

**AGRICULTURAL INTERRUPTIBLE WATER SERVICE CONTRACT
FOR FIRST AGRICULTURAL SEASON RICE
WITHIN THE GARWOOD AGRICULTURAL DIVISION**

CONTRACT NO. _____

LOWER COLORADO RIVER AUTHORITY, hereinafter "LCRA," and CUSTOMER, in mutual consideration of the provisions herein contained, agree as follows:

I. WATER SUPPLY

- A. OBLIGATION TO SUPPLY INTERRUPTIBLE WATER. LCRA agrees to furnish interruptible water in the canals and laterals it owns or controls for diversion and use by CUSTOMER for agricultural purposes (rice irrigation) during the First Agricultural Season (as defined in Section I.C of this Contract). Subject to the conditions set forth in this Contract and the Agricultural Interruptible Water Service Contract Rules (Rules), which include the Standard Terms and Conditions, LCRA will supply interruptible water to irrigate the crops and acreage as described in Exhibit 1 at the delivery point specified in Exhibit 1.
- B. SUPPLIES SUBJECT TO CURTAILMENT. CUSTOMER agrees that water supplied under the Contract is subject to availability, provided on an interruptible basis, and subject to curtailment in accordance with the terms of this Contract, LCRA's Agricultural Interruptible Water Service Contract Rules, the LCRA Water Management Plan, and the LCRA Drought Contingency Plan, as they may be amended from time to time.

Water supplied under this Contract will be cut off for the remainder of the First Agricultural Season under any of the following circumstances:

1. combined storage in lakes Buchanan and Travis falls to or below 600,000 acre-feet; or
2. total diversions of interruptible stored water from lakes Buchanan and Travis and run-of-river water at the Garwood Agricultural Division during the First and Second Agricultural Season equals or exceeds 100,000 acre-feet.
3. total diversions of interruptible stored water from lakes Buchanan and Travis at the Garwood Agricultural Division during the First and Second Agricultural Season equals or exceeds 18,200 acre-feet.

Notwithstanding items 1 and 3, above, to the extent that LCRA determines water is available under water right 14-5434C, LCRA will continue to provide run-of-river supplies that LCRA determines can be made available without waste under such water right until total diversions reach 100,000 acre-feet. However, all releases of interruptible stored water will cease. This may result in a severe limitation on supply for the remainder of the Agricultural Season.

CUSTOMER further agrees that water supplied under this Contract may be limited or unavailable due to constraints associated with existing intake structures and pumping plants during low-flow conditions in the Colorado River.

If supplies are available but limited to an amount less than the orders for water, CUSTOMER acknowledges that LCRA will, in its sole discretion, distribute the limited supplies among customers with orders and the amount made available to CUSTOMER, if any, may be reduced as compared to CUSTOMER's order. In such event, the timeframes for delivery of water in the Canal Operating Procedures will not apply.

