

LCRA Interruptible Water Rates for Calendar Year 2026

**Water Operations Committee
Meeting**

Nov. 12, 2025



Water Rates Review

- **For rate-setting purposes, costs are divided into the following four categories:**
 - River management – operations and maintenance expenses of managing the river system
 - Water debt obligation – annual debt service and coverage
 - Irrigation canals water delivery – agriculture and Gulf Coast industry
 - Other adjustments:
 1. Firm revenue-funded capital
 2. Firm revenue requirement offsets – STP Nuclear Operating Company revenue and City of Austin Lake Travis diversions revenue

Water Rates Review (Continued)

- **Firm pays for:**
 - Allocated portion of river management (78.7%)
 - Water debt obligation (100%)
 - Other adjustments and revenue requirement offsets (100%)
- **Interruptible pays for:**
 - Allocated portion of river management (21.3%) – Gulf Coast and Lakeside agricultural divisions only
 - Irrigation debt (100%)
 - Irrigation canals water delivery (100%)

What's Changed From 2025 Rate?

- **Firm and interruptible operations and maintenance costs updated**
 - Based on fiscal year 2025 actual results
 - Adjusted for known and measurable changes
 - For interruptible, full water delivery is assumed for calendar year 2026; electric and certain other costs are adjusted to reflect CY 2026 estimate of water use at full availability
 - 4% base labor increase; market adjustments; benefits increase; new hires; open positions
 - Other adjustments, including outside services and materials costs

What's Changed From 2025 Rate?

(Continued)

- **Interruptible billing units updated**
 - Acres based on three-year rolling average of actual acres
 - First season water use per acre based on statistical analysis that considers rainfall, temperature, evaporation, etc.

Garwood Agricultural Division CY 2025 Acres and Water Use

	First Season Rice	Second Season Rice	Row Crop	Wildlife	Pasture
Number of contracts serviced	54	43	0	30	1
Acres serviced	21,227.1	14,025.6	0	4,341.3	84.2
Water delivered (acre-feet)	43,749.4	24,513.8	0	7,356.0	59.9
Water use per acre (a-f per acre)	2.059	1.748	0	1.694	0.712
Number of contracts in surcharge	2	9	0	4	0

