



REQUEST FOR LEASE BIDS

SOLICITATION NO: B-19-011-JP

RELEASE DATE: June 21, 2019

LEASE OF TRANSFERABLE EDWARDS AQUIFER AUTHORITY GROUNDWATER WITHDRAWAL RIGHTS

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Rolling Deadlines: Lease Bids will be opened on a bi-weekly basis from July 26, 2019, at 2:00 PM Central Time (CT) until the desired volume is acquired. Reference Section V., Bid Opening Schedule, found on page 3 of this solicitation.

I. Project Information

a. Scope

The San Antonio Water System (SAWS) is soliciting sealed bids for five (5) year leases (Lease Bids) of permitted transferable groundwater withdrawal rights from and out of the Edwards Aquifer Authority (EAA) Initial Regular Permits and Regular Permits (EAA groundwater rights) beginning in 2022 and 2023. Types of EAA groundwater rights that are transferable include those for industrial or municipal use, as well as the portion of irrigation permits designated as "unrestricted irrigation groundwater" by the EAA. SAWS will not accept groundwater rights from the portion of irrigation permits designated as "base irrigation groundwater." **SAWS will not consider Lease Bids of less than 20-acre feet per annum. The term of the proposed five (5) year lease(s) will begin January 1, 2022 or January 1, 2023.**

b. Information and Instructions to Bidders:

- 1) SAWS reserves the right to reject any or all Lease Bids, to waive any minor irregularities or technicalities, and to accept Lease Bids based on the bid lease rates, evaluated from lowest to highest. Additionally, SAWS reserves the right to reject a bid with title or permit issues regarding the EAA groundwater rights that, in SAWS' determination, may affect the Bidder's ability to lease. Incomplete Lease Bids may not be considered.

Regarding EAA groundwater rights under Lease to Third Parties: EAA groundwater rights under lease or sublease to any party other than SAWS will not be considered unless the lease(s) or sublease(s) expire on or before December 31, 2021 or December 31, 2022.

- 2) All Lease Bids submitted shall be considered valid and irrevocable for a period of not less than sixty (60) days from the date they are opened by SAWS, or if notified by SAWS as to acceptance or rejection of a Lease Bid, whichever is first. A sample Lease Agreement and EAA Permit Holder letter may be viewed on SAWS' website at the following link:
http://www.saws.org/business_center/contractsol/Drill.cfm?id=3215&View=Yes
Bidders should submit Lease Bids on Exhibit 1 attached to this solicitation. If the offer is accepted and, as necessary, approved by the SAWS Board, SAWS will prepare the Lease Agreement in substantially

the form found on the above link, for execution by the Bidder. Bidder must return an executed Lease Agreement to SAWS no later than fifteen (15) business days from the date mailed by SAWS. If the executed Lease Agreement is not returned to SAWS within fifteen (15) business days, the Bidder will be deemed as “non-responsive” and may be eliminated as a Bidder.

Non-selected Bidders may resubmit Lease Bids anytime during the open period of this solicitation.

- 3) SAWS will accept Lease Bids from June 21, 2019 until the desired volume is acquired, at the SAWS location referenced in Section III of this solicitation. The first bid opening will be held on July 26, 2019 at 2:00 PM CT. Lease Bids will be opened thereafter per the Bid Opening Schedule found on page 3 of this solicitation.
- 4) Lease payments will be made as described in the Lease Agreement.

II. Questions and Clarifications

a. Questions

Respondents may submit questions concerning this Lease Bid, in writing, including via e-mail to the contact person for this project:

Brandon Payne
San Antonio Water System
2800 U.S. Hwy 281 North
San Antonio, TX 78212
Email: Brandon.Payne@saws.org

b. Clarification on Submitted Lease Bids

SAWS reserves the right to request clarification to assist in evaluating the Bidder’s submitted, if the Lease Bid response is unclear with respect to pricing, quantity or other factors. The information provided by Bidder is not intended to change the Lease Bid submitted in any fashion.

