

Rancho del Lago, Inc.
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Phone (830) 935-2807
Fax (830) 935-2729
February 8, 2007

Blanco-Perdernalles Groundwater Conservation District
P.O. Box 1516
Johnson City, Texas 78636
Attn: Ronald G. Fieseler

Re: Rancho del Lago, Inc. (the "Permitee")
Water Operating Permit, registration # 200040078 (the "Permit")
Rockin J Ranch Subdivision, Blanco County, Texas

Dear Mr. Fieseler:

We hereby request a three (3) year extension of the Permit originally issued on March 16, 2006. This request is made subject to the following stipulations, all of which we acknowledge will be relied upon by the Blanco-Perdernalles Groundwater Conservation District (the "District") as a basis for granting the requested extension:

- (1) our continuing compliance of all rules and regulations of the District;
- (2) our acknowledgement and agreement that the District may continue to conduct multiple aquifer and water quality tests and to monitor the wells described in the Permit (the "Wells") as is deemed reasonably necessary by the District; and
- (3) our voluntary efforts to use only the water necessary for the intended purposes of the Permit in order to promote water conservation.

Of the 185,000,000 gallons which may be produced from the Wells according to the Permit, we will strive to utilize 130,000,000 or less gallons the first year, 150,000,000 gallons or less the second year, and 180,000,000 gallons or less the third year.

If you have any questions or wish to discuss this matter further with me, please call me at the phone number listed above.

Yours truly,


Lee R. Roper, President

Blanco – Pedernales Groundwater Conservation District

MEMORANDUM

Date: February 8, 2007

To: Board of Directors

From: Ron Fieseler

Re: Rockin' J Ranch Subdivision Operating Permit Renewal

I have received the attached letter from Rancho del Lago, Inc., permit holder for the Rockin' J Ranch Subdivision asking for a 3 year renewal of their operating permit for wells 57-61-6J1, 57-61-6J2, 57-61-6J3, 57-61-6JA, 57-61-6JE, 57-61-6JF, and 57-61-9JG (the last well was previously referred to as 57-61-6JG) at a production rate of 185,000,000 gallons per year. This permit was approved by the Board on March 16, 2006 for one year. The permit also required the permittee to provide District staff access to their wells for additional monitoring and testing. . The wells are located on the Rockin' J Ranch Subdivision about 2 miles south of Blanco and east of US 281.

Under District Rule 3.5.A, the General Manager shall automatically renew the permit at the end of the permit term unless he determines that the permit holder is not in compliance with permit conditions or District Rules. For wells within a Critical Groundwater Depletion Area, the District must consider conditions within the CGDA before renewing the permit.

I have renewed the permit, as provided in Rule 3.5.A, after consideration of the following factors:

1. During the past 11 months since the issuance of the original operating permit, I have found no violations by the permittee of either the provisions of the one year permit or of District Rules.
2. The wells are not located within a CGDA.

I offer the following comments and observations about the permittee, which may be of interest to the Board of Directors and the public:

1. District staff has been provided keys or combinations to all wells and pump houses and have been allowed to measure water levels at any time and under any weather or pumping conditions.
2. The permittee has cooperated with two aquifer tests conducted by myself and Paul Babb. We conducted a 38 hour+ aquifer test and another test which was cut short due to a failure in the electrical control box on the pumping well.

3. The permittee has indicated in their letter that they will continue to cooperate with the District on well monitoring, aquifer testing, and property access.
4. The permittee has allowed District staff to inspect the irrigation system and their irrigation practices whenever we asked, sometimes on little or no notice.
5. District staff investigated a reported major leak at the driving range and found that the leak was less than reported and that it had been fixed the same day.
6. The permittee has allowed the District to conduct field trips to their subdivision for District Directors, County Commissioners, and a University of Texas Graduate Student Class.
7. To the extent possible, the permittee complied with District requests for water conservation efforts during the 2006 drought conditions. This included reductions in daylight irrigations, reductions in number of new acres being planted, and reduction or prevention of runoff from irrigated areas.
8. Permittee voluntarily installed water meters on the two main pumping wells.
9. During the first 11 months, the permittee has pumped a total of approximately 73,000,000 gallons, much of which was used to establish grass on the first half of the golf course.
10. The District has monitored water levels on almost a weekly basis since last summer. Water levels have dropped, but not dramatically so. Since the recent rains, water levels have started to recover.
11. Aquifer testing conducted by District staff has determined that pumping by the Rockin' J Ranch wells has a minimal impact on wells located in the Landon's Crossing Subdivision, even during relatively severe drought conditions.
12. Well data and driller reports in both Rockin' J Ranch and Landon's Crossing indicate that this area appears to be one of high production capability. Unlike other parts of the Trinity Aquifer where wells often produce 10-30 gallons per minute, wells in this area typically have the capability of producing 50-500 gallons per minute.
13. The permittee has indicated in their letter that they will voluntarily attempt to keep pumping lower than the requested 185,000,000 gallons utilizing a phased-in approach over the three year period. Given their usage of about 71,000,000 gallons to date, it is my opinion that these reductions of water production can be readily achieved, even with the establishment of the rest of the golf course and the construction and occupancy of several new homes.
14. I have not personally observed, nor have I been provided with, evidence or data of any kind that would indicate to me that groundwater production from the Rockin' J Ranch Subdivision wells will adversely impact nearby wells.

