

**US Army Corps
of Engineers**

REAL ESTATE PLAN

Mitchell Lake Ecosystem Restoration Project

Date of Report: July 21, 2020

Prepared By: Danielle Hughes

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This Real Estate Plan has been prepared in accordance with ER 405-1-12 dated 1 May 1998.

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Rocky D. Lee
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PURPOSE

This Real Estate Plan (REP) identifies and describes the Lands, Easements, Rights-of-way, Relocations and Disposal areas (LERRD) required for the construction, operation and maintenance of the ecosystem restoration feasibility study improvements proposed for Mitchell Lake, including those required for mitigation of adverse impacts to fish and wildlife habitats, relocations of utilities and facilities, and disposal of excess excavated material. It also includes an estimate of LERRD value, costs for relocations of persons and businesses, together with the estimated administrative and incidental costs attributable to providing project LERRD. Finally, it outlines the proposed acquisition process with roles, responsibilities and schedules for the acquisition, the types of ownerships, and the non-Federal sponsor's ability to acquire LERRD that is required to support project implementation. The non-Federal sponsor is the San Antonio Water System, San Antonio, Texas.

Studies on Mitchell Lake ecosystem restoration were authorized in a resolution by the Committee on Transportation and Infrastructure, U.S. House of Representatives, House Resolution Docket No. 2547, dated 11 March 1998. This REP supports the new authorization and funds allocated to the project in 2018.

DESCRIPTION OF LANDS, EASEMENTS AND RIGHTS OF WAY (LERRD)

Mitchell Lake is a 600-acre impoundment in the southern part of San Antonio that encompasses approximately 600 acres within its city limits, in southern Bexar County. It is currently classified by TCEQ as an intermediate size, low hazard dam. The lake has a normal storage capacity of 2,640 acre-feet and a maximum storage capacity of 5,000 acre-feet. Proposed project features are divided into five areas of ecosystem restoration: Bird Pond, Central Wetlands, Skip's Pond, Polders, and Fringe Wetlands.

The Bird Pond Wetland is located at the northern extent of the study area adjacent to Bird Pond near the Mitchell Lake Audubon Center, Figure 1. The small existing wetland is located east of the levee/road on the downstream end of Bird Pond. The existing wetland has limited habitat value due to the shallow surface water, and a monoculture of cattails. This project will enhance the footprint of the existing 3.17 acres wetland to a new footprint of 6.42 acres wetland. This area will also include a new drainage feature to include 0.53 acres. The drainage will move excess water down to the Central Wetlands area of the proposed project through a constructed culvert system.

The Central Wetlands are south of the Bird Pond Wetland, Figure 1. These two wetland complexes are connected to each other by a shallow, nondescript drainage channel. The Central Wetlands consist of a complex of wetlands connected to each other by swales with interspersed higher, upland area throughout. The project will enhance the footprint of the existing 10.46 acres wetland to a new footprint of 18.37 acres wetland.

Skip's Pond is separated from the Central Wetlands by a petroleum pipeline, Figure 1. This area has water up to two feet in depth and supports differing vegetation. The project will enhance the footprint of the existing 2.18 acres wetland.

Polders is focused upon structural modification and operational management of the water within the polder cells. By managing the water distribution within the polders, the creation of mud flat habitats would result in restoration opportunities for this area. The project will enhance the 49.52 acres of Polders.

The Fringe Wetlands are three coves along the Mitchell Lake shoreline. Future without-project conditions (FWOP) lake elevations are projected to be 518.5 feet. Restoration includes emergent and submerged fringe wetlands in currently inundated areas. The project will enhance the 72.36 acres of Coves 1-3 fringe wetlands.

Mitchell Lake is owned by the City of San Antonio, and managed by the San Antonio Water System (SAWS). SAWS is a municipally-owned utility and constituent unit of the City of San Antonio. Complete management and control of SAWS is vested in a Board of Trustees consisting of the Mayor and six members who are appointed by the San Antonio City Council. The mayor of San Antonio serves as an ex-officio voting member. The general operations of the utility are under the supervision of the President/Chief Executive Officer. Because SAWS is owned by the City of San Antonio, all property is owned in the name of the City of San Antonio for exclusive use by SAWS. City Ordinance 75686, which created the organization, was passed April 30, 1992. According to the ordinance, "the City Council and the Old Board are cognizant of the need to permit a stormwater utility system to be incorporated into the existing waterworks, sanitary sewer, and water reuse systems to provide for a comprehensive plan to develop, manage, control, and conserve the water resources in the City and surrounding areas;" (Page 1, Paragraph 3). "System" is later defined as " all properties, facilities, and plants currently owned, operated, and maintained by the City and/or the Board for the supply, treatment, and transmission and distribution of treated potable water, chilled water, and steam, for the collection and treatment of wastewater, and for water reuse, together with all future extensions, improvements, purchases, repairs, replacements and additions thereto, whether situated within or without the limits of the City, all water (in any form) owned by the City, and any other projects and programs of the Board; provided, however, that the City expressly retains the right to incorporate (1) a stormwater system as provided by the provisions of Section 402.041 through 402.054, as amended, Local Government Code, or other similar law, and (2) any other related system as provided by the laws of the State of Texas as a part of the System. The System shall not include any Special Project or any water or water-related properties and facilities owned by the City as part of its electric and gas systems. (Page 15, Paragraph 7 (YY)).

