

ASR COLLABORATION AGREEMENT

An agreement related to Austin Water's Planned Aquifer Storage & Recovery (ASR) Project in Bastrop, County, Texas

1) Definitions

- a) A 'stakeholder' refers to a party that is working to explore Austin's Aquifer Storage and Recovery (ASR) Project while representing the interests of their constituents. Stakeholders party to this agreement are listed in Section 2.
- b) A 'partner' refers to a party that is performing an action to support the ASR project and/or, via subsequent contractual agreements, may receive community benefits such as water supply from the ASR project. Partners may be identified in future contractual agreements.
- c) A 'technical representative' refers to a person affiliated with, employed by, or contracted by a partner or stakeholder who has at least a bachelor's degree in Engineering, Geology, or other related physical sciences or is a licensed water operator, and has related experience in aquifer science, hydrogeology, municipal water supply, water quality testing, or other related experiences.

2) Stakeholders

- a) City of Austin / Austin Water
- b) Aqua Water Supply Corporation
- c) City of Bastrop
- d) Bastrop County
- e) Lost Pines Groundwater Conservation District (LPGCD)
- f) City of Smithville
- g) Simsboro Aquifer Water Defense Fund (SAWDF)
- h) Bastrop County Water Control and Improvement District (WCID) #2
- i) Additional parties as needed

3) Background

- a) Austin's Aquifer Storage and Recovery (ASR) project is planned to store drinking water from Austin's water treatment plants. This water would be available under Austin's existing water rights and would be stored in the aquifer during periods when water is more plentiful, and returned to Austin's distribution system primarily during times of drought. Stored water would be treated as needed to be compatible with native groundwater and Austin's drinking water quality. After completing a desktop study that evaluated all major and minor aquifer systems within an eight county area based on hydrogeological, water quality, and implementation criteria, Austin Water has identified the Carrizo-Wilcox aquifer in northeastern Bastrop County as a feasible location for field testing and a potential ASR pilot project.

4) Collaboration Framework Assumptions

- a) The parties acknowledge that this agreement is a binding and enforceable contract unless it is specifically stated herein that a provision or section is not binding and enforceable. If at any point Austin Water determines that this project is not feasible or decides to formally terminate the ASR project this agreement will terminate. If the ASR project proceeds beyond field testing (Phase 1B) to subsequent phases, additional contractual agreements will be

developed to formalize roles, responsibilities, and obligations during future project phases between parties choosing to either continue as stakeholders or become partners.

- b) Austin Water provision of community benefits, including an education component and center and water supply, are contingent on successful completion of a full-scale City of Austin-owned and operated ASR project sized to meet Water Forward 2024 goals. Austin Water will use subsection “h” below to modify this agreement if the Water Forward goals change.
- c) City of Austin will not use eminent domain to acquire land in Bastrop County with regard to the ASR project discussed herein.
- d) Application to Texas Commission on Environmental Quality (TCEQ) for a Class V injection well permit will not proceed any sooner than the completion of Phase 1B.
- e) Parties signing a non-disclosure agreement will have the opportunity to review an unredacted version of Phase 1A desktop study materials.
- f) Austin Water will provide testing methods, protocols, data, results, and information to partners and stakeholders during Phase 1B Field Testing.
- g) Austin Water will not seek a groundwater permit from LPGCD.
- h) Upon agreement of all of the parties, this agreement can be modified.

5) Phase 1B Field Testing Collaboration Framework Components

- a) Communication Approach
 - i) Partners and stakeholders will collaborate on public communication of factual information related to the development of the project. Stakeholders will discuss project information in good faith and in an open, objective, and factual manner with their constituents or the public when presenting this project, addressing possible benefits and impacts.
 - ii) Partners and stakeholders will make Bastrop County residents aware of opportunities for engagement in the project through public meetings or forums, utility bill inserts, neighbor meetings, community events, online surveys, and other methods.
- b) Decision-Making Framework
 - i) Austin Water will form an Aquifer Storage and Recovery Technical Advisory Group to include stakeholders’ technical representatives, partners’ technical representatives, and independent technical experts to provide input on testing methods, protocols, data, results, and information and advise on the technical aspects of the ASR project from the beginning to the completion of Phase 1B Field Testing. The ASR Technical Advisory Group will provide input on criteria for success to move to subsequent project phases.
 - (1) Non-technical stakeholders and partners signing this agreement will be invited to attend these Technical Advisory Group meetings.
 - ii) At the completion of Phase 1B Field Testing, Austin Water will provide a written report including data, results, and information to summarize the findings of field testing and the work of the ASR Technical Advisory Group. This report will include a science-based recommendation from the ASR Technical Advisory Group on whether to move forward to the next project phase based on the criteria for success identified in Section 5b(i) and any potential adjustments that should be made to the project plan for the subsequent phase. Austin Water will contract with a research firm to conduct a survey of Bastrop

County residents regarding this ASR project and the results will be included in this report. This report will be posted on the ASR project webpage.

