

Round 2 Comments Organized by Subject Matter

Cost/Surcharge

- I understand completely. It's been indicated in your presentation that one of the positive sides to conservation with farmers involves a cost incentive to farmers to institute a conservation plan. I find that a peculiar statement because -- correct me if I'm wrong. You guys are the LCRA. But I believe the board just voted to increase water user rights for irrigation purposes not next year but over the next three years beyond that without discussion about House Bill 1437. And I wonder if you can eliminate for me or give me some ideas of what this incentive entails. How does it compare to the cost increases that have already been approved?
- So that's the only practical incentive that we're referring to in this plan is that --
- -- (inaudible) cost of the farmer's part of the land leveling?
Are you sure about that? Because what I've been informed of is that people, by laser leveling and reducing, the end result could very well be increased water cost based on the reduced overall volume that the district would be putting out.
- I hate to go back to the legislation again, but there was no cap on the cost. I don't understand how the cost is going to take a high priority over the choice of the various options that we have. If I'm not mistaken, the legislation simply says -- and the resolution adopted by the LCRA board says there will be a surcharge not less than 10 percent. Jobaid, you could help me with that. It does not put a cap on it. And the idea is that the surcharge should be adequate to pay for achieving the no net loss.
- If I take your handout accurately on the suggested surcharge rate based on what you're proposing of a 30 percent cap, almost all of the strategies could exceed 30 percent quite easily. For example, if the laser leveling, if the EQIP funding goes away, as you mentioned earlier, your cost on the laser leveling just went up from 27 percent to 44 percent. Now, who's going to swallow that 14 percent shortfall as far as the development cost on laser leveling if you're going to impose or if the board is considering imposing a 30 percent cap of what it would cost Williamson County to obtain this water as a surcharge?
- Is it wise at this stage, not knowing these -- the outcome of these uncertainties to even promote a plan to Williamson County has actually has a maximum surcharge of 30 percent? Because even in five years, the only thing on your list that looks like it's going to be relatively stable on the surcharge is the check structures, land leveling being the next one. And there's no guarantees that the government program will be in place even within five years. So do you think it's prudent to do that?
- Okay. My last question involves groundwater utilization. You have conjunctive use with Garwood. You've got proposed ground water development at Lakeside and the Gulf Coast district. And obviously those numbers reflect a relatively higher cost. But what I wanted to know is you got a column there that indicates the annual cost per acre feet to develop ground water to replace surface water. And I guess what I'd like to know, being a family farming operation, we've surveyed our ground water costs and implemented, obviously, increases in the cost of fuel to produce them, whether that be -- or electricity. It doesn't really matter. But are those numbers accurate?

- Okay. And in your calculations, you also include depreciation on groundwater pumping, because that's something that continues to go down in terms of -- as part of your maintenance costs, that's going to drive it up every year that you produce from the ground. So that's calculated in there, also?
- So if we could just -- if it's a simple matter of saying it's 1 acre foot of water per acre of land laser leveling, it costs 150 bucks, we can understand that. Great. But if it's financed out, if it doesn't work and you reinvent the wheel, how do we have input -- you know, it's a moving target to us because we have to pay for this, and we need to have some system in place to be able to account for that and to be able to change and modify as we go through the process.
- And the comments that I have, there is a lot of detail in this but I'd like to see even more detail than what we saw tonight, and I know that exists; particularly you mentioned -- I think you developed a 30-year budget to develop all of these costs, including the -- what the operating cost, administrative reporting cost, and then the actual capital cost; so it'd be really interesting to see -- to see that. And think we also may be interested in seeing, you know, how much are we budgeting for all of this, because it is fairly complicated... So the part of me wanting to see the budget is, I'm concerned that it sounds like we may be developing a fairly complex system and we may need to figure out -- I mean, we already know what we think the average year will be for laser land leveling. If we used that as opposed to trying to look at it on a farm by farm basis, that might reduce the overall reporting costs and give us the same effect overall.
- And whenever we start talking about the costs that we end up paying to have to administer this, how many staff people and buildings are going to be located on Lake Austin Boulevard for us to be able to have to pay for to be able to administer the program? Not necessarily just the cost of water and the strategies that have been applied, but it appears to me we're already talking about at a minimum 12 to 15 staff persons' salaries, benefits and overhead administrative costs to be able to administer 25,000 acre feet of water, which from Georgetown's case, we already have multiple contracts existing that probably equate to that and I don't think the total cost of the water even is going to make the administrative costs.
The other question I had was with regards to the cost of water that we will pay, and it was kind of tying under what Perry was asking, was we're going to pay for a certain cost of water that we have under an existing contract. Then, as I see it, we have an annual cost of cure, which is these additional numbers, in order to make sure that there is no net loss. So in the case of you got something in the neighborhood of \$115 an acre of foot, if you're taking some water, then you have to pay \$60 an acre foot for cost of cure. So now you're up to \$175, \$200 an acre foot, if that's my understanding. I don't -- I'm just asking a question because it says annual cost in dollars per acre foot for a water replacement. So that's -- you're paying for the water, then you're paying to replace it; so we're now looking at about -- is that correct? That's why I say I don't quite understand.
- Yeah. Dr. Adams, you might be able to cover that issue because I'm looking at the annual cost in dollars per acre foot, and for all that's added here up to 25,000 acre feet, and assuming that has to be applied some place.

