

2023 ANNUAL REPORT

—
House Bill 1437 Agricultural
Water Conservation Program



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Executive Summary

In accordance with LCRA Board Policy 301.603 – Agricultural Water Conservation Fund, this report provides a summary of activities in 2023 related to the implementation of House Bill 1437. The report provides information about provisions in the HB 1437 legislation, ongoing projects and a status update on the fund.

Background

The Texas Legislature passed HB 1437 in 1999. The law authorizes LCRA to provide up to 25,000 acre-feet per year of surface water to Williamson County if there is “no net loss” to the lower Colorado River basin.

The legislation also created the HB 1437 Agricultural Water Conservation Fund, which is used to address the costs of mitigating any adverse effects of transferring water to Williamson County. The fund may be used only for development of water resources or other water use strategies to replace or offset the amount of transferred surface water. Water resources developed or conserved through the fund must be used to benefit the water service areas of LCRA’s irrigation operations. Projects are funded by a 25% surcharge on all water under contract to the Brazos River Authority, which has secured the full 25,000 acre-feet per year.

Water Conserved and No Net Loss

To date, all of LCRA’s projects to meet the “no net loss” requirement have involved water conservation in the agricultural divisions. In 2023, HB 1437-funded projects conserved an estimated 11,100 acre-feet of water. The amount of water available for transfer in 2024 under no net loss is 14,769 acre-feet, a figure computed in accordance with the LCRA Water Contract Rules by averaging the amount of water conserved annually in 2021, 2022 and 2023. LCRA transferred 4,743 acre-feet of water to Williamson County in 2023 under the HB 1437 program. The most recent information from the Brazos River Authority indicates transfers are expected to reach about 8,200 acre-feet per year in 2024, increasing to 10,800 acre-feet per year in 2025, 13,300 acre-feet in 2030 and 16,000 acre-feet per year by 2040.

2023 Activities

In 2023, LCRA completed the Garwood gate automation project and launched the new land leveling recertification cost-share program, signing 25 new contracts to re-level 1,970 acres.

Agricultural Water Conservation Fund

The balance in the Agricultural Water Conservation Fund as of Dec. 31, 2023, was \$4 million. In 2023, the fund’s income totaled \$955,218, and expenditures were \$266,956.

Program Outlook for 2024

The activities for 2024 include completion of the Lakeside Gate Automation Pilot project, continuing with the second year of the land leveling recertification cost-share program, continuing the Lakeside savings verification study, and planning for potential future projects.

1.0 Program Overview and Requirements

1.1 Purpose of Report

This report summarizes HB 1437 Agricultural Water Conservation Program activities in 2023. It is submitted in accordance with LCRA Board Policy 301 – Finance and LCRA’s Water Contract rules. The report provides:

- Background on HB 1437 legislation and program.
- An update on projects implemented to achieve no net loss and the volume of water currently available for transfer.
- Statistics on how funds in the Agricultural Water Conservation Fund were spent.
- An overview of activities planned through fiscal year 2025.

1.2 HB 1437 Legislation

HB 1437, passed by the Texas Legislature in 1999, authorizes LCRA to provide up to 25,000 acre-feet of surface water per year for use outside the lower Colorado River watershed in Williamson County under several conditions.¹

- LCRA can only transfer water in accordance with HB 1437 if it assures “no net loss” of surface water to the lower Colorado River basin, as determined by the LCRA Board of Directors.² LCRA’s Water Contract Rules provide that the requirement for “no net loss” be satisfied prior to any diversion of water.
- LCRA is required to add a minimum of a 10% surcharge to the rates for water contracted in accordance with HB 1437 to pay the costs of mitigating any adverse effects of the transfer of water to Williamson County. Proceeds from the surcharge are deposited in the Agricultural Water Conservation Fund. In December 1999, the LCRA Board established the HB 1437 surcharge at 25%, which has remained unchanged.
- The LCRA Board may use money from the Agricultural Water Conservation Fund only for the development of water resources or other water use strategies to replace or offset the amount of surface water transferred. This includes opportunities to reduce reliance on surface water for agricultural irrigation. Water resources developed or conserved through the additional charge may be acquired from any source inside or outside LCRA’s boundaries and must be used to benefit the water service area of the authority’s irrigation operations.
- An agricultural advisory committee must be established and consulted on projects funded by HB 1437. The advisory committee is composed of agricultural interest representatives appointed by the Colorado, Wharton and Matagorda county judges.

¹ The 25,000 acre-feet per year amount is in addition to surface water that may be transferred to Cedar Park and Leander, municipalities that were water customers of LCRA on May 20, 1997, and are located in the watersheds of both the Colorado River and Brazos River.

² LCRA’s Water Contract Rules provide that the requirement for “no net loss” be satisfied prior to any diversion of water. The rules define “no net loss” as “a hydrologic condition where the volume of Transferred Water is equivalent to, or less than, the combined value of Conserved Water, Developed Water, and Returned Water resulting in a reduced reliance on Surface Water for agricultural irrigation” (“Surface Water” is limited to Colorado River supplies). The amount of conserved, developed or transferred water is based on the average volume over a continuous three-year period.

1.3 LCRA Board Policy

In accordance with HB 1437, the LCRA Board has established policies to implement the “no net loss” requirement and established the surcharge and procedures for tracking use of the Agricultural Water Conservation Fund. These are presently included in Board Policy 301 and the LCRA Water Contract Rules (Article 10).

1.4 Agricultural Conservation Fund Advisory Committee

The Agricultural Conservation Fund Advisory Committee (Ag Advisory Committee) was established in 2000 in accordance with HB 1437. The advisory committee represents agricultural irrigation interests appointed by Matagorda, Wharton and Colorado county judges. In March 2024, these county judges reappointed all existing committee members in Colorado and Wharton counties and two new committee members in Matagorda County to three-year terms through 2027. The committee last met in February 2024.

