

Permit No. BVTP-C003



**Transport Permit
Issued By Direction of the Board of Directors of the
Brazos Valley Groundwater Conservation District**

This **Transport Permit** is granted to **Clifford A. Skiles III** and **UW Brazos Valley Farm LLC** (Permittee) authorizing the Permittee to transport groundwater out of the Brazos Valley Groundwater Conservation District (“District”) in an amount **not to exceed 4,800 acre-feet/year** for **Agricultural, Industrial, and Public Water Supply** uses in the **receiving area outside of the District in Milam, Williamson, Bell, and/or Travis counties**.

Operating Permits associated with Transport Permit:

The transport of water out of the District is only authorized for water produced from wells associated with the following District-issued Operating Permits:

Permit #	Well	Latitude	Longitude	Aquifer	GPM	ac-ft
BVDO-0108	Well 1	N 30.851042°	W 96.635889°	Simsboro	2,000	2,700
BVDO-0317	Well 2	N 30.854431°	W 96.628822°	Simsboro	1,600	2,100

Conveyance System:

Network of wells and pipelines feeding a central collection system (tanks and impoundments) from which the water will be conveyed through pipeline infrastructure to the end users.

Transport Permit Term:

- (a) This transport permit is granted for a term that ends at the end of the day that is the 30-year anniversary of permit issuance plus the lesser of four years or the period of time for the Project associated with the Project Transport Permits (defined below) to achieve Financial Close (defined below). Permittee shall provide the District notice of the Financial Close on such Project not later than seven (7) business days after Financial Close. This transport permit shall be renewed in accordance with Rule 8.5(d)(1) and Texas Water Code §§ 36.122 and 36.1145 or, if changed, the applicable renewal provisions in effect at the time. “Financial Close” is the date upon which all financial arrangements are finalized, and the necessary funding is fully committed and available to be drawn, in order for the Project to complete construction.
- (b) The District may amend or revoke an operating permit at any time, in accordance with District rules and the Settlement Agreement, dated effective July 7, 2025 (“Comprehensive Settlement”), if there is evidence of:
 - 1. the owner or operator of the well or well system has operated in violation of their permit, District Rules, or Chapter 36 of the Texas Water Code; or

2. a change in the permit is required to prevent waste and achieve water conservation, minimize as far as practicable the drawdown of the water table or reduction of artesian pressure, lessen interference between wells, or control and prevent subsidence.
- (c) The District may periodically review the amount of water that may be transferred under an operating permit to transport water out of the District, in accordance with properly adopted District rules, state law, and the Comprehensive Settlement, and may limit the amount if additional factors considered, related to the factors in District Rule 10.4(b):
1. the availability of water in the District and in the proposed receiving area during the period for which the water supply is requested;
 2. the projected effect of the proposed transfer on aquifer conditions, depletion, subsidence, or effects on existing permit holders or other groundwater users within the District; and
 3. the approved Region G Water Plan and certified District Management Plan.

Special Provisions/Notes:

(a) Aggregation:

1. The production from the following operating permits may be aggregated: BVDO-0108 and BVDO-0317 (Well Field), so that the combined permitted amount from the wells may be pumped from any well, or split between the wells, as circumstances may require as allowed by District Rule. Aggregation for curtailment purposes shall be as specified in the Comprehensive Settlement. Total maximum annual aggregate production for the wells under all permits is 4,800 acre-feet/year. This is a multi-use permit for Agricultural, Industrial, and Public Water Supply uses. Purpose of use will be metered and reported separately.
2. Permittee's maximum aggregate export under this Transport Permit shall not exceed 4,800 acre-feet in any year.
3. Production Permits/Wells Involved in the Project: up to 48

Seven local landowners, including Applicant, who hold existing operating permits issued by the District for a combined total maximum production of 57,718 acre-feet per year have entered Option Agreements with UWBFV: Cula d'Brazos; Ely Family Partnership L.P.; Fazzino Investments; LP, L. Wiese Moore, LLC; RH2O, LLC; James Brien; and Clifford A. Skiles III (collectively, the Optioned Owners). Consistent with the terms thereof, UWBFV will have the right to produce and transport the Optioned Groundwater using the wells subject to the Groundwater Leases, a gathering network and a transmission system to be developed by UWBFV to the requested western receiving area. UWBFV, also a local landowner, holds existing transport and related production permits issued by the District for 49,999 acre-feet per year from its Goodland Farms property. Optioned Groundwater will be combined with the rights of the Goodland Farms property to support UWBFV's proposed Project (this intended collective project is also referred to as the UWBFV Project). There will be a hub for the UWBFV Project's connection of the gathering system to the transmission system

to the western receiving area. The hub is likely to be located on the Goodland Farms property.

