

## City of Austin-LCRA Water Partnership 2019 Annual Report

### I. Purpose of Annual Report

The City of Austin-Lower Colorado River Authority Water Partnership (Water Partnership) is charged with providing a written Annual Report on the status and direction of water supply discussions as considered by the Water Partnership during the previous year.

### II. Background on Partnership

#### A. History

The Water Partnership was created through the June 2007 Austin and LCRA Settlement Agreement. The November 2007 Supplemental Water Supply Agreement provides additional details on roles, responsibilities and expectations related to the Water Partnership, including the establishment of a stakeholder group.

The Water Partnership was formed to provide a cooperative management structure through which Austin and LCRA staff can collaborate and more effectively manage both entities' water supplies and resources. The Water Partnership in effect formalizes the on-going meetings between the staffs of the two entities to assure regular communication on matters of mutual concern. Austin and LCRA have recognized the complex and diverse nature of water supply planning and management of water resources in the lower Colorado River basin. Through the Water Partnership, both entities seek to cooperate, improve communication and avoid future conflicts.

The Water Partnership and its various committees continue to meet on a regular basis and will continue to work cooperatively on water supply, conservation, quality and permitting issues. As needed, the Water Partnership presents recommendations to the Austin City Council and LCRA Board of Directors for approval.

#### B. Cooperative Management Structure

Under the leadership of the Austin City Council and the LCRA Board, as directed by the Austin city manager and LCRA general manager, the Water Partnership is composed of a series of committees headed by the Executive Management Committee (EMC). For reference, a depiction of the general organizational structure of the Water Partnership is shown in **Attachment A**.

#### B.1. Committees: General Purpose



The following are brief descriptions of current committees. Committee members in 2019 are listed in **Appendix 1**.

#### Executive Management Committee

The EMC is composed of two members from Austin, designated by the city manager, and two members from LCRA, designated by the general manager.

The EMC is responsible for carrying out the purpose and scope of the Water Partnership. This committee oversees the work of the sub-committees, including among other things, evaluation of and implementation of any approved joint water supply strategies.

In 2019, Austin Water led the EMC meetings, completing a two-year cycle. In 2020, LCRA will lead the EMC meetings.

#### Technical Committee

The Technical Committee is a standing committee made up of Austin and LCRA staff members appointed by the EMC. The committee is charged with developing projections of water demands, coordination on water use reporting, identification and evaluation of water supply alternatives, reporting on water rights permitting activities, developing technical analyses and implementation plans for water supply strategies identified for further study, pursuing technical projects or issues as assigned by the EMC, and assisting with agenda development for the EMC.

In 2019, LCRA led the Technical Committee meetings, completing a two-year cycle. In 2020, Austin will lead the Technical Committee meetings.

### **B.2. Committees: Special Purpose**

#### Water Conservation Committee

The Water Conservation Committee is a special committee made up of Austin and LCRA staff members appointed by the EMC. Consistent with the Settlement Agreement, the Water Conservation Strategies Report was developed and approved in 2008. The Water Conservation Committee also is charged with implementing the associated plans and scope of work, as approved by the EMC.

#### Water Quality Committee

The Water Quality Committee is a special committee made up of Austin and LCRA staff members appointed by the EMC. Consistent with the Settlement Agreement, the Water Quality Monitoring and Evaluation Plan was developed and approved in 2010. The Water Quality Committee also is charged with implementing the associated plans and scope of work, as approved by the EMC.

### Stakeholder Committee

This stakeholder group is comprised of a balanced and diverse group of organizations and individuals interested in the parties' water supply discussions. The Stakeholder Committee is charged with providing feedback and input to the EMC when Austin and LCRA are considering certain long-term water supply decisions covered by the Supplemental Water Supply Agreement between Austin and LCRA.

The Stakeholder Committee members, appointed by the Austin City Council and the LCRA Board, represent a wide variety of interests including environmental, rate payers, business, agriculture, conservation, industrial, recreation and high growth. Due to extensive recent stakeholder engagements by both LCRA and Austin, the Stakeholder committee has not been reconstituted.

## **III. Summary of Year 2019 Activities**

### **A. Highlights of Joint Activities**

#### **A.1. Austin Municipal Water Supply Discussions**

There were no formal discussions directed towards LCRA securing additional municipal supplies for Austin in 2019. The current municipal supply contract with LCRA, which was negotiated in 1999, will meet Austin's demands up to 325,000 acre-feet per year. Note Austin's 2019 annual diversion for municipal purposes was approximately 156,000 acre-feet. According to the Supplemental Water Supply Agreement, the Water Partnership must determine whether to begin a long-term planning process for additional supplies soon after Austin's municipal demand exceeds 225,000 acre-feet per year, but may decide to initiate those discussions at an earlier date. Supply planning for Austin's non-municipal water needs also may occur at any time.

