

SETTLEMENT AGREEMENT

STATE OF TEXAS
COUNTY OF BEXAR

The Parties to this Settlement Agreement are Municipal Operations, LLC (“Municipal Operations”), a limited liability company organized pursuant to Texas law, and the San Antonio Metropolitan Health District (“Metro Health”), an administrative department of the City of San Antonio (collectively, the “Parties”).

RECITALS

1. On or around May 23, 2022, Municipal Operations filed an application with the Texas Commission on Environmental Quality (“TCEQ”) for Texas Pollutant Discharge Elimination System (“TPDES”) Permit No. WQ0016171001, that would authorize the discharge of treated domestic effluent from a Wastewater Treatment Plant (“WWTP”) serving a new residential subdivision in Bexar County, Texas (the “site”).
2. Metro Health opposed Municipal Operations’ application and requested that the TCEQ grant a contested case hearing. The TCEQ docketed this matter as TCEQ Docket No. 2024-0670-MWD, granted Metro Health’s request and referred the case to the State Office of Administrative Hearings (“SOAH”) where Metro Health was named a party.
3. The Parties acknowledge that the SOAH proceeding would reflect bona fide disputes and controversies between the Parties concerning the issues relating to Municipal Operations’ TPDES application.
4. The Parties desire to avoid further annoyance, cost, delay, and uncertainty associated with the SOAH proceeding and have accordingly entered into this agreement to fully settle all issues concerning Municipal Operations’ TPDES permit application. Therefore, in order to fully and finally compromise and settle all claims that have been or could have been asserted in the SOAH proceeding, the Parties hereby enter into this Settlement Agreement.

TERMS OF AGREEMENT

In consideration of the mutual promises and agreements contained in this Settlement Agreement, the Parties agree as follows:

1. Within three (3) business days following the effective date of this Agreement, Metro Health will file with SOAH and the TCEQ and serve on all parties in TCEQ Docket No. 2024-0670-MWD, a request to withdraw its hearing request as an affected person and party with prejudice, thereby withdrawing its opposition to Municipal Operations’ TPDES application. Metro Health agrees to not pursue any additional legal action before any state or federal agency or before any court regarding this TPDES permit application.

2. Municipal Operations will employ a Class A operator who will be responsible for the operation and maintenance of the WWTP and collection system during the permit term. Municipal Operations will request that this requirement be included in its TPDES permit after permit issuance through a minor amendment.
3. Prior to discharging any effluent from the WWTP, Municipal Operations will obtain and maintain authorization for beneficial reuse of the treated wastewater effluent generated by the WWTP under title 30 Texas Administrative Code Chapter 210. Municipal Operations further agrees that the quality of reuse water will meet Type 1 standards as required by Title 30 Texas Administrative Code Section 210.33, and that reuse water will only be used on common areas within the development and not on property owned by individual homeowners. Municipal Operations will reuse the treated effluent during the permit term to the maximum extent practicable.
4. When constructing and operating the reuse water system, Municipal Operations will comply with the San Antonio Water System's ("SAWS") Cross Connection and Backflow Prevention requirements to prevent contamination of the potable water system and will allow SAWS access to the reuse system at all times for inspection and testing..
5. Municipal Operations will ensure a minimum of 4 inches of soil in areas used for beneficial reuse by irrigation of treated effluent during the permit term. Importing of soil will only be required in areas where the existing condition does not already consist of a minimum of 4 inches of soil.
6. Municipal Operations will monitor the WWTP and lift stations 24 hours per day/7 days per week via SCADA or equivalent system, or auto-dialer equipment during the permit term.
7. Municipal Operations will maintain a 24-hour answering service as well as on-call staff to receive and respond to after-hours calls during the permit term.
8. Municipal Operations will provide all field vehicles with GPS monitoring equipment allowing operations staff to expedite response time during the permit term.
9. Municipal Operations' personnel will be on site within one hour of being notified of an operational issue to diagnose and/or cure any operational issue as necessary.
10. Municipal Operations will design and construct wet wells for the sanitary sewer facilities of sufficient capacity to contain, at a minimum, sixty (60) minutes of peak design flow.
11. Municipal Operations will provide emergency contact information to SA Metro Health and SAWS.
12. This Agreement is solely for the benefit of the Parties hereto. There are no third-party beneficiaries of this Agreement. This Settlement Agreement is a compromise of disputed claims. Nothing in this Settlement Agreement constitutes an admission on any issue by any party.