Interruptible Billing Units – CY 2026

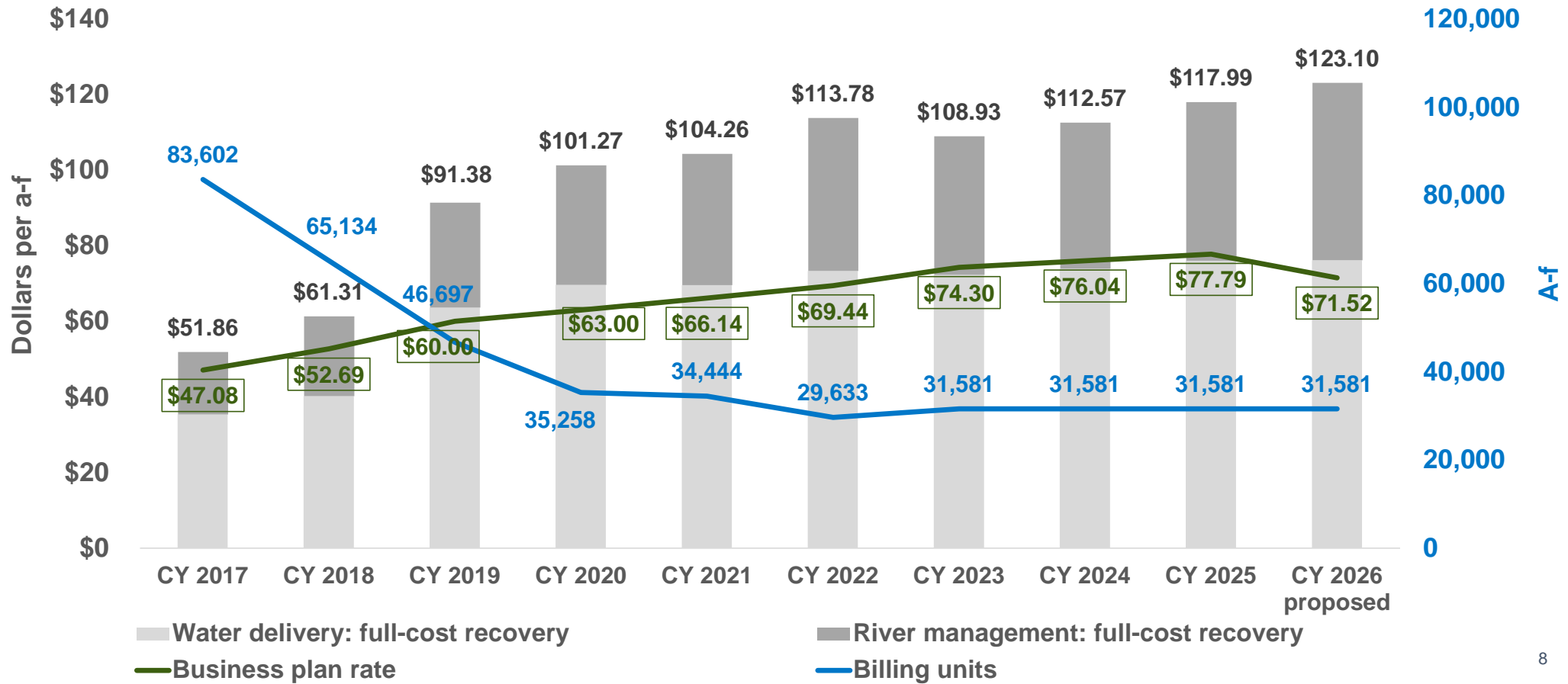
	Gulf Coast	Lakeside	Garwood	How Derived
Acres				
Rice – first season	8,956	22,893	20,816	Three-year averages: <ul style="list-style-type: none"> • First season rice, turf: <ul style="list-style-type: none"> – Gulf Coast and Lakeside – 2020, 2021, 2022 – Garwood – 2023, 2024, 2025 • Second season rice: <ul style="list-style-type: none"> – Gulf Coast and Lakeside – 2019 2020, 2021 – Garwood – 2023, 2024, 2025
Rice – second season	3,762	11,908	14,404	
Turf	1,700			
Times: water use per acre (acre-foot per acre)*				
Rice – first season	2.826	1.848	2.089	Statistical analysis
Rice – second season	1.346	1.165	1.700	Three-year weighted averages: <ul style="list-style-type: none"> • Gulf Coast and Lakeside – 2019, 2020, 2021 • Garwood – 2023, 2024, 2025
Turf	0.710			
Equals: billing units (a-f)*				
Rice – first season	25,310	42,311	43,477	
Rice – second season	5,065	13,875	24,492	
Turf	1,206			
Total interruptible billing units	31,581	56,186	67,969	