- That was going to be my next question, was what Perry asked, which was on the surcharge. Then the surcharge is for water that's removed from the basin so that the fund never remains negative. Who pays the surcharge if you're not drawing water versus those that are drawing water? Does the customer who is drawing water pay the surcharge versus the customer who is not?
- Gentlemen, I understand the surcharge would be applied to the reserve rate if you do -- weren't taking the water and the surcharge would be applied to the -- the percentage would be applied to the cost of water to -- for the access of the water, so --
- The entire -- based on my assumptions -- and I guess, Robert, while you say that it is a function of our contract, also, though, that's what you had to model in your development of these numbers, the surcharge would be applied to the entire 25,000 acre foot; it would be a percentage of either the reserve rate or the activated rate, whichever you happen to have.
- So it's broken down into the reserve and actual use.
- So the fairness in that would be if you are actually using, there's a portion of that that's applied to that; if you're in reserve, then it's in your reserve and it doesn't go to offset anyone who is actually taking water?
- I want clarification on that even further. You're saying that if Jim, who is not taking water, is paying a surcharge, that his -- the money that he pays doesn't go into a single pot of revenue that is accumulating to his credit?
- That's an agreement between the BRA and your users, so --
- Except that the money is available for you to do -- the money available for you to do the on-farm practices or whatever the strategy, would then -- in that case if we said, Jim, you get to keep all your money, then the assumptions you've made for the guy that's activated his water is wrong.
- What is the capital cost per acre foot of yield for laser land leveling?
- So you've got to divide that by .75 to come up with that, and then --
- So it's how much?
- So three times 300, all divided by ".75." So that would be the capital cost. \$1200 per acre foot. Okay.
- Can I get an idea of how much 30 percent surcharge on 25,000 acre feet would generate in dollars annually? Just a big number. What -- out of the sky. What kind of number would that amount to?
- It's not a big number then. I mean, that's a lot of money, but it's not --

Water Replacement Strategies

- And, David, tonight, you made the reference many, many times to 25,000 acre foot of water having to be developed to replace the water that is diverted here in Williamson County. It's our inclination to think that was absolutely not the intent of HB 1437. I can tell you that if it's vague today, it will be more vague in the next 15 to 20 years. When I think of the universe of strategies that have been looked at, we're not too troubled by the strategies that you have reduced -- the three strategies that you've come up with; maybe more troubled by the amount of water that you think these strategies have to develop, as opposed to the strategies themselves. We're not sure that the list included all

of what might be the best options and would hope that if another option is developed at some point, even after some of these have incrementally been implemented, that other strategies might later be developed.

- But let me tell you that it's not something that we've talked about in your presentation tonight, but something that we've kind of learned in the process, probably should have known all along and that is, there's a bit of frustration, at least on our part, because we think that it has potential impact to our customers that some of the options that might have been able or been available have either been taken off the table are limited by a contracts subsequently signed by LCRA with other parties, and somehow or another, that just doesn't meet what I think what the spirit of 1437 really was.
- The other issue is, in the presentation I heard a lot of strategies about what's going to happen in the Colorado Basin with regards to replacement. Whenever these contracts were signed and the marquee dates upon which the alliance was formed and the contracts were signed to be able to bring water into the Basin, both general managers stood and said that there was going to be a surcharge that is under this house bill who is going to develop the strategies for the replacement of this, and one of those strategies was to potentially use funds to develop additional water sources within the Brazos Basin so the dependence on Colorado Basin water would not necessarily have to be there.

I did not see any development of extensive BRA sources of water utilizing this revenue that those customers have paid in any of this analysis. I saw a complete analysis of fixing the Garwood Irrigation District problem, which has been an ongoing problem with LCRA for greater than 25 years.

I don't necessarily know that that met the spirit, nor the intent, or was exactly what was shared with counsels and commissions whenever this was initially presented back in the late '90s.

Also in the presentation you talked about a water contingency fund. I saw everything in the presentation about what we're going to do to prevent anything negative, if we're going to bump all this and all of these things to be able to create a cushion that's going to impact all of us on the water contingency piece. I think further clarification needs to be made on this water contingency so that we know exactly what that is, because now we're going beyond the definition "no net loss." We're going to "no net loss," plus cushion, plus fluff; and I don't think that's appropriate.

- I want to just -- I thought the last meeting, whenever we talked about the alternatives that we did bring up Carrizo water; I see one Carrizo alternative.
But if you want to get specific, and let's get specific, I'll make recommendation. Have we evaluated the Little River reservoir as an option to be able to offset and be able to provide 25,000 acre feet? What about the development of Carrizo water elsewhere in Burleson County, to bring Carrizo water back up in on the east side of Williamson County that would not require us to take 25,000 acre feet? What about the purchase of Texas waters investment in an existing well, an existing infrastructure that would come up Highway near to Hutto and come into that portion of the county as an option to offset 25,000 acre feet? What about raising the elevation of Lake Georgetown to possibly provide additional water supplies? What about the transfer of water from Lake Belton to

Stillhouse Hollow through a pipeline to be able to offset 25,000 acre feet? What about raising the elevation of Lake Stillhouse Hollow as a cost option?

- Because I really am interested in seeing a canal built from the Llano River to Lake Buchanan to prevent floods upstream and fill Lake Buchanan and put the water in the highest place in the whole system. But that's not enough money to do that.
- But I'm trying to follow up with something that ----- had said earlier. This is assuming that the rice farming is a profitable business because they can compete within the world market. California is now having a problem. They used to export to Southeast Asia. Now Southeast Asia is importing into California, so the rice farmers have taken a hit. If the rice farmers take a hit -- let's assume they want to change occupation and go into shrimp farming. How much water would be required and would that be considered?
- I was trying to understand all this. I was trying to think, if Williamson County relies on 25,000 acre feet of water and we cannot give it to them because of a drought, then are we obligated to do that because I would think that it would affect us here. And that has happened before, and so I'm wondering. And then you talk about replacing water. I think, "How do you replace water?" I mean, why isn't Williamson County replacing their water and getting more water? I mean, how are we going to do that?
- So if they're relying on it and we don't have that much water coming in and the conservation efforts are not working, are not, you know, replacing, then what happens? Do we have to give it to them anyway?
- If you've already given -- you've given more water rights out of the basin away you're only creating more demand on the resource. And there's only going to be so many ways to create water.
- But you're saying also if the demand is there and we don't have the water we're cutting the rice industry off. Well, the rice industry is where you're achieving all of these savings and creating all this water, correct?
- I'm back to her point about, you know, the interruptible source. If you cut off that demand, if you cut off that user you've also eliminated your savings?