#### **A.2. Joint Application for Reuse of City of Austin Return Flows**

Consistent with the actions required of the 2007 Settlement Agreement, Austin and LCRA filed a Joint Application for Reuse with the Texas Commission on Environmental Quality (TCEQ) on March 1, 2012. The application seeks legal authority to use Austin's return flows to help meet the city's long-term municipal needs and to help meet environmental needs and continued use of the water to meet other downstream water needs. TCEQ declared the application administratively complete in July 2012. Austin and LCRA staff worked with TCEQ on technical review requests. At year-end 2017, TCEQ awaited the outcome of joint efforts by Austin and LCRA on Water Availability Model modeling that incorporates the joint application and the anticipated permit. No further action was made in 2019. Austin and LCRA continued technical evaluations in 2019.

### **A.3. TCEQ Water Use Reporting**

LCRA and Austin coordinated on annual TCEQ water use reporting for submittal of TCEQ Water Use Reports for year 2019.

### **A.4. Zebra Mussel Monitoring and Response**

In June 2017, Texas Parks and Wildlife Department (TPWD) and LCRA biologists confirmed the presence of invasive zebra mussels in Lake Travis after an observant staff member at a local marina reported the sighting of a single zebra mussel attached to the outboard motor of a moored boat on the lake. Zebra mussels also were discovered in Lake Austin in August 2017, Lake LBJ in July 2019, and Lake Marble Falls in the fall of 2019.

As a result of the initial 2017 zebra mussel discovery, LCRA developed internal protocols for decontaminating LCRA watercraft to help prevent the spread of zebra mussels and other invasive species to other waterbodies. LCRA conducts routine inspections on at-risk infrastructure and is currently reviewing management techniques to mitigate impacts of zebra mussels. LCRA also has partnered with TPWD and supports their public outreach campaign. The campaign focuses on educating anglers, recreators and other stakeholders about the negative effects of zebra mussels and the importance of watercraft decontamination.

Routine monitoring for early detection of zebra mussels is being conducted in all four LCRA-managed waterbodies where established populations of zebra mussels have not been confirmed – lakes Buchanan, Inks, Bastrop and Fayette. LCRA is monitoring the downstream dispersal of zebra mussels in the Colorado River below Lady Bird Lake. LCRA also is monitoring zebra mussel spawning trends in Lake LBJ, Lake Marble Falls, Lake Travis, Lake Austin and Lady Bird Lake to help inform management decisions for all stakeholders.

Spawning trend data from 2018-19 suggests zebra mussel reproduction increases when surface water temperatures are within about 18°C to 28-30°C. Following the October 2018 flood event, mortality of some adult and juvenile zebra mussels was observed throughout the basin. Review of post-flood spawning trend data also suggests a reduction in reproductive activity. This reduction in reproduction proved to be temporary with regular spawning activity resuming in spring 2019. Monitoring efforts will continue through 2020.

### **A.5. Region K Initially Prepared Plan**

Austin and LCRA both put considerable effort in 2019 to participate in the Lower Colorado Regional Water Planning Group's process to develop the Region K water plan. This plan is due to the Texas Water Development Board in 2021. Austin Water and LCRA staff participated as interest group representatives in the Planning Group and were involved in committees such as the Water Modeling, Water Management Strategies, and Legislative and Policy Committees. The

Region K group approved the Initially Prepared Plan to submit to the Texas Water Development Board in early 2020.

## **B. Highlights of Other Water Supply-Related Activities and Discussions**

### **B.1. Austin Water Forward**

A key recommendation of Austin's 2014 Austin Water Resource Planning Task Force was the development of an Integrated Water Resource Plan (IWRP). In December 2014, the Austin City Council passed a resolution creating the Austin Integrated Water Resource Planning Community Task Force (Water Forward Task Force) to support the development of the IWRP. This Task Force is made up of 11 Mayor and Council appointees and additional ex-officio representatives from eight Austin departments including Austin Energy, Watershed Protection and the Office of Sustainability and has typically been holding monthly meetings since May 2015. The IWRP is a collaborative effort led by Austin Water to provide a 100-year plan for demand management and supply-side options for Austin. The plan takes into account a wide-range of factors including population growth, drought and climate uncertainty. Austin refers to this effort as Water Forward.