4. Receiving Area:

Bell, Milam, Travis, Williamson counties. Based on ongoing Project development, it is anticipated that the transport may be primarily to the City of Georgetown (City) in Williamson County; however, other municipalities, public water suppliers, or other end users in Williamson County, Bell County, Milam County, and Travis County may elect to participate in a regional project with Georgetown or otherwise contract for such water supply, if available. The proximity of significant growth areas and, in some cases, existing or planned infrastructure, located within service areas of multiple water providers make a cooperative regional project viable. The City of Georgetown has entered into a reservation agreement with EPCOR to negotiate a public private partnership and a Water Supply Agreement for Georgetown to import between 39,399 and 70,000 acre-feet per year from Robertson County, Texas. UW Brazos Valley Farm LLC has entered an agreement with EPCOR.

(b) Reporting:

1. Permittee shall timely report to the District all groundwater production for all of its operating permits, including Historic Use Permits, issued by the District by the 10th day of every month, by a form prescribed by the District.
2. Permittee shall annually calibrate the requisite flow meter for all of its permitted wells, including those authorized by Historic Use Permits, in the Simsboro Aquifer. Documentation of the calibration/verification for each flow meter shall be submitted to the District by February 1st of each year.
 - i. **Flow Meter Testing:** Each flow meter shall have an accuracy of plus or minus 3% and be tested for accuracy as installed in place. Permittee shall submit a certificate of the test results. The certificate shall be in a form acceptable to the District. Meters shall be tested by a third party qualified to measure meter accuracy and approved by the District General Manager. Each meter shall be tested for accuracy on an annual basis. All testing equipment must be calibrated annually by an independent testing laboratory or company capable of accuracy verification.
 - ii. **Flow Meter Installation:** The water flow meter must be installed for wells associated with the following operating permits: BVDO-0108 and BVDO-0317, according to the manufacturer's published specifications in effect at the time of meter installation. A copy of the specifications shall be provided to the District. If no specifications are published, there must be a minimum length of five pipe diameters of straight pipe upstream of the water meter and two pipe diameters of straight pipe downstream of the water meter. The pipe upstream and downstream of the meter must be the same diameter as the housing for the meter. These lengths of straight pipe must contain no check valves, tees, gate valves, back flow preventers, blow-off valves or any other fixture than those flanges or welds necessary to connect the straight pipe to the meter. The Permittee may use a different methodology for the installation of flow meter(s) used solely for

agricultural uses, if approved by the District, and such approval may not to be unreasonably withheld.

- iii. **Meter of Exported Water:** The District may require a master or totalizing meter that measures all groundwater exported on the pipeline from Permittee's Project site.

(c) Monitor Wells:

1. Permittee shall install and maintain up to two (2) monitor wells on its permitted site in a location or locations agreed upon with the District and with construction and equipment approved by the District, such agreement and approval not to be unreasonably withheld.

(d) Collective Export Volume Limitation:

1. The maximum collective export volume under permits BVTP-C001, BVTP-C002, BVTP-C003, BVTP-C004, BVTP-C005, BVTP-C006, BVTP-C007, and BVTP-C008 (together, the consolidated "Project Transport Permits") shall not exceed 50,000 acre-feet in any one year. If UWBVF withdraws as a permittee from this transport permit, or if UWBVF elects not to exercise its option to acquire the exclusive right to develop, produce, transport, and sell to third parties groundwater from the Simsboro Aquifer from the wells associated with this transport permit, or if this transport permit is otherwise in any way no longer associated with the Project, notice shall be provided to the District within 30 (thirty) calendar days of such withdrawal, election, or disassociation with the Project, and this individual transport permit shall be deemed void. None of the Operating Permits associated with this individual transport permit, as listed in the table above, shall be used, in whole or in part, in a transport project other than the Project. In the case of (i) such UWBVF withdrawal or election or (ii) such unauthorized use of such Operating Permits in another transport project, this individual transport permit shall be deemed void. For the avoidance of doubt, such voiding of this individual transport permit would not affect the validity of the remaining Project Transport Permits.

