City of Austin and LCRA
WATER PARTNERSHIP

City of Austin-LCRA Water Partnership
2022 Annual Report

I. Purpose of Annual Report

The City of Austin-Lower Colorado River Authority Water Partnership (Water Partnership) is charged with providing a written Annual Report on the status and direction of water supply discussions as considered by the Water Partnership during the previous year.

II. Background on Partnership

A. History

The Water Partnership was created through the June 2007 Austin and LCRA Settlement Agreement. The November 2007 Supplemental Water Supply Agreement provides additional details on roles, responsibilities and expectations related to the Water Partnership, including the establishment of a stakeholder group.

The Water Partnership was formed to provide a cooperative management structure through which Austin and LCRA staff can collaborate and more effectively manage both entities' water supplies and resources. The Water Partnership in effect formalizes the on-going meetings between the staffs of the two entities to assure regular communication on matters of mutual concern. Austin and LCRA have recognized the complex and diverse nature of water supply planning and management of water resources in the lower Colorado River basin. Through the Water Partnership, both entities seek to cooperate, improve communication and avoid future conflicts.

The Water Partnership and its various committees continue to meet on a regular basis and will continue to work cooperatively on water supply, conservation, quality and permitting issues. As needed, the Water Partnership presents recommendations to the Austin City Council and LCRA Board of Directors for approval.

B. Cooperative Management Structure

Under the leadership of the Austin City Council and the LCRA Board, as directed by the Austin city manager and LCRA general manager, the Water Partnership is composed of a series of committees headed by the Executive Management Committee (EMC). For reference, a depiction of the general organizational structure of the Water Partnership is shown in **Attachment A**.

B.1. Committees: General Purpose

The following are brief descriptions of current committees. Committee members in 2022 are listed in **Appendix 1**.

Starting March 2020 and continuing through 2021, all meetings were held virtually for due to the ongoing Covid-19 social distancing guidelines. In 2022, meetings were transitioned to a mix of in-person, hybrid, and virtual formats.

Executive Management Committee
The EMC is composed of two members from Austin, designated by the city manager, and two members from LCRA, designated by the general manager.

The EMC is responsible for carrying out the purpose and scope of the Water Partnership. This committee oversees the work of the sub-committees, including among other things, evaluation of and implementation of any approved joint water supply strategies.

Four EMC meetings and two workshops were held in 2022. The EMC provided guidance for the Technical Committee for 2022. On September 28, the EMC toured Austin's onsite reuse facilities. In 2022, Austin led the EMC meetings, starting the first year of a two-year cycle. Beginning in 2024, LCRA will lead EMC meetings for the next two years.

Technical Committee
The Technical Committee is a standing committee made up of Austin and LCRA staff members appointed by the EMC. The committee is charged with developing projections of water demands, coordination on water use reporting, identification and evaluation of water supply alternatives, reporting on water rights permitting activities, developing technical analyses and implementation plans for water supply strategies identified for further study, pursuing technical projects or issues as assigned by the EMC, and assisting with agenda development for the EMC.

In 2022, LCRA led the Technical Committee meetings, starting the first year of a two-year cycle. Beginning in 2024, Austin will lead Technical Committee meetings for the next two years.

B.2. Committees: Special Purpose

Water Conservation Committee
The Water Conservation Committee is a special committee made up of Austin and LCRA staff members appointed by the EMC. Consistent with the Settlement Agreement, the Water Conservation Strategies Report was developed and

approved in 2008. The Water Conservation Committee also is charged with implementing the associated plans and scope of work, as approved by the EMC.

Water Quality Committee

The Water Quality Committee is a special committee made up of Austin and LCRA staff members appointed by the EMC. Consistent with the Settlement Agreement, the Water Quality Monitoring and Evaluation Plan was developed and approved in 2010. The Water Quality Committee also is charged with implementing the associated plans and scope of work, as approved by the EMC. The Water Quality Committee was not able to meet in 2022, but met in January 2023 to coordinate on zebra mussels, harmful algal blooms, and other topics.

