

SETTLEMENT AGREEMENT

The Parties to this Settlement Agreement are Salado Creek Land Partners LLC, reUse Engineering, Inc., and Williamson and Bell Counties Municipal Utility District, (collectively the Applicants) on the one hand, and, on the other hand, the Greater Edwards Aquifer Alliance, Save Our Springs, and Save Salado Creek (collectively the Protestants). Collectively, the Applicants and the Protestants are the “Parties.”

RECITALS

1. On October 28, 2024, Applicants applied to the Texas Commission on Environmental Quality (TCEQ) for new Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0016658001 (the Permit) to authorize the discharge of treated domestic wastewater at a daily average flow not to exceed 700,000 gallons per day. The proposed wastewater treatment facility and outfall will be located approximately 6,900 feet west of the intersection of Dos Hermanas Road and Williamson Road, in Bell County, Texas 76571 with the effluent to be discharged directly into Salado Creek in Segment 1243 of the Brazos River Basin. The application was amended on April 15, 2026 with updated treatment standards and the replacement of the original wastewater treatment plant operator/applicant, South Central Water Company with reUse Engineering Inc.
2. Protestants opposed the application and the Permit and submitted comments to TCEQ requesting that the application and Permit be denied. Protestants intended to request a contested case hearing to challenge issuance of the Permit and seek referral of the matter to the State Office of Administrative Hearings (SOAH).
3. The Parties acknowledge that the TCEQ regulatory proceedings and SOAH proceeding reflect bona fide disputes and controversies between the Parties concerning issues related to the Applicants’ application for the Permit.
4. The Parties desire to avoid further annoyance, cost, delay, and uncertainty and have accordingly entered into this agreement to fully settle all issues concerning the Applicants’ application for the Permit. Therefore, in order to fully and finally compromise and settle all claims that have been or could have been asserted in a proceeding before SOAH, the Parties hereby enter into this Settlement Agreement.

TERMS OF AGREEMENT

In consideration of the mutual promises and agreements contained in the Settlement Agreement, and for other consideration, the sufficiency of which is agreed to be sufficient, the Parties agree as follows:

1. Protestants agree to the following:

- a) Each of the Protestants agree not to contest or oppose the initial issuance of the Permit before TCEQ, SOAH, or any other administrative or judicial tribunal.
 - b) Each of the Protestants agree not to encourage their members, other organizations, or the public to oppose the initial issuance of the Permit.
2. Applicants agree to the following:
- a) Applicants shall reduce the final phase design flow of the Permit from 700,000 gallons per day to 200,000 gallons per day.
 - b) The treatment process for effluent discharged under the Permit shall be a Membrane Bioreactor process operating within a Biological Nutrient Removal framework.
 - c) The Applicants shall treat the effluent to the following 30-day average effluent limit concentrations:
 - (1) 5-mg/L 5-day Biochemical Oxygen Demand,
 - (2) 5-mg/L Total Suspended Solids,
 - (3) 2-mg/L Ammonia Nitrogen,
 - (4) .1-mg/L Total Phosphorus;
 - (5) 5.0-mg/L (minimum) Dissolved Oxygen.
 - d) Applicants shall treat the effluent using ultraviolet (UV) light disinfection.
 - e) Applicants shall request that TCEQ incorporate the additional treatment standards outlined in this Settlement Agreement into the Permit within thirty (30) business days following the effective date of this Settlement Agreement.
 - f) Irrespective of whether TCEQ ultimately incorporates the additional treatment standards outlined in this Settlement Agreement into the Permit, Applicants shall commit to cause the wastewater treatment plant associated with the Permit to be designed, constructed, and operated to achieve the treatment levels, flow limits, and treatment methods outlined in this Settlement Agreement.
 - g) The Applicants shall not amend their existing Chapter 210 reclaimed water authorization (Form 20427) in a manner that would reduce the amount of treated effluent Applicants are authorized to beneficially reuse.
 - h) Applicants agree to install equipment with the initial construction of the wastewater treatment plant that will enable the effective use of effluent produced at the wastewater treatment plant for beneficial reuse purposes.
 - i) Applicants agree to beneficially reuse no less than 86.38% of the effluent generated by the wastewater treatment plant associated with the Permit each year

from April 1st to October 31st. Applicants agree to beneficially reuse no less than 51.83% of the effluent generated by the wastewater treatment plant associated with the permit each year from November 1st to March 31st.

- j) Applicants shall not use treated effluent under Chapter 210 of TCEQ's rules to irrigate land within 150 feet of Salado Creek. Applicants shall not use treated effluent under Chapter 210 of TCEQ's rules to irrigate land within 150 feet of sensitive features, caves, or sinkholes identified in the geologic assessment submitted with the Edwards Aquifer Protection Plan for the development.
- k) Applicants shall provide Protestants via electronic mail sent to Greater Edwards Aquifer Alliance Executive Director Annalisa Peace (annalisa@aquiferalliance.org) a copy of any report prepared on the performance of the wastewater treatment plant, beneficial reuse of effluent, and/or quality of effluent related to the Permit within thirty (30) days of the report's completion.
- l) Applicants shall provide Protestants via electronic mail (annalisa@aquiferalliance.org) with a copy of the draft Edwards Aquifer Protection Plan application for wastewater treatment facility and/or the development associated with the Permit at least 14 days in advance of when the Edwards Aquifer Protection Plan application will be submitted to TCEQ for review. Applicant shall provide Protestants via electronic mail (annalisa@aquiferalliance.org) with any updates to the Edwards Aquifer Protection Plan application at least 14 days in advance of when the updates are submitted to TCEQ. Applicants shall consider in good faith any comments made by Protestants on the draft Edwards Aquifer Protection Plan application and provide a contact for Protestants to submit comments relating to the Edwards Aquifer Protection Plan.
- m) Applicants shall provide Protestants via electronic mail (annalisa@aquiferalliance.org) with a copy of the draft Storm Water Pollution Prevention Plan application for wastewater treatment facility and/or the development associated with the Permit at least 14 days in advance of when the Storm Water Pollution Prevention Plan application will be submitted to TCEQ for review. Applicant shall provide Protestants via electronic mail (annalisa@aquiferalliance.org) with any updates to the Storm Water Pollution Prevention Plan application at least 14 days in advance of when the updates are submitted to TCEQ. Applicants shall consider in good faith any comments made by Protestants on the draft Storm Water Pollution Prevention Plan application and provide a contact for Protestants to submit comments relating to the Storm Water Pollution Prevention Plan
- n) Applicants shall install decorative fencing and visual screening around the wastewater treatment plan.