- (1) Austin Water will provide notice to partners and stakeholders at the end of Phase 1B Field Testing, allowing time for discussions, recommendations, and input.
- (2) Austin Water will hold a meeting with partners and stakeholders to discuss the written report. Austin Water will provide the report to partners and stakeholders two weeks in advance of the meeting.
- (3) Partners and stakeholders will have the opportunity to review the report and provide recommendations related to moving forward to Phase 2 piloting to Austin Water.
- iii) The science-based recommendations from the ASR Technical Advisory Group, Austin Water's project recommendations, and the recommendations from partners and stakeholders will be provided by Austin Water in a report to Austin City Council members, as has been requested by Bastrop County stakeholders.
- iv) Austin Water may end or pause the project in Bastrop County during Phase 1B Field Testing if Austin Water determines the project will not meet Water Forward project goals as referenced in Section 4a or other goals.
- v) Initiation of each phase of the project is contingent on Austin City Council approval, including authorization of required funding.
- c) ASR Project On-Ramps for Phase 2 Piloting
 - i) The ASR Technical Advisory Group will give input regarding on-ramps throughout Phase 1B and will review recommendations prior to moving forward to Phase 2 piloting in alignment with the decision-making framework described in Sections 5b(i) and 5b(ii).
 - (1) Phase 1A – Desktop Study
 - (a) Austin Water does not plan to proceed from Phase 1A to Phase 1B as it pertains to the Bastrop County wellfield until this agreement has been executed.
 - (2) Phase 1B – Field Testing
 - (a) Austin Water plans to make required adjustments to the pilot project plan based on field testing results and the recommendations from the ASR Technical Advisory Group described in 5b(ii) prior to proceeding from Phase 1B to Phase 2.
 - (b) Austin Water does not plan to proceed from Phase 1B to Phase 2 if Austin Water does not have the ability to achieve necessary real estate access and/or agreements.
 - (c) As appropriate, Austin Water will make an application to TCEQ for necessary authorization for Phase 2 ASR piloting at the successful conclusion of Phase 1B, after following the decision-making process outlined in Section 5b.
 - (3) Phase 2 – Pilot Testing
 - (a) Austin Water, partners, and stakeholders will develop additional contractual agreements to formalize roles, responsibilities, and obligations in future project phases as described in Section 4a.
- d) Phase 1B Field Testing
 - i) If the project proceeds to Phase 1B Field Testing, Austin Water will:
 - (1) Share information with and seek feedback from the ASR Technical Advisory Group regarding laboratory testing methods, protocols and test results related to City of

Austin finished water, core samples, and native groundwater samples, in alignment with the decision-making framework described in Sections 5b(i) and 5b(ii).

- (2) Drill two sampling wells. At least one sampling well will be converted into a monitoring well after the conclusion of Phase 1B. Subject to future land agreements, ownership of this monitoring well may be transferred to LPGCD to access and monitor the well if the ASR project does not proceed into future phases.
 - (3) Provide funding in an amount to be determined in a future contractual agreement to LPGCD to support sampling of neighboring wells.
 - (4) Develop a policy statement for the purposes of the potential ASR project in Bastrop County that addresses both regulated and unregulated contaminants.
- ii) If the project proceeds to Phase 1B Field Testing, Lost Pines Groundwater Conservation District will:
 - (1) Sample neighboring wells to monitor water levels and water quality. The area in which neighboring wells will be monitored will be determined through collaboration between partners, stakeholders, and technical experts via the ASR Technical Advisory Group.
 - iii) If the project proceeds to Phase 1B Field Testing, stakeholders will:
 - (1) Discuss project information in good faith and in an open, objective, and factual manner with their constituents or the public when presenting this project, addressing possible benefits and impacts,
 - (2) Make a recommendation about the future of the project after completion of Phase 1B Field Testing, and
 - (3) Take no action to prevent the completion of Phase 1B Field Testing without first raising concerns at a meeting of partners and stakeholders to discuss and address the concerns of the parties.
 - e) Phase 2 Pilot ASR project and Phase 3 Full-scale ASR Project
 - i) If the project proceeds to beyond Phase 1B Field Testing, Austin Water, partners, and stakeholders will develop additional contractual agreements to formalize roles, responsibilities, and obligations in future project phases as described in Section 4a and in alignment with the decision-making framework described in Section 5b.

