



Resource Management Commission
Lower Colorado River Authority and City of Austin
June 18, 2007 Settlement Agreement and
Supplemental Water Supply Agreement
Policy Advice
October 16, 2007
Vote: 6-0-2-0-1

Motion by: A. Martinez

Second by: A. Donoho

For: R. Amato, C. Herbert, J. Beckage, G. Hsieh

Against: 0

Absent: L. Cunningham, K. Strnad

Abstain: 0

Vacant: C. Barron

Motion: Passed

WHEREAS the City of Austin (City) and the Lower Colorado River Authority (LCRA) have entered into a Settlement Agreement on June 18, 2007 and a Supplemental Water Supply Agreement (SWSA), which is currently under review,—both of which much be approved for either to be valid; and

WHEREAS the Resource Management Commission (RMC) has been analyzing the interplay of the Settlement and SWSA, particularly with respect to water conservation issues; and

WHEREAS as a result of the analysis, two major issues were discovered: 1) that the proposed Water Partnership set out in the SWSA did not expressly provide for public participation; 2) that water conservation standards were not expressly made prerequisite to either the City's or LCRA's interconnection rules; and

WHEREAS the scope of the Settlement and SWSA is unclear with respect to the City's ability to object to present and future supply decisions that are not the subject of the Settlement, and;

WHEREAS due to the process for reaching this agreement between the City and LCRA, the timeline for comment for boards and commissions requires that we comment now, in spite of the fact that this is to be adopted almost immediately; and

WHEREAS the RMC requests, and the City and LCRA commit, to have that language outlining the premises and recommendations in this resolution be explicit in the agreement and be hereby incorporated into the SWSA, to protect the future water supply for Austin, beyond 2050;

THEREFORE, BE IT RESOLVED that the Resource Management Commission recommends that the City Council authorize the City Manager to negotiate and execute the SWSA with LCRA to include the following recommendations:

1. To ensure that appropriate stakeholder input is considered as part of the Water Partnership's water supply strategy evaluation, as contemplated by Section 5.C(ii)(3) of the Water Partnership framework set forth in Exhibit A of the Settlement Agreement, the Water Partnership shall establish a process to include public input as part of the Supply Decision and Source of Supply components of the Supplemental Water Supply Agreement (SWSA), as contemplated by Section 3.4 of the SWSA. The Water Partnership shall also provide annual updates to the Region K Water Planning Group regarding these components as part of this process.
2. LCRA shall seek and consider, and the City shall actively encourage, public input as part of its ongoing Water Supply Resource Planning effort, especially the conservation component of this effort and its evaluation of and recommendations regarding water conservation strategies.
3. Consistent with the Parties' stated mutual interests of identifying water supply strategies that demonstrate "responsible water resource management, mindful of the Parties' commitment to a strong water conservation ethic," as stated in Section 5.C(iii)(5) of the Water Partnership framework set forth in Exhibit A of the Settlement Agreement, the Water Partnership shall evaluate the water conservation strategies that may affect the timing and magnitude of Supply Decisions made by the Parties under the SWSA. Further, the Water Partnership shall establish a process, to include stakeholder input, for considering various water conservation strategies that are or may be available to LCRA or Austin, or both, and their customers.
4. In its evaluation, the Water Partnership shall use, to the maximum extent possible, existing mechanisms and information and results from ongoing efforts by the City, LCRA and others, such as those of the City of Austin's Citizens' Water Conservation Committee, the LCRA's Water Supply Resource Plan, and Texas' Water Conservation Advisory Council, to collect and assess relevant water use and water conservation information.

5. On or before the date on which Austin develops its first Demand Projection under the Supplemental Water Supply Agreement, the Water Partnership (or a subcommittee thereof) shall report to the Parties' respective governing bodies on its efforts to evaluate and consider water conservation strategies, and shall include a summary of its findings, as well as any appropriate water conservation strategies to meet the Parties' goals for water use reduction considering the Parties' diverse customer base, and any related matters for further study or action. Austin's current goal is to reduce peak day usage by one percent per year for 10 years, LCRA's wholesale raw water supply goal is to decrease per-capita water use by 5% by the year 2015, and the Texas state goal is to achieve 140 gallons per capita per day.
6. The Supplemental Water Supply Agreement shall clearly state that: (a) the Supplemental Water Supply Agreement retains the Parties' independent rights to refuse to approve a particular recommendation from the Water Partnership for a Supply Decision; and (b) the Parties have retained any and all rights to contest or object to water rights permit requests or other regulatory approvals sought by either party in the future related to water supply except to the extent that those water rights permits applications are expressly addressed by the 2007 Settlement Agreement or are otherwise required to implement a Supply Decision that is adopted by the Parties under the Supplemental Water Supply Agreement.



Approved, Adán Martínez, Chair

October 16, 2007