1.5 Brazos Water Contract and Interbasin Transfer Permit

In October 2000, LCRA and the Brazos River Authority signed a 50-year water sale agreement for 25,000 acre-feet per year. In addition to the standard contract provisions, the agreement included the statutorily required surcharge (currently set by the LCRA Board at 25%) for transferred and reserved water. It also contains a clause that allows the Brazos River Authority to terminate the agreement on Feb.15 of any year after the contract has been in effect for 10 years by providing notice on or before Jan. 15 of that year. The contract has been in effect for more than 10 years, and the Brazos River Authority has not terminated the contract.

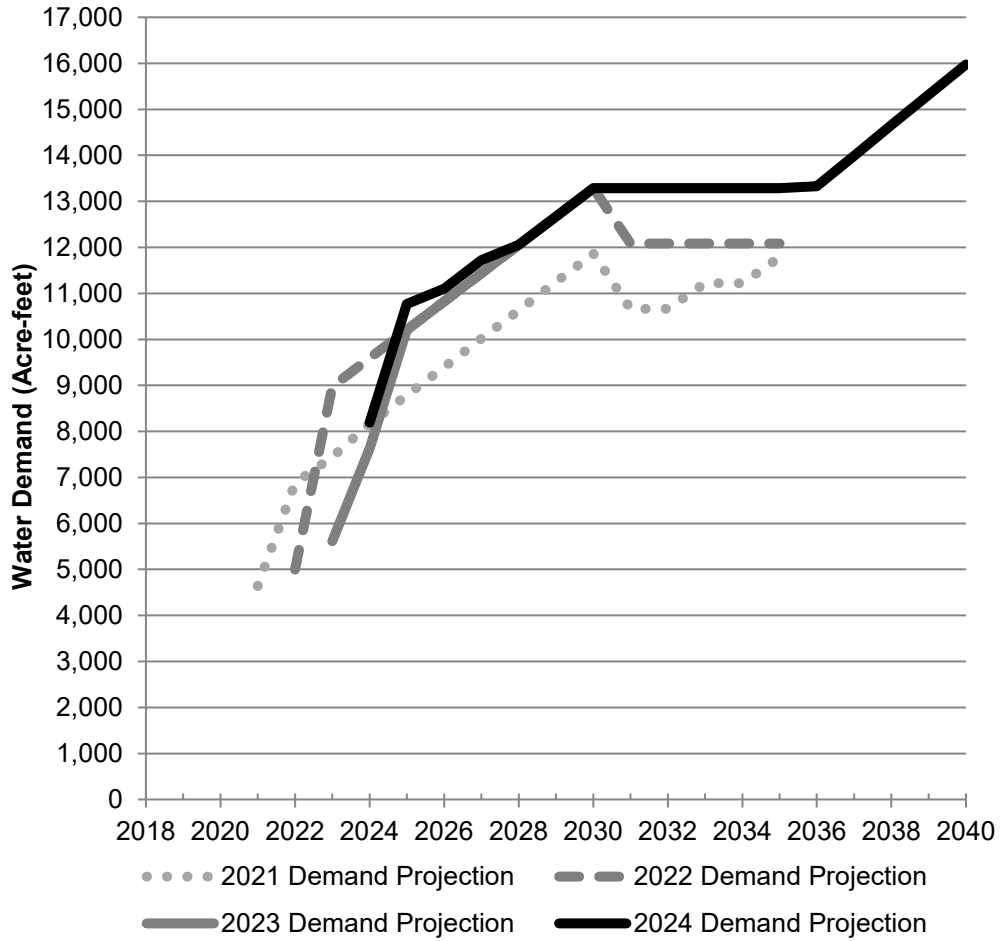
Brazos River Authority holds the interbasin transfer permit to allow transfer up to 25,000 acre-feet per year to Williamson County in the Brazos River basin. In 2023, 4,743 acre-feet of water transfers occurred.

1.6 Demand Projections for HB 1437 Water

As required by its water contract, the Brazos River Authority updates water demand projections for HB 1437 water each year. In January 2024, the Brazos River Authority presented updated water demand projections for 2024. The projections are similar to the 2023 projections with projections updated to extend to 2040. Current projections show demand to reach 8,200 acre-feet by 2024 and 10,800 acre-feet by 2025. Use in 2023 increased substantially to more than 4,700 acre-feet. The demand projections have a near-term peak of 13,300 acre-feet in 2030, unchanged from the 2023 projections, and extend to 16,000 acre-feet by 2040. Although the current expiration year of the Georgetown contract is still 2030, they have indicated that they intend to renew the contract beyond 2030 (Figure 1.1). The Brazos River Authority is contracted to supply most of its reserved water to the City of Round Rock, with an additional allocation of 1,200 acre-feet each to the Liberty Hill Water Supply Corporation and the City of Georgetown. Larger transfers to Round Rock began in 2022 and increased in

2023, but actual use is still substantially lower than projections despite the drought conditions present in 2022 and 2023.

Figure 1.1 – Demand Projections for HB 1437 Water



Note: Beginning in 2028, the 2023 and 2024 demand projections are identical.

1.7 Water Conserved and Available for Transfer

HB 1437 requires “no net loss” be met for interbasin transfer of surface water to Williamson County. “No net loss” occurs when the average annual volume of HB 1437 water transferred in a given year is less than or equal to the rolling average of water conserved, developed or returned in the three preceding years (per Article 10 of LCRA’s Water Contract Rules).

Water Conserved

LCRA estimates a total savings of 11,100 acre-feet conserved in 2023 in only LCRA’s Garwood agricultural division.

