
4 Addressing Stakeholder Concerns

During and after the public comment period, HB 1437 project staff held a number of meetings with the both the Ag-Committee, the Brazos River Authority, and the Williamson County water customers. This chapter attempts to address the concerns identified in those meetings.

4.1 Water Customers Concerns

Issues raised by the Williamson County water customers were formally expressed in a May 10, 2005 letter and read at the LCRA's staff briefing to the Water Committee on May 17, 2005. A copy of the letter is presented in Attachment 20 provides letter. Table 4.1 provides a list of the recommendations included in this letter.

Table 4.1 Summary of Recommendations on HB 1437

<ol style="list-style-type: none"><i>1. <u>Establish a Customer advisory committee</u> with the same input status as that of the Ag Committee or expand the Ag committee to include members from the Williamson County Customer Group so we have parity and adequate representation.</i><i>2. <u>Evaluate the impact of removing 25,000 acre feet of water from the basin and determine the true "adverse Impact" as stated in HB 1437 based upon sound engineering science. Establish meaningful criteria based upon engineering science related to the impacts to the basin.</u></i><i>3. <u>Recalculate the costs using debt financing</u> for the infrastructure considering a long, term contract instead of the current 10-year out provision that prevents debt financing.</i><i>4. <u>Time the implementation of mitigation measures to coincide with actual "adverse affects of the transfer of water to Williamson County", which will coincide with full use of Combined Firm Yield, less Williamson County's proposed diversion.</u></i><i>5. <u>Specify a reasonable fixed maximum surcharge (10% to 15%) to the LCRA water rates to build a fund for future mitigation costs. This will also allow Williamson County users the opportunity to make sound financial projections for costs associated with the use of this water.</u></i> <p>Source: Unpublished letter from Jim Briggs, Assistant City Manager for Utility Operations, to Ray A. Wilkerson, Chairman, LCRA Board of Directors, May 17, 2005.</p>
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Water customers concerns expressed in the working meetings and letter were grouped into the following four general categories: A discussion of each follows.

- Surcharge rate upper limit
- Definition of "adverse effects,"
- Water replacement strategies
- Other issues.

4.1.1 Surcharge Rate

Williamson County water customers sought information on an upper limit on the surcharge rate to allow fair comparison of long-term water supply alternatives.

It is near impossible for the LCRA to accurately establish, in 2005, an upper surcharge limit for water to be delivered in 2055. Similarly, the Williamson county water customers have the same, near impossible task to accurately estimate their water demands for water consumption in 2055. Another consideration is that LCRA has no HB1437 water operating history to accurately project the cost of providing the water. An “upper cost limit” established without these types of commitments is likely to over-state the upper limit on the surcharge rate for two reasons:

- Engineers will estimate conservatively to incorporate risks, and
- Water Planners will estimate conservatively to protect against the possibility of a more rapid use pattern.

It is recommended that the LCRA Board share the risks with the Williamson County water customers by establishing a cost structure and mechanism to periodically review and adjust the surcharge rate. This review and adjustment structure would be an integral part of the recommended Customer Advisory Committee discussed below.

This approach will allow more accurate and fair surcharge rate by periodically incorporating actual operation costs and demand use patterns. As discussed later in the report, this periodic approach is part of the recommended short-term implementation plan for the HB1437 water.. A recommended surcharge rate for the recommended plan is presented in the Recommendation section of this report.

4.1.2 “Adverse Effect”

HB 1437 allows water transfers to Williamson County from the Lower Colorado River Basin only when:

1. The transfer “results in no net loss” to the lower Colorado River basin and,
2. The purchaser pays for both the applicable water rate and an additional charge “to pay the costs of mitigating adverse effects of the transfer”.

Because the level and type of mitigation directly affects the surcharge rate, the Williamson County water customers sought clarification of the meaning of the term “adverse effect”.

Section 222.029(c) suggests the definition of the “adverse effects of the transfer” by limiting the use of the collected surcharge to specific legislatively defined mitigations. Specifically, the LCRA may use the funds:

“..only for the development of water resources or other water use strategies to replace or offset the amount of water to be transferred to Williamson County, including the development and implementation of methods, program, and strategies relating to groundwater resources, reuse, conservation, and other opportunities to reduce the reliance on surface water for agricultural irrigation (emphasis added), provided that the methods, programs and strategies take into consideration the surface water and groundwater needs of the affected Colorado River basin users.”

The legislation draws a distinction between “adverse effects “for which the surcharge is collected, and the “no net loss of water” condition for the transfer of water. This distinction carries over to the definitions in that satisfying the “no net loss” condition does not equate to satisfying the requirement to mitigate adverse effects.

Further, by defining the types of replacement activities that the surcharge can fund (i.e. groundwater, reuse, conservation, etc), and its stated intent to reduce the reliance on surface water for agricultures, the adverse effects of concern with the HB1437 legislation, are those effects on irrigation customers and not the other potential adverse effects that might occur as the result of the interbasin transfer.

The legislation also recognizes that the interbasin transfer permitting process is in place to address other adverse effects resulting from the transfer. Mitigation requirements for these effects would be specifically addressed as part of the Brazos River Authority’s interbasin transfer permit approved in August 2001. A copy of this permit is presented in Attachment 3.

By limiting the definition of adverse effect to irrigation interests, the legislation also recognizes the other mitigation process to correct in-basin environmental adverse effects. Any potential in-basin adverse effects related to instream flows and bay and estuary freshwater inflows are addressed within the TCEQ approved, LCRA Water Management Plan.