The Austin Water-led Water Forward, Integrated Water Resource Plan is Austin's 100-year roadmap for a sustainable water future. The plan was developed using a holistic, One Water planning approach that balances multiple objectives including water reliability, social, environmental and economic benefits. The plan's transformative vision reflects a substantial collaborative effort that took place over the course of three and a half years. The Austin City Council adoption of the Water Forward plan in November 2018 was the culmination of extensive work with the Austin community, a citizen task force, and across multiple City departments, Boards and Commissions, and regional entities.

The plan embraces innovative strategies to address future water challenges including advanced metering infrastructure using smart technology and data analytics to identify potential customer leaks, as well as incentives for smart irrigation system controllers. The plan seeks to meet non-potable demands with non-potable source waters through centralized and decentralized strategies. As Austin grows, new development can help to implement onsite reuse strategies or can connect to the City's centralized reclaimed water system to incrementally meet growing demands.

One of the key components of the plan is an Aquifer Storage and Recovery (ASR) facility to save available water during wet times and store it underground, safe from evaporation, for use during drought or other emergency situations. Storage strategies such as ASR stretch Austin's existing surface water supplies and

provide community self-sufficiency through a locally-controlled second source of supply.

Austin Water is implementing the 2018 Water Forward plan as part of an adaptive management approach. Major Water Forward stakeholder engagement efforts during FY19 included hosting two public stakeholder workshops to discuss onsite reuse and other code changes that Austin Water was developing to include in the Land Development Code Revision. AW staff also attended numerous Land Development Code related workshops and public meetings. Austin Water continues to engage in various community, industry, and public events to make presentations and share information about the Water Forward Plan and implementation efforts underway. The plan will be updated on a five-year cycle to incorporate information about changing conditions and allowing the utility to make adjustments as necessary.

In addition to regular updates on the planning process and review and discussion of various plan development elements at Technical Committee meetings, Austin Water also gave regular updates to LCRA on the planning process at EMC meetings.

### **B.2. Austin Drought Contingency Plan and Water Conservation Plan**

Austin adopted water conservation and drought contingency plans that went into effect in May 2016. These plans include watering restrictions of no more than once a week for automatic irrigation systems and two days a week for hose-end sprinklers during evening or night time hours. Home car washing is allowed with a bucket or auto shut-off hose. Certain irrigation methods, tree bubblers, hand-held watering and drip irrigation are generally allowed any time on any day. Austin has a number of conservation-related rebate programs typically administered through the Austin Water Conservation Division. These provisions remained in place in 2019.

### **B.3. Austin Water Rights Activities**

Austin's Watershed Protection and Development Review Department is considering the use of an inactive rock quarry adjacent to Little Bear Creek, a tributary of Onion Creek, as a means of recharge enhancement to the Barton Springs segment of the Edwards Aquifer. The intent of the additional recharge is to augment flow at Barton Springs. Austin, LCRA and Barton Springs Edwards Aquifer Conservation District entered into an interlocal agreement in 2011. Austin staff worked on a draft water right application for the recharge project and, in August 2013, staff from Austin and LCRA met with TCEQ Water Permitting Division staff for a pre-application meeting. Austin and LCRA worked together to address follow-up items raised by TCEQ staff, including additional surface water modeling and incorporating recent flow data from Little Bear Creek. Austin

submitted the water right application to TCEQ on Nov. 4, 2015. At the end of 2019, the application remained in technical review at TCEQ.

Austin Water's Grey Rock application sought authorization for impoundments and water use at the Grey Rock Golf Course. TCEQ granted the Grey Rock permit on June 20, 2019. Water use at the Grey Rock Golf Course is monitored and reported by Austin Water as part of their annual water use report submission to TCEQ.

Austin Water submitted an application to TCEQ on December 11, 2019 to amend their 14-5489 water right, related to Walter E. Long Lake (also known as Decker Lake). This application seeks to add recreational use to the authorization to divert water from the Colorado River and to add recreational use to the authorization to divert and consumptively use water from the reservoir. As of the end of 2019, the application was administratively complete and in TCEQ review.

#### **B.4. Algae Concerns in 2019 in Ladybird Lake**

Lady Bird Lake experienced a harmful algal bloom between July and November 2019. When cyanobacteria, also called blue-green algae, produce toxins, it is called a harmful algal bloom or HAB. Austin is aware of five dogs that died after swimming in Lady Bird Lake.

The 2019 harmful algal bloom appears to have only affected dogs, and the risk to people appears low. Lady Bird Lake continues to meet State of Texas contact recreation standards, which are based on bacteria levels. Blue-green algae thrives when temperatures are hot, nutrients are high, and flow is low. Zebra mussels, flooding during the fall of 2018 and climate change are potential contributing factors.

Austin Water regularly tests algae levels on Lake Austin and Lake Travis near their intake pipes and has not seen levels of concern for drinking water. Currently, Austin Water does not use Lady Bird Lake as a source for drinking water.