- C. FIRST AGRICULTURAL SEASON. Subject to the limitations in this Contract and the Rules, during the calendar year in which this Contract is executed, LCRA intends to have its canal system ready to start delivery of water for agricultural purposes during the First Agricultural Season, herein defined as follows:
1. The First Agricultural Season starts the later of March 15 or when requests for delivery have been received for at least 1,000 acres from a pumping facility supplying water to the agricultural division. Prior to that date, LCRA may supply water that LCRA, in its sole judgment, determines is available under its run-of-river water right originating below Lake Travis in excess of water needed to fill the canal system.
 2. The First Agricultural Season shall end on the earlier of Aug. 15, or the harvest of first crop rice; however, if the harvest has not occurred by Aug. 15, LCRA may extend the First Agricultural Season for this Contract beyond Aug. 15. During such time, the orders for water under this Contract will not have priority over orders for water under any contracts for second crop or supplemental purposes.
- D. ACREAGE. CUSTOMER acknowledges and agrees that the acreage indicated on Exhibit 1 was identified by CUSTOMER as the acreage CUSTOMER intends to irrigate under this Contract. CUSTOMER further acknowledges and agrees that LCRA makes no representation or warranty that sufficient water will be available for such acreage.
- E. ADDITIONAL ACREAGE OR PURPOSES OF USE. Under no circumstance shall LCRA be obligated to provide water for the irrigation of acreage in excess of the acreage indicated on Exhibit 1 ("Excess Acreage") or for additional agricultural purposes of use for which a separate contract has not been executed. In the event that CUSTOMER uses LCRA water to irrigate Excess Acreage or for such additional purposes of use, CUSTOMER shall pay all applicable charges and surcharges as described in Section IV.B, and LCRA reserves the right to cut off all delivery of water to CUSTOMER under this Contract for the remainder of the First Agricultural Season.
- F. LIMITATION OF LCRA LIABILITY. CUSTOMER AGREES TO THE LIMITATIONS OF LIABILITY AND INDEMNITY OBLIGATIONS IN THE STANDARD TERMS AND CONDITIONS SET FORTH IN THE AGRICULTURAL INTERRUPTIBLE WATER SERVICE CONTRACT RULES.

II. CONSERVATION OF WATER AND PREVENTION OF WASTE

CUSTOMER agrees to the provisions in the Standard Terms and Conditions set forth in the Rules regarding Conservation of Water and Prevention of Waste, including, but not limited to, requirements to make improvements to prevent waste prior to delivery of water, and the right of LCRA to cut off deliveries to prevent waste.

III. TERM

The term of this Contract is for the period from the date of the execution of the Contract until all payments are received consistent with the Standard Terms and Conditions set forth in the Rules. However, the First Agricultural Season as defined in Section I.C of this Contract defines the period during which water may be supplied under this Contract.

IV. CONTRACT ADMINISTRATION

- A. AGREEMENT TO PAY. CUSTOMER agrees and covenants to pay LCRA at the applicable rate(s) adopted by the Board for the Agricultural Season, as specified in Exhibit 2, consistent

with the Standard Terms and Conditions provided in the Rules. In the event water is cut off, CUSTOMER remains obligated to pay for all water delivered, including surcharges.

- B. **MINIMUM CHARGE.** CUSTOMER agrees and covenants to pay LCRA a Minimum Charge per acre as specified in Exhibit B for each acre under this Contract as identified in Exhibit 1. For all acres under Contract for which CUSTOMER takes delivery of water under this Contract, the Minimum Charge will be credited toward water use fees on such acres. For any acres for which CUSTOMER does not take delivery of water under this Contract, CUSTOMER will remain obligated to pay the Minimum Charge, regardless of water use on other acres.
- C. **SURCHARGES.** As set forth in Exhibit 2, in the event CUSTOMER is delivered water in excess of the Per Acre Duty, CUSTOMER will be assessed a Surcharge in addition to the Total Diversion Charge for any water delivered in excess of the Per Acre Duty. In the event that CUSTOMER water use on an acre-foot per acre basis equals or exceeds the Per Acre Duty as a result of extraordinary rain events (such as those resulting from hurricanes or tropical storms), earthquakes, floods, unauthorized acts of a third-party or failure of LCRA to cease delivery to the fields within the period provided for in the Rules, and CUSTOMER takes immediate measures to mitigate against such event to the satisfaction of LCRA, the LCRA General Manager may waive the Surcharge associated with water use resulting from such event. In the event CUSTOMER is delivered water to irrigate acreage in excess of that identified in Exhibit 1, or water is used for additional agricultural purposes of use for which a separate contract has not been executed, CUSTOMER will be billed for the use of such water in accordance with the Total Diversion Charge PLUS the maximum surcharge rate in Exhibit 2. In the event CUSTOMER orders water and subsequently cancels the order for delivery to a field, CUSTOMER shall pay the Canceled Order Surcharge as set forth in Exhibit 2. In the event of high rainfall that results in deliveries being logged off pursuant to the Canal Operating Procedures, or other weather-related events beyond the control of CUSTOMER as determined by LCRA, a Canceled Order Surcharge will not be assessed. In the event CUSTOMER drains a field within five days of the last delivery, CUSTOMER shall pay the Early Drainage Surcharge as set forth in Exhibit 2.
- D. **SECURITY AGREEMENT.** As further set forth in the Rules, CUSTOMER grants LCRA a security interest in the crops, and proceeds from the crops, to secure payments due to LCRA under this Contract and authorizes LCRA to file a Financing Statement (Form UCC-1) in order to perfect this security interest.