Laser Land Leveling

- One last question on laser leveling. Is it known to these who have a better understanding of laser leveling that there are problems with laser leveling of land, particularly land that has -- for example, is located on a hillside which there is a lot of irrigated rice country that is -- we call it hillside. It's got quite a few -- quite a certain elevation drop to it. The tasks of laser leveling that to a level that will probably truly benefit water conservation may come at a cost to displacement of the top soil in those areas such that the yields in those fields, as a result of the laser leveling, will diminish for quite a few years before they ever build back up.
- The 2500 acres is based on that 70 percent that you plan -- is suitable for laser leveling?
- Now, I would like to ask you a question about the 1900 acres per year for eight years. Is that -- was that the number?
- Are you going to achieve the 25,000 acre feet in the period '05 to 2010 in order to do that, considering the three-year rotation that we have typically in the counties?
- Laser land leveling is already figured in that 2500. So it's not going to really improve much beyond that, even though you've got a debt of 25,000 acre feet. I'm not sure where you get that from.

- Are you saying that independently or cumulatively?
- Well, then where was the slide that showed the 1900 feet in savings by land leveling? What does that entail then? Is that just a small portion of the irrigated land?
- So you're anticipating expanding that laser leveling in the coming years to take in more acreage to make it 25,000 acre feet?
- How many acres does Garwood division irrigate every year?
- This year we're irrigating 17,000.
- Is that total of 2500 acres in the three years or 2500 acres in each year?
- That's 7500 acres.
- Which is 40 percent of what Garwood is irrigating.
- Garwood has right at 88, 90,000 serviceable acres that we can irrigate.
- We need to emphasize that the 2500 acres wouldn't all have to be done in the Garwood area.
- That could be over the whole rice -- up and down the Colorado River.
It just so happens that the Garwood area did sign up very heavily for EQIP and has been approved very strongly in the Garwood area.
So it would probably be implemented there first. But the other areas are signed up for the EQIP. And it will come on stronger, I think, in the next few years as long as EQIP money is available.
- Jobaid, was laser land leveling conservation included in the SAWS plan as far as the measure to conserve water?
- It will elicit some discussion, no doubt. I think it goes without saying that from a personal selfish standpoint by most of the irrigation customers, the fact that they could get precision leveling or some form of laser land leveling or land leveling at 30 cents on the dollar would be very attractive.
- 20 cents. Okay. 20 cents on the dollar. And would seem to be the most attractive for acceptance by the landowners and/or rice producers at this time so that more emphasis could be put on that option as, for instance, compared to development of ground water in Garwood as contingency, which really is like -- implies it's a blank check. But, for instance, if we don't make it up on the precision leveling, then we'll just pump some more water out of the Garwood portion of the aquifer.
- Now, if I understand the third bullet there, you're saying that the -- you're going to -- experiment is probably not the right word. We don't know that .75 acre feet per acre is about right or whether it's high or whether it's low and we won't know until something gives us some additional information. So we don't really know whether 2500 acres is going to give us 1900 acre feet of water or not. So if I understand what you're suggesting is that this be the test period through '07 to determine if, indeed, we can develop that kind of a resource with precision leveling. Is that what you're suggesting?
- Well, if you put it that way, you really ought to jump into a little bit more precision leveling, even if we don't know what it's going to give us, before the money runs out. That's just a personal opinion. Okay. You answered my question. Thank you.
- So to achieve 2,500 acres of laser-leveled land you really have to laser level 7,500 acres. You have 7,500 to achieve 2,500 acres of laser-leveled production land. Is that a correct

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- That's a lot of land.
- It's really a three-to-one ratio ---- of land leveled versus land in production because of that. The second question is, how long does a field that's been leveled stay leveled? Does it have to be re-laser-leveled every so often?
- That's anticipated in this?
- And the final question is, the rice market has changed over time. 20 years ago the rice industry was booming. And now Cuba doesn't buy our rice, and they used to, and now there's less rice being grown. Is there some component of estimated average growth of rice, production of rice that's figured into this, or are you basing it on today's amount? What if, for instance, the amount of – the demand for rice dropped and less land is being used for rice production and now you don't have the savings of from water. Is there something calculated in there for that?
- And that's assuming that you can -- if that happened that you could develop the savings of the water somewhere else?
- I think you're missing the boat here by talking about lake level, laser levels. You've got to say, "How much water do we have?" But if you're missing 48 billion gallons of water at a time of a drought, all this water you're talking about isn't going to be there. You're now rationing water. San Antonio, Austin is rationing water. Why? Because there's a shortage of water and groundwater. There's no big plan for recharging the aquifers. Something has got to be done. That's where you want to spend your time and money. Get that so that you can pump.
- Part of your decisions were based on involvement of third parties. If I understand the conversation and discussion this evening, the water that's going to be saved from land leveling will in the long run get funded by the SAWS project; is that correct?
- Well, there was some mention about SAWS. This water that is being saved SAWS is going to reimburse what LCRA has put into the project; is that correct?
- And my question came down to the point of what happens to this decision-making process should SAWS pull out of the LCRA/SAWS agreement? Does it have an effect on --

Reducing Second Crop

- If I could just very quickly comment on some of the others, because a lot of the folks here have not been privy to some of the previous discussions. Another item that – number 15, which appears from the black dots, would be very appropriate. I think we need to consider that by eliminating second crop what effect that has on the economies of the counties by taking that additional expenditures that are made to produce that second crop out of the equation.

