

EXHIBIT A

MEMORANDUM OF UNDERSTANDING

BETWEEN GUADALUPE-BLANCO RIVER AUTHORITY AND CITY OF FAIR OAKS RANCH

This Memorandum of Understanding (“MOU”) is made by and between the Guadalupe-Blanco River Authority (“GBRA”), a conservation and reclamation district and political subdivision of the State of Texas created pursuant to Article XVI, Section 59 of the Texas Constitution by special act of the Legislature, formerly compiled at Article 8280-106, Vernon’s Annotated Civil Statutes and City of Fair Oaks Ranch (“City”) pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code, to be effective on the date of the last signatory of this MOU (“Effective Date”). GBRA and City may be referred to herein individually as a “Party” or collectively as the “Parties”.

RECITALS

WHEREAS, GBRA is a conservation and reclamation district created under the authority of Article XVI, Section 59 of the Texas Constitution, consisting of that part of the State of Texas that is located within the boundaries of the Counties of Hays, Comal, Guadalupe, Caldwell, Gonzales, DeWitt, Victoria, Kendall, Refugio and Calhoun; and

WHEREAS, City is a Home Rule municipal government under the authority the Texas Local Government Code, located within the boundaries of the Counties of Bexar, Comal, and Kendall ; and

WHEREAS, GBRA currently provides wholesale raw and treated water to customers throughout its jurisdictional boundaries through the development of multiple regional projects and a project currently under construction; and

WHEREAS, GBRA is working with communities to develop additional water supplies to address growth, resiliency, and drought, and continues to actively collaborate with communities in GBRA’s jurisdictional boundaries to identify needs and implement regional water supply solutions for those communities (the “Participant Group”). Beginning in 2023, GBRA began to undertake preliminary engineering to determine new water supply options, projects, and combinations thereof that may meet the water needs of entities within the Participant Group. The resulting determination was that Participant Group members which are located in or south of Victoria County, Texas would receive raw water, while all other contracting Participant Group members would receive treated, potable water; and

WHEREAS, the results of the preliminary engineering determined that a combined raw and treated water project based on existing GBRA owned run-of-river water rights, when combined with new river diversion facilities, one or more off-channel reservoirs, aquifer storage and recovery, water treatment, delivery facilities, and integration of brackish and fresh groundwater (hereinafter

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collectively referred to as the “WaterSECURE Initiative” or “WaterSECURE”), is the best option to meet a portion of the firm water needs of members of the Participant Group, as well as the firm, water needs of other entities, including City; and

WHEREAS, GBRA has provided preliminary costing information for the WaterSECURE Initiative to City.

AGREEMENT

For and in consideration of the mutual promises, obligations and benefits described in this MOU, the sufficiency of which is hereby acknowledged, GBRA and City agree as follows:

MOU SCOPE

1. **PURPOSE.** GBRA shall provide City the opportunity to participate in and receive water from the WaterSECURE Initiative that has available or uncommitted water supplies. GBRA will work with City to develop and execute treated water supply agreements and any other agreements that may be required to construct, expand, extend, and add infrastructure and deliver water to Participants, in the event that City decides to participate as a customer in the WaterSECURE Initiative. Participation in the WaterSECURE Initiative shall be based upon contract terms which are the same or substantially similar to those offered to other similarly situated participants.
2. **PROJECT PARTICIPATION.** City has identified that it desires to participate in the WaterSECURE Initiative at [REDACTED] acre-foot per year of treated water.
3. **COLLABORATION.** The Parties have and will continue to collaborate on and share water information that is focused on information currently available, as well as information about the Participant’s projected short-term and long-term water demands, availability, supply needs, timing, and location to assist with the sizing of GBRA’s WaterSECURE Initiative.
4. **OBJECTIVE.** The Parties agree that this MOU is intended to indicate City’s specific water supply needs and a commitment by City to continue to collaborate with GBRA on the WaterSECURE Initiative. The identified Project Participation amount by the Participant is not binding and will be used only for project planning purposes. Any future water supply agreement that may be required to deliver water from the WaterSECURE Initiative to City will identify the rights, duties, and obligations of the Parties relating to the quantity of water to be produced if City decides to participate as a customer in the WaterSECURE Initiative. GBRA will develop such an agreement to participate in the WaterSECURE Initiative and plans to provide a draft agreement to City prior to September 1, 2025.

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GENERAL PROVISIONS

5. **WORK PRODUCT OWNERSHIP.** The Parties shall retain ownership, right, title and interest in all written materials and information prepared, produced, and otherwise shared pursuant to this MOU.
6. **PARTICIPATION IN SIMILAR ACTIVITIES.** The Parties agree that this MOU shall not restrict either Party from participating in similar activities with other public or private agencies, organizations and individuals.
7. **DENIAL OF PARTNERSHIP.** The Parties are independent entities and are not agents, partners, joint venture participants or otherwise responsible for the acts, omission, or conduct of the other Party.
8. **APPLICABLE LAW.** The Parties agree that this MOU shall be governed by and construed in accordance with the laws of the State of Texas without regard to its conflict of law provisions.
9. **SEVERABILITY.** The Parties agree that whenever possible, each provision of this MOU shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision hereof shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this MOU.
10. **ENTIRE AGREEMENT.** The Parties agree that this MOU constitutes the entire agreement among and between the Parties relating to the WaterSECURE Initiative and supersedes any prior oral or written agreement among and between the Parties concerning the WaterSECURE Initiative.
11. **TERMINATION.** This MOU shall begin on the Effective Date and shall terminate upon the earlier of (1) April 30, 2026, or (2) the execution of a WaterSECURE Initiative Water Supply Agreement between GBRA and City, or (3) upon thirty (30) days following the prior written notice of termination provided by either Party.
12. **AMENDMENTS.** This MOU shall be subject to change or modification only with the mutual written consent of the governing bodies of each of the Parties.
13. **FORCE MAJEURE.** If for any reason of force majeure, either Party is rendered unable, wholly or in part, to carry out its obligations under this Agreement, then that Party shall give notice of the reasons in writing to the other Party within a reasonable time after the occurrence of the force majeure event. The obligation of the Party giving the notice, so far as it is affected by the force majeure, shall be suspended during the continuance of the

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inability then claimed, but for no longer period. The term “force majeure” as used in this Agreement shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, order or actions of any kind of government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, pandemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accident to dams, machinery, pipelines, canals, or other structures, partial or entire failure of water supply including pollution (accidental or intentional), and any other cause not reasonably within the control of GBRA or Customer.

14. **ASSIGNMENT.** This MOU shall not be assignable by either Party without the prior written consent of the other Party.
15. **THIRD PARTIES.** This MOU shall be for the sole and exclusive benefit of the Parties and shall not be construed to confer any benefit or right upon any third party.
16. **NOTICES.** For the purposes of notice, the addresses of and the designated representative for receipt of notice for each of the Parties shall be as follows:

For GBRA:

Guadalupe-Blanco River Authority
Attn: General Manager/CEO
2225 E. Common Street
New Braunfels, TX 78130

For City:

City of Fair Oaks Ranch
Attn: City Manager
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

Executed in duplicate originals on the dates shown below.

Guadalupe-Blanco River Authority

City of Fair Oaks Ranch

By: _____
Darrell Nichols, General Manager/CEO

By: _____
Scott M. Huizenga, City Manager

Date: _____

Date: _____