Stakeholder Committee

This stakeholder group is comprised of a balanced and diverse group of organizations and individuals interested in the parties' water supply discussions. The Stakeholder Committee is charged with providing feedback and input to the EMC when Austin and LCRA are considering certain long-term water supply decisions covered by the Supplemental Water Supply Agreement between Austin and LCRA.

The Stakeholder Committee members, appointed by the Austin City Council and the LCRA Board, represent a wide variety of interests including environmental, rate payers, business, agriculture, conservation, industrial, recreation and high growth. Due to extensive recent stakeholder engagements by both LCRA and Austin, the Stakeholder committee has not been reconsititued.

III. Summary of Year 2022 Activities

A. Highlights of Joint Activities

A.1. Austin Municipal Water Supply Discussions

There were no formal discussions directed towards LCRA securing additional municipal supplies for Austin in 2022. The current municipal supply contract between Austin and LCRA, which was negotiated in 1999, will meet Austin's demands up to 325,000 acre-feet per year. Note that Austin's 2022 annual diversion for municipal purposes was approximately 175,000acre-feet. According to the Supplemental Water Supply Agreement, the Water Partnership must determine whether to begin a long-term planning process for additional supplies soon after Austin's municipal demand exceeds 225,000 acre-feet per year, but may decide to initiate those discussions at an earlier date. Supply planning for Austin's non-municipal water needs also may occur at any time.

A.2 Opportunities to Better Optimize Water Resources

Per the memoranduam of understanding withdrawing the Joint Application for Reuse (JAR), Austin and LCRA met in 2022 to discuss certain issues related to water resources. A subcommittee of the Technical Committee met regularly in 2022 to discuss opportunities to better optimize water resources. This group will continue to meet in 2023.

A.3. TCEQ Water Use Reporting

LCRA and Austin coordinated on the 2022 annual water use reports and will be submitted to TCEQ by March 1, 2023.

A.4. Zebra Mussel Monitoring and Response

In June 2017, Texas Parks and Wildlife Department (TPWD) and LCRA biologists confirmed the presence of invasive zebra mussels in Lake Travis. The reservoir was then given the invasion status of “infested” meaning it contained an established reproducing population of the invasive species. As LCRA monitoring efforts continued, new zebra mussel invasions were discovered in other Central Texas reservoirs and “infested” designations were given by TPWD to Lake Austin (February 2018), Lady Bird Lake (October 2018), Lake LBJ (August 2019), Lake Marble Falls (December 2019), Lake Buchanan (December 2020), and Inks Lake (June 2021). In August 2022. TPWD designated Water E. Long Lake to also be infested.

Routine monitoring for early detection of zebra mussels is being conducted in two LCRA-managed waterbodies where established populations of zebra mussels have not been confirmed – Lakes Bastrop and Fayette. LCRA is monitoring the downstream dispersal of zebra mussels in the Colorado River below Lady Bird Lake. LCRA also is monitoring zebra mussel spawning trends in Lake Buchanan, Inks, LBJ, Lake Marble Falls, Lake Travis, Lake Austin and Lady Bird Lake to help inform management decisions for all stakeholders.

In 2021, Austin Water converted the temporary copper sulfate-based zebra mussel suppression systems that were installed in 2020 to permanent bulk storage systems. Biannual diver inspections have confirmed that the chemical feed systems successfully reduced mussel growth on AW intake structures. AW will continue using diver cleaning services in the future. In 2022, AW was working on Phase III of zebra mitigation efforts, copper ion generation, with construction expected to be completed summer of 2023.

A.5. Region K Water Planning Process

In 2022, Austin and LCRA both continued to participate in the Lower Colorado Regional Water Planning Group as they begin the 2026 regional water planning process. Participation included membership in the Consultant Selection, Executive, Population and Demand, and Bylaws Committees.

