



September 11, 2014

TO: Chair and Members of the Board

THROUGH: Phil Wilson, General Manager

FROM: John Hofmann, Executive Vice President, Water

SUBJECT: Staff Proposed Changes to the Pending Water Management Plan Based on Stakeholder Process

Background

In August, staff presented to the Board several proposed changes to LCRA's pending application to amend the Water Management Plan, aimed at addressing comments received from the TCEQ in May 2014. At its August 20, 2014 Board meeting, the Board voted to direct staff to meet with stakeholders regarding staff's proposed WMP framework and to identify any potential changes that could be made to the proposal consistent with the following framework:

- (1) Maintain combined storage above 600,000 acre-feet through a repeat of historic hydrology;
- (2) Include additional hydrology through year 2013;
- (3) Add demands associated with Corpus Christi's Garwood water right; and
- (4) Include a three-tier regime for interruptible agricultural curtailment that considers storage and inflow conditions, plus the use of a look-ahead test.

The Board directed staff to bring a proposal, with any revisions that comply with this framework, to the Board for consideration and vote at its September Board meeting. Since that time, staff has held stakeholder meetings on three separate occasions, which were attended by several stakeholders, who represented agricultural, industrial, municipal, domestic, environmental, recreation, upstream, mid-basin, and lower basin interests. Staff from the Texas Commission on Environmental Quality, the Texas Parks and Wildlife Department, and various elected officials also attended. Staff shared detailed information regarding the August proposal, answered multiple questions posed at the meetings or submitted online, and responded to multiple requests for additional information and analyses of alternatives. Staff conducted further analysis based on requests and input from stakeholders and shared this information with stakeholders. Staff also hosted a meeting of county judges to discuss the staff proposal and stakeholder process.

Based on this effort, LCRA staff has revised its proposal for further amendments to the Water Management Plan application in a manner that comports with the Board's August mandates. While the agenda item for September regarding this matter includes a detailed summary of all proposed changes to the WMP application compared to the 2012 application, this memo summarizes only those changes that have been made to staff's proposal since the August board meeting.

Summary of Proposed Changes

(1) Drought Framework & Triggering Criteria

Staff proposes to modify the triggering criteria for Extraordinary Drought to be triggered or exited based on a combined storage condition of 1.3 million acre-feet in lieu of the August proposed 1.4 million acre-feet. When exiting Extraordinary Drought, if storage has not increased to at least 1.4 million acre-feet, interruptible stored water would be partially curtailed consistent with the Less Severe Drought Criteria (which is unchanged).

(2) Volumetric Limits on Interruptible Stored Water: Change in Normal Conditions

During Normal conditions, staff proposes an increased allocation of interruptible stored water as follows: 1) when combined storage on March 1 is at or above 1.3 million acre-feet (rather than at or above 1.4 million acre-feet), 202,000 acre-feet would be made available for first crop; and 2) when combined storage is between 1.0 and 1.3 million acre-feet on March 1, the interruptible stored water supply would range from 121,500 acre-feet at 1.0 million acre-feet of combined storage (unchanged from the 2012 application) up to 202,000 acre-feet at 1.3 million acre-feet of combined storage.

(3) Availability of Upstream Run-of-River Flows to Finish Crop

In August, staff proposed that pass-through of run-of-river flows would be cutoff at any time stored water is cutoff for downstream interruptible irrigation in the middle of a crop season. Staff proposes that pass-through of upstream run-of-river be provided to the extent available and needed to finish the crop when combined storage is at or above 1.3 million acre-feet even if stored water releases have been cutoff.

(4) Environmental Criteria

LCRA staff recommends further modifications to the environmental criteria compared to those proposed in August. Generally, these changes would:

- Allow for additional, but limited, monthly releases of stored water to help meet monthly Threshold bay inflow needs
- Allow additional water to be provided to help meet higher bay and estuary inflow needs when combined storage increases by July 1 even when interruptible stored water for agriculture will not be made available for second crop
- Adjust combined storage criteria for environmental flow criteria to align with proposed shift in storage triggers for Extraordinary Drought from 1.4 million acre-feet to 1.3 million acre-feet.

Conforming changes to the annual and multiyear caps would also be needed.

(5) Firm Demands

Staff proposes that the firm demands be reduced by 2,217 acre-feet/year to more accurately reflect anticipated surface water demands for power generation and to reflect the addition of groundwater supply at the LCRA's Lost Pines Power Park.

Cumulative Impacts of Proposed Changes

In combination, these proposed changes comply with the four point framework adopted by the Board at its August Board meeting yet are expected to provide additional water for agricultural and environmental flow needs. More specifically, key modeled effects of these proposed changes compared to the August staff proposal include:

(1) Fewer Agricultural Curtailments

- First crop partial curtailments is reduced by one year
- Full cutoff in second crop is reduced by one year

(2) Improved Environmental Flows

- Matagorda Bay gets additional water to help meet higher bay criteria in two years
- Additional water is released to help meet threshold during the Drought of Record
- The number of consecutive high salinity months is reduced
- Increases the average annual release of water supplied for environmental flows in the Drought of Record by approximately 7,000 acre-feet compared to August proposal

(3) Increased Minimum Combined Storage

- increases to 605,000 acre-feet

Key Aspects That Have Not Changed

In addition to maintaining consistency with the four-point framework adopted by the Board in August, these other key aspects of staff's proposal have not changed since August:

- (1) DWDR: The criteria for entering and exiting a declared Drought Worse than Drought of Record (DWDR) remain unchanged. In particular, DWDR will not be lifted until combined storage exceeds 1.4 million acre-feet.
- (2) Firm Customer Curtailment: Firm customers' water use is not curtailed unless a DWDR is declared. LCRA will continue to encourage firm customers to implement their water conservation and drought contingency plans, and may adopt emergency rules as part of its Drought Contingency Plan similar to those in effect today related to landscape watering.
- (3) Daily Operations: Allocation of releases from lakes Travis and Buchanan will continue to be performed consistent with LCRA's internal lake operating guidelines and actual inflow conditions, seasonal factors, and other existing conditions.