In 2023, 3,328 acres of agricultural fields previously laser-leveled with matching funds from LCRA’s Agricultural Water Conservation Fund were in production for first and second crop, which conserved about 1,531 acre-feet of water. Savings for Lakeside and Gulf Coast fields was not included in 2023 due to a lack of water availability as a result of the ongoing drought. LCRA provided funds for land leveling in 2023, but none of the funded projects were complete for the 2023 irrigation season. The installation of standardized delivery structures and canal rehabilitation within the Garwood agricultural division saved an estimated 6,604 acre-feet of water in 2023. The automation of canal gates in the Gulf Coast agricultural division saved an estimated 265 acre-feet in 2023 (from gates that provide water to industrial customers). The automation of canal gates in the Garwood agricultural division saved an estimated 2,700 acre-feet in 2023.

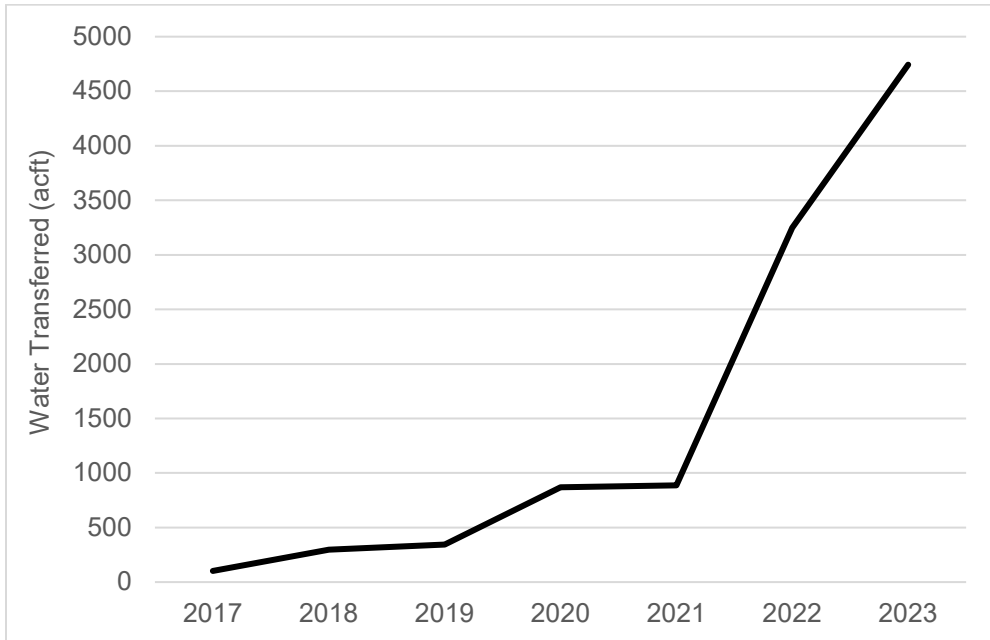
Water Available for Transfer

Based on data from the last three years, there will be 14,769 acre-feet of water available for transfer to Williamson County in 2024. Staff estimates that water conserved through existing projects (including funded but incomplete projects) will be sufficient to meet the “no net loss” requirement consistent with Brazos River Authority’s projections through 2025.

Water Transferred

In 2023, 4,743 acre-feet of water was transferred to the Brazos River Authority, which includes 723 acre-feet of water to Liberty Hill WSC; 152 acre-feet of water to the City of Georgetown; and 3,868 acre-feet of water to Round Rock (Figure 1.2).

Figure 1.2 – Water Transfers Under HB 1437



No Net Loss Status

The “no net loss” chart (Table 1.1) summarizes HB 1437 availability. LCRA can presently satisfy demand for up to 14,769 acre-feet of water.

Table 1.1 – No Net Loss Summary, Volume of HB 1437 Water in Acre-Feet

Year	Annual Vol. Conserved	Vol. Developed	Vol. Returned	Total Vol. Available in the Next Year	Forecast Demand &	Actual Transferred	Net Loss
2006	1,274	0	0	1,274	0	0	0
2007	1,688	0	0	1,481	0	0	0
2008	3,656	0	0	2,206*	0	0	0
2009	4,900	0	0	3,415*	0	0	0
2010	5,607	0	0	4,721*	0	0	0
2011	7,101	0	0	5,869*	0	0	0
2012	5,803	0	0	6,170*	0	0	0
2013	5,681	0	0	6,195*	0	0	0
2014	5,188	0	0	5,557*	0	0	0
2015	5,538	0	0	5,469*	0	0	0
2016	12,200	0	0	7,642*	32	0	0
2017	12,036	0	0	9,925*	532	102	0
2018	13,076 (16,134**)	0	0	12,437*	532	296	0
2019	12,800 (15,200**)	0	0	12,637*	2,316	345	0
2020	16,352	0	0	15,895*	4,640	868	0
2021	17,282	0	0	16,278*	4,998	886	0
2022	15,926	0	0	16,520*	5,614	3,248	0
2023	11,100	0	0	14,769*	8,190 ^{&}	4,743	0

*Three-year rolling average.

**The 2018 and 2019 annual conserved volumes shown in parentheses reflect information gathered as part of the Garwood measurement project savings update. The prior estimates are shown immediately above the updated conserved volumes. The methodology from the Garwood measurement project savings update began being used 2020 and beyond.

[&]Forecast for 2024, Letter from Brazos River Authority to LCRA, Jan. 5, 2024.

2.0 HB 1437 Programs

2.1 Program Planning

In 2004, the LCRA Board authorized a seven-year plan to meet projected water demands through on-farm and in-district water conservation projects and a 25% surcharge on the water transferred to Williamson County customers.

In 2009, a short-term water conservation strategies report included a five-year plan (2010-2014) to meet revised demand projections for water transfers to Williamson County. Strategies included 12,500 acres of land leveling cost-share grants, which were completed in 2013; construction of the Garwood measurement project, which was completed in 2012; and the first gate rehabilitation project in the Gulf Coast Agricultural Division, which was completed in 2012.