A.6. Harmful Algae

Toxin-producing algae was detected in Lady Bird Lake in July of 2019. Since 2019, cyanobacteria have been detected at various locations in some of the lakes of the Colorado River Basin upstream of Austin.

When cyanobacteria (also called blue-green algae) grow to excessive levels and produce cyanotoxins, these events are called harmful algal proliferations (HAPs) when referring to cohesive mats of algae, or harmful algal blooms (HABs) when referring to planktonic (i.e. freely floating phytoplankton cells in the water column) algae. The algae producing toxins in Lady Bird Lake was growing in cohesive mats and this event is therefore categorized as a HAP.

In August 2020, the EMC charged the Technical Committee with evaluating HAB/HAP incident risk associated with Lake Travis and Lake Austin. The Technical Committee's Harmful Algae Work Group focused on identifying drivers and strategies to manage potential risk associated with a cyanotoxin event that could impact drinking water supply. Key environmental variables that influence the risk of HAB/HAP occurrences and severity are water temperature, hydrology, and nutrient concentrations. Nutrient concentrations and inputs to the lake systems were identified as the most manageable variable among the three.

A critical component of the immediate response to harmful algae is monitoring; LCRA and City of Austin conduct monitoring across the region and technical teams are coordinating and sharing data between organizations. LCRA conducts routine cyanotoxin monitoring sampling in the Highland Lakes and has maintained a public information website with recent monitoring results since 2020.

The City of Austin Watershed Protection Department has monitored for harmful algae locations in Lake Austin and Lady Bird Lake since the 2019 algae event. Austin Water regularly tests algae levels near their intake pipes on Lake Austin and Lake Travis and has not seen levels of concern for drinking water. In fall of 2021, Austin Water invested in equipment for monitoring and sampling capabilities as a part of their cyanotoxin response plan, which improved the frequency and turn-around time of results. Additionally, this plan includes triggers and operational responses for periods of high risk. Currently, Austin Water does not use Lady Bird Lake as a source for drinking water.

Austin and LCRA will continue to monitor and collaborate on potential HAB/HAP risk management strategies.

B. Highlights of Other Water Supply-Related Activities and Discussions

B.1. Austin Water Forward

A key recommendation of Austin's 2014 Austin Water Resource Planning Task Force was the development of an Integrated Water Resource Plan (IWRP). In December 2014, the Austin City Council passed a resolution creating the Austin Integrated Water Resource Planning Community Task Force (Water Forward Task Force) to support the development of the IWRP. This Task Force is made up of 11 Mayor and Council appointees and additional ex-officio representatives from eight Austin departments including Austin Energy, Watershed Protection and the Office of Sustainability and has typically been holding monthly meetings since May 2015. The IWRP is a collaborative effort led by Austin Water to provide a 100-year plan for demand management and supply-side options for Austin. The plan takes into account a wide-range of factors including population growth, drought and climate uncertainty. Austin refers to this effort as Water Forward.

The Water Forward integrated water resource plan is Austin's 100-year roadmap for a sustainable water future. The plan was developed using a holistic, One Water planning approach that balances multiple objectives including water reliability, social, environmental and economic benefits. The plan's transformative vision reflects a substantial collaborative effort that took place over the course of three and a half years. The Austin City Council adoption of the Water Forward plan in November 2018 was the culmination of extensive work with the Austin community, a citizen task force, and across multiple City departments, Boards and Commissions, and regional entities.

The plan embraces innovative strategies to address future water challenges including advanced metering infrastructure (AMI) using smart technology and data analytics to identify potential customer leaks, as well as incentives for smart irrigation system controllers. The plan seeks to meet non-potable demands with non-potable source waters through centralized and decentralized strategies. As Austin grows, new development can help to implement onsite reuse strategies or can connect to the City's centralized reclaimed water system to incrementally meet growing demands. In 2022, efforts to implement these Water Forward strategies included the continutation of AMI meter installation and implementation of code language for benchmarking, onsite water reuse, and extension of reclaimed water connection requirements.