It is the opinion of USACE Office of Counsel that the San Antonio Water System does have the authority to serve as the NFS, despite their inability to hold title to the subject properties. All the project identified areas fall within lands already owned by the City of San Antonio, however, some surface right restrictions will be needed from mineral

owners. The areas currently owned by the City of San Antonio include the Bird Pond Wetlands, Central Wetlands, Skip's Pond, the Polders, and the Fringe Wetlands. The City of San Antonio does not currently own the mineral rights for the Bird Pond Wetlands, Central Wetlands, and Skip's Pond areas. We are recommending and have informed the NFS that they will be required to restrict the surface rights from the mineral rights holder for the project identified lands by restricting the mineral owner's use of the surface and subordinating the mineral estate for SAWs to have the right to flood the project lands to proceed forward with the project as the footprint exists at this time. The NFS has adequate water rights to support the recommended plan. No real property water rights will be acquired by the NFS.

Mitchell Lake Ecosystem Restoration Project focuses on increasing the synergistic water quality benefits by adding the nutrient filtering function of the Bird Pond Wetlands and 591-foot long channel to the Central Wetland/Skip's Pond/Linear Wetland/Cove 3 system. All the ecosystem restoration project lands will be acquired in fee for a total of 149.38 acres. Approximately 2.0 acres of temporary easements will be required for the construction and staging. Approximately 1.2 acres of utility easement will be required for the waterline that will bring additional water from the polders to the Bird Pond Wetlands. This water utility line will cross an existing pipeline easement. USACE Real Estate and Office of Counsel have reviewed the easement document pertaining to said pipeline easement, the pipeline easement permits other utilities to be constructed across, but not parallel with the pipeline. Therefore, USACE has informed SAWS to coordinate with the pipeline holder in order to establish the best way for the new water line utility to be constructed. USACE believes that SAWS will not have to obtain permission, as the right to construct utilities across the existing pipeline was reserved to the Grantor in the easement.

Material excavated from within the wetland areas will be used onsite as fill in Area 6 of the project. Should there be any excess excavated material, it will be disposed of in an area owned by the NFS, following HTRW testing. If any of the excavated material is contaminated, it will be disposed of commercially. Should any borrow material need to be purchased for the project, it will be bought from a commercially available site. The contractor is not to acquire property for the use of borrowed material or disposal of excavated material. All the project LERRD is within the 100-year floodplain. As such, all the project areas are vacant, floodplain, open space properties. The following table quantifies the LERRD requirements for the Mitchell Lake Ecosystem Restoration Project. LERRD crediting will be applied for all project identified real estate needs.