4.1.3 Water Replacement Strategies

Williamson County water customers sought clarification of the diversity of water replacement strategies considered.

Chapter 6 presents a summary of the strategy evaluation process where 18 water replacement strategies including on-farm conservation, economic incentives to farmers, and purchase of unused water rights were analyzed to find a strategy or strategies that can meet the definition of no net loss and produce the minimum amounts of adverse effects. The analysis showed the strategies, precision land leveling and improvements to the LCRA irrigation districts, to be the most cost effective solutions for mitigation adverse effects and reducing reliance on surface water for agriculture.

4.1.4 Other Issues

Williamson County water customers expressed concern about not being included in the HB 1437 project’s decision making process and also want to have equal status on the Agriculture Fund Advisory committee. The project team agrees with this concern and recommends that a committee of interested parties – including the water customers – be established to discuss implementation of the recommended water replacement strategies. Because the legislation specifically identifies Membership in the Agriculture Fund is specified in the legislation and does not include members from Williamson County. A change in the legislation would be necessary in order for Williamson County customers to have equal status on the committee. The alternative solution is the formation of a separate stakeholder advisory committee.

Williamson County water customers requested that the farmers should share operation and maintenance costs of precision land leveling. LCRA will address this issue with the Ag Committee.

4.2 Agriculture Advisory Committee Concerns

The Agriculture Water Conservation Fund Advisory Committee provided the LCRA with 18 comments on the Preliminary Draft Summary Report and the Preliminary Draft Implementation Study Report during a meeting on April 22, 2005. These comments have been incorporated to the current Draft Summary Report. Table 4.2 provides a list of the Ag Committee's comments on the preliminary draft summary and implementation study reports. Revised versions of the Draft Summary Report and the Draft Implementation Study Report were re-issued for the Ag Committee's review on May 6, 2005.

Table 4.2 Ag Committee Comments on HB 1437 Preliminary Draft Reports

<ol style="list-style-type: none">1. p. 8 – LBJ recommended definition should not list the actual strategies or methods for replacement. Such specificity could constrain any future additional strategies developed.2. p. 8, 3rd paragraph – Groundwater utilization needs to be characterized as “limited” and contingent upon availability with the constraints of rules promulgated by local GCDs.3. p. 9, 3rd paragraph – A two-year period with an emergency option to utilize 1+1 year would be a more palatable way of wording the LBJ recommendation.4. p. 10 – Table SR-1 shows items 1 and 3 as being only in Garwood but discussion following says “irrigation districts.”5. All instances of use of the phrase “laser land leveling” should be replaced with “precision land leveling” and “laser leveling” replaced by “precision leveling.”6. Why were multiple inlets not also considered, since EQIP also cost shares on these? This may be the Advisory Committee's oversight.7. p. 11, 1st paragraph – Replace “on” with “in” all cases.8. p. 12, 1st paragraph – 50 percent should be 62.5 percent in the context it is being used here to account for the fact that the 25 percent surcharge is being charged on the reservation fee as well.9. p. 12, 3rd paragraph, “creation of a water well” – Why not utilize currently available well(s)? Or even lease or purchase groundwater from private well(s)?10. p. 13, 2nd paragraph – Selling conserved water to some other customer should not even be a consideration!11. p. 13, 3rd paragraph – What amount of water is being conserved with \$5-6 million? The whole 1,500 ac-ft needed to that point in time can be conserved through precision leveling alone for under \$1 million. Need to be more specific with how this money is to be spent in this scenario.12. p. 14, last paragraph – “it is expected that farmers using the canal's water would use less water per acre...” Not true! The conservation for this practice is in efficiency of delivery, not the amount of water/acre used by the farmer(s).13. p. 15, 2nd paragraph – It would not be difficult as is stated here. LCRA has all the data it needs with the districts themselves.14. p. 16, Table SR-4, “Water Balance” – This should be a moving 12 month average –perhaps.15. p. 17, 1st paragraph – If the potential for increased yield is to be mentioned, then let's be fair and also clarify that there is considerable potential for a decrease in yields due to removal of critical top soil.

16. p.4-2, paragraph beginning “The Brazos River Authority...” – If these major stakeholders agree, then why the need to come up with an entirely different definition?

17. p.4-10, 4th paragraph – Return flows may not reduce water releases from the Lakes, and this is a must to attain “no net loss.”

18. p.4-10, 2nd to last bullet – LCRA has the data needed!

Source: Handwritten notes of Ronald Gertson, Agriculture Water Conservation Fund Advisory Committee meeting, April 21, 2005.

4.3 Concerns of Other Stakeholders

Other stakeholders expressed concern about the lake levels during public meetings. The LCRA’s technical staff conducted a series of model simulation to assess the impact of the HB1437 project on average lake levels in Lakes Gravis and Buchanan..

The simulations were based on year 2050 water demands from the SB-1 Region K study for expected conditions during drought of record conditions. The simulations estimated lake levels; “with” versus “without” the HB 1437 water transfer and water conservation practices.

Results of the simulations are presented in Table 4.3. The simulations show that the minimum reservoir content decreases by less than 1 percent (133 AF) with the project. While average lake levels in Lake Buchanan remain the same, average lake levels in Lake Travis are estimated to drop 2.4 inches on average with the project during the drought of record.

Table 4.3 Average Lake Levels

Parameter	Without Project	With Project	Total Change
Minimum reservoir content (AF)	199,857	199,990	133 AF (0%)
Average lake level, Lake Buchanan (ft)	996.6	996.6	0 (0%)
Average lake level, Lake Travis (ft)	640.2	640	- 0.2 ft (> -0.01 %)