#### **B.5 Atlas 14 Austin Updates**

Atlas 14 is a National Weather Service study of historical rainfall that updated the historical record for rainfall data through 2017.

Before the Atlas 14 study, data showed that, in any given year, there was a 1 percent chance of 10.2 inches of rain falling in 24 hours in Austin. This was the official definition of the 100-year storm. The Atlas 14 study shows that this amount of rainfall is now likely to occur more frequently. The new 100-year storm will be closer to 13 inches of rain in some parts of Austin. This resembles the current 500-year storm.

In light of these changes, Austin has updated its floodplain regulations in order to protect the public from flooding. The most significant change to the floodplain regulations is that Austin is using the current 500-year floodplain as the regulatory floodplain until new floodplain studies are complete. The definition of the 100-year floodplain in the Land Development Code has been revised to be the current 500-year floodplain. There is no requirement to bring existing buildings into compliance with the new floodplain regulations if there is no proposed development on the property.

### **B.6. LCRA Water Management Plan Revision Process**

An amendment to the LCRA Water Management Plan was submitted to TCEQ for consideration in February 2019. Following technical review by TCEQ, notice of the pending plan was published. TCEQ held a public meeting and received comments, however there were no contested case hearing requests. TCEQ approved the plan in February 2020.

LCRA began the WMP revision process in January 2018 consistent with the order approving the 2015 WMP. The order required LCRA to include naturalized streamflow data through 2016. LCRA has used input from interested participants to develop every WMP. Throughout 2018, LCRA held numerous meetings to present staff-proposed changes to the WMP, present modeling results and solicit input from participants. Following each meeting, participants had the opportunity to submit written comments, and LCRA staff developed written responses to the comments. LCRA staff also was available for individual and small group meetings. Some of the key changes in the 2020 WMP as compared to the 2015 WMP include:

#### *Interruptible Stored Water Availability*

- Updated volumetric limits on the amounts of Interruptible Stored Water available for diversion at the Gulf Coast, Lakeside and Pierce Ranch operations;
- Updated Combined Storage level for the cutoff of Interruptible Stored Water during the middle of the Agricultural Season;
- Additional criteria for entering Extraordinary Drought based on severe drought conditions similar to 2011 conditions; and
- New maximum limit on releases of Interruptible Stored Water from lakes Buchanan and Travis.

#### *Environmental Flows*

- Additional Nov. 1 Evaluation Date used for determining the environmental criteria in place during the period from November through February;



- Modified Combined Storage level for instream flow conditions switching between Base-Dry and Subsistence from 1.9 million acre-feet to 1.8 million acre-feet;
- Modified obligation related to the supply of water to help meet environmental flow needs at Wharton when Combined Storage is below 900,000 acre-feet;
- Water stored in Arbuckle Reservoir is available to meet LCRA's obligation for bay inflows; and
- Updated limits on releases of water to help meet environmental flow needs.

#### *Drought Worse Than Drought of Record*

- Test for declaring Drought Worse than Drought of Record updated to reflect intensity and duration of the recent new Drought of Record.

#### **B.7. LCRA Water Supply Status**

On Jan. 1, 2019, Lake Buchanan was at a level of 1,018.5 feet msl, and Lake Travis' level was above the conservation storage level at 682.49 feet msl. Combined storage on the March 1, 2019, evaluation date was 1.953 million acre-feet. Consistent with the 2015 WMP, the maximum amount of Interruptible Stored Water available for first season for agricultural customers in the Gulf Coast, Lakeside and Pierce Ranch irrigation operations was 202,000 acre-feet. On July 1, 2019, the "managed" storage for purposes of the WMP was 1.96 million acre-feet, which under the 2015 WMP corresponded to Base-Average conditions. After the irrigation season, the inflows turned markedly lower. The year ended with combined storage of 1,723,180 acre-feet.

#### **B.8. LCRA New Water Supply Projects**

In October 2014, the LCRA Board unanimously approved construction of an off-channel reservoir project in Wharton County. LCRA built the reservoir, named the Arbuckle Reservoir, near Lane City. The reservoir, which formerly was known as the Lane City Reservoir, could add up to 90,000 acre-feet of water to the region's supply. It is the first project that will allow LCRA to capture and store significant amounts of water downstream of the Highland Lakes.

In November 2018, reservoir construction was substantially complete, and initial filling and testing started. In March 2019, after approximately four months of filling, staff observed groundwater seepage outside the exterior of the reservoir. LCRA Dam Safety staff and engineers stopped the filling and emptied the partially filled reservoir. Subsequent engineering analysis and testing have determined that an additional subsurface seepage cutoff wall will be required to control groundwater transference and allow the reservoir to be refilled.