Groundwater Development

- In general, the ground water use in Garwood is -- ground water use in any of our counties, until we have more information that hopefully will be developed by the ground water conservation district, as to the impact of that development, I think it's very questionable to keep those as any kind of -- with any kind of high priority. I'll let some other folks share.
- I guess my last is not a question. It's a comment. Obviously, you've got a strategy to deal with the first requirement or the initial demand of 2500 acre feet that Williamson County will be demanding or expecting over the next five years. I guess I'm a little concerned

about where you're really going to make up for the additional -- what was it -- 22,500-acre feet that can be expected at some point in time beyond five years. And based on my observation, the only outcome that I see on your suggested list of strategies is going to be increased ground water production.

- And I'd like to point out that it's not just Garwood that would be affected since our aquifers, the aquifer that lies under Colorado, Wharton and Matagorda County is the same aquifer. If we create a problem with the aquifer in Colorado County, it could well be reflected in Wharton County and Matagorda County, also. So that's a bit of a question mark there.
- As Williamson County uses the water, is the groundwater replacement from Burnet County, other counties, or would it be from Williamson County? You made mention of the groundwater replacement. I'm having trouble understanding exactly what groundwater replacement is and like where would that come from?
- Okay. Groundwater.
- So where is it coming from?
- The irrigation districts? Is that aquifer water?
- Explain geographically where that is located.
- It seems by the use of groundwater as a supplement that the definition of no net loss in the basin refers only to certain.
- Are y'all going to look at the interaction between groundwater and surface water, perhaps that groundwater withdrawal might affect the surface water?

Other

- My name is ---- -----, and I have visited the rice growing country, and I think I recall some things correctly. But when they grow rice, don't they rotate the field every -- grow it for one year, make it idle for two, and then every third year they plant again?
- Right.
- LCRA wants to sell water all over the place. But if there's a drought people are going to want water. There are going to be a lot of people out of water. The world is short of fresh water, and I've got plenty of information to prove it.
- LCRA tells you -- they tell me that is not their function.
- Yes. So that I can better understand the units that we're talking about, how many gallons of water are in one acre?
- Yes.
- So when we're talking about 2,500 --
- Now, multiply that 2,500 by the figure you just now gave me. What I'm getting at is, what is the total volume of water we're talking about here, 2,500 times -- it's 25,000 acre feet is the amount of water that's being discussed, which is sufficient to provide about 62,500 gallons of water a year.
- My calculator is in the truck.
- I think it's real important.
- Okay. So that's what we're talking about here.
- Well, I have a couple of others, but I just wanted to get an idea of what we're talking about.

- And I don't see Garwood down there a couple years -- two or three years ago trying to sell Corpus Christi water out of the Garwood area that we're sending down there. Where do they have a right to sell Corpus Christi water? If they've got excess water why can't that be used for replacement water?
- How many acres are in Travis and Buchanan?
- How many?
- We're talking about one foot of water per year?
- I just wanted to get some idea of what that meant.
- So then in that example you would have to go to the Garwood backup?
- What happens to the water that they don't use?
- Yeah.
- Whatever it is. Now, I'm not through with my --
- Yeah, and I know where all the votes are.
- Yeah, I know.
- Regardless of who's hurt?
- Amen. Thank you.
- Well, no. If they're taking 25,000 acre feet, delivery of 25,000 acre feet.
- I've got a question. Is all of this predicated on the rice farmers and their need and demand? Is that the lot of it?
- But the convergent point is listed there as well as the use of the water that is being taken out of the river?
- Yes.
- Okay. And one follow-up question. Is House Bill 1437 exempt from the Senate Bill 2 requirements that before water is exported out of a basin the other basin users have to have established a -- I think it is some sort of successful water conservation program?
- So in a sense this was exempt from Senate Bill 2?
- The LCRA required Brazos River Authority to provide its conservation plan. And that plan is part of the contract itself so that the LCRA did not enter into a contract with the Brazos River Authority until they proved up and provided their conservation plan, which has been approved by the development board.
- But do the entities that the water is being provided for by BRA, do they have to provide that conservation plan or do they have to have --
- Or Provide their own.
- Or -- right. We all know that water is provided in these conservation plans that don't have a conservation program. Does it just provide a plan or does it have a program in place?
- It is to provide the plan. I don't believe the legislation or our contract forces us in the position.
- It just seems like the water users that are affected in this region would, you know, maybe be sore if the water is going to a municipality that does not have a water conservation program.
- Well, I guess I go by New Mexico and Texas. And they have to give Texas so much water from the Rio Grande, and it is a crisis right now in Southern New Mexico because they don't have the water, and so everything is drying up there.

So -- I mean, because they are having to give Texas and Old Mexico so much water. So the same thing could happen here is what I'm saying.

- Right.
- No.
- I just want to point out kind of on his point over here. Region K did a lot of good work and identified the shortfall -- this region had a shortfall of water by the year 2050. And I forget -- my expert left, so I forget exactly what the shortfall was. But the way they projected it as of right now this region has a shortfall. Now, the SAWS plan was designed to correct that shortfall, but, as we all know, that may or may not happen. The bays and estuaries are very critical and they may be the determining factor and it may not happen. There are lots of ifs involved in the SAWS project.

If SAWS pulls out what is this region going to do for water? You're talking about creating water. You're using -- you're utilizing a lot of those creating methods in developing this water for Williamson County. What are you going to do down the road if SAWS falls apart in the year 2030, 2040? How are you going to be able to satisfy demand then?

- What's the 2050 projection shortage?
- Right.
- But my whole point is, if SAWS falls apart -- and the whole problem now is we're doing the study on the bays and estuaries. If I understand it right now we're in a seven-year bay and estuary planning stage, right?
- And if that study proves that you cannot implement the SAWS plans without detrimental effects of the bays and estuaries the plan is gone. You abandon that plan, correct?