*Water use is delivered to the field

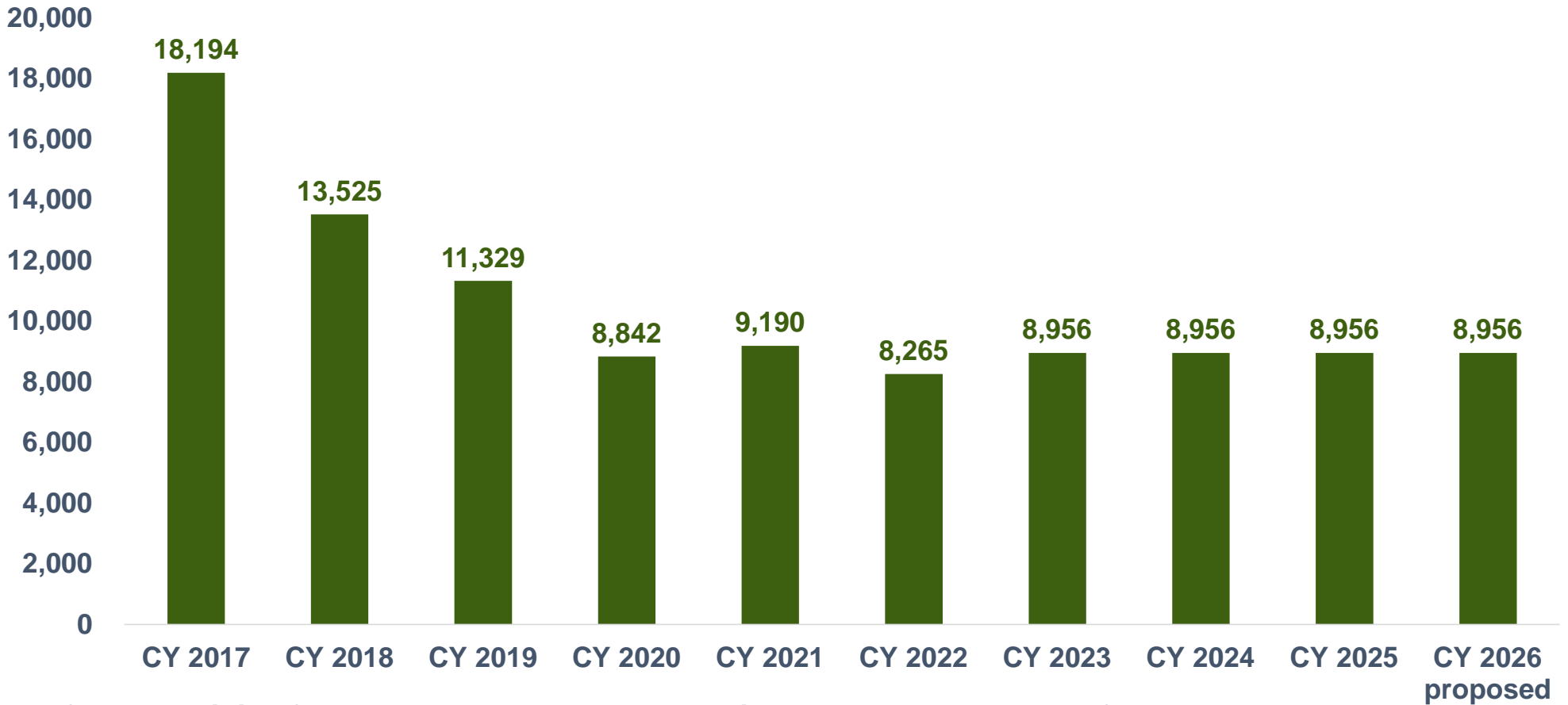
Gulf Coast Agriculture Rate – CY 2026

(Dollars in thousands unless otherwise noted)	CY 2026 Rate	CY 2025 Rate	Variance – Favorable (Unfavorable)	
			Amount	Percent
Water delivery costs	\$2,406	\$2,467	\$61	2.5%
Add: allocated river management costs	\$1,482	\$1,326	(\$156)	(11.7%)
Total costs – full-cost recovery	\$3,888	\$3,793	(\$95)	(2.5%)
Less: Agriculture Reserve Funds used	(\$1,629)	(\$1,336)	\$293	21.9%
Total costs	\$2,259	\$2,457	\$198	8.1%
Divided by: billing units (a-f)	31,581	31,581	0	0.0%
Equal: rate (dollars per a-f)				
Water delivery costs	\$76.18	\$78.12	(\$1.94)	(2.5%)
River management costs	\$46.92	\$42.00	\$4.92	11.7%
Total full-cost recovery rate	\$123.10	\$120.12	\$2.98	2.5%
Less: Agriculture Reserve Funds used	(\$51.58)	(\$42.33)	(\$9.27)	(21.9%)
Total Gulf Coast agriculture rate	\$71.52	\$77.79	(\$6.28)	(8.1%)