**TABLE 1
LANDS, EASEMENTS AND RIGHTS OF WAY REQUIRED
MITCHELL LAKE ECOSYSTEM RESTORATION PROJECT**

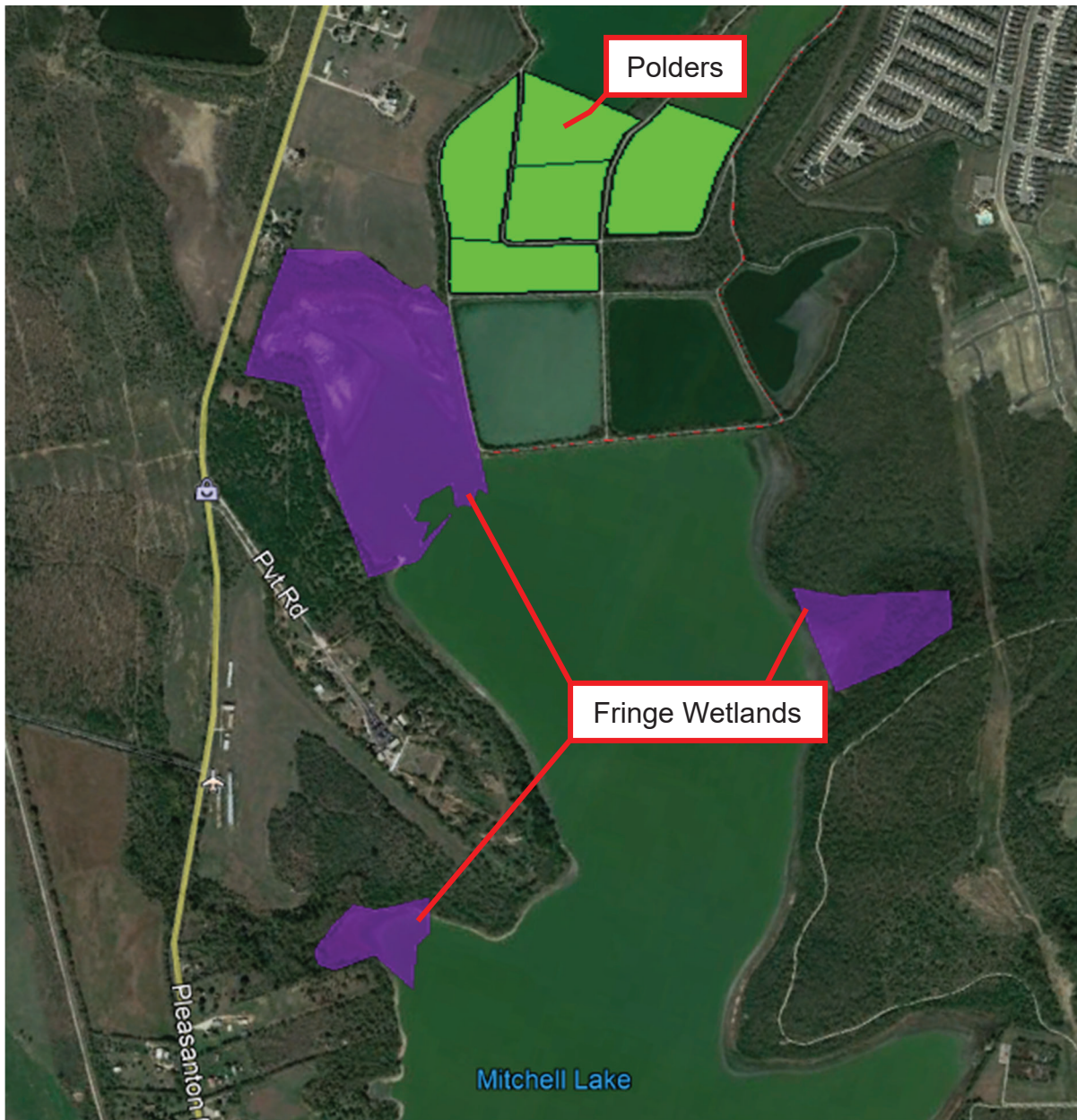
ESTATE	ACRES	TRACTS
BIRD POND WETLANDS		
Wetlands – Fee Excluding Minerals (With Restriction on Use of the Surface and Subordination to the Right to Flood)	6.42	1
Drainage – Fee Excluding Minerals (With Restriction on Use of the Surface and Subordination to the Right to Flood)	0.53	1
CENTRAL WETLANDS		
Fee Excluding Minerals (With Restriction on Use of the Surface and Subordination to the Right to Flood)	18.37	1
SKIP'S POND		
Fee Excluding Minerals (With Restriction on Use of the Surface and Subordination to the Right to Flood)	2.18	1
POLDERS		
Fee Excluding Minerals (With Restriction on Use of the Surface and Subordination to the Right to Flood)	49.52	5
FRINGE WETLANDS		
Fee Excluding Minerals (With Restriction on Use of the Surface and Subordination to the Right to Flood)	72.36	3
Temporary Construction Easement	2.00	1
Utility Easement (waterline)	1.20	1
Grand Total	152.58	14

Figure 1



Bird Pond Wetlands, Central Wetlands, Skip's Pond Areas, & Waterline

Figure 2



Polders & Fringe Wetland Areas

PROJECT IMPACTS OUTSIDE THE PROJECT AREA

The project is not expected to cause any impacts outside of the project area.

ESTATES

4. Fee Excluding Minerals (With Restriction on Use of the Surface and Subordination to the Right to Flood).

The fee simple title to (the land described in Schedule A) (Tracts Nos. __, __, and ~, subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines; excepting and excluding from the taking all (coal) (oil and gas) in and under said land and all appurtenant rights for the exploration, development, production and removal of said (coal) (oil and gas), but without the right to enter upon or over the surface of said land for the purpose of exploration, development, production and removal therefrom said (coal) (oil and gas); provided, however, that the said (coal) (oil and gas) and appurtenant rights so excepted and excluded are subordinated to the prior right of the United States to flood and submerge the land in connection with the operation and maintenance of the project.

15. Temporary Work Area Easement

A temporary easement and right-of-way in, on, over and across (the land described in Schedule A) (Tracts Nos. ____, ____, and ____), for a period not to exceed _____, beginning with date possession of the land is granted to the _____ (non-Federal Sponsor) for use by the _____ (non-Federal Sponsor), its representatives, agents, and contractors as a (borrow area) (work area), including the right to (borrow and/or deposit fill, spoil and waste material thereon) (move, store and remove equipment and supplies) and erect and remove temporary structures on the land and to perform any other work necessary and incident to the construction of the Mitchell Lake Ecosystem Restoration Project, together with the right to trim, cut, fell and remove there from all trees, underbrush, obstructions, and any other vegetation, structures, or obstacles within the limits of the right-of-way; reserving, however, to the landowners, their heirs and assigns, all such rights and privileges as may be used without interfering with or abridging the rights and easement hereby acquired; subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.