6) General Provisions

- a) Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to any conflict of law principles. The exclusive venue for any dispute relating to this Agreement shall be in the state courts of Bastrop County, Texas.

7) Signatures Below

8) Attachments

- a) Overall Austin Water ASR Estimated Project Timeline as of April 2025
- b) Provisions for Future Phases

Overall Austin Water ASR Estimated Project Timeline as of April 2025



PHASE 1A

Desktop Analysis • 2022 to present

- Identify most viable location for ASR project based on scientific studies
- Introduce project to stakeholders and receive feedback for partnership agreements



PHASE 1B

Exploratory Drilling and Field Testing • 36 to 42 months est.

- 36 to 42-month duration estimated, including approximately 12 months for design and bidding services, and approximately 12 months for construction, field testing, modeling, and evaluation
- Drill one well to extract groundwater samples and core samples
- Groundwater and core samples will be tested in a lab to understand baseline geochemistry and with Austin Water drinking water to observe and document any interactions. Austin Water will share the data and seek input from project partners throughout the process.

What we will learn in this phase: Results of groundwater and core sample testing will indicate what type of water treatment may be required to achieve compatibility between injected water and native groundwater. Based on results and required adjustments to the pilot phase project plan, Austin Water will make a go or no-go determination to move on to the next phase of the project.



PHASE 2

Pilot ASR Testing • 36 months est.

- 36-month duration estimated (dependent on results of field testing phase and permitting requirements)
- Requires a local source of water that can be treated to be similar to City of Austin drinking water. Austin Water will seek input from project partners throughout the process.
- Inject water that is similar to City of Austin drinking water into one well to test water quality, operational, and other parameters

What we will learn in this phase: Based on the results and required adjustments to the full-scale ASR project plan, Austin Water will make a go or no-go determination to move on to the next phase of the project.



PHASE 3

Full-Scale ASR Design and Construction • 8 to 10 years est.

- Infrastructure design: ASR wellfield design will be based on field testing and pilot phase results.
- Construction: Full-scale ASR construction will include construction of ASR transmission main, treatment facilities, pumping and storage facilities, injection and recovery wells, monitoring wells, wellfield piping, and other infrastructure.

Austin Water Proposed Bastrop County ASR Project

Provisions for Future Phases

- If the project proceeds to Phase 2 Piloting, Austin Water will:
 - Apply for a TCEQ Class V Injection Well permit as required by state law
 - Share operational testing plan and protocols prior to injecting water
 - Share and seek feedback from the ASR Technical Advisory Group on water quality monitoring results from pilot ASR operations
 - Conduct a study of best practices related to identification and confirmation of neighboring well impacts, including those related to water quality and water levels, from ASR project operations and mitigation strategies to address impacts. Further definition of potential impacts and the appropriate buffer volume for ASR operations to maintain the health of the aquifer will be explored by the partners and technical experts via the ASR Technical Advisory Group.
 - Develop a mitigation plan and identify funding to implement mitigation strategies as necessary to address possible impacts from full-scale ASR project operations.
- If the project proceeds to Phase 3 Full-scale ASR implementation, Austin Water will:
 - Work with partners to establish protections for the aquifer and local community that:
 - Put more water in the aquifer than the ASR project recovers
 - Maintain compliance with the ASR project's TCEQ permit requirements related to protection of the aquifer and federal Safe Drinking Water Act requirements,
 - Establish as a minimum a quarter-mile buffer zone around the wellfield,
 - Use mitigation strategies to address potential impacts on neighboring wells
 - Work with partners to define and provide community benefits that:
 - Structure land agreements so that landowners will be compensated for purchase or lease of land while having the opportunity to remain on the properties and allow compatible uses such as local farming and ranching to continue, while possibly placing land under Austin Water control in conservation easements
 - Establish monitoring wells and share hydrologic and water quality data
 - Establish an education component and center
 - Make a specified amount of water supply available for purchase by partners with details to be determined via development of subsequent contractual agreements
 - Explore development of possible City of Austin issued grants for local communities and organizations
 - Explore provision of publicly available parks, trails and greenspace as has been done in Travis County on available property needed to secure the storage area and not directly needed for physical use by Austin Water, subject to safety buffers and cost considerations
 - Refrain from using eminent domain as relates to the ASR project in Bastrop County