

RESOLUTION NO. 2021-081

OF THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES APPROVING A PAYMENT TO THE POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT AND A RESOLUTION AGREEMENT IN CONNECTION WITH DISCHARGES FROM THE AGUA VISTA AND BITTERS PUMP STATIONS; AUTHORIZING THE PRESIDENT/CHIEF EXECUTIVE OFFICER OR HIS DULY APPOINTED DESIGNEE TO EXECUTE ALL DOCUMENTS AND TAKE ALL ACTIONS NECESSARY TO IMPLEMENT RESOLUTION OF THE DISPUTE; FINDING THE RESOLUTION TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the Vista Ridge Regional Supply Project (the “Project”) transmits water from a well field in Burleson County, Texas, through a collection system to a high service pump station, then through a 142-mile pipeline to the point of delivery to the San Antonio Water System (the “System”) in northern Bexar County, Texas (the “Agua Vista Site”); and

WHEREAS, beginning on April 15, 2020, Vista Ridge, LLC (“Vista Ridge”) produced and transported groundwater from an area within Burleson County pursuant to various permits issued to Vista Ridge by the Post Oak Savannah Groundwater Conservation District (the “District”) to the Agua Vista Site, at which location Vista Ridge sold and delivered the water to the System, and the System purchased the water from Vista Ridge and became the owner of the water; and

WHEREAS, the District has alleged that the System, Vista Ridge and/or Blue Water Vista Ridge, LLC, (“Blue Water”), the Permit Administrator, violated the Rules of the District (“Rules”) and the Texas Water Code by discharging water at the Agua Vista site and at Bitters pump station during start-up and integration of the water into the System’s infrastructure (the “Discharge”); and

WHEREAS, the District has alleged that the Discharge was undertaken in a manner that was not a beneficial use of the water and constituted waste; and

WHEREAS, the District has alleged that Blue Water and Vista Ridge violated the terms of the drilling and operating permit and the transport permit issued by the District, the Rules and the Texas Water Code by failing to ensure that the delivered water was put to a beneficial use and not wasted; and

WHEREAS, at this time, the District has not issued any notices of violation to the System, Vista Ridge, or Blue Water nor has the District assessed any administrative fines or

penalties of any kind against the System, Vista Ridge or Blue Water in relation to the Discharge; and

WHEREAS, the System denies that it violated any of the Rules, or the Texas Water Code, or that any water discharged was not beneficially used, or that the Discharge constituted waste, and the System denies that the District has jurisdiction over the System or that the Rules apply to the System' operations in Bexar County, Texas; and

WHEREAS, the System, the District, Blue Water, and Vista Ridge, have agreed to resolve all claims related to the Discharge pursuant to a payment from the System, Blue Water and Vista Ridge to the District and pursuant to the terms of a Resolution Agreement among the District, Blue Water and Vista Ridge that is attached to this resolution as Attachment No. 1 (the "Resolution Agreement"); and

WHEREAS, the System will not be a signatory to the Resolution Agreement but will be a third-party beneficiary of the Resolution Agreement; and

WHEREAS, pursuant to the terms of the Resolution Agreement, the System will pay to the District the sum of \$75,000.00 (the "Payment"), all of which will be paid directly to the District to be used exclusively by the District for its Groundwater Well Assistance Fund; and

WHEREAS, the San Antonio Water System Board of Trustees desires (i) to approve the Payment to the District, (ii) to approve the Resolution Agreement, and (iii) to authorize the President/Chief Executive Officer or his duly appointed designee to execute all documents and to take all actions necessary to implement the resolution of the dispute regarding the Discharge; now, therefore:

BE IT RESOLVED BY THE SAN ANTONIO WATER SYSTEM BOARD OF TRUSTEES:

1. That the Payment to the District is hereby approved.
2. That the President/Chief Executive Officer or his duly appointed designee is hereby authorized to execute all documents and to take all actions that are reasonable or necessary to implement the resolution of the dispute with the District regarding the Discharge.
3. It is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public, and that public notice of the time, place and subject matter of the public business to be conducted at such meeting, including this resolution, was given to all as required by the Texas Codes Annotated, as amended, Title 5, Chapter 551, Government Code.
4. If any part, section, paragraph, sentence, phrase or word of this resolution is for any reason held to be unconstitutional, illegal, inoperative or invalid, or if any exception to or limitation upon any general provision herein contained is held to be unconstitutional, illegal, invalid or ineffective, the remainder of this resolution shall nevertheless stand effective and valid as if it had been enacted without the portion held to be unconstitutional, illegal, invalid or ineffective.

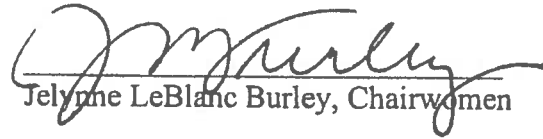
5. This resolution becomes effective immediately upon its passage.

PASSED AND APPROVED this 6th day of April, 2021.

ATTEST:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the bottom.

Eduardo Parra, Secretary

A handwritten signature in black ink, featuring a large, stylized initial 'J' followed by the name 'elyne LeBlanc Burley'.

Jelyne LeBlanc Burley, Chairwomen

Attachment 1 – Resolution Agreement