13. Utility and/or Pipeline Easement

A perpetual and assignable easement and right-of-way in, on, over and across (the land described in Schedule A) (Tracts Nos. _____, _____ and __), for the location, construction, operation, maintenance, alteration; repair and patrol of (overhead) (underground) (specifically name type of utility or pipeline); together with the right to trim, cut, fell and remove therefrom all trees, underbrush,

obstructions and other vegetation, structures, or obstacles within the limits of the right-of-way; reserving, however, to the landowners, their heirs and assigns, all such rights and privileges as may be used without interfering with or abridging the rights and easement hereby acquired; subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.

Lands and Existing Interest Already Owned

The NFS currently owns fee excluding minerals on 149.38 acres of the project lands identified, which are creditable. USACE has had multiple conversations with the NFS during PRT meetings that in order to restrict the mineral rights holder's mineral interest, as opposed to purchasing the mineral rights, they must provide adequate justification. SAWS provided justification in the form of a signed letter, which is attached as Exhibit B. It is anticipated that the cost involved with purchasing mineral rights would drive the Benefit Cost Ratio below 1, leading the project to not be feasible. If the NFS is not going to acquire the mineral interests in fee, they will need to acquire the following Restriction on Use of the Surface and Subordination to the Right to Flood:

Restriction on Use of the Surface and Subordination to the Right to Flood

A restriction on (the land described in Schedule A) (Tracts Nos. __, __, and ~, subject, however, to all (coal) (oil and gas) in and under said land and all appurtenant rights for the exploration, development, production and removal of said (coal) (oil and gas), but without the right to enter upon or over the surface of said land for the purpose of exploration, development, production and removal therefrom said (coal) (oil and gas); provided, however, that the said (coal) (oil and gas) and appurtenant rights so excepted and excluded are subordinated to the prior right of the United States to flood and submerge the land in connection with the operation and maintenance of the project.”

The Restriction on Use of the Surface and Subordination to the Right to Flood will need to be acquired on a total of 149.38 acres of land. That will consist of 6.42 acres of Wetlands at Bird Pond, 0.53 acres for drainage at Bird Pond, 18.37 acres of Central Wetlands, 2.18 acres at Skip's Pond, 49.52 acres at Polders, and 72.36 acres at Fringe Wetlands. Aside from the Restriction on Use of the Surface and Subordination to the Right to Flood, the NFS will also be required to obtain a Temporary Construction Easement on 2 acres of land, and a Utility Easement for a waterline on an addition 1.2 acres. There is a total of 152.58 acres impacted by this project.

EXISTING FEDERAL INTERESTS

There is no Federally owned land included within the LERRD required for the project and there is no existing Federal flood control project involved. There is no navigational servitude within the project LERRD.

BASELINE COST ESTIMATE FOR REAL ESTATE

Property values included in the cost estimate are based on a Bexar County Appraisal District Data. All land values were predicated on the assumption that the lands are free of hazardous, toxic or radiological wastes. Contingencies have been added to the cost estimate as follows:

01.23.03.01. Real Estate Planning Documents, 10%, based on reasonable certainty of these start-up costs.

01.23.03.02. Real Estate Acquisition Documents, 10%, based on experience from past projects.

01.23.03.03. Real Estate Condemnation Documents, 25%, no known condemnation needs currently.

01.23.03.05. Real Estate Appraisal Documents, 15%, based on the potential need for multiple appraisals on some tracts.

01.23.03.06. Real Estate PL 91-646 Asst. Documents, 10%, based on reasonable certainty of the costs associated with processing relocation benefits.

01.23.03.15. Real Estate Payment Documents, 20% contingency, based on the cost estimate being calculated on Appraisal District Data.

01.23.03.17. Real Estate LERRD Crediting Documents, 20%, based on potential requirement for substantial coordination with the sponsor on crediting.

Costs are presented in Table 2. Estimates are presented in the standard Code of Accounts from the MCACES Models Database, October 1994.