V. GENERAL PROVISIONS

- A. **INCORPORATION OF AGRICULTURAL INTERRUPTIBLE WATER SERVICE CONTRACT RULES.** CUSTOMER acknowledges receipt of the Agricultural Interruptible Water Service Contract Rules (Rules) and further acknowledges that, unless expressly stated otherwise in this Agreement, the Rules, as may be amended by LCRA's Board of Directors from time to time, are incorporated herein by reference in their entirety and made a part hereof for all purposes. In the event the terms of the Rules and this Contract conflict, the terms of the Contract shall apply.
- B. **ENTIRE AGREEMENT.** This Agreement (including all Exhibits, Rules, Attachments or other addenda thereto) contains the entire agreement of the parties with respect to its subject matter and supersedes all previous communications, proposals, representations, understandings and agreements, either oral or written, between the parties with respect to said subject matter.

C. EFFECTIVE DATE. This Contract is effective on the last date of execution of this Contract by either LCRA or CUSTOMER; provided all parties must execute this Contract for it to be effective.

LOWER COLORADO RIVER AUTHORITY

CUSTOMER: _____

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Director, Irrigation Operations

CUSTOMER /Authorized Agent /Managing Partner

Date: _____

Date: _____

Contract #: _____

CUSTOMER #: _____

CUSTOMER's Mailing Address:

CUSTOMER is a natural person and requests confidentiality.

**EXHIBIT 1
Year 2023**

Total acreage under this Contract: _____ acres.

Description of land to be irrigated:

Description of crops to be irrigated:

EXHIBIT 2
Year 2023 Garwood Agricultural Division
Agricultural Interruptible Water Service Rates

The LCRA Board of Directors adopted the water rates and fees shown in this Exhibit on January 18, 2023 to be effective for the 2023 Agricultural Season and continue in effect until further action of the LCRA Board of Directors.

The Diversion Charge applies to each acre-foot of water diverted at the CUSTOMER's Point of Delivery.

The Excess Use Surcharge (Surcharge), when applicable, applies *in addition* to the Diversion Charge and applies based on the average of all fields delivered water under the Contract.

Application Fee (non-refundable):

- \$100

Irrigation Coordinator Cost Recovery Rate:

- \$75 per hour (two hour minimum) for a system change order received after 2 p.m. Monday through Friday, or received after 11 a.m. Saturday or Sunday.

Minimum Charge:

- \$25 per acre contracted.

Water Rates

- Diversion Charge
 - One lift – \$41.04 per acre-foot (includes raw water at no charge).
 - Two lifts – \$48.64 per acre-foot (includes raw water at no charge).

Surcharges

- Maximum Surcharge – \$61.59 per acre-foot
- Canceled Order Surcharge: \$5 per acre, applicable to the individual field for which water was ordered
- Early Drainage Surcharge:
 - For the drainage of an individual field within five (5) days of the last water delivery.
 - \$10 per acre, applicable to the individual field.
- Per Acre Duty and Excess Use Surcharges:

First Crop Rice	
Surcharge (per acre-foot)	Water Use (acre-feet/acre)
Per Acre Duty 3.25	
No surcharge	Water use ≤ 3.25
\$16.42	3.25 < Water use ≤ 3.75
\$32.83	3.75 < Water use ≤ 4.0
\$61.59	Water use > 4.0