

November 18, 2013

Timothy Timmerman, Chairman  
Members of the LCRA Board of Directors  
P. O. Box 220  
Austin, TX 78767

Dear Chairman Timmerman and Members of the LCRA Board of Directors:

We cannot support staff's proposed recommendation for emergency relief for 2014. It does represent an improvement over previous emergency actions -- proposing cut offs through a higher combined storage volume, and limits on the amount of water that can be released for interruptible users. However, given the uncertainty and intensity of the current drought, the staff proposal simply doesn't do enough to protect the water supply. Your own models reveal that the proposed recommendation falls short of that fundamental and critical concern.

The proposal provides that if the combined storage of Lakes Travis and Buchanan climbs to over 1.1 million-acre feet, approximately 130,000 acre-feet of water would be released to interruptible customers, plus another 20 percent for transportation losses. If this occurred and the evaporation and inflow trends of 2011 and 2013 were to repeat, you will have made no progress. According to your model of October 14, 2013, the lakes could be back to historically low levels in seven months. In just over a year, they could reach emergency levels below 600,000 acre-feet. We would again face the reality that short-sighted management decisions providing some water downstream would have escalated an ongoing critical water supply situation for over a million Central Texans. We would again face the concern that your agency may have failed to honor your legal and moral obligations to those whom you have guaranteed a firm supply of water.

We ask you to consider a higher combined storage volume threshold for releasing water to interruptible customers. To identify the appropriate combined storage volume, you should not consider 2014 to be a year in isolation. Rather, it must be considered as part of a multi-year drought of unknown duration. Therefore, determining the appropriate level of combined storage that would trigger a release of water to interruptible customers in 2014 must take into account what interruptible releases your agency might also provide in the future.

If the LCRA were able to guarantee that releases for interruptible customers would remain limited until an updated water management plan is in place, then allowing a limited release at a combined storage volume of no less than 1.4 million acre feet appears to be protective. However, if there is no certainty with respect to future releases for interruptible customers, then the modeling demonstrates the need for a higher 2014 threshold, possibly as high as 1.8 million acre feet, is necessary to allow for the lakes to regain the storage sufficient to sustain through this uncertain drought.

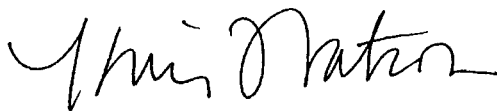
Therefore, we ask you to call for a combined storage volume of 1.4 million acre-feet on March 1, 2014, and to additionally seek assurance that limited releases would remain in place even after the expiration of TCEQ's emergency order. We believe this approach would bring clarity to the uncertainty of this time of drought and mitigate the shortcomings of an outdated water management plan.

Stated another way, because the LCRA cannot control the amount of inflow to the lakes, and because we have seen low inflows that have been unprecedented, you must maintain control over the amount of water released from the lakes. Until the drought has ended, and until we are sure that this drought represents an anomaly, your management decisions should anticipate and mitigate the significant vulnerabilities this drought has presented.

We simply cannot afford another year of large releases during a drought. As you know, 2011 was a year of both extreme drought and large releases. During that year, we saw the lakes go from a combined storage volume of over 1.5 million acre-feet on March 1, 2011, to less than 750,000 in just seven months. During 2012 and 2013, while extreme drought continued, we saw the lakes attain a combined storage high of 1.033 million acre-feet in May 2012, and drop to a low of 637,000 acre-feet in September 2013. This drop was not due to interruptible releases. Stored water releases for interruptible users were fully suspended, with the exception of Garwood, during both years. Rather this drop represented a steady decline over 16 months of nearly 400,000 acre-feet simply from a period of low inflows along with evaporation, firm water use, and releases for Garwood and the environment.

Recent years have taught us that our water supply from the Highland Lakes, if not properly managed, is not guaranteed. Proper management, in our view, does not require interruptible use to be cut off entirely until the drought ends, however, proper management does require that stored water released from the lakes to supply interruptible users during the time of drought of uncertain duration must be limited and managed to the extent necessary to allow the lakes to recover. The long-term water supply security of your firm water customers is not something that can be compromised. There is simply too much at stake.

Sincerely,



Senator Kirk Watson



Senator Troy Fraser