a registered well, the well pump, or its production amount or capacity, including the elevation of the pump within the

borehole; or plug a registered well without prior District authorization. Any such changes require the Permittee/Well Owner to submit the appropriate form to the District, which shall be processed in accordance District Rules 3.2(C) and 3.6(D).

Notification Required Prior Pump Installation:
Permittee or Permittee's pump installer must notify the District either verbally or in writing no less than 24 hours before a pump is installed in the well in accordance with District Rule 4.1(A)(2).

Well Inspections:

a) District employees, Board members, District consultants, or other District agents may access the Well and Well Property to conduct random or periodic inspections of wells for any District purpose, including enforcement, in accordance with Texas Water Code § 36.123, Texas Spec. Dist. Code § 8871.105, and District Rule 4.5.
b) Permittee or Permittee's pump-installer shall equip the Well with an inspection port, inspection tube, or some other means that will allow free and clear vertical access to the water table for the purposes of measuring water levels or disinfecting the Well in accordance with District Rule 4.3(C).
c) Permittee shall provide access to District personnel and their designees to collect groundwater data on a monthly basis, or upon request of the District's General Manager.

Laws, Policies, and Rules in Effect:
This Permit is issued contingent on Permittee's continued compliance with any future changes to the laws of the State of Texas, the District's Drought Curtailments and Contingency Plans, Groundwater Management Plan, and other applicable District rules. The Permittee shall comply with all such laws, policies, and rules now in effect, and as may be amended from time to time in the future.

Avoidance of Waste:
By accepting this Permit, the Permittee acknowledges and agrees that the Permittee, and any successor(s) in interest, must avoid waste and achieve water conservation and shall comply with all the terms and conditions embodied in the Permit, and District rules, District orders, and approved Management Plan, as may be amended from time to time, and to the continuing right of the District to manage the groundwater within the District.

Sealing, Capping, and Plugging Requirements:
By accepting this Permit, the Permittee acknowledges and agrees that the District may require the sealing, capping, or plugging of the Well for the reasons provided by District Rule 4.4.

Special Permit Conditions

1. **Monitoring and Data Collection**
   To assess aquifer conditions and the actual impacts of pumping, the permittee must agree to ongoing data collection and monitoring. The permitted well must be equipped with an inspection tube with a minimum diameter of 1 inch to facilitate clear access to the water

table for the purposes of accurately measuring and monitoring water levels. The permittee must provide access for District staff to install and maintain monitoring equipment and to collect groundwater data monthly or as directed by the District's General Manager.

To support monitoring, the permittee must coordinate with the General Manager to implement a pumping schedule that includes designated intervals or days without pumping to allow water levels to recover for a minimum of forty-eight (48) consecutive hours at least once per calendar month. ~~This coordination period will continue for at least one year to generate sufficient data to evaluate whether the permitted well is suitable for reliable long-term monitoring.~~

~~If, after one year, the District determines that the permitted well or any nearby existing well is inadequate for reliably monitoring groundwater levels due to pumping interference, well design, or other factors, the District may require the installation of a dedicated monitoring well. Upon receiving written notice from the District, the permittee must cooperate with the District to identify a suitable location and ensure that the monitoring well is installed in accordance with District specifications within one year of the notice. Unless otherwise agreed to in writing, the permittee will be responsible for all costs associated with the well's installation. The monitoring well will serve as a benchmark for evaluating aquifer conditions and implementing the compliance-indexed response measures specified in Condition 2 below.~~

2. Graduated Reduction in Authorized Annual Volume

As a condition of renewal and continued operation, the permittee agrees that the maximum authorized annual production volume shall decrease as follows, unless otherwise modified by Board action at renewal:

a) Initial Permit Term: 2,980,000 gallons annually.
b) First Renewal Term: Beginning immediately after expiration of the Initial Permit Term, the authorized annual production volume shall be reduced to 2,533,000 gallons annually, equivalent to eighty-five percent (85%) of the authorized volume during the Initial Term.
c) Second Renewal Term: Beginning immediately after expiration of the First Renewal Term, the authorized annual production volume shall be reduced to 1,937,000 gallons annually, equivalent to sixty-five percent (65%) of the authorized volume during the Initial Term.

For all subsequent renewal terms, the maximum annual authorized production volume shall remain 1,937,000 gallons annually, subject to Board approval of renewal and the permittee's continued compliance with applicable laws of the State of Texas, District Rules, the District's Groundwater Management Plan, and the terms and conditions of this permit.

