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Press Release

Aqua WSC agreement to provide groundwater mitigation fund

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BASTROP, Texas – The Board of Directors of Aqua Water Supply Corp. has signed an agreement with End Op, LP that Aqua believes will protect the interests of its 18,000 members if End Op wins even partial approval of its pending request to pump groundwater from beneath Bastrop and Lee Counties.

Under the agreement, Aqua will continue to press its case in the contested hearing on the applications of End Op for 56,000 acre-feet per year of groundwater, but agreed to present a case only about End Op's adverse impacts on Aqua and not raise other concerns with the application that do not directly affect Aqua.

“This is a procedural limitation and is a reasonable price to pay to mitigate the damage that would be done to our members even if End Op's permit is only partially approved by the Lost Pines Groundwater Conservation District,” said Cliff Kessler, president of the Aqua Board of Directors. “It protects the long-term interests of our members. We're still putting forward the evidence that End Op's permit request for 18.2 billion gallons of water should not be granted.”

Under the agreement, if End Op wins a permit for water – even at a lesser amount than requested – it must put aside a certain amount of money into a fund that Aqua can use – at its discretion – to mitigate the damages associated with overpumping, such as the cost of deepening its wells or drilling additional wells. That amount could reach \$15 million over 20 years of pumping.

Aqua also negotiated for End Op to create a separate fund of \$3.75 million for other local landowners who demonstrate that their wells are impacted by End Op's pumping.

“Any time you enter a courtroom, you turn the decision-making authority over to a judge,” Kessler said. “This agreement lets us control the outcome to some extent. We still are involved in the contested hearing, but have simply agreed to focus on Aqua-specific impacts and how best to mitigate any impacts. Even if End Op gets some water through this permit proceeding, our members and other area landowners will have some protection against the impact.”

Aqua recognized that the Lost Pines GCD Board recently granted about 25 percent of a pending application when Austin-based Forestar received a permit for 12,000 acre-feet compared to the 46,000 acre-feet that it had requested.

During the past year, three entities – End Op, Forestar and the Lower Colorado River Authority – have requested permission to take large amounts of water from under Bastrop and Lee counties, the sole source of water for Aqua’s 953-square-mile service area. LCRA received a partial permit; Forestar initially received a partial permit, which is being reconsidered by the Lost Pines District Board; and the End Op case has been put before a state hearings examiner.

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