



April 9, 2021

Mr. Gary Westbrook
General Manager
Post Oak Savannah Groundwater Conservation District
P.O. BOX 92
Milano, Texas 76556

Dear Mr. Westbrook,

Over the past several months, we have had an ongoing discussion about discharges by SAWS at our Agua Vista and Bitters pump stations during start-up and integration of the Vista Ridge water. As we have noted many times, the SAWS discharges at these pump stations were necessary and appropriate as we integrated the Vista Ridge water into our system to be combined with our various water resources.

I know there have been concerns raised by your Board and some members of the public, and I know both of our entities would like to focus our attention on ensuring that this project is executed in a manner that works for each of our regions.

I understand that communications were likely the single biggest breakdown with this event, and I hope that we can remedy that moving forward. As you know, the Vista Ridge project is specifically organized in a way that provides that a Vista Ridge consortium of companies, which does not include SAWS, manage any water supply issues, including those with the District. However, I also realize that your Board and some community members are interested in the actions of SAWS as the end user, in this discharge event. I want to commit to you again that I will improve our communications of the project with the District and will specifically work with the Vista Ridge Project Company to notify you, through Vista Ridge, of any significant discharges from the plant. I will insist that these communications be as transparent and timely as possible.

While I cannot promise there will never be an occasion that would require a discharge, I do not foresee anything like what we saw at project start up. Our project is fully online with safeguards that allow for us to stop flows and prioritize flows from the project. Because of project design and execution, discharges from the plant will be extremely rare in the future, but I will work to make sure that the District is informed when they have happened.

Thanks again for this ongoing discussion between our entities and I look forward to working together in the future on this, and other matters. Please call me at any time.

Respectfully,

A handwritten signature in blue ink, appearing to read "R. Puente", with a stylized flourish at the end.

Robert R. Puente
President/CEO