~~**2. Compliance-Indexed Response Measures**~~

~~Water-level data collected from the permitted well, or from an alternative monitoring well designated by the District, will be used to assess aquifer conditions and determine compliance response levels based on the following thresholds:~~

~~Compliance Level~~	~~Trigger Water Level (feet above mean sea level)~~	~~Trigger Water Level (feet above aquifer[1])~~	~~Response Measure~~	~~Comments~~
~~Level 1~~	~~408~~	~~100~~	~~10% reduction in permitted volume~~	~~Allows for seasonal fluctuations while initiating reductions to help prevent unconfined conditions~~
~~Level 2~~	~~383~~	~~75~~	~~20% reduction in permitted volume~~	
~~Level 3~~	~~358~~	~~50~~	~~30% reduction in permitted volume~~	
~~Level 4~~	~~333~~	~~25~~	~~40% reduction in permitted volume~~	
~~Level 5~~	~~308~~	~~0~~	~~50% reduction in permitted volume~~	~~Aquifer becomes unconfined at this level, risking loss of artesian pressure, reduced well yields, and dewatering~~

~~[1]Top of Lower Trinity Aquifer at well location, as determined by permittee's technical consultant and confirmed by District staff using geophysical logs and other geologic data.~~

~~The District will determine the applicable compliance level each year based on the average of the weekly maximum water levels measured from April 1 through June 30. If the average water level is at or below a defined trigger level, the corresponding compliance level and associated response measures shall apply for a one-year period beginning August 1 of that year.~~

~~If a compliance-triggered curtailment coincides with a District-declared drought stage that requires mandatory pumping reductions, the greater reduction shall apply. The District may modify response measures based on new data or aquifer conditions. If a dedicated monitoring well is installed in accordance with Condition 1, future compliance determinations may be based on data from that well, at the District's discretion.~~

3. **Coordinated Irrigation Pumping Schedules**
   To minimize well interference and reduce impacts to nearby wells, the permittee shall coordinate irrigation pumping schedules among all wells and irrigation systems under the permittee's common ownership or control~~, including those authorized under OP III ATX Ledgestone II, LP (58492OP1) and OP III ATX Ledgestone I TH, LP (58792OP3)~~.

The permittee shall avoid simultaneous pumping of ~~irrigation wells~~such wells to the maximum extent practicable and shall stagger pumping operations in a manner that reduces localized drawdown and interference effects.

Prior to initiating irrigation operations, the permittee shall submit an ~~coordinated~~ irrigation and pumping schedule to the District for review and approval. The District may require modifications to the schedule as necessary to achieve the objectives of this condition. The permittee shall update the schedule upon request by the District or in response to observed aquifer conditions or operational changes.

4. **Mitigation of Impacts to Neighboring Wells**

If monitoring data, field observations, or other relevant evidence indicate that groundwater production authorized under this permit is the primary cause of material adverse impacts to neighboring private wells that (1) existed as of the date of permit issuance, or is a well subsequently drilled to replace such a well; and (2) are located within a half-mile of the permittee's wells, including, but not limited to, sustained water-level declines that impair the ability of such wells to produce reliable quantities of water, the permittee shall be responsible for mitigating those impacts.

Mitigation measures may include, but are not limited to, lowering pumps, deepening existing wells, or drilling replacement wells. The District may require the permittee to submit a mitigation plan for review and approval prior to implementation.

The District ~~may~~ shall establish a reasonable maximum reimbursement amount per impacted well based on typical costs for well modification or replacement in the area. The permittee's obligation to mitigate shall be limited to impacts for which groundwater production under this permit is demonstrated through aquifer testing, monitoring data, or hydrogeological analysis to be the primary cause of material adverse impacts~~reasonably attributable to groundwater production under this permit~~, as determined by the District.

5. **Use of Rainwater Captured On-Site for Irrigation**

The permittee shall utilize rainwater captured on-site to the maximum extent practicable to supplement or replace groundwater used for irrigation, including utilizing a stormwater retention/irrigation water-quality treatment system that complies with the requirements of the City of Austin Environmental Criteria Manual §1.6.7 to capture and beneficially reuse on-site stormwater. ~~In addition to irrigation of native or non-potable landscaped areas currently planned to be supplied by captured rainwater, the permittee shall also use captured rainwater to irrigate landscaped areas that would otherwise be irrigated using groundwater.~~

~~The permittee shall design, install, and maintain the irrigation system to facilitate the integration and beneficial use of captured rainwater for irrigation of such landscaped areas. This includes incorporating any infrastructure necessary to convey, store, and distribute captured rainwater to areas otherwise served by groundwater-based irrigation systems. The~~

~~system shall be operated in a manner that prioritizes the use of captured rainwater over groundwater when such water is available and suitable for irrigation.~~

The permittee shall provide documentation to the District demonstrating that the irrigation system is configured to enable and implement the use of captured rainwater, including stormwater runoff, for landscaped areas otherwise irrigated with groundwater.

~~Upon request by the District, the permittee may also be required to report the estimated volume of captured rainwater used for irrigation.~~ Additional alternative water sources may also be evaluated and implemented to further reduce groundwater demand.

This Permit is hereby issued this the ___ day of _____, 2026, by the order of the Southwestern Travis County Groundwater Conservation District, and agreed to by the Permittee, who hereby binds himself to the duties outlined hereabove.

_____,
Richard Scadden, Board President
Southwestern Travis County Groundwater Conservation District

ATTEST:

_____,
Tim Van Ackeren, Secretary
Southwestern Travis County Groundwater Conservation District

PERMITTEE:

_____,
Luke Phillippi
OP III ATX Ledgestone I, LP