TABLE 2						
Real Estate Cost Estimates						
Project: Mitchell Lake						
Location: San Antonio, Texas						
ACCOUNT	DESCRIPTION	LERRD	CONT.		NON-LERRD	CONT.
1	Land & Damages					
1.23	Construction Contracts Documents					
01.23.03	Real Estate Analysis Documents					
01.23.03.01	Real Estate Planning Documents					
	Planning by Non Federal Sponsor				\$0	\$0
	Review of Non Federal Sponsor				\$0	\$0
01.23.03.02	Real Estate Acquisition Documents					
	Acquisitions by Sponsor	\$9,000	\$900			
	Review of Sponsor				\$2,500	\$250
01.23.03.03	Real Estate Condemnation Documents					
	Condemnation by Sponsor	\$0	\$0			
	Review of Sponsor				\$0	\$0
01.23.03.05	Real Estate Appraisal Documents					
	Appraisal by Sponsor	\$45,000	\$6,750			
	Review of Sponsor				\$14,000	\$2,100
01.23.03.06	Real Estate PL 91-646 Asst Documents					
	PL 91-646 Asst by Sponsor	\$0	\$0			
	Review of Sponsor				\$0	\$0
01.23.03.13	Real Estate Facility/Utility Relocation					
	Payment by Sponsor	\$0	\$0			
	Review of Sponsor				\$0	\$0
01.23.03.15	Real Estate Payment Documents					
	Payment by Sponsor(LERRD)	\$340,635	\$68,127			
	Payment by Sponsor (PL 91-646)	\$0	\$0			
	Review of Sponsor				\$3,500	\$700
01.23.03.17	Real Estate LERRD Credit Documents	\$2,000	\$400		\$3,500	\$700
	Total Admin & payment	\$396,635			\$23,500	
	Total contingencies		\$76,177			\$3,750
	Total LERRD + Contingencies	\$472,812				
	PROJECT GRAND TOTAL				\$500,062	

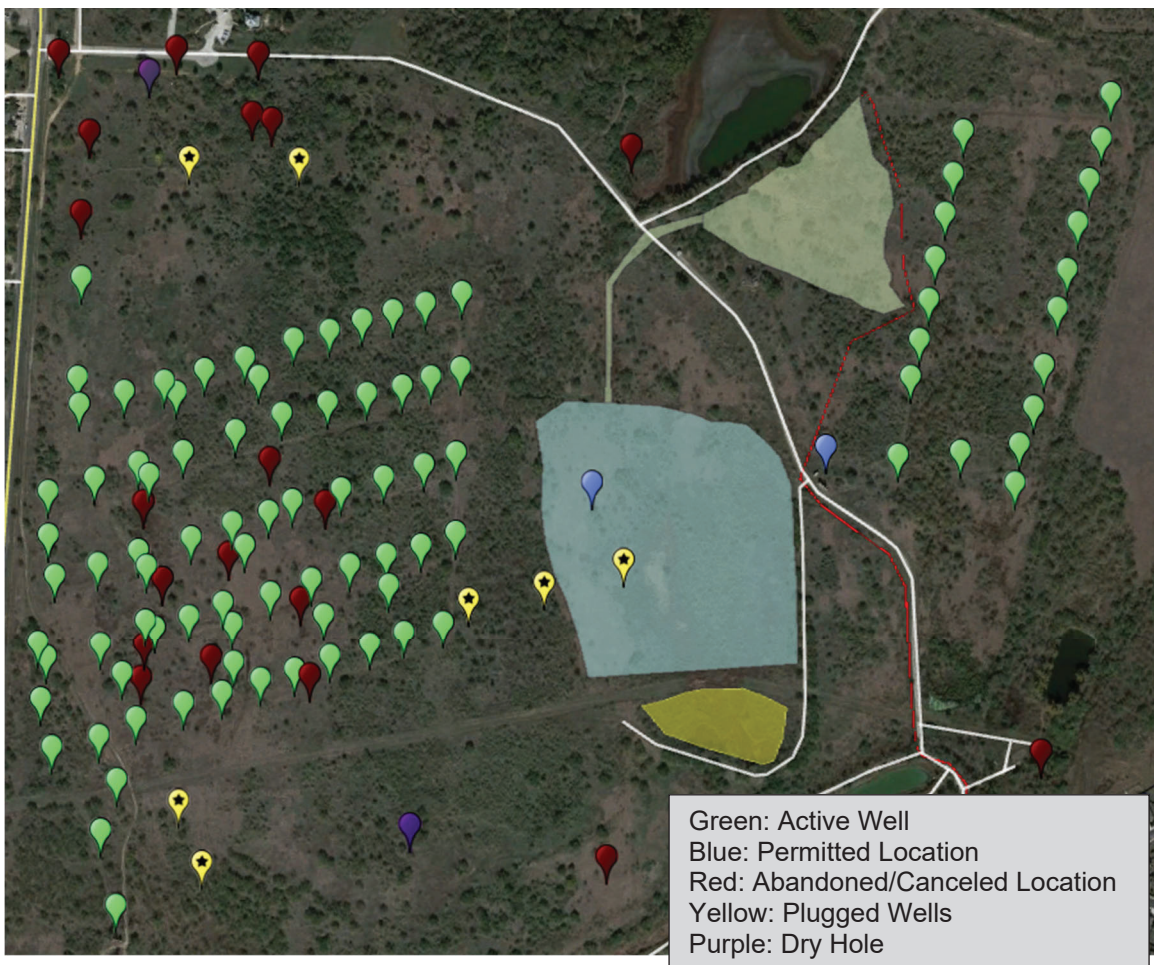
RELOCATION ASSISTANCE UNDER THE UNIFORM ACT

The City of San Antonio owns all the currently identified property needed for the project, and there are no relocations identified at this time. If relocations are later discovered, we will need to reassess based on the magnitude of the relocation required.

