



P.O. Box 26322  
Austin, Texas 78755

Email: cindy@smileylawfirm.com  
Office Phone: 512.394.7121

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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 2024 Agricultural Interruptible Water Service Contract Rules, Contracts, and Rates

Dear Board Members:

On behalf of the Central Texas Water Coalition (CTWC), thank you for accepting and considering these comments on LCRA's proposed changes to its Agricultural Interruptible Water Service Contract Rules (Contract Rules), proposed 2024 Interruptible Water Rates, and proposed First Season Water Service Contracts for the Garwood, Gulf Coast and Lakeside Divisions. 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.

**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.

CTWC supports the proposed amendments that will improve LCRA's operational responsiveness and ability to manage water ordered and used by its downstream irrigation customers.

CTWC requests LCRA's reconsideration (and reduction) of the maximum volumes of water deemed acceptable for each use described in Sections III.B.4 and III.C.7 of the proposed 2024 Contract Rules. While we support the setting and enforcement of such numbers, it seems they

remain too high, especially in the Gulf Coast irrigation division. When the State of Texas used a reference number of 5.25 acre-feet/acre as an appropriate duty to irrigate two crops of rice in the early 1980s, that number was expected to decline in the future with improvements in agricultural science and in water delivery practices. In 2024, about 40 years later, the per-acre duty for rice should be much lower than the 5.45 acre-feet and 4.45 acre-feet duties allowed in these rules for the Gulf Coast and Lakeside Divisions. The Garwood Agricultural Division also has a first crop duty that enables LCRA's customers to use a high volume of water (3.25 acre-feet) for first crop irrigation. Likewise, the potential allocations for Aquaculture (4.5 acre-feet) and for Wildlife Management (3.5 acre-feet) result in significant volumes of water use for these customers. Please review and lower the per-acre duty for rice irrigation for all of LCRA's customers, and please review and determine whether the potential allocations described for all other Interruptible customers represent reasonable volumes of water, which can be used efficiently and without waste.

**Comments on the Proposed 2024 Interruptible Water Rates.** In addition to the Contract Rules, 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 more than a nominal \$5 surcharge 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 reiterates its opposition to LCRA's use of its multimillion-dollar Agriculture Reserve Fund to mitigate rate shock to its Interruptible customers. CTWC understands that LCRA's 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 is discriminatory and detrimental to its other customers.

CTWC appreciates the fact that the proposed 2024 Agricultural Interruptible Rates and Surcharges are a few cents or dollars higher than they were during the 2023 irrigation season. These proposed changes are moving in the right direction, and CTWC supports them. At the same time, CTWC remains deeply concerned about the availability and reliability of the overall water supply in the Lower Colorado River Basin.

Looking ahead, CTWC would like LCRA to consider establishing different categories of Interruptible Customers, according to their proposed water uses, for the purpose of establishing different water rates for the various water uses. For example, Interruptible water used for irrigation of non-food crops, Turf, and Wildlife Management would be sold at a higher rate than Interruptible water used for food crops. Such commercial operations should purchase water at rates similar to rates paid by Firm customers, and LCRA should re-consider whether the benefits of discounted rates or rate shock mitigation subsidies should extend to such water users. CTWC looks forward to hearing LCRA's thoughts on this idea.

**Additional Comments and Questions.** Please explain how the proposed 2024 Contract Rules and Rates will apply to the Pierce Ranch Irrigation Division. Although we may be mistaken, we didn't see draft sample Contracts for Pierce Ranch, or any Second Season contracts, on the LCRA website for this rulemaking. Please provide information on the 2024 rates and surcharges for these customers. In addition, please explain how LCRA determines the amount of water that Pierce Ranch may be allocated. And please explain how LCRA determines the amount of water that Garwood may be allocated in 2024 – from both run-of-river and stored water supplies.

Again, thank you for the opportunity to provide these comments. We always appreciate the chance to communicate with the LCRA Board, management, and staff, and we look forward to your responses to these comments and questions (either in writing or in a meeting with CTWC representatives).

Sincerely,

*Cindy Smiley*

Cynthia C. Smiley

cc: Tom Harrison, President, CTWC  
Shannon Hamilton, Executive Director, CTWC