Construction of the new subsurface cutoff wall and other related items necessary to control seepage and allow the reservoir to operate safely are underway. The projected in-service date is late spring 2022.

LCRA owns the groundwater rights associated with the 5,000-acre Griffith League Boy Scout Ranch in Bastrop County, and is seeking permits to drill up to eight wells for the production of up to 25,000 acre-feet of water when the need arises to meet demand. On May 16, 2018, the LCRA Board approved moving forward with permitting and design of the groundwater project. LCRA submitted operation and transport permit applications to the Lost Pines Goundwater District (LPGCD) on Feb. 21, 2018. A hearing at the State Office of Administrative Hearings (SOAH) on the permits was held in October 2019, and a recommendation from the SOAH judges to LPGCD will likely occur in mid-2020.

### **B.9. LCRA Soil Moisture Monitoring**

In 2018, LCRA and UT Arlington made a proposal to NASA to incorporate soil moisture data into flood modeling called “Integrating NASA Satellite Soil Moisture and Precipitation Products to Augment Operational Hydrologic Prediction Capabilities of River Authorities in the State of Texas”. The proposal was awarded a grant, and the first project report was presented in July 2019. The project is anticipated to be complete in June 2022.

In 2014, LCRA began soil moisture monitoring around Gillespie County in coordination with the University of Texas at Austin Jackson School of Geosciences in anticipation of a 2015 launch of the NASA Soil Moisture Active Passive Satellite. LCRA updated the EMC on the ongoing collection of the data using LCRA’s Hydromet system. LCRA displays NASA Land Information System modeled soil moisture at [hydromet.lcra.org](http://hydromet.lcra.org).

### **B.9. Prairie Regulating Reservoir Project**

LCRA received an \$8 million federal partnership award to help construct a new irrigation regulating reservoir in Colorado County. The proposed reservoir would provide LCRA operational flexibility by helping meet the demands of downstream customers within the Lakeside Irrigation Division. The reservoir would increase water reliability and improve agricultural water use efficiency. The Prairie Regulating Reservoir project proposes an up to 2,000 acre-foot, off-channel, regulating reservoir and improvements to the existing collection and distribution system. The system would be combined gravity and pump operated. In 2018, LCRA initiated the federal watershed planning and National Environmental Policy Act analysis and permitting process. In 2019, preliminary cost estimates revealed the project would exceed available funds. The project is now on hold.

### **B.10. Tom Miller Dam Flood Gate Replacement Project**



In 2018, LCRA began a project to remove and replace each of the nine floodgates at Tom Miller Dam in central Austin. The \$9.9 million project is the second extensive renovation of the dam since it was completed in 1940. LCRA completed major structural improvements to the dam in 2005 as part of a dam modernization project. This project is replacing the aging floodgates with new, custom-built floodgates that will help ensure the dam will continue to perform reliably and safely for generations to come. The dam remains in service and available to respond to floods and water supply needs. By the close of 2019, the contractor had replaced two gates. Completion is anticipated in August 2020.

#### **B.11. LCRA Water Rate Changes**

In 2019, LCRA made no changes to its firm water customer water rate of \$145 per acre-foot.

### **C. Other Activities and Discussions**

#### **C.1. Water Conservation Committee**

Austin and LCRA water conservation staffs continued their ongoing focus on conservation in 2019. No Water Conservation Committee meeting was held in 2019.

#### **C.2. Stakeholder Committee**

No Stakeholder Committee meeting was held in 2019.

#### **C.3. Water Quality Committee**

The Water Quality Committee did not meet in 2019. There was no formal business for the committee to consider.

### **IV. Summary of Planned Year 2020 Activities**

#### **A. Upcoming Events**

- Annual briefings to the Austin Water and Wastewater Commission and Austin City Council.
- Updates provided to the LCRA Board, as needed.
- Austin to submit updated 100-year water demand projections (Demand Schedule) to LCRA for use by the partnership.
- Austin Water implementing Water Forward strategies.

#### **A. Ongoing Activities**

- Continue coordination on water supply and drought response measures and other items being addressed by the Austin-LCRA Water Partnership Technical Committee.

- Coordination on zebra mussel monitoring and remediation.
- Coordination of Tom Miller Dam Floodgate Replacement Project.
- Continue pursuing the Joint Application for Reuse of City of Austin Return Flows at TCEQ.
- Continue coordination on water use reporting.
- Continue coordination regarding LCRA and Austin pending water rights permits at TCEQ.
- Support implementation of the Stoneledge Quarry Recharge Project.
- Continue updates and review of LCRA's Water Resources Plan.