In accordance with District Rule 3.5 (A), I have renewed the Rockin' J Ranch Subdivision Operating Permit for a three year period with a maximum annual production amount of 185,000,000 gallons. This renewal will become effective on March 16, 2007 and will expire on March 15, 2010. . A copy of the renewed permit is attached.

Respectfully submitted,



Ronald G. Fieseler
General Manager

Blanco-Pedernales Groundwater Conservation District

601 West Main, P.O. Box 1516, Johnson City, Texas 78636 (830) 868-9196 FAX (830) 868-0376
manager@blancocountygroundwater.org

Report of Investigation

Report Date: July 25, 2006

Complaint: During the BPGCD Board Meeting of July 20, 2006, Lynne McKirdy and Jack Twilley reported that they had trespassed on the Rockin' J Ranch and had observed a break in a large 3-4" diameter pipe on the Rockin' J Ranch subdivision on Friday night July 14. Lynne McKirdy reported that over a million gallons of water had flowed from the leak into the nearby pond owned by Alan Broxson.

Other Comments: Mr. Twilley called the Sheriff's Office and a Deputy arrived. He called J.R. Newman, a partner in the Rockin' J Ranch subdivision, who told him that the leak was from an irrigation nozzle. Deputy insisted that it was a broken main and wanted it fixed. Rockin' J sent two workers down and it was fixed around midnight Friday night. J.R. Newman had seen nothing wrong at 5pm when he drove by the site.

District Action: I had been told by Ron Zunker that he had heard that the Rockin' J had had a water main break with a resulting massive leak. I went and talked to J.R. Newman and Mike Lowry on the morning of Thursday, July 20 about both the leak and a dust control complaint I had received. I was told that the leak was at a sprinkler head and had been fixed.

After the subsequent complaints and comments at the July 20 Board Meeting, I scheduled a meeting on-site for Friday, July 21, 2006 at 3:00 pm. to further investigate the matter. Those attending included: Ron Fieseler, Tom Murrah, J.R. Newman, Mike Lowry, Jack Twilley, Lynne McKirdy, and Bill Noonan. We drove to the site where the leak occurred, which was at the southeast corner of the practice driving range.

Observations: I observed a spray irrigation head that had been repaired. We were shown a typical spray irrigation head, pivot joint, and 2 inch connector pipe. The part that was leaking and which was repaired was on a 1 inch PVC pipe near the nozzle. The spray irrigation head was located in an irrigated area that had not been irrigated since last fall. No evidence of a leaking or broken main was observed. When Lynne McKirdy expressed doubt that this was an irrigated area, Mike Lowry walked about 40-50 away and turned on a spray irrigation nozzle to show that this was indeed part of the irrigation system, but just not currently activated.

I observed signs of tail-water runoff from the areas currently being irrigated. This run-off consisted of overland sheet-flow that was concentrated in a small drainage path which passed north of the leak site. I observed that water from the leaking spray irrigation head had joined with the other run-off, passed through a silt-fence, and subsequently flowed into the pond owned by Mr. Broxson. J.R. Newman told me that Rockin' J has an understanding with Mr. Broxson and had helped him with establishing some grass near the pond to help prevent erosion.

We reviewed the timeline of the observed leak, phone calls, and the subsequent repair. The leak went un-repaired for approximately 5-7 hours. Assuming an open-ended 1 inch PVC pipe flowing 50 gallons per minute, the maximum water loss would be approximately 21,000 gallons. It is physically impossible for a 1 inch pipe to flow over a million gallons in 5-7 hours.

In actuality, flow loss may have been less than the 21,000 gallons suggested above. The Rockin' J irrigation system is computer-controlled, and any major loss of pressure or change in flow would have triggered a shut-down of the system.

Findings:

Rockin' J Ranch experienced a broken and leaking spray irrigation head near the southeast corner of the practice driving range. It may have leaked for 5-7 hours with a probable loss of several thousand gallons of water. It was repaired the same day it was reported and all other spray irrigation heads were inspected and found to be in good condition. Rockin' J Ranch is using a computer-controlled irrigation system that is programmed to prevent major losses of water, but smaller leaks may escape notice.

Current irrigation practices on the Rockin' J golf course are necessary to establish grass cover on bare soil to prevent subsequent erosion. Rockin' J is following a watering schedule and procedure that is known to ensure the establishment of grass in a timely and efficient manner while using minimal amounts of water.

All water loss was clearly unintentional. Irrigation, including irrigation of a golf course or other sports venue, is considered a beneficial use of water. I observed no violation of District Rules.

It is my opinion that no District enforcement action is warranted.

Ronald G. Fieseler
General Manager