Since 2014, in five phases, LCRA rehabilitated gates in Gulf Coast based on availability of funding and agricultural division staff labor. The project was completed in 2019. Based on the success of this project, LCRA began a gate automation project in Garwood in 2020, which was completed in 2023.

Based on the projected expiration of savings associated with land leveling cost-share grants, LCRA launched a recertification program for land-leveled fields in 2023.

Discussions are underway with Brazos River Authority regarding estimated current conservation savings and potential infrastructure projects for meeting HB 1437 requirements in the long term.

2.2 Laser Land Leveling Cost-Share Program

In 2023, LCRA revised the land leveling cost-share program and adopted updated application guidelines, eligibility rules and contract provisions for awarding cost-share conservation grants from the Agricultural Water Conservation Fund. The program no longer requires participation in the Natural Resources Conservation Service (NRCS) Environmental Quality Incentives Program (EQIP) but continues to follow NRCS technical specifications for laser land leveling and will now fund structures for water control installed in conjunction with land leveling. Additional new program requirements include a permanent levee design, a minimum levee density, a minimum levee structure size and a land survey completed prior to submitting an application. In addition, only fields irrigated at least 70% by an LCRA water service contract and at least twice in the past 10 years will be eligible for funding. In late 2023, LCRA updated the application guidelines to include an exemption from the minimum levee density requirement for small fields under 20 acres.

Table 2.1 shows the total acres leveled and cost-share grants awarded from 2006 to 2013. The original program shared the precision land leveling cost for 365 fields, totaling 30,288 acres. The most acreage is in the Lakeside Agricultural Division (53%),

followed by Garwood (43%) and Gulf Coast (4%). Since its inception, the HB 1437 Agricultural Water Conservation Fund has contributed nearly \$1.75 million to a total land leveling cost of about \$9.68 million – an average of 18% cost-share. The average acreage of a leveled field is about 83 acres. The average total cost to precision land level a field was about \$320 per acre during this time.

Table 2.1 – 2006-2013 Acres Leveled and HB 1437 Cost-Share Grants

Division	Fields Leveled	Acres Leveled	Total Project Cost	HB 1437 Grant Amount
Lakeside	189	16,177*	\$5,645,770	\$996,763
Garwood	162	13,023	\$3,730,554	\$689,938
Gulf Coast	14	1,088	\$305,932	\$61,818
Total	365	30,288	\$9,682,256	\$1,748,519

*Excludes 682 acres leveled with HB 1437 grant funds but refunded to the Agricultural Water Conservation Fund in 2010 and 2011 due to contractual issues.

LCRA’s original cost-share program ended in 2013 after achieving the five-year planning goals set in 2009. HB 1437 funds had become less relevant in encouraging participation in the NRCS EQIP, due to increases in the percentage of total precision land leveling cost that EQIP would fund. The LCRA program funded 11,500 acres above the original planned implementation study and 5,000 acres above the goal set in the 2009 five-year strategies report.

In this report, LCRA incorporated water savings from land-leveled acreage in production funded through the HB 1437 program in all three agricultural divisions. Land-leveled acreage in production in 2023 (Figure 2.1) was less than estimated due to a lack of water availability in Lakeside and Gulf Coast in 2023 as a result of the ongoing drought. Savings estimates do not include acreage funded in 2023 because the land-leveling work on that acreage was not complete for the 2023 irrigation season.

NRCS defines the useful life of projects in the EQIP program. Per NRCS, the useful life of precision land leveling projects is 15 years. At the end of 15 years, NRCS allows farmers to re-sign for additional financial assistance with the condition that new work must move at least 100 cubic yards of soil per acre; however, NRCS has not funded many projects to retouch previously leveled land. Under the NRCS approach, the useful life on land LCRA awarded cost-share grants began maturing in 2021. In the computation of water conserved for 2023, shown in Table 1.1, 2,393 acres of 2006-2008 Garwood HB 1437 fields in production were not included. Previously land-leveled acreage that reached the end of its useful life is no longer considered for conservation savings and would have been substantially greater if the Lakeside Agricultural Division received water in 2023. Staff presented options for the future of the land leveling program to the Ag Advisory Committee in March 2021. In 2021, LCRA contacted

