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**VIA ELECTRONIC SUBMITTAL**

Members of the Board of Directors  
Lower Colorado River Authority  
3700 Lake Austin Blvd.  
Austin, Texas 78703

Re: Comments of the Central Texas Water Coalition on LCRA's Proposed Changes to its 2022 Agricultural Interruptible Water Rules, Plans, Contracts, and Rates

Dear Board Members:

On behalf of the Central Texas Water Coalition (CTWC), please accept these comments on LCRA's proposed Agricultural Interruptible Water Service Contract Rules (Contract Rules), proposed Drought Contingency Plan for Interruptible Agricultural Customers (DCP), and proposed 2022 Interruptible Water Rates. The Board's decisions regarding these proposed documents have profound implications for LCRA's ability to successfully manage the state's water resources in a manner that promotes conservation and avoids waste, as well as LCRA's statutory obligations to establish water rates and fees that are reasonable, non-discriminatory, and sufficient to cover LCRA's expenses.

For the last several years, each January, CTWC has submitted extensive comments explaining its legal and practical concerns regarding the proposed annual water rates for LCRA's Agricultural Interruptible customers. And each year, despite the questions raised and the issues presented for discussion, we have watched as the Board grants its perfunctory approval of the staff's proposals, usually without any discussion among the Board members. CTWC respectfully requests the Board's review and response to these comments prior to its decisions regarding the 2022 water rates and contracts for its Interruptible Agricultural customers.

**Comments on the Proposed Contract Rules.** As the LCRA Board considers the proposed Contract Rules, we respectfully request the Board's consideration of how these rules promote LCRA's water stewardship mission and its obligations for management of the valuable and limited water resources in the Lower Colorado River Basin. We urge LCRA to adopt rules that align with

the goals of encouraging water conservation, prohibiting wasteful use of water, and achieving cost recovery in water sales. We strongly support the proposed changes in the Contract Rules for 2022 that lower the per-acre duties for turf (both first and second season), and for first and second season rice in the Gulf Coast and Lakeside irrigation divisions. In addition, we support the proposed increases in the surcharges imposed for excessive water use. These changes reflect a serious positive step toward encouraging non-wasteful use of irrigation water. Please carry these revisions into the text of the actual Water Service Contracts for these customers – the lower numbers for per-acre duties do not appear to be included in the draft Sample Contracts posted for public comment.

In January 2020, CTWC requested LCRA's attention to the issue of interruptible stored water that is "ordered but not diverted" and the losses of revenue and other negative consequences of such a practice. In the LCRA staff's February 7, 2020 response to CTWC's comments, we understood that LCRA staff was evaluating how a charge might be implemented for water that is ordered but not taken. Now, two years later, we have not seen any progress toward that effort. The dramatic, record-breaking decline in inflows to the Highland Lakes should be a strong motivator for such an effort, since interruptible stored water that is released from storage is no longer available for any use above Mansfield Dam. Please ask the LCRA staff to prioritize and address this issue before the 2022 irrigation season begins.

**Comments on the Proposed Drought Contingency Plan.** Although the amended text in Section 7.3 of the proposed DCP was not redlined or otherwise highlighted in the document that was posted for public comment, it appears that the draft 2022 DCP contains changes in the numbers to be used to calculate system delivery losses. When the language in the 2021 DCP is compared to the 2022 draft DCP, it is troubling to see that average canal losses in the Gulf Coast Division have increased to 28.4% (from 27.7% in 2020 and 26.6% in 2019). Average canal losses in the Lakeside Division have changed slightly, at **18.4%** in 2021 (as compared to 18.9% in 2020 and 17.8% in 2019). These water loss numbers are alarming and discouraging, and they highlight the need for focused, immediate field work to minimize the loss of this valuable water. Increasing the Interruptible Water rates should allow LCRA to implement conservation measures that directly benefit this customer group – a reasonable, appropriate, and targeted solution to a continuing problem that negatively impacts the water supply for the entire river basin. (Procedurally, we also request that all changes from existing documents be redlined or highlighted when presenting a new document for public comment, so that interested persons can identify all changes without the tedious task of performing a side-by-side, word-by-word comparison of the existing and proposed documents.)

