

Austin-LCRA Settlement Agreement

June 7, 2007

Key Components of Settlement

- Established a Water Partnership between the City of Austin and LCRA to jointly manage water rights and future water supply.
- Agreement on the management of reuse water.
- Resolved 6 disputed permits.
- Created a framework for negotiating a long term water supply contract for 250,000 acre feet of water.

The Water Partnership

- Co-manage water rights.
- Jointly plan future water supply strategies.
- Collaborate on water modeling and demand projections.

Reuse Water Agreement

- Environmental needs met first.
- Austin has access to 100% of reuse water after environmental criteria are met.
- Lowers our raw water costs.

Resolves Existing Permit Disputes

- Immediate resolution to our 3 pending bed and banks permits and other permitting disputes stretching back to 1999.
- More water for Austin, the LCRA and the environment, instead of a costly administrative or court battle.

2007 Water Supply Contract

- Obligates LCRA to provide, and Austin to purchase, up to 250,000 acre-feet of water after the 1999 water supplies are exhausted.
- Austin pays no reservation fee or any other up-front payments.
- Contract to be finalized by August 31, 2007.

Next Steps

- Complete 2007 Water Supply Contract negotiations- August 31, 2007
- Begin implementation of settlement agreement including permits at TCEQ.