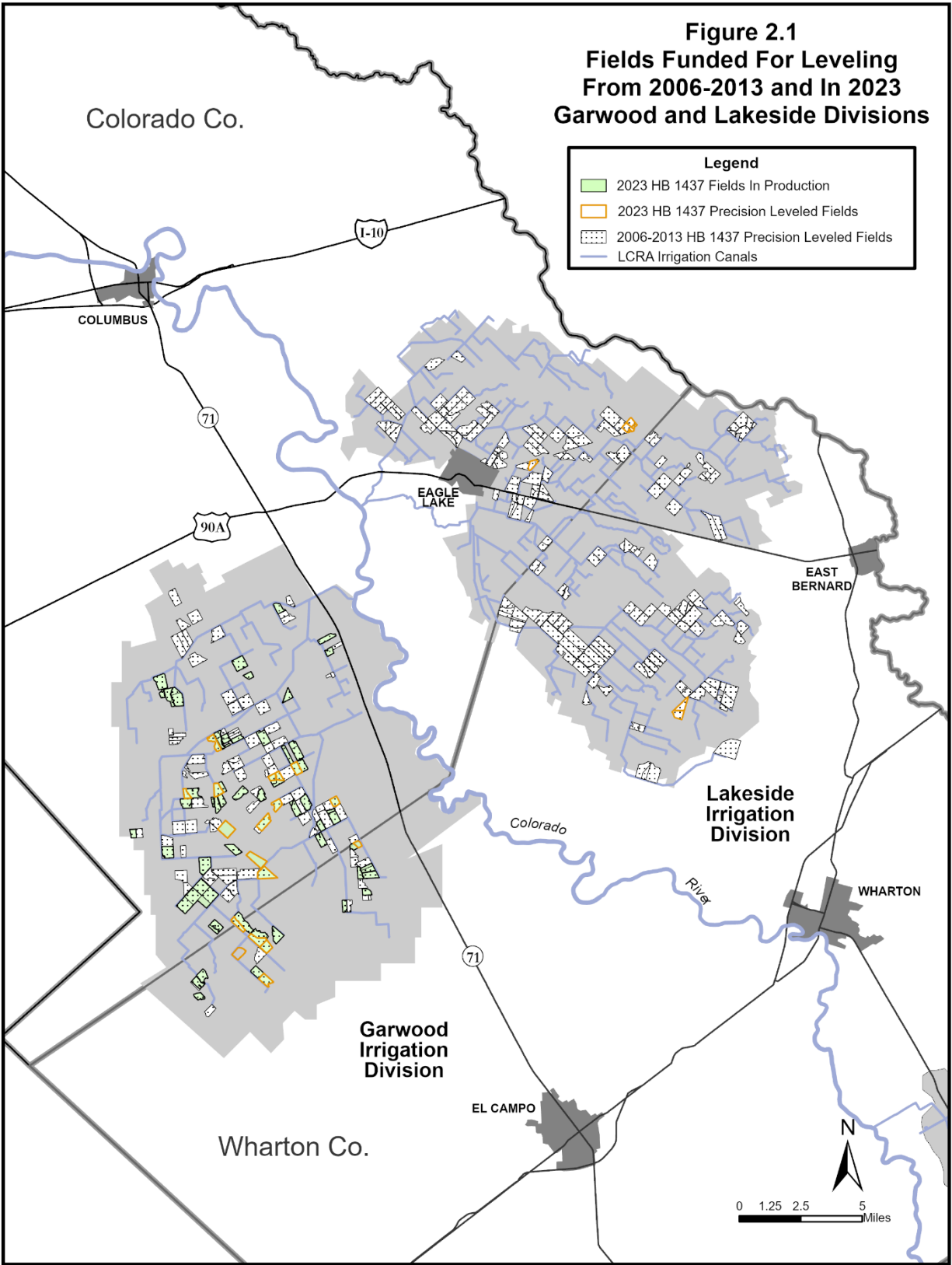
customers with 2006 LCRA HB 1437 cost-share contracts to assess future plans as these fields reach their 15-year life. Forty percent of those customers plan to continue to perform yearly land grading maintenance, 30% plan to touch up fields themselves using laser-guided equipment, and 30% plan to reapply for additional funds through EQIP.

In October 2022, the LCRA Board approved a new land leveling recertification cost-share program that launched in January 2023 to upgrade fields with temporary levee designs to permanent levee designs or recertify fields with permanent levee designs that are still reliably saving water. This will allow water savings for those fields to continue to count for purposes of HB 1437 no net loss requirements. In 2023, the new LCRA program funded 25 land leveling projects for 1,970 acres, and 1,445 of those acres were funded through the original HB1437 cost share program (Figure 2.1). The schedule for the expiration of LCRA HB 1437 contracts and associated NRCS contracts through EQIP are shown in Table 2.2.

Table 2.2 – Expiration of HB 1437 Land Leveling Contracts

HB 1437 Grants 2006-2013			
Award Year	Expiration Year	Total Acres Funded	Percent Expiring
2006	2021	2,599	9%
2007	2022	3,533	12%
2008	2023	5,592	18%
2009	2024	6,463	21%
2010	2025	3,217	11%
2011	2026	3,189	11%
2012	2027	2,216	7%
2013	2028	3,479	11%

Figure 2.1
Fields Funded For Leveling
From 2006-2013 and In 2023
Garwood and Lakeside Divisions



2.3 Garwood Agricultural Division Measurement Project

The Garwood volumetric measurement project installed or rehabilitated about 400 water measurement and check structures on existing canals and field laterals in the Garwood agricultural division. In addition, 85 miles of canal laterals were rehabilitated to facilitate LCRA control of all measurement structures. The project was completed in 2012 and was expected to conserve about 3,400 acre-feet of water each year. In 2020, LCRA worked with the University of Wisconsin to complete a Garwood savings verification study. Based on that study, LCRA updated the savings estimate to 0.33 acre-foot per acre in production, which was 6,604 acre-feet in 2023. (See Section 2.6 for more details on the study.)

2.4 Gulf Coast Agricultural Division Gate Rehabilitation and Control Project

In 2011, LCRA began implementing rehabilitation, automation, and remote monitoring and control of main canal gates in the Gulf Coast agricultural division to address high canal water losses. A matching grant from the U.S. Bureau of Reclamation funded a portion of the work. A radio-based communications system and supervisory control and data acquisition (SCADA) interface now allows centralized management of the canal system's main gates, reducing water loss and spills.

In 2019, LCRA finished the last phase of the Gulf Coast Agricultural Division Gate Rehabilitation project to automate 12 additional gates on the Wadsworth line of the eastern canal system. Fifty-seven main canal structures are now automated in the Gulf Coast canal system.

The combined gate rehabilitation projects are projected to save an estimated 4,840 acre-feet per year, based on the original savings estimate of 3.5% reduction in historical river diversions. In 2023, only canal lines used to deliver water to industrial customers were operational, and overflow volumes (excess water not needed for customers that is released at the end of canal lines) at the overflow measurement sites in use were negligible throughout the system as compared to estimates of 3,569 acre-feet of overflows before the gate rehabilitation project began.