**Attachment:**

- A. City of Austin-LCRA Water Partnership Organization Chart.


**Appendix:**

1. Committee Rosters
2. EXHIBIT A - COA and LCRA Water Resource Management Partnership From the: SETTLEMENT AGREEMENT BY AND BETWEEN THE CITY OF AUSTIN AND THE LOWER COLORADO RIVER AUTHORITY REGARDING JOINT WATER RESOURCE MANAGEMENT AND THE RESOLUTION OF CERTAIN REGULATORY MATTERS PENDING AT THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

**Approved By:**

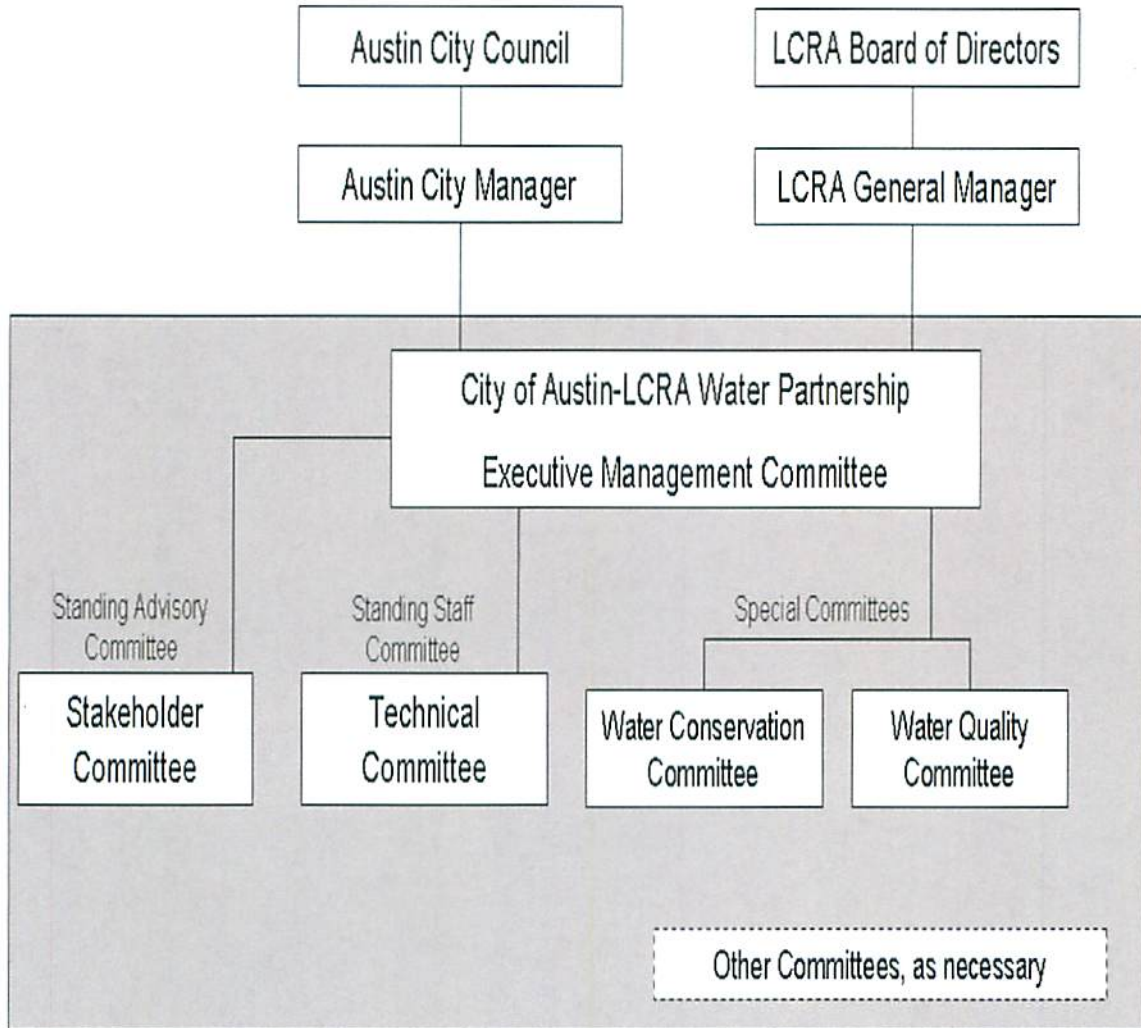
  
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Monica Masters  
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John Hofmann  
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Kevin Critendon  
Assistant Director,  
Austin Water, City of Austin

# City of Austin-LCRA Water Partnership Organization



Attachment A



# Appendices



# Appendix 1

## Committee Rosters

(as of December 2019)