The plan is shot. So, like I say, the big word in the room tonight is "if." And if that should happen you've created another additional 25,000 acre feet of demand on the resource. And your biggest generation is with SAWS?

- I'm a patient guy.
- But they don't have to pay for it?
- I would like to bring up the fact that basically we're in the best area for water, freshwater. We get more rain here than any place else in the world. All of Europe, India, and all those places if you take a shower once a week you're going to be good. There are places they get maybe an inch of rain year. We take all the water that we get. We have to save what we've got. But you go out west they're short of water because there's not enough snow, there's not enough coming down. People in the west are in bad trouble. People in the east are in bad trouble. There's too many people, not enough freshwater. Florida is in deep trouble. This part of the country, this part of the world is the best fixed for freshwater. We've got to save every ounce we can get. And if you think you've got a few places being restricted for water now, if you have a good drought here -- believe me, if you've got more water, my thinking is sell it to the areas that don't have it. Put it in bottled water because the bottled water isn't any good in a lot of areas. You can't get it.
- I want to bring this up. This is kind of an overhead, oversight, bigger picture. But Buchanan was built about 55, 56 years ago, and since then we've had a severe drought. You realize that. Since Buchanan was built there's 14 dams above here in our watershed. But those people have a right to water, too. And that's cutting down our recharge and our lakes filling up and we're getting less water. If we get another drought like we had before here and we had all these recharged zones up here, now we don't because there are 14 more reservoirs up there. We are not going to have any much more water coming in,

because what water falls they're going to catch it up there. That's a big picture to look at. So we better hold what we can get, every drop, because it's not going to recharge that fast as it used to.

- 14 dams built up here since Buchanan was built.
- Would I be permitted to make a comment about underground water?
- I don't know how many of you know that we're fighting to get Burnet's own underground water system set up. We tried it in '91. It was turned down because the rumors were that it would be charged to put a meter on the well and everything. Regardless of that, it is already a plan and there's a map drawn that Burnet and Williamson County and Travis County will be combined into one big underground water district. If you're looking at the population size you can tell how much representation we're having. Williamson County wants water, needs water, and they're going to get water regardless because they've got the population, they've got the votes. We would never have any say in an underground water system at all. There will be a meeting in – put on here in Marble Falls in about, oh, a month or so, or maybe before. And we've not a chance to get our own water -- underground water system before this can all be processed if we work on it. But, otherwise, we're going lose it.
- May I make a suggestion for his. Right now Marble Falls has permission to take their sewage water and dump it into the -- it's filtered out to a degree. Now, in Arizona no way is the city going to be able to do that. You have to put it out -- put it out -- he wants groundwater. Get out 10, 20 acres, flood it with bath water and get it down into the ground where it belongs.
- Who did that model?
- Aren't there two?
- So could you say that there is a fair degree of uncertainty?
- I have one more hypothetical thing. Back here when we had our record flood – I don't remember what year it was, but you were talking about this groundwater, depending more on groundwater. Longhorn Cavern and Inner Space Cavern were aquifers at one time. Now, groundwater has receded. And when we had that flood here, they had closed Longhorn Caverns and Inner Space because the bottom of it was filling up with water. So our groundwater level is getting lower and lower. We don't know how much is really down there. And like y'all are talking about down there, groundwater, that's Gulf near groundwater down there. But there's places down there on the coast where it's been subdivisions and now it's flooded with lake because the ground is sinking on account of pumping the groundwater and pumping oil out. The land down there on the coast line is sinking.
And our groundwater more and more -- we've talked -- this gentleman over here is talking about getting the district to save our groundwater. Okay. It's already down because you see Longhorn Caverns and Inner Space. Now, the year we had the big flood they had to close them down because the bottom third was filling up with water. So water is getting scarce. And we don't have our recharge zone, so I don't go for selling water.
- I just have a general comment. But we keep -- you keep saying that the Legislature in their wisdom, you know, passed this. But the Legislature didn't come up with this. People came to them and brought them this idea and lobbied them on --
- How do you contact the legislatures?

- Money controls Legislature.
- I mean, they didn't it this out of the air?
- No. Votes control.
- Democracy Goes to who has the most money to buy the Legislature.
- I have one.
- Who is taking all this back to the Legislature? I mean, is this LCRA just trying to get ammunition on the way we feel or is this just kind of we walk out of here, it's all gone.
- It's already been approved really?
- One.
- Well, we have Burnet and Llano County.
- Yes.
- Do you have copies of the Powerpoint that you showed?
- Because I may be wrong about this, but the Powerpoint from the last set of meetings you had is still not on the website.
- Are the transferred comments from the first round on there?
- Okay. And then how long will it take to get the transcript comments from these meetings up there?
- Well, the Powerpoints are, but the comments --
- Okay.
- Because it would be helpful for written comments and it would be helpful to the Powerpoint as soon as possible.
- When the written comments -- you say you will have answers to all of them. I've got a letter back from you but it didn't address specifically anything in our comments.
- And so it will be a response from you, not from --
- Okay.
- You keep talking about Lakeside division. Isn't San Antonio supposed to be getting all that?
- You keep talking about the Lakeside district report. Well, isn't San Antonio supposed to be getting their water?
- So what you're really saying is, is that down the line in the SAWS agreement if San Antonio's demand for water is greater than what they anticipated, then they will get a credit? In other words, they'll get water from the river basin from some other source. Is that what you're saying?
- To replace Williamson County's --
- My name is [REDACTED], I'm with the Brazos River Authority. We are the purchasers of the 25,000 acre foot of alliance water initially, and then we have customers of ours who have purchased most of that 25,000 acre foot of water here in Williamson County, most of which are represented in the audience tonight and I'm sure that they may also want to make some comments.