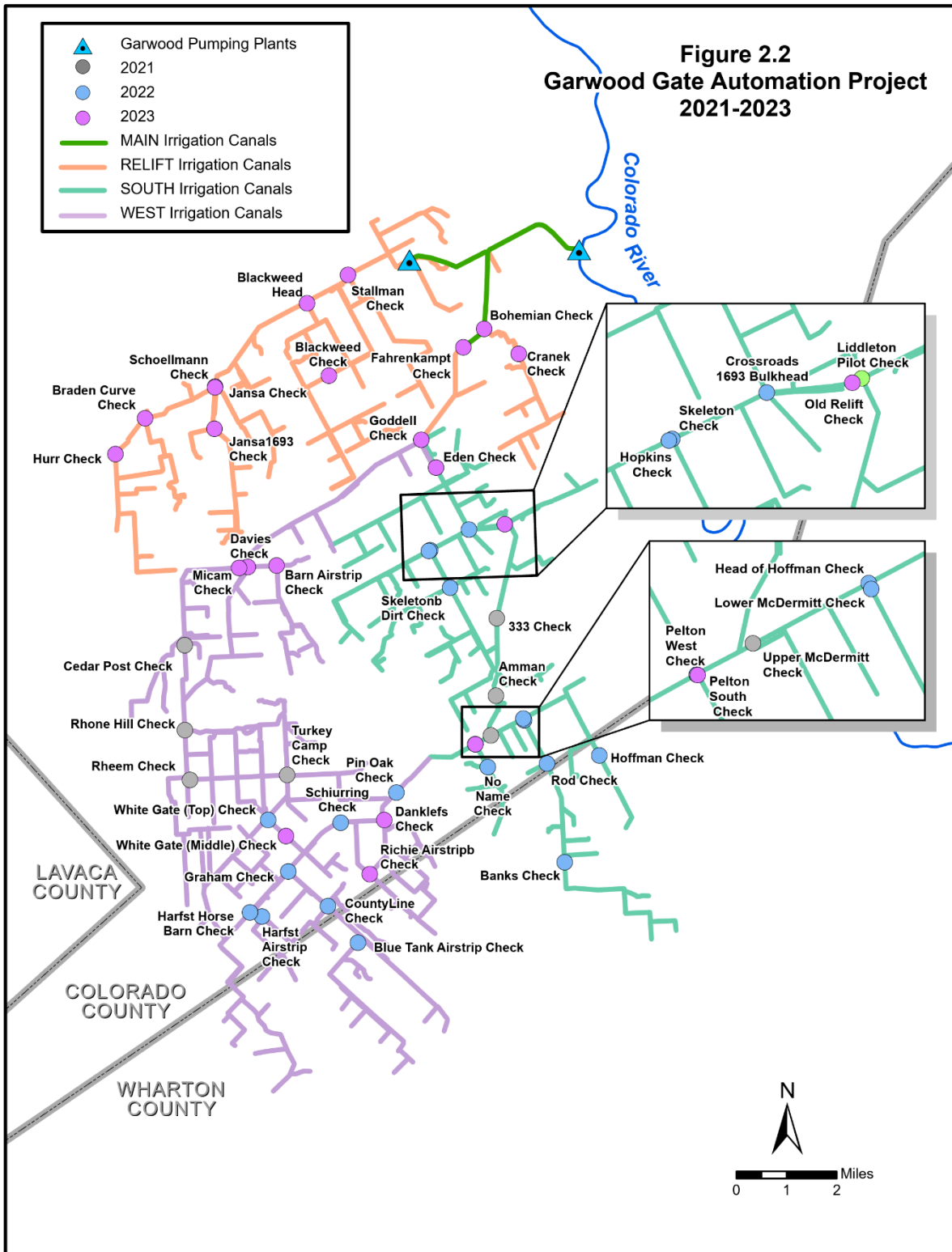
2.5 Garwood Gate Automation Project

The main canal gate structures in the Garwood Agricultural Division are unique compared with the other divisions because they already have metal slide gates in good condition. Staff proposed automating the existing gates using the same actuators as in the Gulf Coast gate rehabilitation project. In fall 2019, staff built an automated gate prototype in Garwood. The two-week pilot project was successful, and in November 2019, staff presented a project to automate 46 main canal gate structures in Garwood to the HB 1437 Agricultural Water Conservation Fund Advisory Committee. With the committee's unanimous support for the project and authorization from the LCRA Board in May 2020, LCRA added the three-year project to the LCRA fiscal year 2021-2023 capital plan. In June 2020, LCRA received a grant from the Texas Water Development

Board to cover \$244,744 of the project cost. In 2023, the remaining sites were completely automated.

Figure 2.2 shows the sites automated in Garwood. These structures are integrated into the existing SCADA system developed for the Gulf Coast gate rehabilitation project.

**Figure 2.2
Garwood Gate Automation Project
2021-2023**



2.6 Conservation Monitoring and Measurement

Accurate water conservation estimates are critical to demonstrate compliance with the “no net loss” requirement.

Leveling Verification Study

In 2012, LCRA worked with The University of Texas LBJ School of Public Affairs to complete a land leveling savings verification study. The study used six years of LCRA billing data and detailed farmer surveys to quantify water savings from on-farm precision land leveling in the Lakeside Agricultural Division. The study identified a statistically significant difference in water use between leveled and non-leveled fields for first crop. Based on the study, LCRA revised the savings estimate to 0.46 acre-foot per acre, which includes 0.3 acre-foot per acre for first crop and an extrapolated 0.16 acre-foot per acre for second crop. In early 2022, LCRA began a Lakeside customer survey to gather 2016-2021 data to update this study.

Land-Leveled Field Mapping

LCRA uses an electronic mapping application to determine the land-leveled acres in production each year, which is used to calculate water conserved through land leveling. LCRA staff developed the first version of this application called “uMap” in 2012. The application makes mapping fields for contracted acreage more efficient and accurate. In 2016, for the first time, all three agricultural divisions used uMap as a part of the irrigation water contracting process. In 2018, uMap was upgraded to a new platform called xMap, and in 2019, the irrigation billing software was linked to xMap. This linked system significantly reduced the quality assurance/quality control that was previously required to match data between the geographic information system platform and the billing software and time spent by staff to redraw field shapes that can now be copied from one year to the next. In early 2020, the structures data set also was upgraded to xMap. In 2025, xMap will be migrated to a new browser-based GIS platform, replacing the legacy system that is being phased out throughout LCRA.