13. The Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Settlement Agreement.

14. Any breach of the provisions of paragraphs 1 through 11 of this Settlement Agreement shall constitute a material breach of this Settlement Agreement for which the Parties may seek appropriate injunctive relief in a court of competent jurisdiction, including, but not limited to, repayment of the reasonable attorneys' fees necessary for enforcement of this Settlement Agreement.

15. The Parties recognize that this Settlement Agreement is made solely to avoid the burdens and expense of additional and protracted litigation.

16. The Parties acknowledge that they have been advised to consult with an attorney before signing this Settlement Agreement and that they have consulted with and been represented by their attorneys. The Parties further acknowledge that they (i) have carefully read this Settlement Agreement in its entirety and have had an opportunity to consider fully the terms of this Settlement Agreement for a reasonable amount of time; (ii) fully understand the significance of all the terms and conditions of this Settlement Agreement; (iii) are signing it voluntarily and of their own free will; (iv) assent to all of the terms and conditions contained herein; and (v) are not relying on any representations or promises not set forth herein in signing this Settlement Agreement, but solely upon their own investigations.

17. The Parties represent and warrant that they are authorized and entitled to sign this Settlement Agreement, that no other person or entity has any interest in the matters released in this Settlement Agreement, and that the Parties own and have not sold, pledged or hypothecated, assigned or transferred or purported to sell, pledge, hypothecate, assign or transfer to any person or entity all or any portion of the matters or claims released in this Settlement Agreement.

18. This Settlement Agreement represents the only agreement between the Parties concerning Municipal Operations' TPDES permit pending in TCEQ Docket No. 2024-0670-MWD and supersedes all prior settlement agreements, whether written or oral, relating thereto. This Settlement Agreement is a complete and fully integrated agreement and may not be modified except by a subsequently executed document signed by all the Parties.

19. Any waiver of any term or condition of this Settlement Agreement shall not operate as a waiver of any other term or condition, nor shall any failure to enforce a provision of this Settlement Agreement operate as a waiver of such provision or of any other provision of this Settlement Agreement.

20. Should any provision of this Settlement Agreement, or its application, to any extent be held invalid or unenforceable, the remainder of this Settlement Agreement, and its application, excluding such invalid or unenforceable provisions, shall not be affected by such exclusion and shall continue to be valid and enforceable to the fullest extent permitted by law or equity.

21. No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the Parties, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

22. This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Bexar County, Texas.

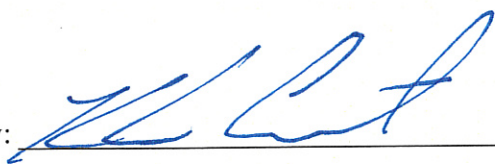
23. Venue for any suit arising hereunder shall be in Bexar County, Texas.

24. Municipal Operations considers the provisions of this Settlement Agreement as confidential information excepted from the Public Information Act. SA Metro Health, the City of San Antonio, and SAWS will respond to any public information act requests regarding the Settlement Agreement pursuant to the procedure set out in Texas Government Code § 552.305.

25. This Settlement Agreement is effective upon signature by all Parties.

APPROVED:

Municipal Operations, LLC

By: 
Title: Office

Date: 12/24/2024

City of San Antonio

By: 
for Claude A. Jacob, DrPH, MPH
Health Director
San Antonio Metropolitan Health District

Date: 12-23-24