

**STATE OF TEXAS
EDWARDS AQUIFER AUTHORITY
San Antonio, Texas**

Counties of Atascosa (partial), Bexar, Caldwell (partial), Comal (partial),
Hays (partial), Guadalupe (partial), Medina and Uvalde

IN THE MATTER OF <Tenet Health Care Corporation –)	Violation
North Central Baptist Hospital>)	No. Vpending
)	
)	
Respondent.)	

COMPROMISE AND SETTLEMENT AGREEMENT

- I. This compromise and settlement agreement (Agreement) is between the Edwards Aquifer Authority (EAA) and Tenet Health Care Corporation (Owner). The purpose of the Agreement is to compromise and settle a claim that the EAA may have against the Owner for non-compliance with the Edwards Aquifer Authority Act (the Act) and the Edwards Aquifer Authority Rules (EAA rules) and to allow additional time for the Owner to get into full compliance with EAA rules. It is the intent of the parties to this instrument that this Agreement extends to and covers only the following specific instance:

Failure to incorporate a method of tertiary containment through the major modification process, or remove, an underground storage tank (UST) from service by thirty years from the date of the installation of the UST system (March 27, 2021), constituting violations of Sections 711.228, 713.607(c) and 713.608 of the EAA rules.

- II. It is acknowledged that this Agreement does not limit or bind the EAA with respect to violations of the Act, or any rules, orders or permits issued under the Act other than those set forth in Paragraph I.
- III. In consideration for the EAA's agreement to settle, and in lieu of civil litigation or administrative proceedings, the Owner hereby agrees to take the necessary measures to permanently remove its UST from the Edwards Aquifer Recharge Zone (EARZ) no later than March 27, 2022, in compliance with 713.611 of the EAA rules.

In addition, the Owner acknowledges, as outlined in a June 26, 2019, letter from the EAA, that an aboveground storage tank (AST) and piping system associated with the above-referenced UST will be addressed as part of the UST removal, originally required before March 27, 2021. Under the terms of this Agreement, the proposed AST and piping system must be installed and operating under an approved EAA registration no later than March 27, 2022.

In order to carry out this Agreement, the Owner agrees to:

- a) Provide the EAA with Texas Commission on Environmental Quality (TCEQ) final plans and approval letter related to the proposed AST system, as per § 713.609(c) of the EAA rules.
 - b) Provide the EAA with written notice at least thirty (30) days prior to any intended construction, and at least two (2) business days prior to the actual commencement of construction, associated with: (1) removal of the UST referenced herein; and (2) installation of the proposed AST system, as per 713.610 of the EAA rules.
 - c) Complete all activities under the approved plan, including the permanent removal of the UST from the EARZ by March 27, 2022.
 - d) If all activities are not or cannot be completed by the date listed in III(c) above, the Owner agrees to forfeit to the EAA the recognized capacity currently associated with the existing UST and remove the UST from service in accordance with § 713.607 of EAA rules by the date listed in Item III(c) above, and maintain the UST out of service until it is permanently removed or achieves compliance with EAA rules. If compliance with EAA rules is not achieved, the Owner acknowledges that operating the UST after March 27, 2022, will constitute a violation of EAA rules and may lead to immediate enforcement action by the EAA, including starting civil action or assessing administrative penalties.
- IV. This Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, or understandings between the parties. There are no oral understandings, statements, promises or inducements not set forth in this Agreement. This Agreement cannot be changed or terminated orally. No warranties, representations, covenants, amendments, understandings or agreements not expressly set out in this Agreement shall be binding upon the parties.
- V. This Agreement only becomes effective if and when signed by both parties. The EAA General Manager may only sign this Agreement if and after the EAA Board of Directors has specifically approved the terms contained herein.

ACCEPTED, APPROVED AND ENTERED into on the dates shown below.

Bill Waechter, CEO

Date

Subscribed and sworn to me on this ____ day of _____, 20__, as
certified and witnessed by my hand and seal of office.

Notary Public, State of Texas

(additional signature page follows)

Roland Ruiz
General Manager

Date

Subscribed and sworn to me on this ____ day of _____, 20__, as
certified and witnessed by my hand and seal of office.

Notary Public, State of Texas

APPROVED AS TO FORM:

Darcy Alan Frownfelter
General Counsel
Edwards Aquifer Authority