MINERALS AND TIMBER

An initial review of the Texas Railroad Commission's GIS Viewer of oil and gas wells in Bexar County did reveal activity of mineral production within the project area, more specifically within the Central Wetland and Bird Pond areas. Within the Central Wetland area there is one plugged well, one permitted location, and several active wells within the vicinity of the project area. Also, within the Bird Pond area there appeared to be multiple active wells within the project area. USACE employees, Justyss Watson and Anthony Mendolia, contacted TRRC after viewing the area from Google Earth and noticing that the wells may have been plotted incorrectly on the TRRC GIS viewer. Mark Maddox, of TRRC, investigated the location of the wells specifically in the proposed Bird Pond area. Upon his investigation the well locations were moved and are now located along what appears to be access roads visible in aerial imagery. The non-Federal sponsor will be required to restrict the surface rights of the mineral rights holder within the project identified areas. Figure 1 below shows the numerous active, plugged, abandoned, permitted, and dry well locations plotted from the Railroad Commission of Texas GIS viewer.

Figure 1: Map of Mitchell Lake Oil & Gas Well Sites



Green outlined area is the location of the proposed Bird Pond wetland area, the blue outlined area is the location of the proposed Central Wetland area, the red line that can be seen meandering throughout the above image is the proposed water utility line and the yellow outlined area is the proposed Skip's Pond area. As the image illustrates the active wells are outside the proposed Bird Pond wetland area. The blue marker within the Central Wetland area is a permitted location, and the yellow marker within the same area is a plugged well. There are no known existing wells on the other project areas not defined in the map.

As stated previously SAWS, plans to restrict the use of the surface from the mineral rights holder to manage the proposed identified project lands. Discussion was had with SAWS and Texas Railroad Commission on the production of the active wells over the last five years. Exact production rates were not given, however, both stated that the production rates in this area are low. Texas Railroad Commission stated that no new locations have been drilled in this area since the 1980s. It should also be noted that the wells within this area are all between the depths of 325 feet to 360 feet. The production from the wells within this area is removed by air compression through lines. It is not known that water injection wells are utilized in this area.

A preliminary analysis by the Fort Worth District Forester indicates that some merchantable timber may be located on the subject properties, but not of enough quantity to be economically harvested.

NON-FEDERAL SPONSOR'S CAPABILITY

The San Antonio Water System is capable of accomplishing the required real estate tasks associated with this project. A capability assessment checklist has been drafted and is included at the end of this REP. The sponsor has been advised of the Uniform Act requirements and the requirements for documenting expenses for credit purposes. It is not anticipated that the Corps of Engineers will be requested to perform any LERRD acquisition unless eminent domain involving an entity such as a railroad company proves necessary.

ZONING

No zoning ordinances are proposed in lieu of, or to facilitate, acquisition in connection with the project.

REAL ESTATE MILESTONE SCHEDULE

The project will be sequenced and to the extent these various segments are accomplished through separate contracts, the real estate acquisition can be sequenced, as well. As the project schedule and contracting strategy is more fully developed the acquisition schedule will likewise be formulated in coordination with the sponsor. Since an anticipated Project Partnership Agreement Execution Date has not been determined,

the below schedule Day 1 will be the date the design has reached 65% after the PPA has been signed.

- | | |
|---------------------------------|---|
| • Transmittal of ROW drawings | 30 days after PPA signed |
| • Obtain title evidence | 60 days after transmittal of ROW drawings |
| • Obtain appraisals & review | 45 days after obtaining title evidence |
| • Start negotiations | 30 days after obtaining appraisals & review |
| • Conclude negotiations | 90 days after start of negotiations |
| • Conclude closings | 45 days after concluding negotiations |
| • Conclude condemnations | 180 days after condemnation process started |
| • Certify availability of LERRD | 20 days after condemnations concluded |
| • Review LERRD credit request | 10 days after receiving LERRD certification |
| • Approve LERRD credit | 45 days after receiving all LERRD documentation |