We made comments both, as I said earlier, verbally and some written comments, some of which have been incorporated into the recommendations that we see tonight, some which were not. I want to say at the outset that the alliance water has been extremely important to Williamson County and to the Brazos River Authority. It has assured us of a water supply during a period during which we were -- are busy developing other options.

- We will file additional written comments after we've had time to digest the presentation that was made tonight and after we've had time to thoroughly analyze the strategies and the process that you used to develop those strategies and the cost of those strategies, and try to understand some of the assumptions that went into those strategies.
- We appreciate the opportunity to make comments tonight. I do hope that we can finally decide upon a definition of "no net loss" that doesn't just say "no net loss is no net loss," because we need something better than that.
Again, thank you. Hopefully there will be others to make comments and we will certainly make those in writing.
- Thank you. I'm [REDACTED], Chisholm Trail, just a few comments.
- The process is too complicated. I think there's going to be an accountability, how do we account for this. It all falls on LCRA without interaction from the people who are paying for it, and these fall-back positions, it all seems to me, reaction-wise, is a very complicated system and I'm for one to be a simple system.
We want to know what its cost, when we pay, and we've got to explain that to our boards -- and we have collectively 30, 40 people that make up elected boards of all our political subdivisions -- because the simpler, the better. And going through these tiers and retiers, and rethinking, and safety nets, gets to be subjective and I worry about the accountability of it.
- We look forward to commenting on this, but we'll need some time and I hope we will receive hard copies of this so we can step through the details; and glad to work with you on it. Thank you.
- My name is [REDACTED] (phonetic) and I'm here representing Liberty Hill Water Supply Corporation; we've contracted with BRA for water.
- [REDACTED], Georgetown. I had a few comments, and the first one kind of echoed some of what John said.
- Again, also want to echo some of the things that Don Raschuber has said, that this is extremely complex.
Carl, you've been in the business on and off, how many years? 30 years. BRA gave you something like this 30 years ago for you to sign and get some water, I don't know that you'd have a BRA contract, would you?
- Okay. That's -- I just wanted to clarify that, because I've seen it work the other way, and that's all I wanted to talk about.
- So the study looks at it on a whole, but as far as application, how is that going to be applied?
- So that would be by virtue of the contract. All right.
- That's just a few.
- Well, we had contemplated that those of us -- those of you that are customers of ours, that we would get together with some sort of a strategy session.
Perhaps it would be good to have -- Robert can come. And at least -- I mean, I don't know that I want the detail that Don wants or Perry wants, but I'd like to know -- I'd like to understand the assumptions that went into the model, and I don't have that, even, at this point. So I don't know what you guys' times are, but we'd be happy to put together a meeting just for that purpose.

- Yeah. What I'm saying is, that we'd like to have the report first and let us go through it, give us some time, there's no hurry. I don't see anything that is going to happen before a year or so anyway, so there's no hurry. Give us the report, give us 30 days, then let's meet and go through the technical side of this thing.

Definition of No Net Loss

- I would just say that at the -- at the outset of this process we expressed a good bit of concern about the definition of "no net loss." And we even said at that time that it was absolutely fundamental that a good definition be determined, one that we could hang our hat on, not just today but 10 years from now, 15 years from now. And I would suggest to you, or I'd say to you tonight that we're still disappointed in the definition that you have. I find it a little surprising that if you had "no net loss" up there, you would see that no net loss -- the words "no net loss" are used to define "no net less," which I find a little bit unusual coming from an academic institution.

We've always been under the impression, at least, that the "no net loss" was intended to be that farmers in the lower part of the LCRA Basin would not be unduly impacted by water diverted here in Williamson County.

I think it's generally recognized that an acre foot of water diverted here in Williamson County does not equate to an acre foot of water in the lower part of the -- the Lower Colorado River Basin.

- I think the definition and the description of "no net loss" with 1 acre foot of water in the upper basin equal to 1 acre foot of water in the lower basin, is not accurate; and I would -- I would question that methodology and say that I'd like to revisit that issue further to clarify that, because I think that's in error.

- One question I had, is the definition one year in advance, that you have to project what your water demand is going to be and you have to do the conservation one year in advance; is that 12 months from the date of use, or is that from the preceding calendar year? How is that defined?

And if you do conserve one year in advance from the date of the projected demand and, say, you do the conservation last year and you hit a this year where your demand is not at the level you expected it to be and you're far less in your production and your withdrawals within the basin, do you get a credit for the subsequent year, and how is that going to be calculated?

- If we go to the pure meaning and we leave the definition of "no net loss" on the board and say it's acre foot per acre foot and we're not withdrawing an acre foot, then we shouldn't have to pay for any kind of replacement strategy. That should be those that are taking it.
- Robert, the frustration that I have about the definition is that I think that it should have resolved the issue that you're talking about. When it says "no net loss," that doesn't say "no loss." "Net" has some meaning in this -- in this definition, and we haven't -- we haven't given the "net" any significance. So what you're saying is, there should be no loss at the -- at the interface of the two water sheds. You're not saying -- you're not giving any weight to the net. And I don't know for sure -- our inclination is to think that there was something significant about the water net. That's arguable, I would agree; but that's part of the frustration that I've expressed in the definition.

