Lakes Interests WMP July 2011 Positions

LCRA WMP Stakeholder Committee, July 12, 2011

Lake Interests: Constituents

Constituents of the Lake Interests' Stakeholder members include, but are not limited to, the following: property owners, business entities, business owners (as individuals), firm water customers, property associations, and a variety of governmental entities.

Agreed Definition of Consensus:

> *"All agree that their major interests have been considered and factored in a manner that they can **generally** support even if all their interests have not been fully satisfied. **Members recognize that the resulting agreement is the best one the Committee can make at this time.**"* Emphasis added.

Understanding the necessity to move forward with a new WMP while critical issues continue to be analyzed and discussed, the Lakes are prepared to reach a qualified consensus—*i.e.*, a consensus qualified by the consensus definition above, which was agreed upon by all stakeholders—regarding the following conceptual points (primarily listed as articulated by LCRA):

Agricultural Curtailment Triggers and Procedures for Interruptible Stored Water

- Using two trigger points during the year to determine if there is interruptible stored water available for agriculture. One trigger point, January 1, would be used for the first season of rice and June 1 would be used as the trigger date for the second crop.
- Changing the current practice of "open supply," which is defined as "the practice of not restricting interruptible stored water available for agriculture when the lakes are above a certain combined storage level." Given the increasing number of conflicting demands for water in the Lower Colorado River Basin, there should be a limit or "cap" on interruptible stored water supplied on an annual basis for irrigation, regardless of lake levels.
- Asking firm water customers, mostly cities and industries, to reduce water use consistent with their drought plans only after Highland Lakes' water for agriculture is restricted.
- An anytime cutoff of stored water when combined storage reaches 600,000 acre-feet.

Minimum Combined Storage in Lakes Buchanan and Travis

- Setting the modeled minimum combined storage level to the quantity of water that is equal to at least one year of firm customer and evaporative demands under drought of record conditions.

Environmental Flows Studies to be Used

- Using the environmental flow criteria developed in studies completed in 2008 and using two trigger points, January 1 and June 1, for determining instream flow releases.

Modeling

- Utilize WMP Run 85-A.
- Utilize WMP Run 85-I A for interim water demands.
- Utilize criteria developed by June 21 workgroup regarding shift mechanism from interim curtailment curve to 2020 curve.

Issues for Continued Evaluation, Discussion, and Implementation

Lake Interests' Stakeholders remain concerned, on behalf of their constituents, regarding the critical issues listed below, as voiced by Lake representatives at various times during the Stakeholder process. Going forward, the evaluation of these issues should occur concurrently with ongoing work regarding the WMP.

- Economic Valuation of Lake System: Assessment of the economic contribution of the Highland Lakes system on the Texas economy, as well as the economic impact of low lake levels is crucial and must be an integral part of planning efforts. Appropriate decisions regarding water management policies and associated risks cannot be made in the absence of this kind of valuation.

- Create Additional Sources of Downstream Water Supply: "[T]he population in Region K is projected to more than double over the next 60 years. This projected increase in population is the principal 'driver' underlying the projected increase in total water demand from approximately 1,004,000 acre-feet (ac-ft) in the year 2000 to 1,383,000 ac-ft in the year 2060." Region K Plan, p. 2-1. In order to support existing and projected demand, additional downstream sources of water must be identified and brought online as quickly as possible. In addition, continuing to identify opportunities and implement measures for conservation and water reuse is critical.

- Adjust Water Management Policies to Appropriately Manage Risk:
    - Refine modeling and planning values for firm water projections and other factors influenced by hydrologic variability, such as inflows and evaporation.
    - Publicly link water supply and water management planning processes.
    - Develop a clear and conservative definition of "water available for sale."
    - Identify an operating range for lake levels that maintains/increases economic benefits, and incorporate time for lake recovery from severe drought.
    - Ensure that LCRA contracting practices and policies—particularly with respect to pricing, cost allocation, and carriage losses—fairly promote raw water conservation among all customers.

- Reevaluate Drought Conditions:
    - Reevaluate and change the criteria for declaring a "drought worse than the drought of record."
    - Widen the range of drought studies considered in water planning.

- Ensure Basin Management in Accordance with 1989 Adjudication: "It is our belief that the LCRA's water management under this system of allocation and curtailment borders a violation of the 1989 court ordered adjudicated water permit which states that the supply of stored water pursuant to non-firm, interruptible commitments should be interrupted or curtailed to the extent necessary to allow

LCRA to satisfy all existing and projected demands for stored water pursuant to all firm, uninterruptible commitments." June 6, 2011 Letter to Chairman Timmerman from Senator Fraser and Representative Ritter. Our elected leaders are prepared to offer legislative guidance, but there is much we can and should do for ourselves to manage current needs while preparing for the future.

- Increase Water Management Alternatives to Allow for Better Match to Actual Conditions:
    - Increase management alternatives to allow for more flexibility in meeting real-time conditions and variability.
    - Implement real-time monitoring to obtain and develop data necessary for more "nimble" system management.
    - Change the WMP planning cycle to five years.

- Process Improvement:
    - Make historical and hydrologic usage data—in addition to aggregated values—more readily available.
    - Ensure that Stakeholders are notified of and invited to attend meetings and conferences regarding drought conditions and other key water topics, and make materials related to same available.
    - Consider use of a third-party facilitator for future Stakeholder meetings to allow LCRA increased freedom to participate as a stakeholder and resource for the group.

Concluding Statement:

Borrowing again from LCRA:

> "In response to new challenges and uncertainties, it is imperative that water management institutions at all levels, adopt a balanced, flexible, and feasible approach that gives due weight to all the conflicting demands on the water . . . . The challenge is to recognize both the historic uses and the forces of change, transform emerging problems into new opportunities, and guide the institutions of water resources management toward a new era where clean water in Central Texas is recognized as a scarce commodity." LCRA WMP.

The WMP needs to be more flexible; the appropriate weight for all conflicting demands needs to be reexamined; new downstream supplies are needed to transform shortages into new opportunities; and water management practices and policies need to reflect the scarcity of the commodity and the risks associated with running short.