UTILITY AND FACILITY RELOCATIONS

The Civil Design Appendix should be referenced, regarding all roads or utility relocations. No facility or utility relocations are anticipated; however, the Government will make a final determination of the relocations necessary for the construction, operation, or maintenance of the project after further analysis, completion and approval of the Final Attorney's Opinions of Compensability for each of the impacted utilities and facilities. Cost estimates for the relocation of water lines, sanitary lines, gas lines, telephone lines, and electric lines can be found in the Cost/Spec Analysis Appendix. There is a capped well and a permitted well within the Central Wetland Area. It is possible that the NFS will have to pay the Mineral Owners to restrict their surface rights, or reimburse the mineral owner for any fees or other expenses acquired on getting the permitted well permitted. The team does not anticipate incurring costs on the permitted well, as the Texas Railroad Commission stated the production rates are low in the area, and no new wells have been drilled since the 1980's. It should be noted that if an active well is later found to be within any of the proposed project lands there will be a need to cap the active well within any of the project lands. The approximate cost to cap a well was obtained from the Texas Railroad Commission website with an estimated cost of \$4,500 per well.

HAZARDOUS, TOXIC AND RADIOLOGICAL WASTE (HTRW)

A Phase 1 investigation has been completed. Mitchell Lake has a few potential HTRW sites in relative proximity (one mile) to the proposed project footprint, including 3 registered petroleum storage tanks, and 4 state and tribal solid waste facilities/landfills which were primarily for disposal of brush. None of the storage tanks are reported as leaking and the landfills are reported as no longer active. This is a relatively low concentration of sites given the large area of land and the number of oil and gas wells in the surrounding area. San Antonio is a highly developed city within close proximity and most potential HTRW sites are located in or around this settlement. Although not classified as HTRW, pipelines and oil wells play an important role in the HTRW existing condition in and around Mitchell Lake. Numerous oil and gas wells are located within 1.0 mile of Mitchell Lake and the restoration area. A Railroad Commission of Texas

(RRC) database also shows numerous operating oil, gas, and injection wells (Figure 1 of Minerals and Timber section). Pipelines can be found crossing the lake and restoration areas. Most of the project alternatives have the potential to interact in some way with some type of oil and gas infrastructure, and relocations may be required as part of the proposed project. The relocations would significantly affect project cost estimates. Refer to the HTRW Appendix for maps of known pipelines and oil wells surrounding the Lake. However, all these instances have an extremely low potential to impact the proposed project. The LERRD costs have been developed under the assumption that the property is free on environmental hazards.

PROPERTY OWNER ATTITUDES

No opposition to the project has been raised during public meetings.

OTHER REAL ESTATE ISSUES

No other real estate issues known at this time.

APPENDIX A

ASSESSMENT OF NON-FEDERAL SPONSOR'S REAL ESTATE ACQUISITION CAPABILITY MITCHELL LAKE ECOSYSTEM RESTORATION PROJECT

NON-FEDERAL SPONSOR: SAN ANTONIO WATER SYSTEM, SAN ANTONIO,
TEXAS

I. Legal Authority:

a. Does the sponsor have legal authority to acquire and hold title to real property for project purposes? Yes

b. Does the sponsor have the power of eminent domain for this project?
Yes

c. Does the sponsor have "quick-take" authority for this project? There is no "quick-take" authority under Texas law, however, possession of property can be obtained without undue delay.

d. Are any of the lands/interests in land required for the project located outside the sponsor's political boundary? Yes, however the sponsor has authority to acquire and hold title outside its city limits.

e. Are any of the lands/interests in land required for the project owned by an entity whose property the sponsor cannot condemn? No

II. Human Resource Requirements:

a. Will the sponsor's in-house staff require training to become familiar with the real estate requirements of Federal projects including the Uniform Act? No

b. If the answer to II.a. is "yes," has a reasonable plan been developed to provide such training?

c. Does the sponsor's in-house staff have sufficient real estate acquisition experience to meet its responsibilities for the project? Yes

d. Is the sponsor's projected in-house staffing level sufficient considering its other workload, if any, and the project schedule? The sponsor has designated enough personnel to handle the sponsor's workload for this project.

e. Can the sponsor obtain contractor support, if required in a timely fashion? Yes

f. Will the sponsor likely request USACE assistance in acquiring real estate? No. Sponsor personnel is fully capable and experienced for the purposes of the project requirements.

III. Other Project Variables:

a. Will the sponsor's staff be located within reasonable proximity to the project site? Yes

b. Has the sponsor approved the project/real estate schedule/milestones? Yes

IV. Overall Assessment:

a. Has the sponsor performed satisfactorily on other USACE projects? Yes

b. With regard to this project, the sponsor is anticipated to be: Capable

V. Coordination:

a. Has this assessment been coordinated with the sponsor? Yes

b. Does the sponsor concur with this assessment? Yes

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Rocky D. Lee
Chief, Real Estate Division
Fort Worth District