Presentation

- First of all, I'm real disturbed that y'all present this much information to us without passing out to us beforehand and asking for comments, because you went through 20, 30 slides; there were a lot of details. But we don't have an opportunity to adequately go through those details and give you really valid comments, and so I'd hope that this in being a report, and you give us a month or so to review that report and go through it in great detail before you finalize it and send it to the LCRA Board for review and approval. Because there's a tremendous amount of detail in it and a lot of assumptions, that there's no way I could write down, you know, even 1 percent of them and be able to give you comments on them all.
- I think the general -- I'll keep my comments in sort of global issue. Your list of participants didn't include BRA or our customers that are paying for that water, part of the alliance water here in Williamson County and I found that quite disturbing.
- And as Don had indicated, I think we were thrown a novel with about 10 minutes to digest it, and I don't think that's fair. I think it's August 26th, we're talking about a September board meeting, we're talking about an October board meeting to the LCRA board, the water committee looks at it in September, and I'm not sure that the customers here are going to be able to have their proper due diligence along with their day-to-day functions that they have to do to be able to do this justice in evaluation and providing comments to the LCRA board. I would request additional time for us to evaluate this, because this is quite extensive and we will need our staff and our list of consultants to be able to look at it to advise us on what we need to do or not need -- or we don't need to do, and I think it's unfair to ask us to do that in less than 30 days before the committee sees it, and in six weeks before it goes to the October board meeting of LCRA. That is a tough board meeting for them to be able to take this up in consideration, because they're not only taking this up, they're also taking up the consideration of wholesale electric rates for the next year as well.

So I would request that this go possibly maybe to the November meeting, giving customers a little bit more length of time to digest what's been thrown at us.

Lake Levels and Sedimentation

- ----- ----. I've been involved with the freshwater in the Lower Colorado River. I made a presentation to the LCRA and sent it to the governor and five senators. They approve what I'm thinking about. But, anyway, you're talking about lake level. What is your -- considered your lake level, what they report?
- Well, my problem is this. The lakes are full when they say they're 1,800 whatever it is. Okay?
- But that's -- that's -- that'S AT surface. But the sedimentation in the lakes is such that basically if you have a drought like you had in 1947 and '56 you would be short 48 billion gallons of water because of sedimentation on Lake Buchanan and Lake Travis, Town Lake and Lake Austin. You probably -- 30 percent of the lake is sedimentation. Nobody is doing anything about that.
- Now, I was in Johnson City the last couple of days. Of course, it doesn't tie into the Lower Colorado River, but that river was brown with sedimentation, which goes into Town Lake, or whatever it is down there. But, anyway, nothing is being said about the sedimentation that's in the lakes. That's all of them at each dam. Marble Falls, for

instance, when they dry it you can -- it's just covered with sand. I've got pictures I can show you. But, anyway, I made a presentation.

- Well, right now you have 48 billion gallons of water on those two lakes. Right now. So you're using that much water, but you're going to sell a lot of it. You're going to get it -- you get a flood right now -- why we have floods, for instance.

You have floods because the lakes are full. There's no room to put anymore water. So the water goes over the dams, floods. That's where -- most of the rainwater that we're getting goes into the Gulf. We've got to stop -- you've got to start taking the dirt that's coming in from each dam, de-sand that water so that you're eliminating 75 to 90 percent of the mud and sand that's going to into each particular lake.

- Well, I asked for \$200,000 to make a survey of this stuff and I haven't gotten any money yet. But I'm telling you, you've got a lot more problems than what you're talking about. You're talking about lake levels. Get the lake level down to where it actually is. Just because at some dam where you can measure down so far, your level says you've got so much water in the lake, you don't have it there. You're kidding yourself.

- Okay. I'm kind of going back with this gentleman here, the sediment you're getting in there. LCRA has let people build in the operating level of Lake Travis. They're holding water down at 68382 in there. They let that out pretty quick. But yet 681 to 691 is operating level. Okay. They're going to have to start holding that water. Some people have got big houses down there below that, but they shouldn't have built there. They shouldn't have built below the 714. 691 to 714 is flood control. They're going to have to start holding Lake Travis at 691 to conserve the water because you're having sediment, like this gentleman said, coming in that has taken away that water. Instead of holding it around 681 or 682 they start generating on it and letting it out. They're going to have to hold it at 691. That is the operating level.

- So when you're trying to save this water up for a year in advance you're talking about raising the levels of those two lakes essentially six inches?

- How many acres -- when it's full, how many acres -- surface acres are there in the lakes? So what are we talking about with this 25,000 acre feet in terms of level on those two lakes?

- I live in a very interesting part of one of the lakes. I live at the headquarters of Lake LBJ just below Inks Dam, just half a mile below Inks Dam. So what is, let's say, six inches of water on Lake Buchanan is -- letting down six inches on Lake Buchanan is very little as far as Lake Buchanan residents. But if that six inches was not there, what could be, let's say, 10 inches of rain upstream, it overflows and it could be ten feet in my backyard. Anyway, it's an interesting perspective that I have. Don't get me wrong. I've been there 25 years and they've done an excellent job of controlling the water.

But the point is what's six inches on Lake Buchanan is ten foot in my house. And it's very interesting. I can see on a daily basis, you know, they're generating how much water is coming through. It's very informing. They're doing an excellent job.

Interruptible vs. Firm Water

- I have a question that I posed in my comments about interruptible water. It's my understanding that the water for rice farm is provided with interruptible water. Water provided means it probably needs to be firm water in the drinking water supply. I don't see how you can -- I don't see how you can, I guess, use as water management strategy interruptible water to replace firm water. And this is watershed, is supposed to be, you

know, a fail safe supply in a drought of record. I guess that interruptible water thing the water that goes to the farms is interruptible?

- Well, maybe I'm looking at it too simplistically, but it seems like if that water is interruptible supply and you to have a drought-proof supply as a mitigation for this water that is going to Williamson County that interruptible water would not be a good bet.