(e) Groundwater Conveyance and User Agreement(s):

1. Permittee shall submit all agreements regarding the conveyance system to transport groundwater under this Permit, and amendments thereto, within 30 calendar days of execution of the agreement(s), which may be redacted regarding information protected under the Texas Public Information Act for public entities and confidential business information for private entities. The District may request a meeting to discuss the submitted information. Permittee shall provide updated technical descriptions of the facilities to be used for transportation of water and time schedules for any construction and completion thereof.
2. Permittee shall submit all agreements regarding the sale of or use of groundwater under this Permit, and amendments thereto, within 30 calendar days of execution of the agreement(s), which may be redacted regarding information protected under the Texas Public Information Act for public entities and confidential business information for

private entities. The District may request a meeting to discuss the submitted information.

(f) Water Conservation and Drought Contingency Plans

1. The Permittee's water conservation plan and, if any subsequent user of the water is a municipality or entity providing retail water services, the water conservation plan of that municipality or entity shall also be provided to the District along with a copy of the contract between the applicant and any subsequent user of the water, under Section (e)(2) above, indicating that the applicant and that municipality or entity will comply with the District's Conservation Plan.

(g) Periodic Review:

1. The District may periodically review the amount of water that may be transferred under an operating permit to transport water out of the District and may limit the amount if warranted by aquifer conditions, pursuant to District Rules and state law, and consistent with the Comprehensive Settlement.

This Permit is granted subject to these Rules, orders of the Board, and the laws of the State of Texas. In addition to any special provisions or other requirements incorporated into the permit issued by the District.

1. This Permit is granted in accordance with provisions of the Rules of the District, including amendments, and the Comprehensive Settlement, and, as applicable, acceptance of this Permit constitutes an acknowledgment and agreement that Permittee will comply with the Rules of the District and the Comprehensive Settlement.
2. This Permit confers only the right to operate the permitted well(s) under the provisions of the District Rules and the Comprehensive Settlement and its terms may be modified or amended pursuant to the provisions of those Rules and the Comprehensive Settlement. To protect the permit holder from the illegal use of a new landowner, within ten (10) calendar days after the date of sale of property containing a well having been issued an operating permit, the operating permit holder must notify the District in writing of the name of the new owner. Any person who becomes the owner of a currently permitted well must, within forty-five (45) calendar days from the date of the change in ownership, file an application for a permit amendment to affect a transfer of the permit.
3. The operation of the well(s) for the authorized purposes must be conducted in a non-wasteful manner.
4. All groundwater production from non-exempt wells in the District is required to be metered, except for the groundwater produced from wells in the Brazos River Alluvium aquifer. The District maintains the discretion to require meters on wells in the Brazos River Alluvium aquifer. Permittee shall maintain records of withdrawal on the property where the well is located or at its business office, and shall make those records available to the District for inspection. The Permittee shall submit complete, accurate, and timely metered pumpage and transport reports to the District annually, as requested by the District, no later than February first (1st) of each year.

5. The well site(s) must be accessible to District representatives for inspection, and Permittee agrees to cooperate fully in any reasonable inspection of the well(s) and well site(s) by the District representatives.
6. The application pursuant to which this Permit has been issued is incorporated in this Permit, and this Permit is granted on the basis of and contingent upon the accuracy of the information supplied in that application. A finding that false information has been supplied is grounds for immediate revocation of the permit.
7. Violation of this Permit's terms, conditions, requirements, or special provisions, including pumping amounts in excess of authorized withdrawal, is punishable by civil penalties as provided by the District Rule 15.3, as well as revocation of the permit.
8. Permittee will use reasonable diligence to protect groundwater quality and will follow well-plugging guidelines at the time of well closure.
9. Permittee shall timely pay all applicable fees under Section 9 of the District Rules, including all applicable production and/or export fees adopted in the District's Schedule of Fees; with respect to export fees, to the extent consistent with the fees negotiated between the District and transporter as set forth in the Comprehensive Settlement.

The issuance of this Permit does not grant to Permittee the right to use any private property, or any public property, for the production or conveyance of water. Neither does this permit authorize the invasion of any personal rights nor the violation of any federal, state, or local laws, rules or regulations. Further, the District makes no representations and shall have no responsibility with respect to the availability or quality of water authorized to be produced under this permit.

This permit is issued and effective as of July 10, 2025.

Brazos Valley Groundwater Conservation District

By: _____
Alan M. Day, General Manager

 Date