EXHIBIT A

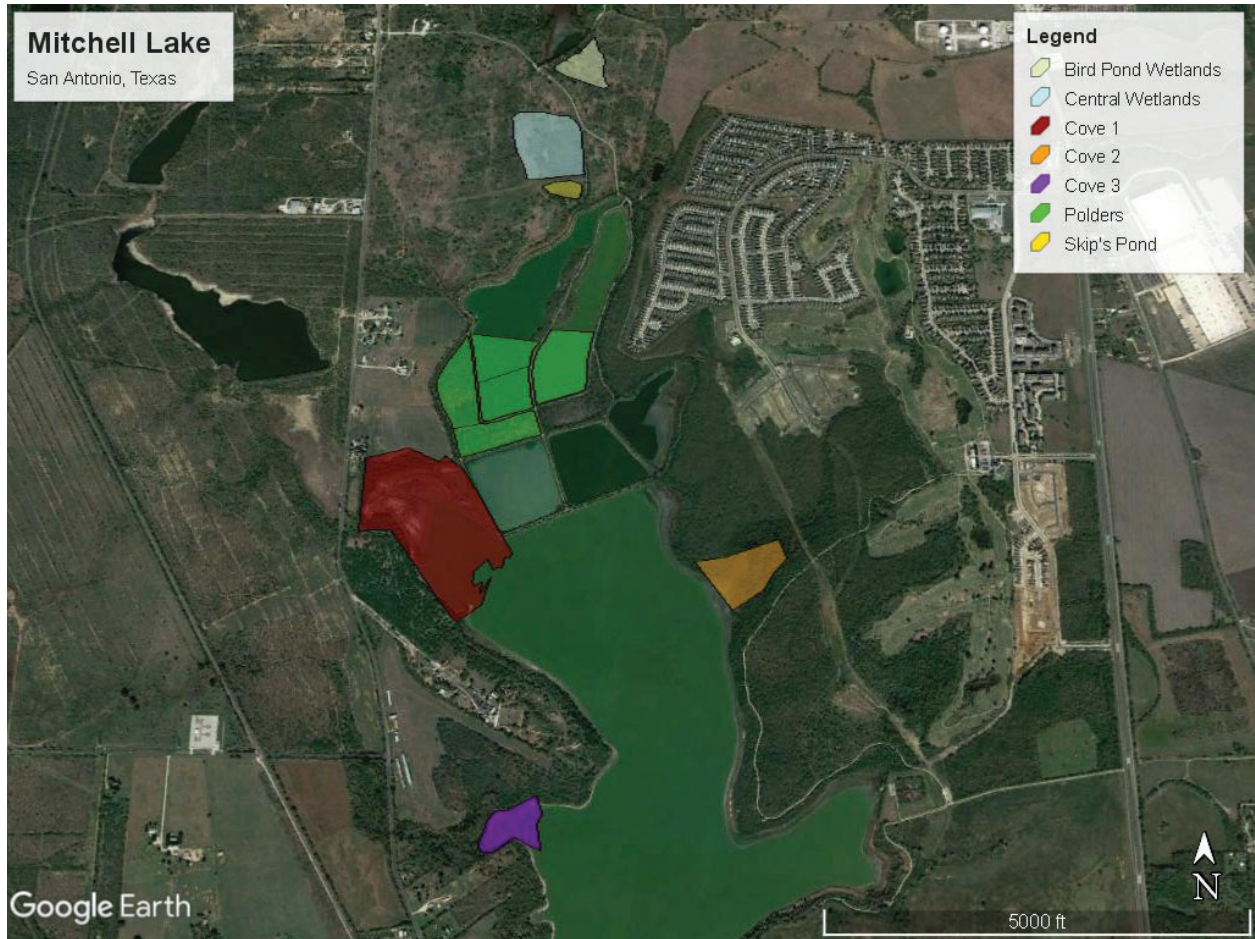


EXHIBIT B



May 21, 2020

Andrew Johnston
US Army Corps of Engineers
CESWF-PM-C
Fort Worth District
819 Taylor St. RM 2A06
Fort Worth, TX 76102

Re: Mitchell Lake San Antonio Eco-restoration Study Mineral Rights Acquisition

Mr. Johnston,

As part of the Mitchell Lake Eco-restoration Study number 459586, SAWS staff has been asked about the intent of SAWS to purchase the mineral rights associated with property that is being proposed for components of Tentatively Selected Plan #10.

SAWS staff has thoughtfully reviewed the option of purchasing the mineral rights. The staff does not believe purchasing of the mineral rights associated with property would be in the best interest of the SAWS or its customers at this time.

It is believed that the purchase of the mineral rights will not contribute to the production and delivery of water, or the collection and treatment of wastewater, which is SAWS' core mission.

It is believed that the same objectives of protecting the proposed wetlands can be met by subordinating the rights from the mineral rights holder that would limit all mineral production to the existing footprint on the Mitchell lake property at a much lower cost. In summation, SAWS has no intent to purchase the mineral rights associated with the property at this time.

Thank you for your effort and please contact me if you have additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Crowley", written over a horizontal line.

Dan Crowley