Williamson County Water Demand

- And when you say the amount of water that Williamson County may take is still an uncertainty, you are absolutely right. I think it is a -- it will -- 1437 water will be included as the option until a better option is decided upon.
It's entirely possible that not all of the 25,000 acre foot of water will be used in Williamson County, is certainly not an absolute that you could write it on the wall or money that you could take to the bank, but it is a -- there is that possibility.
- Yeah. Contractually, how much advance notice does Williamson County have to give for their water demand?
- But legally they have no contractual notification period?
- So they can say they need it right now?
- They're under the Brazos River Authority; is that right? What is the problem with their own water systems and their own river authorities?
- I mean, these guys should have some idea of what's going on is -- because when they start wanting to come over into another one to get water there's got to be a problem somewhere.
- If we continue to start selling that, this area starts to grow. They're going to keep growing. Where is the extra water going to come from and when do we cut them off here? You know, there is such a thing as a building moratorium that can be put into effect to stop some of this.
- One more question. Let's say that Williamson County uses 17,000 instead of 25 on a particular year. Are they going to be eligible for 8,000 more the next year, so it is a combination of 33,000?

Water Rights

- In -- on several slides, and you've mentioned in your presentation that -- that it is important the water right holders can access their water rights without change, and I submit to you that can't be done. If I'm an irrigator -- let me back up.
From a mass balance standpoint, let's say there's 500,000 acre foot of water rights, contractual water rights and appropriate rights owned by these irrigators down there. But if we're going to take 25,000 feet over here, now the basin demand is 525,000, you're going to have to reduce the mass balance standpoint 25,000 acre foot per year off of the appropriate rights or contract rights of the irrigators.
Because during dry years what's going to happen, they're going to coffer all their water, we're using our 25,000 over here and there is going to be a net loss to the Colorado River Basin. There has, from a mass balance standpoint, been an adjustment to their water rights since I guess we are leasing or renting or buying water rights to divert over here over the term of our contract, which I guess we're on 50-year contracts for the water at this point. So to me, to make that statement true -- well, that statement can't be true, and

the only way you can access the water there has to be a reduction in the same amount of water in the Colorado River Basin as is coming over into this basin here.

- I think if you go back to the official records in the association of wholesale customers, you'll see minutes from that association of wholesale customers and the general manager's report dealing with the Garwood Irrigation District and the fact that they had water rights on the Colorado, limiting the actions and events that LCRA could take in their business plan for greater than 25 years.
- Can they sell those water rights?
- On the San Antonio River the water rights are divergence points and they give the right and the use is named in the rights. And you have to get that changed if there is any change of what you're going to use the water for. San Antonio River.
- If it is not – my understanding is if it is not what you have a right to take the water for, then you have to get it changed from the water board to what you're going to use the water for that you are taking out of the river?

Implementation

- You mentioned we'd look on it at maybe a farm by farm basis, you know, every year to see how much water we're actually saving, and account for that, and that sounds pretty onerous to try to do that. But you also mentioned that the farmers would be allowed to participate on first-come first-serve basis, and it seems like the people paying for that may want to find the farms that were given the best yield, you know, if we're going account for this on a farm by farm basis rather than allowing -- you know, us having to go in and laser level a piece of property that may not give us nearly as good a yield as the one across the street, just by virtue of the topography of the land or maybe by virtue of the way that the owner is -- has been using or abusing his water over time.
Now, I guess I'm also concerned too that we somehow are able to just pay for this when we actually are using it, and I understand that the being available 12 months in advance, that sounds fairly reasonable. We just want to make sure that we don't implement a whole 25,000 acre feet worth of savings. And then we -- you know, we're trying to plan 20, 30, 40 years in the future, so we just want to make sure that these costs are paced, that we're not picking up all the administrative reporting costs when we're not even, you know, using a significant amount of water.
- It's -- it works well in some places, but I'm not sure that it works well in this application. I think it's way complex. The other thing is, is I was raised on a farm. My dad's still in production in farm, Brazos Basin, and I can surely see me going to my dad and telling him, Oh, by the way, you're fixing to have to do all these things and whatnot, and doing accounting and be held accountable and all that. And I know what he would do. There's a way to deal with that in the rural area.
- Well, that was a question I had because certainly that's something that impacts us, because if Round Rock is going to accelerate a schedule for the take that may be beyond other customers, and adding other customers, subsidized Round Rock-rate payers, is not fair for those customers that are not taking anything out of the basin.
- I'd like to ask about recommended implementation plan. That implies that you're making recommendations tonight for implementation of the plan? Is that what I'm reading there?

Advisory Committee

- My name is ----- . I apologize. We came in late from another meeting. Seems like you're not getting a lot of response. I didn't want you to go away disappointed. Can you bring back the slide on the recommended advisory groups that you showed there?
You're broadening the advisory committee considerably from what HB 1437 called for in the way of an agricultural conservation fund advisory committee. How do you reconcile what you're doing with what the legislation says?
- The 1437 committee is certainly aware of the need for additional input as you know if you attended any of our meetings, then we have been inclusive. We've invited people from the lakes and environmental interests and others to participate. But it would appear to me that by getting the advisory committee to advise the LCRA, the board of directors there, you're usurping the intent of the initial legislation which only talks about the agricultural advisory committee, which is appointed by the county judges of the three lower counties. But I'm just concerned that you're giving -- you're imposing another level of interest that will take the place of the advisory committee.
- Well, I have great respect for your concern, which we share because, like I said, we brought the people in. But the legislation is very clear about the role of the advisory committee. And it appears as though you're doing -- and I don't need to get into a debate with you about that. But I want to express my concern that you seem to be overriding the intent of the legislation by bringing in an official advisory committee that --
- I'm glad you did include an advisory committee that includes the users in BRA and Williamson County. I think that's good from that standpoint.
- There was a discussion on here that -- in the presentation that talked about Williamson County retail customers would be -- would have a seat on some combined board or advisory committee. And then further it talked about all LCRA wholesale customers. Is Georgetown a retail or a wholesale customer? Because it looked "by retail," it meant any one of my water customers would be an advisory member, but unless I was selected as a wholesale customer or under the LCRA, which I'm not, my contract is with BRA, then I don't have a presence on this committee.