### **Executive Management Committee**

#### City of Austin

Greg Meszaros, Director, Austin Water

Kevin Critendon, Assistant Director, Austin Water

#### LCRA

Monica Masters, Vice President, Water Resources

John Hofmann, Executive Vice President, Water

### **Technical Committee**

#### City of Austin

Helen Gerlach, Graduate Engineer B, Austin Water

Teresa Lutes, Managing Engineer, Austin Water

Ross Crow, Assistant City Attorney, Law Department

#### LCRA

Ronald Anderson, Chief Engineer

Stephen Kellicker, Manager, Financial Planning and Analysis

Lyn Clancy, Managing Associate General Counsel and Senior Water Policy Advisor

### **Water Conservation Committee**

#### City of Austin

Daryl Slusher, Assistant Director, Austin Water

#### LCRA

Valerie Miller, Manager, Water Contracts and Conservation

### **Water Quality Committee**

#### City of Austin

Daryl Slusher, Assistant Director, Austin Water

Mike Personett, Assistant Director, Austin Watershed Protection

#### LCRA

Vic Ramirez, Associate General Counsel, Legal Services

Bryan Cook, Manager, Water Quality Protection



# Appendix 2

## EXHIBIT A - COA and LCRA Water Resource Management Partnership

From the:

**SETTLEMENT AGREEMENT BY AND BETWEEN THE CITY OF AUSTIN  
AND THE LOWER COLORADO RIVER AUTHORITY REGARDING JOINT  
WATER RESOURCE MANAGEMENT AND THE RESOLUTION OF CERTAIN  
REGULATORY MATTERS PENDING AT THE TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

**EFFECTIVE DATE: JUNE 18, 2007**

- 1. Background:** Water is the lifeblood of Central Texas communities. Austin and LCRA have individually employed traditional water management strategies, focusing on solutions that have often unintentionally led to conflict. These conflicts, if left unresolved, may limit the ability of the Parties to meet their responsibilities as major water suppliers. As population growth and economic factors in the region increase the demand for water, the Parties recognize a different approach is needed. Collaborative water management strategies can offer new opportunities to optimize water supply solutions for the region.
- 2. Vision:** Reliable and affordable water, managed in an environmentally responsible and collaborative manner, is critical to the vitality and economy of the region.
- 3. Purpose:** LCRA and Austin, as the two largest water right holders in the lower Colorado River basin, have agreed to develop a cooperative management structure. Through this new approach, the Parties will jointly evaluate and implement strategies to optimize water supplies to meet water needs of their customers and the environment.
- 4. Scope:** The scope of the partnership agreement will include joint water supply planning, as well as the ability to manage both entities' individual raw water supplies as an integrated system. All existing raw surface water supplies, including Return Flows, of each party will be included in this agreement. Future water supplies will be included as approved by the Executive Management Committee.

Day-to-day management and coordination of the river system including flood management, water quality protection and other functions will remain LCRA's





responsibility. Day-to-day water/wastewater utility planning and operations will remain the responsibility of each party.

**5. Cooperative Management Structure:** The Parties shall establish an Executive Management Committee and Technical Water Resources Planning Subcommittee, with the following structure and responsibilities:

**A. Executive Management Committee**

- i. Composition: The Executive Management Committee (EMC) will be composed of two representatives each of Austin and LCRA, to be designated by the chief executive officer of each organization.
- ii. Duties and Responsibilities: The EMC will be responsible for carrying out the Purpose and Scope as follows:
  - 1. establishing and implementing strategic goals and policies,
  - 2. approval of joint water supply strategies and implementation plans,
  - 3. continued supervision and oversight of approved joint water supply strategies and implementation plans,
  - 4. obtaining any necessary approvals from and ensuring compliance with requirements of each party's governing body,
  - 5. coordination of communication with internal and external stakeholders,
  - 6. ensuring adherence to the decision-making guidelines set forth below,
  - 7. creation and general supervision of any subcommittees necessary to carry out the Purpose and Scope, and
  - 8. developing standard operating procedures and bylaws for the EMC and any subcommittees.

**B. Technical Water Resource Planning Subcommittee.** A Technical Water Resource Planning Subcommittee (Technical Subcommittee) shall be established as follows:

- i. Composition: The Technical Subcommittee will be an interdisciplinary committee comprised of members appointed by the EMC.
- ii. Duties and Responsibilities. The Technical Subcommittee will be responsible for:



1. Projections of water demands and identification of a wide array of supply alternatives, including Return Flows, and preliminary recommendation of alternatives for consideration by the EMC for further study.
2. In consultation with the EMC, develop any necessary technical analyses and implementation plans for strategies identified for further study.