Gulf Coast – Rates and Billing Units Used for Setting Rate



Gulf Coast First Season Planned Rice Acres*

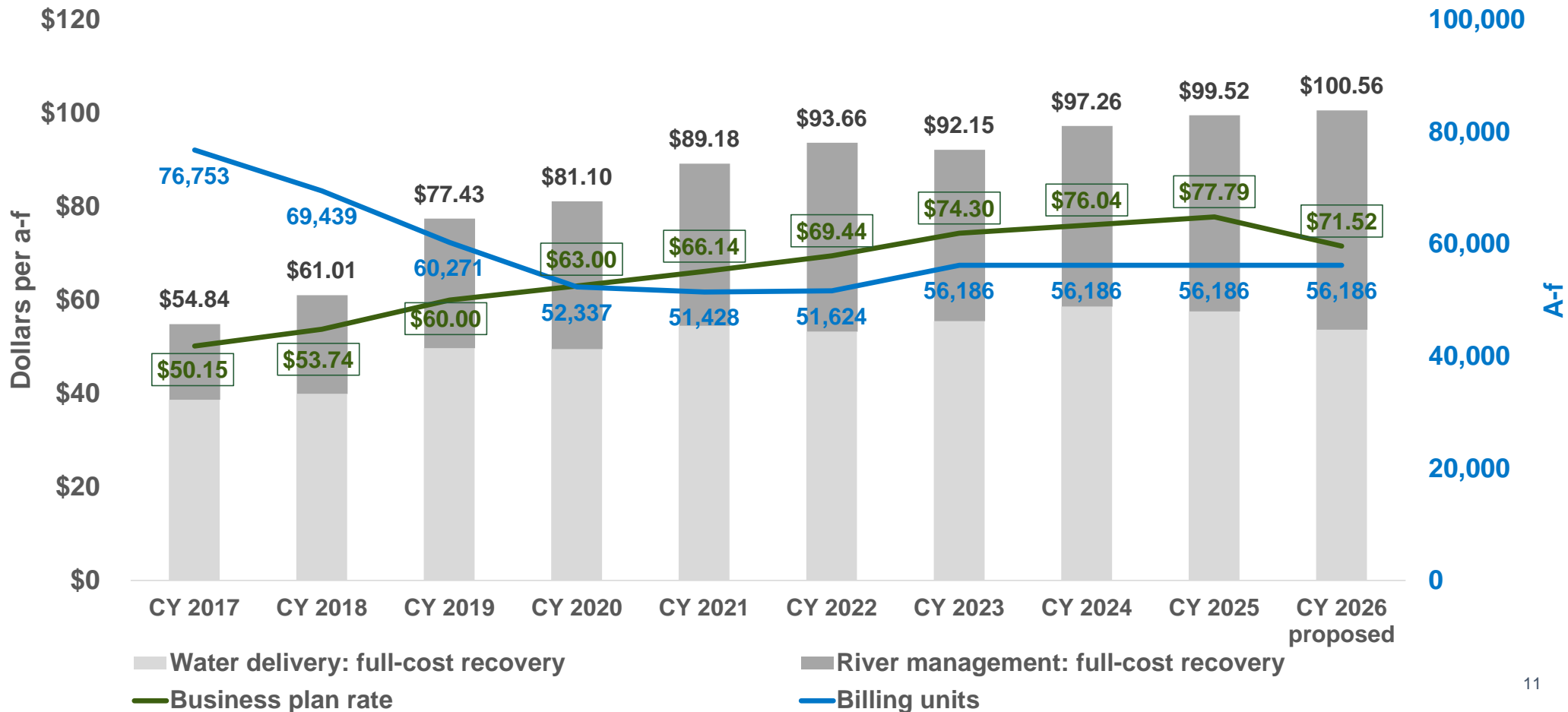


*Used for determining full cost recovery; based on rolling three-year averages of actual planted acres