Ongoing and Future Verification Studies

In 2020, LCRA staff conducted a survey of Garwood customers to complete the Garwood savings verification study with data from 2012-2019. In late 2020, the University of Wisconsin finalized the savings verification study results and found that the implementation of completely volumetric billing conditions results in a decreased water use of at least 0.33 acre-foot per acre.

LCRA staff also has evaluated potential savings from the Garwood measurement project using a statistical analysis of river diversions and predicted water use factoring in weather and acreage variability. Over the past decade, conjunctive groundwater use on fields watered by LCRA has increased; however, detailed information on groundwater use by individual field is not available. Therefore, staff does not recommend relying on that analysis, because it does not have sufficient data to compensate for areas using groundwater.

Based on findings from the on-farm conservation verification study, staff updated the prior savings number of 3,400 acre-feet for the Garwood measurement project to 0.33 acre-foot per acre, for an average annual savings of 6,663 acre-feet per year for the 2021-2023 period. The total savings volume will be updated annually based on the Garwood first crop rice acreage in production for the current year.

In 2023, no water was available for agricultural use in Gulf Coast due to the ongoing drought, so a savings verification study for the gate rehabilitation project has been put on hold. The initial estimate of 4,840 acre-feet of savings will be used until there are enough years of data following completion of the project to perform a reliable savings verification study. Complicating factors include wide variation in the frequency and timing of shutdowns due to heavy rainfall events between seasons and substantially lower acreage in production recently compared to historical trends.

In 2023, LCRA began assessing the possibility of pursuing a pilot canal lining project along canal lines delivering water to industrial customers year-round.

Lakeside Gate Automation Pilot Study

Staff developed a prototype automated gate design for Lakeside and will install the design in 2024 at a main structure on the Chesterville line of the Lakeside canal system. In October 2022, the LCRA Board approved funding for this pilot gate automation project. The prototype will be similar to the structures installed in Gulf Coast with the addition of an overflow structure to address flow that enters the Lakeside canal system during heavy rain events.

3.0 Agricultural Water Conservation Fund

The HB 1437 Agricultural Water Conservation Fund was established by the HB 1437 legislation for the development of water resources or other water use strategies to replace or offset the amount of surface water to be transferred to Williamson County. It is managed separately from LCRA funds in an interest-bearing account.

The fund receives income from the surcharge provision incorporated into the HB 1437 water sales contract with the Brazos River Authority. The current surcharge is 25% and is applied to both reserved and diverted water. Surcharge income is deposited into the Agricultural Water Conservation Fund in January of each year.

3.1 Expenditures

Table 3.1 summarizes 2023 expenditures by project. It shows that 2023 expenditures totaled \$266,956, which included \$179,144 for the Garwood gate automation project. Land leveling grants and program administration expenditures were \$23,595. The 2023 expenses in the Garwood gate automation column represent final project cost in June 2023.

Table 3.1 – HB 1437 Expenditures by Project

	Leveling Grants and Other Admin. Costs	2023 Land Leveling Grants	Garwood Measuring Project	Gulf Coast Gate Automation	Garwood Gate Automation	Lakeside Gate Automation	Total
Previous Expenditures 2003-2022	\$2,811,861		\$817,606	\$1,597,480	\$773,378	\$0	\$6,000,325
Expenditures in 2023	\$6,406	\$17,189	\$0	\$0	\$179,144	\$64,217	\$266,956
Total	\$2,818,267	\$17,189	\$817,606	\$1,597,480	\$952,522	\$64,217	\$6,267,281

In 2022, the LCRA Board authorized the use of \$600,000 from the fund for the land leveling recertification cost-share program and the Lakeside gate automation pilot project. Program expenditures through 2023 were below the \$7.235 million amount authorized to date.