**C. Decision-making Guidelines**

- i. Consensus decisions of the EMC shall be made using interest-based problem solving, mindful of the standards and mutual interests of the Parties as set forth below.
- ii. The standards against which water supply strategies shall be evaluated include:
  1. Improve relationships between Austin and LCRA
  2. Cost effective and provides value to both Parties
  3. Obtain stakeholder input in an effort to fairly address multiple needs of the region
- iii. The mutual interests of the Parties to be addressed by any water supply strategy selected by the EMC include:
  1. maintaining ownership and protecting the value of each party's individual water rights,
  2. preserving water quality and environmental health of the river and bay system,
  3. improving the Parties' relationship and building trust through enhanced information sharing, cooperation, and partnering,
  4. improving water supply certainty, including enhancing reliability and water availability, and
  5. responsible water resource management, mindful of the Parties commitment to a strong water conservation ethic.
- iv. The Parties may, by consensus, modify the standards and mutual interests to be used in making decisions under this agreement.
- v. If the EMC cannot reach a consensus decisions on whether to pursue particular water supply strategies recommended by the Technical Subcommittee, then the EMC shall request a decision from the chief executive officers of each organization.



## **6. Operating Guidelines:**

- A.** The Parties agree to designate their representatives to the Water Partnership Executive Management Committee (EMC) within 90 days of the final approval of the Supplemental Water Supply Agreement called for in Paragraph 1V.B of the Settlement Agreement. The Parties also agree to convene an initial meeting of the EMC within 120 days of execution of the Supplemental Water Supply Agreement.
- B.** The initial tasks of the EMC include, but are not limited to:
- i.** Develop operating procedures and by-laws, to include but not be limited to:
    - 1.** Set meeting schedule to initially include a minimum of one EMC meeting per quarter
    - 2.** Set meeting logistics including chair, chair rotation schedule, meeting location, and record keeping, including meeting minutes, workplans, etc.
    - 3.** Set schedule and process to develop scopes and workplans for tasks to be accomplished by the COA and LCRA Water Resource Management Partnership
    - 4.** Set reporting schedule to include a minimum reporting schedule of at least one report to each the Austin City Council and the LCRA Board every two years
    - 5.** Set regular quarterly meeting format to include, as appropriate, but not be limited to:
      - a.** Report by each party on all activities that might affect either party's water rights or water supply, which may include any significant developments in the following:
        - i.** status of
          - all water rights applications
          - a water supply development projects (current or proposed Water Management Plan status)
          - any proposed water treatment, wastewater treatment or other related facilities
          - any direct reuse projects
          - water conservation efforts
        - ii.** status of joint efforts and suggestions for additional joint effort opportunities
        - iii.** updates on studies relevant to water supply availability



- iv. updates on relevant environmental issues and implementation of environmental policies
  - v. relevant legislative updates including new statutes and pending legislation relating to water supply of the Parties
  - vi. Relevant administrative matters before the State Office of Administrative Hearings
  - vii. Updates on significant actions or decisions by the Texas Commission on Environmental Quality
  - viii. Update on water rates revisions
  - ix. Information on water sales, water usage, major diversions, new customers, and projected water demands (short and long-term)
  - x. Update on any LCRA Water Management Plan planned amendments
  - xi. State Region K regional water planning efforts
  - xii. Update on LCRA Board and Austin City Council actions relevant to water supply availability
- b. Subcommittee reports
  - c. Other items as determined
6. Set meeting process to initially include a minimum of two work sessions per year
- a. Work session tasks may include, but not be limited to:
    - i. develop joint basin management strategies in keeping with the mutual interests of the parties as outlined in Exhibit A. Section 5. C. iii., and updated, as needed, by the EMC.
    - ii. develop plans for joint studies and projects,
    - iii. develop any joint resolutions, proposed agreements,
    - iv. Formulate subcommittees, as needed
    - v. Evaluate on-going efforts of the COA and LCRA Water Resource Management Partnership including a re-evaluation of the scope and purpose, including progress of efforts to meet long-term water supply needs
7. Appoint the Technical Water Resource Planning Subcommittee
8. Develop initial scope and workplan to address the following:



- a. Develop initial scope of tasks to be accomplished in the initial two years, including but not limited to:
  - i. As per Settlement Agreement Section VII. D., develop proposal to address maintenance of Town Lake levels
  - ii. Establish process to evaluate and implement joint water management strategies to optimize water supplies
- b. Establish coordination of reporting, operations, and diversions
- c. Develop a list of matters to be monitored by the EMC
- d. Develop process for determining future tasks and work plans, once initial tasks are complete, including development of demand projections ("Demand Schedule")

