



For Immediate Release

Contact: Jo Karr Tedder
jokarrtedder.ctwc@gmail.com

Enough Is Enough: Water Group Says LCRA Violating Intent of State Pricing Law, Putting Region's Water Supply at Risk for Future

(BEE CAVE, Texas — October 19, 2021) A Central Texas water group says the Lower Colorado River Authority (LCRA) is putting the region's water supply at risk by providing massive volumes of water to its downstream irrigation customers at rates that fail to fully recover its costs. Under existing water policies, the LCRA could have released up to 292,000 acre-feet (or 95,148,492,000 billion gallons of water) this year to downstream irrigators.

"The low rates charged for these massive releases undermine the state's water conservation policies and goals. This does not encourage the use of more efficient irrigation methods and a more protective approach for the region's water supply," said Jo Karr Tedder, president of the Central Texas Water Coalition (CTWC).

The group's criticism comes as the LCRA Board is scheduled to vote on a water rate increase for water utilities, local governments, water wholesalers, businesses, industries, and other non-irrigation customers that buy water from LCRA. The results of the Board's rate-setting at its Oct. 20 Board meeting will have widespread impacts on water rates for residential water customers throughout LCRA's service area. LCRA is proposing to increase water rates for these non-irrigation customers from \$145 per acre-foot to \$155 (there are 325,851 gallons in one acre-foot). Downstream irrigation customers currently pay only about \$66 per acre-foot for raw water and delivery costs. In some cases, the cost of delivery alone exceeds \$66 per acre-foot, meaning those irrigation customers pay nothing for raw water.

CTWC says it will oppose the increase and any future increases for non-irrigation customers until the LCRA addresses the disparity in rates between its customer groups and shifts to a more protective approach for the region's overall water supply.

Under both LCRA's enabling legislation and under Texas law regulating wholesale water rates, LCRA is required to set rates that are fair, non-discriminatory, and non-prejudicial among all classes of customers. CTWC says current rates are none of those.

The group says the LCRA claims that the low rates paid by downstream irrigators, who are considered "interruptible" customers, are justified because their water is not guaranteed. However, since LCRA's formation, the only time downstream irrigators were cut off was 2012-2015 during the historic drought that lasted from 2008-2015.

"It is this kind of discriminatory rate setting that Texas law forbids," stated Tedder.

The group says LCRA has stated that it intends to move toward rate parity and claims to be pursuing that over a seven-to-eight-year period. But CTWC says the LCRA has backtracked by creating a special multimillion dollar fund to mitigate those rate increases by subsidizing the water rates set for its irrigation customers.

CTWC says it has attempted to call attention to the rate disparity for years, but the shocking decline in inflows to the Highland Lakes has pushed it to a tipping point. With the region expected to add a million new residents by 2030, the group says there is no corresponding shift in water policies or plans to protect water supplies critical to the area's residents and economy in the upper basin. Shifting weather patterns and recent water storage projections are adding to the risk. CTWC fears the Texas Colorado River could be in danger of emulating the current crisis on the Western Colorado River.

"Where's the water going to come from?" says Tedder. "We're in one of the most rapidly growing regions in the country. This isn't complicated to understand. Explosive growth, declining water inflows into our lakes, extended droughts and no apparent plans to change pricing policies to better protect the water supply make it pretty easy to figure out where this is headed."

Tedder added, "Hoping for rainfall is not a long-term plan for managing what's in store for Central Texas."

She says water experts are expressing their concern to CTWC, as many want to avoid publicly questioning what some consider to be an unregulated monopoly.

Tedder said that CTWC simply asks for fairness and sound risk management, and that the LCRA should live up to its role as stewards of the water in the Lower Colorado River Basin. They're asking the LCRA to assume its legal and moral obligation in making water use decisions that promote modern and accepted conservation practices for agricultural use. The organization believes downstream irrigation customers should:

- Pay a rate that covers LCRA's total cost of service to them.
- Pay for water they request but decline to use when it reaches them.
- Pay for water that is lost in the river and canals while on its way to them.

Tedder says CTWC will be providing public comments at the Board meeting on Oct. 20 and that the organization is meeting with local elected officials to raise awareness of the need for a new approach that reflects the paradigm shift.

"We'd welcome serious and open discourse about these issues." said Tedder.

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The Central Texas Water Coalition is a nonprofit advocate for conservation, responsible management, and equitable pricing of the water in the Highland Lakes and Lower Colorado River Basin. Partners in the Coalition include lake residents, business owners, municipal officials in cities and towns of all sizes, environmentalists, and stakeholder organizations. CTWC was instrumental in having the LCRA's practices reviewed by the Texas Sunset Commission.