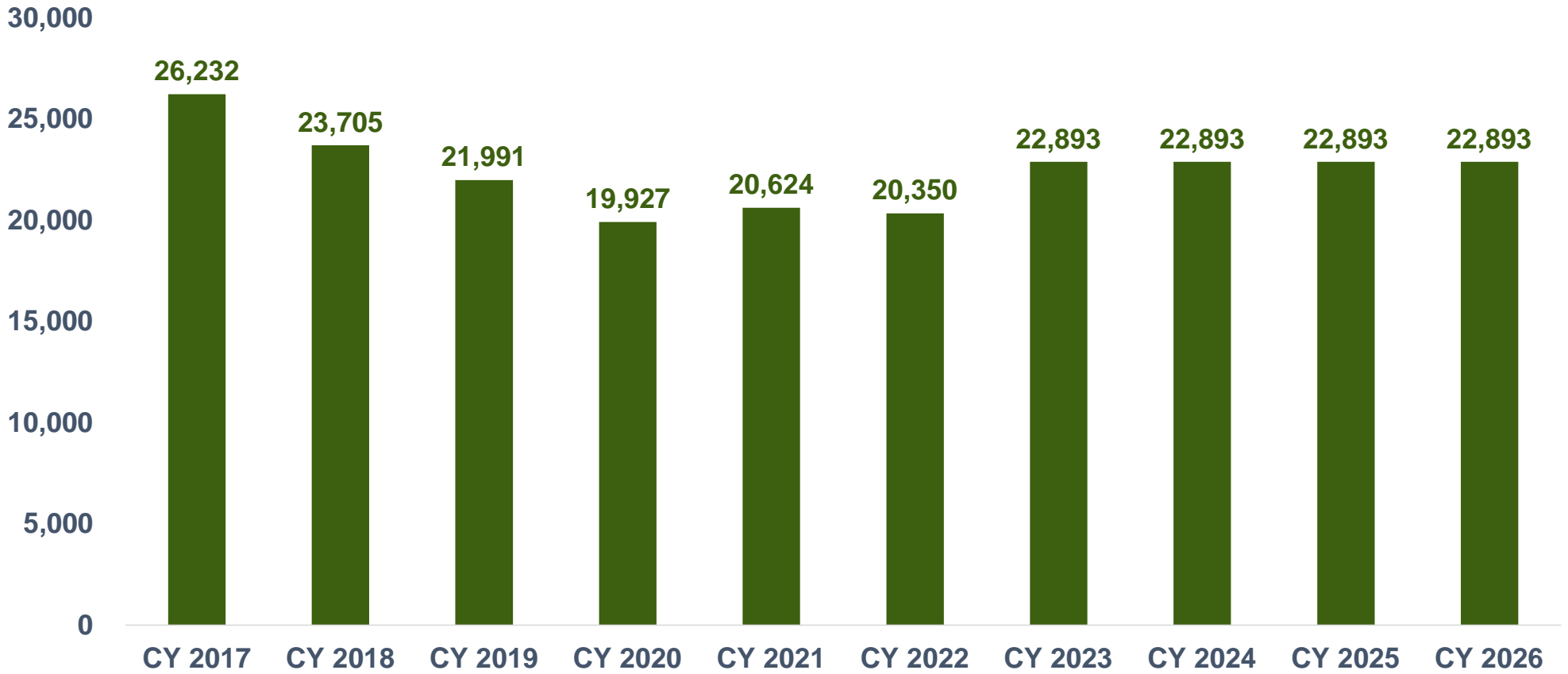
Lakeside Rate – CY 2026

(Dollars in thousands unless otherwise noted)	CY 2026 Rate	CY 2025 Rate	Variance – Favorable (Unfavorable)	
			Amount	Percent
Water delivery costs	\$3,014	\$3,235	\$221	6.8%
Add: allocated river management costs	\$2,636	\$2,360	(\$276)	(11.7%)
Total costs – full-cost recovery	\$5,650	\$5,595	(\$55)	(1.0%)
Less: Agriculture Reserve Funds used	(\$1,632)	(\$1,225)	\$407	33.2%
Total costs	\$4,018	\$4,370	\$352	8.1%
Divided by: billing units (a-f)	56,186	56,186	0	0.0%
Equal: rate (dollars per a-f)				
Water delivery costs	\$53.64	\$57.58	(\$3.94)	(6.8%)
River management costs	\$46.92	\$42.00	\$4.92	11.7%
Total full-cost recovery rate	\$100.56	\$99.59	\$0.97	1.0%
Less: Agriculture Reserve Funds used	(\$29.05)	(\$21.80)	(\$7.25)	(33.2%)
Total Lakeside rate	\$71.52	\$77.79	(\$6.28)	(8.1%)

Lakeside – Rates and Billing Units Used for Setting Rate



Lakeside First Season Planned Rice Acres*



*Used for determining full cost recovery; based on rolling three-year averages of actual planted acres

Garwood Rate – CY 2026

(Dollars in thousands unless otherwise noted)	CY 2026 Rate	CY 2025 Rate	Variance – Favorable (Unfavorable)	
			Amount	Percent
Water delivery costs	\$2,768	\$2,783	\$15	.5%
Add: allocated river management costs	n/a	n/a	n/a	n/a
Total costs	\$2,768	\$2,783	\$15	0.5%
Divided by: billing units (a-f)	67,969	61,871	6,098	9.9%
Equal: rate (dollars per a-f)				
Water delivery costs	\$40.72	\$44.98	(\$4.26)	(9.5%)
River management costs	n/a	n/a	n/a	n/a
Garwood rate – weighted average	\$40.72	\$44.98	(\$4.26)	(9.5%)
Garwood rate – one lift (83% of total volume)	\$39.51	\$43.47	(\$3.96)	(9.1%)
Garwood rate – two lifts (17% of total volume)	\$46.83	\$51.53	(\$4.70)	(9.1%)

CY 2026 Interruptible Rules, Rates and DCP Implementation Summary and Timeline

- **Interruptible rates – recalibrating to a 3% increase from last delivery period**
- **No proposed rules or DCP changes for 2026**
- **Interruptible water rates**
 - Post on website for review and comment in December 2025
 - Close comment period in early January 2026
 - Seek approval at January 2026 Board meeting
- **Interruptible water availability – driven by conditions on March 1, 2026**



LCRA

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