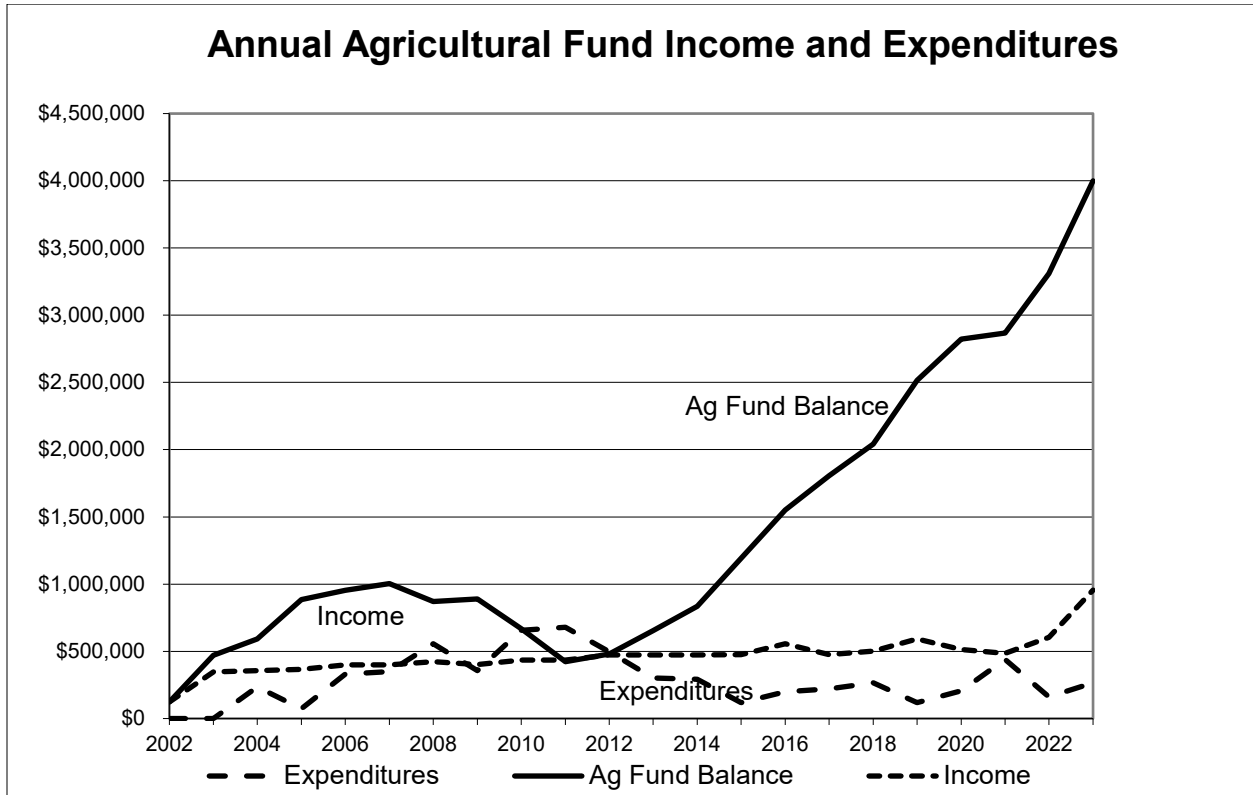
Table 3.2 – HB 1437 Board Approvals

LCRA Board Meeting	Amount	Purpose
November 2003	\$250,000	Implementation study
March 2005	\$75,000	Implementation study
March 2006	\$350,000	Spring 2006 on-farm conservation projects
November 2006	\$500,000	Spring 2007 on-farm conservation projects
December 2007	\$500,000	Spring 2008 on-farm conservation projects
December 2008	\$350,000	Spring 2009 on-farm conservation projects
November 2009	\$450,000	Spring 2010 on-farm conservation projects; Phase 1 of Garwood Measurement Project
May 2010	\$300,000	Cost-share match for Gulf Coast Gate Rehabilitation Project grant
December 2010	\$625,000	Spring 2011 on-farm conservation projects; Phase 2 of Garwood Measurement Project; Phase 1 of Gulf Coast Gate Rehabilitation Project
November 2011	\$590,000	Spring 2012 on-farm conservation projects; Phase 3 of Garwood Measurement Project; Phase 2 of Gulf Coast Gate Rehabilitation Project
January 2013	\$340,000	Spring 2013 on-farm conservation projects; Phase 3 of Gulf Coast Gate Rehabilitation Project – Oxea
March 2014	\$400,000	Phase 4 of Gulf Coast Gate Rehabilitation Project – Western Canal System
May 2016	\$430,000	Phase 5 of Gulf Coast Gate Rehabilitation Project – Western Canal System extension
August 2017	\$300,000	Phase 6 of Gulf Coast Gate Rehabilitation Project – Eastern Canal System completion
May 2020	\$1,175,000	Garwood Gate Automation Project
October 2022	\$600,000	Land leveling recertification cost-share program Lakeside Gate Automation Pilot Project
Total	\$7,235,000	

3.2 Fund Balance

Figure 3.1 shows the annual income, expenditures and current balance of the Agricultural Water Conservation Fund. The fund balance as of Dec. 31, 2023, was \$3,999,496. Expenditures over the 2023 reporting period totaled \$266,956. Total income over the 2023 reporting period was \$955,218, which includes reimbursement from the Texas Water Development Board for the Garwood gate automation project grant.

Figure 3.1 – Annual Agricultural Water Conservation Fund Income and Expenditures



4.0 FY 2025 Program and Budget

The fiscal year 2025 outlook includes continuation of the new land leveling cost-share recertification program, assessing the results of the Lakeside Gate Automation Pilot project, assessing feasibility of a potential canal lining project and ongoing work on verification studies. This section discusses projects that are scheduled to begin during FY 2025.

4.1 Laser Land Leveling Cost-Share Recertification Program

The revised land leveling cost-share recertification program launched in January 2023. In October 2022, the LCRA Board approved a total expenditure of up to \$450,000 over three years, FY 2023-FY 2025. Staff began receiving HB1437 payment requests for completed projects in late 2023. Staff estimates expenditures of about \$140,000 for the 25 contracted projects through the end of FY 2024 and expects the rest of the \$122,000 in 2023 contracted projects to be completed in FY 2025. Funds not used in FY 2024 will be carried over to the next funding cycle in early 2025.

4.2 FY 2025 Budget

The budget period for HB 1437 is LCRA’s fiscal year (July 1 through June 30). The proposed FY 2025 budget for the HB 1437 program is summarized in Table 4.1 and shows a total estimated budget of \$225,000.

Table 4.1 – HB 1437 Budget for FY 2025

Activity	Budget	Notes
1. Land leveling recertification cost-share program	\$200,000	Third year of the three-year cost-share program funded through Board authorization in October 2022.
2. Program management, communications, conservation verification and oversight	\$25,000	Preparation of annual report; ongoing savings verification study updates.
Total	\$225,000	

About LCRA

The Lower Colorado River Authority serves customers and communities throughout Texas by managing the lower Colorado River; generating and transmitting electric power; providing a clean, reliable water supply; and offering outdoor adventures at more than 40 parks along the Colorado River from the Texas Hill Country to the Gulf Coast. LCRA and its employees are committed to fulfilling our mission to enhance the quality of life of the Texans we serve through water stewardship, energy and community service. LCRA was created by the Texas Legislature in 1934 and receives no state appropriations. For more information, visit www.lcra.org.



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