III. Submitting a Lease Bid

- a. Bidder must submit the following documentation as part of the submitted Lease Bid. Any Bidder not meeting the following criteria may be deemed "non-responsive" and may be eliminated:
 - 1) Complete and sign the attached form (Exhibit 1) indicating the EAA permit number(s) of the EAA groundwater rights offered for Lease Bid, the amount of acre-feet (AF) per annum offered, and the lease rate of the offered EAA groundwater rights indicating Price Per acre-foot and total lease cost.
 - 2) Submit copies of all contracts and agreements affecting the EAA groundwater rights, including without limitation leases, options to buy, rights of first refusal, and all amendments, modifications and supplements thereto.
- b. Submitting Sealed Lease Bids – One (1) original Lease Bid must be submitted in a sealed envelope or package either in person, via mail or overnight service (Fed Ex, etc.), to the following address:

Mail or FedEx, etc.:	In person / Hand delivery:
San Antonio Water System	San Antonio Water System
<i>Attn: Contract Administration</i>	<i>Customer Center Building - Counter Services</i>
2800 U.S. Hwy 281 North	2800 U.S. Hwy 281 North
San Antonio, Texas 78212	San Antonio, Texas 78212

Upon request, and at SAWS’ election, SAWS will pick up the sealed Lease Bid at a mutually acceptable location.

- c. Lease Bids submitted via facsimile or email will not be considered.
- d. The sealed Lease Bids must be clearly marked on the outside with the solicitation name and number of this solicitation, as well as the targeted Bid Opening Date.
- e. Sealed Lease Bid Format - Parties submitting a Lease Bid in response to this Request for Lease Bids should submit a sealed package with the following documents in the following order:
 - 1) Exhibit 1 – A signed Lease Bid for lease of EAA Groundwater Rights;
 - 2) Copies of any leases or other documents affecting EAA groundwater rights offered for Lease Bids as described in Section III (a)(2) above.

IV. Reservation of Rights

SAWS reserves the right to:

- a. Issue a subsequent Lease Bid process;
- b. Cancel the entire Lease Bid process;
- c. Remedy technical errors in the Lease Bid process;
- d. Waive informalities and irregularities;
- e. Accept multiple Lease Bids at each bid opening;
- f. Request additional information or clarification;
- g. Reject any or all Lease Bids submitted.

All responses and their contents will become the property of SAWS.

V. Bid Opening Schedule

All bid openings will be held at 2:00 PM CT at the SAWS’ Customer Service Building, 2800 U.S. Highway 281 North, San Antonio, Texas 78212 on the dates and conference rooms shown on the table below.

Bid Opening Date	Conference Room
July 26, 2019	CR-C137
August 9, 2019	CR-C137
August 23, 2019	CR-C137
September 6, 2019	CR-C137
September 20, 2019	CR-C137
October 4, 2019	CR-C137
October 18, 2019	CR-C137
November 1, 2019	CR-C137
November 15, 2019	CR-C137

SAWS has a security policy in place requiring all visitors to check-in at the guard station. Therefore, it will be necessary for all persons dropping off a bid and/or attending the bid openings to allow sufficient time to check-in at the guard station.

At check-in, the guard will ask to see the attendee’s identification, preferably a driver’s license, and will need to record the attendee’s name, job title and company name (if applicable). For quick processing and check-in, have this information available for the security guard.

If the attendee is already in possession of a SAWS issued contractor badge, this badge is sufficient and should be worn upon entering the SAWS Customer Service Building and kept on during the meeting and until exiting the building.

VI. Information Meeting Schedule

SAWS will hold an informational meeting on the day, time and location provided below.

<p style="text-align: center;"><u>San Antonio</u> June 27, 2019 12:00 p.m. – 1:00 p.m. SAWS Headquarters, Customer Center Building, Room CR-C145 2800 US Hwy 281 North, 78212</p>
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EXHIBIT 1

**LEASE OF TRANSFERABLE EDWARDS AQUIFER AUTHORITY
GROUNDWATER WITHDRAWAL RIGHTS
SOLICITATION NO: B-19-011-JP**

Bid for Lease of EAA Groundwater Rights

Prepare, sign and submit this exhibit as outlined in the solicitation for Request for Lease Bids. This document is required to be completed and submitted.

Use the table below to submit a Lease Bid for a five (5) year lease starting either January 1, 2022 or January 1, 2023:

EAA Permit Number	Acre-feet (AF) per annum offered	Price Per acre-foot (PPA)	Indicate the Year the lease should begin (2022 or 2023)	Total Lease Cost
Ex: P000-000 (UV00000)	100	\$115.00	2022	$(AF * PPA) * Term = Cost$ $(100 * 115.00) * 5 =$ \$11,500.00

Sign this document using the signature blocks below:

Print Name	Signature	Telephone Number(s)	Address	Date

Use additional copies of this exhibit, if additional signature blocks are necessary.