- o) Applicants agree that the wastewater treatment plant and any lift stations will have emergency power through a dual feed system or an emergency generator.
 - p) Applicants shall notify Protestants within 15 calendar days of submitting an application to TCEQ to transfer the Permit. Applicants agree not to transfer the Permit unless the new permit holder agrees to be bound by the terms of this Settlement Agreement.
- 3. The Parties acknowledge and agree that reUse , Inc. (“reUse”) shall serve as the Design-Build Operator for the Salado Creek Wastewater Treatment Facility (“Facility”), with responsibility for the engineering and design, construction, commissioning, and operation of the Facility. reUse’s obligations under this Settlement Agreement, including any obligations relating to the design, construction, performance, operation, or compliance of the Facility, are expressly conditioned upon reUse being retained and authorized to perform each of these functions. No party shall replace, remove, or materially limit reUse’s role as Design-Build Operator without the prior written consent from all signatories to this Agreement.
- 4. This Settlement 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.
- 5. 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.
- 6. Any breach of the provisions of paragraphs 1 through 2 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.
- 7. The Parties recognize that this Settlement Agreement is made solely to avoid the burdens and expense of additional and protracted litigation.
- 8. The Parties acknowledge that they have been advised to consult with an attorney before signing this Settlement Agreement. 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.

9. 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.
10. This Settlement Agreement represents the only agreement between the Parties concerning the pending issuance of the Permit.
11. This Settlement Agreement is a complete and fully integrated agreement and may not be modified except by a subsequently executed document signed by all Parties.
12. 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.
13. 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.
14. No amendment of this Settlement 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 Settlement Agreement in every particular not otherwise changed by the amendment.
15. This Settlement 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 Williamson County, Texas.
16. Venue for any suit arising hereunder shall be in Williamson County, Texas.
17. This Settlement Agreement shall be binding on and shall inure to the benefit of the heirs, successors, and assigns of the Parties.
18. This Settlement Agreement is effective upon signature by all Parties.
19. This Settlement Agreement may be executed in counterparts and may be executed and delivered electronically.

AGREED:

Salado Creek Land Partners LLC

By:  _____ Date: August 25, 2026
Name: Todd McCullough
Title: Manager

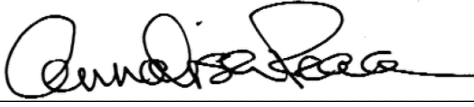
reUse Engineering, Inc.

By:  Date: 8/18/2026
Name: Randall Nelson
Title: Chief Operating Officer

Williamson and Bell Counties Municipal Utility District

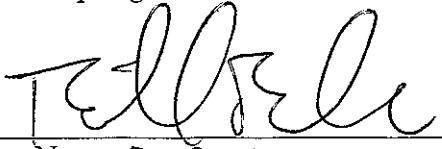
By: ron lusk Date: 8/19/26
Name:
Title: President

Greater Edwards Aquifer Alliance

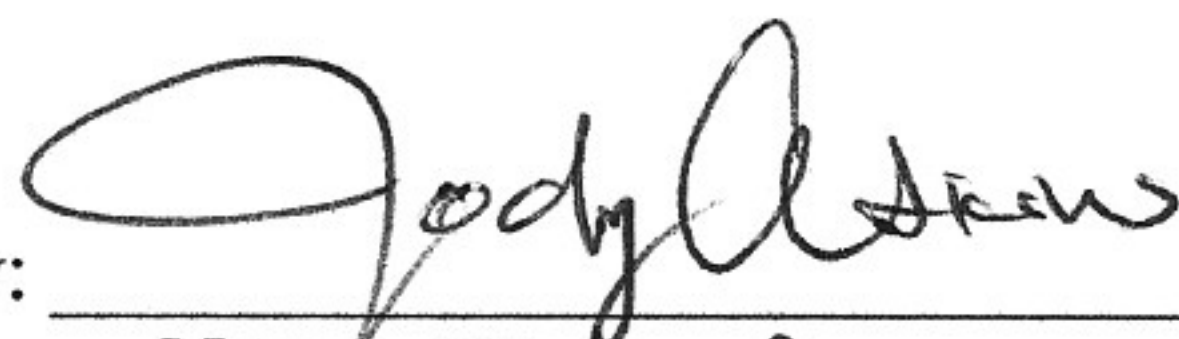
By:  Date: August 18, 2026

Name: Annalisa Peace
Title: Executive Director

Save Our Springs Alliance

By:  Date: 8/24/2020
Name: Bill Bunch
Title: Executive Director

Save Salado Creek

By:  Date: 8/24/2026
Name: Jody Astins
Title: Facilitator of Communications