**Comments on the Proposed 2022 Interruptible Water Rates.** In addition to the Contract Rules and the DCP, the proposed Rates are critically important to LCRA's water stewardship and water management responsibilities. CTWC respectfully requests that LCRA require its Agricultural Interruptible customers to:

- Pay a rate that covers LCRA's costs of service to this customer group;
- Pay a proportionate and fair share of river management costs;
- Pay for water the Interruptible customer orders but later declines to take when the water is ready for delivery downstream;

- Pay a proportionate share of dam maintenance and rehabilitation costs (which benefit all LCRA customers); and
- Pay for water that is lost in the river or canals that is directly associated with the deliveries to the Interruptible customers.

In addition, CTWC opposes LCRA's use of its multimillion-dollar Agriculture Reserve Fund to mitigate rate shock to its Interruptible customers. LCRA's background documents indicate that the full cost recovery rates for the Gulf Coast and Lakeside irrigation divisions continue to be significantly higher than the proposed rates charged to these customers. LCRA's use of the Agriculture Reserve Fund to bridge that gap and to absolve these customers of the obligation to contribute toward LCRA's River Management costs is clearly discriminatory and detrimental to its other customers. LCRA's Firm customers, who recently experienced a large rate increase, continue to bear the financial burden of providing low-cost water to LCRA's Interruptible customers.

In closing, LCRA's own measurements on the flow of water in the Colorado River provide a persuasive visual image of the importance of the Board's decisions regarding water stewardship and water pricing. LCRA's daily River Operations Report provides gauged flows both upstream and downstream of Mansfield Dam. LCRA's Firm Water customers with drinking water supply needs are largely located upstream of Mansfield Dam, while LCRA's Interruptible Water customers are located far downstream (in Colorado, Wharton, and Matagorda Counties). Excerpts from the River Operations Report for Friday, January 7, 2022 are provided below:

### *Upstream Flow Conditions and Gauged Inflows*

Location	Date/Time of Last Report	Current Flow (cfs)	Previous Day Average Flow (cfs)	Previous Day Flow Volume (a-f)
Colorado River near San Saba	Jan 7 2022 8:25 AM	58	60	119
Llano River at Llano	Jan 7 2022 8:25 AM	75	77	153
Sandy Creek near Kingsland	Jan 7 2022 8:25 AM	3	3	5
Pedernales River near Johnson City	Jan 7 2022 8:25 AM	14	13	26

Yesterday's total gauged inflows into the Highland Lakes were **342 acre-feet**.

### *Downstream Flow Conditions*

Location	Date/Time of Last Report	Current Flow (cfs)	Previous Day Average Flow (cfs)	Previous Day Flow Volume (a-f)
Colorado River at Austin	Jan 7 2022 8:25 AM	120	219	435

Location	Date/Time of Last Report	Current Flow (cfs)	Previous Day Average Flow (cfs)	Previous Day Flow Volume (a-f)
Colorado River at Bastrop	Jan 7 2022 8:25 AM	288	287	569
Colorado River at Smithville	Jan 7 2022 8:25 AM	356	362	718
Colorado River above La Grange	Jan 7 2022 8:25 AM	361	355	703
Colorado River at Columbus	Jan 7 2022 8:25 AM	462	446	885
Colorado River at Lakeside River Plant	Jan 7 2022 8:25 AM	308	332	658
Colorado River at Wharton	Jan 7 2022 8:25 AM	608	605	1,200
Colorado River at Bay City	Jan 7 2022 8:25 AM	216	241	477

**Conclusion.** Certainly, CTWC appreciates the fact that some of the proposed 2022 Agricultural Interruptible Rates are a few dollars higher than they were during the 2021 irrigation season. We recognize that this rate change is moving in the right direction. At the same time, we ask the Board to thoughtfully consider the ramifications of a decision to continue to "sell" water to this preferred customer group without recovering its own costs-of-service. Providing water at low cost is a disincentive to conservation and a financial burden to LCRA. CTWC remains deeply concerned that the continuation of such practices presents a significant threat to the long-term availability of drinking water for millions of Texans.

Thank you very much for the opportunity to provide these comments. We look forward to your response, and we appreciate the chance to communicate with the LCRA Board, management, and staff.

Sincerely,

*Cindy Smiley*

Cynthia C. Smiley