

**Agricultural Water Conservation Fund Advisory Committee  
HB 1437 Advisory Committee  
Haskell L. Simon, Chairman  
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November 11, 2003

Mr. Robert W. Lambert  
Chairman, LCRA Board of Directors  
PO Box 220  
Austin, TX 78767

Re: Committee Report

Dear Mr. Lambert,

As you know, the Agricultural Water Conservation Fund Advisory Committee (AC) has been meeting to provide the Board with information regarding the definition of "No Net Loss" and possible options addressing the definition. The AC has conducted definitive discussions of options and determined priorities. Unfortunately, with the imposition of the LCRA/SAWS Water Project contract, some of the options were "taken off the table". While it wasn't a leap back to "square one", it did require additional discussions and study. A report was sent to the Board as a result of the recommendation for a study group, but again developments resulted in the need for additional discussions.

The subsequent list included fourteen (14) options then an additional number fifteen (15) was added due to another change in the LCRA/SAWS Water Project contract. On initial presentation, the options seemed straightforward. However, as often the case, discussion within the AC brought up substantial questions regarding the implementation and broader consequences of the options.

No Net Loss

While HB 1437 states that "...no net loss of water to the ... watershed as determined by the District's Board of Directors", the Advisory Committee's charter adopted the following:

**4) No Net loss**

- a) As an interim definition, and until changed by action and notification by the LCRA Board of Directors, the Advisory Committee shall consider "no net loss" to mean:
  - i) The provision for alternative water supplies and or water conservation practices that, when taken in aggregate, replace in "real time" the diversions to Williamson County under HB1437.
    - (1) "Real time" shall be considered to mean an appropriate averaging period consisting of 12 months.
    - (2) Inflow is the volume of water conserved or supplied specifically for use by irrigation to comply with HB1437. Outflow is the volume diverted from the Highland Lakes to supply Williamson County users authorized under HB1437.
  - ii) The means and measures to conserve or supply replacement water for the diversions to Williamson County shall be assumed by the Advisory Committee to be in-place, operable and confirmed in their ability to conserve or supply the assumed volumes of water prior to any diversion to Williamson County.

In addition the following is offered by members as elaboration or explanation.

Number 1 – initially proposed that a "credit" balance always be maintained regarding makeup water in relation to water delivered.

Number 2 – stated this as "...at no time can there be a negative balance between water exported ... and replacement water ... Water has to be accrued.. to match the amount to be transferred..."

Number 3 – "(1) alternative water supplier ... shall in aggregate, equal or exceed the diversions ... on an annual basis. (2) at no time shall total diversions ... for the previous twelve (12) months exceed aggregate water developed and/or conserved ... during the same twelve (12) month period."

At the September 19, 2003 meeting there was discussion with Jobaid Kabir of possible complexities of implementation, but the above is offered as the Committee's recommendation for your consideration and further evaluation.

Options (see attached "Comparison of Alternatives")

A thorough discussion of the suggested options would require more discussion than is intended for this summary report. (I have requested the opportunity to meet with the Water Committee, November 18<sup>th</sup>, to provide more information and background of options to achieve "No Net Loss", and/or answer questions.)

The following represents the findings from our September 19<sup>th</sup> meeting. A caution – the conclusions were based on information indicating the best available prospects, not necessarily the most desirable, listed in order of desirability.

1. Option No. 15 (added back after having been deleted by consideration for the LCRA/SAWS project)

In-field conservation would include field (laser) leveling/multiple Inlets/reduced levee intervals.

(Bob Pickens provided a spreadsheet analysis that illustrated a phased-in potential of this option that would match development of conserved water to transporting water over a multi-year period while also matching costs to revenues.)

2. Options No. 1, No. 2, No. 3 at Garwood.

These options were estimated to be of moderate cost but would be highly acceptable.

3. Options No. 10, No. 11, No. 12

Although costs and quantities available are not indicated, these options do merit further consideration.

It is possible that the above options could provide sufficient make-up water and it must also be noted that in previous discussions Option No. 8 (Brushy Creek returns) was deemed to be a very high priority option.

Options regarding the development of groundwater were essentially rejected with the possible exception of use in conjunction with ASR and perhaps only very limited quantities under special situations.

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There was also considerable discussion regarding the adequacy of a 25% surcharge but until further study and analysis is accomplished, a proper surcharge cannot be determined.

In our report of June 7, 2002, a recommendation was made to retain consultants to work with the Advisory Committee. Expertise in matters to be considered is essential to providing the basis on which to make proper decisions. Previously, the University of Texas LBJ School of Public Affairs was recommended for participation in the evaluation process. While utilization of their resources should prove valuable, we also strongly recommend that the resources of the Texas Water Research Institute be employed. Having the experience and expertise of both of these eminent institutions should enable the Committee to properly fulfill it's mandate of consultation with the LCRA Board of Directors.

Respectfully yours,

Haskell L. Simon