Another key component of Water Forward is an Aquifer Storage and Recovery (ASR) facility to save available water during wet times and store it underground, safe from evaporation, for use during drought or other emergency situations. Storage strategies such as ASR stretch Austin's existing surface water supplies and provide community self-sufficiency through a locally-controlled second source of supply. In 2020, Austin's City Council approved negotiation and execution of a

contract for Phase 1 ASR services. In March 2021, Austin executed an agreement with HDR for Phase 1a ASR engineering services, which include development of an ASR program and desktop modeling to identify potential sites for piloting. Work on these tasks proceeded in 2022, with completion of Phase 1a anticipated in late 2023.

Austin Water is implementing the 2018 Water Forward plan as part of an adaptive management approach. Major Water Forward stakeholder engagement efforts during CY21 were limited due to COVID-19 protocols. Austin Water continues to engage in various community, industry, and public events to make presentations and share information about the Water Forward Plan and implementation efforts underway.

In addition to implementing the 2018 Water Forward Plan, in 2021 AW began work to develop the 2024 update to the Water Forward Plan. The update with allow AW to update projections with new data, refine our methodology, and incorporate information about changing conditions as needed. Work on the 2024 update to the plan proceeded in 2022, including the formation of a community advisory group to provide input related to equity and affordability, substantial completion of the climate and hydrology analyses for the plan, substantial completion of 100-year population and employment projections, and refinement of the scenario-based methodology for the 2024 update.

In addition to regular updates on Water Forward and review and discussion of various plan elements at Technical Committee meetings, Austin Water also gave regular updates to LCRA on Water Forward implementation and the 2024 update at EMC meetings.

B.2. Austin Drought Contingency Plan and Water Conservation Plan

Austin adopted water conservation and drought contingency plans that went into effect in May 2016 and were accepted again by TCEQ in 2019 for the next five year cycle ending in 2024. These plans include watering restrictions of no more than once a week for automatic irrigation systems and two days a week for hose-end sprinklers during evening or night time hours. Home car washing is allowed with a bucket or auto shut-off hose. Certain irrigation methods, tree bubblers, hand-held watering and drip irrigation are generally allowed any time on any day. Austin has a number of conservation-related rebate programs typically administered through the Austin Water Conservation Division. These provisions remained in place in 2022.

B.3. Austin Water Rights Activities

Austin's Watershed Protection and Development Review Department is considering the use of an inactive rock quarry adjacent to Little Bear Creek, a tributary of Onion Creek, as a means of recharge enhancement to the Barton

Springs segment of the Edwards Aquifer. The intent of the additional recharge is to augment flow at Barton Springs. Austin, LCRA and Barton Springs Edwards Aquifer Conservation District entered into an interlocal agreement in 2011. Austin staff worked on a draft water right application for the recharge project and, in August 2013, staff from Austin and LCRA met with TCEQ Water Permitting Division staff for a pre-application meeting. Austin and LCRA worked together to address follow-up items raised by TCEQ staff, including additional surface water modeling and incorporating recent flow data from Little Bear Creek. Austin submitted the water right application to TCEQ on November 4, 2015. The final Stoneledge Quarry permit was granted by TCEQ on August 25, 2022.

B.4. LCRA Water Supply Status

On Jan. 1, 2022, the combined storage of lakes Buchanan and Travis was 1.572 million acre-feet. ENSO conditions started the year in La Nina status.

- On March 1, 2022, the combined managed storage of lakes Buchanan and Travis was 1.549 million acre-feet. As a result of the combined storage amount, “Normal” water supply conditions were in effect, and up to 178,000 acre-feet of interruptible stored water was available for Gulf Coast, Lakeside and Pierce Ranch for the first agricultural season of 2022. Environmental flow requirements from March 2021 through June 2021 were set to “Subsistence” levels for instream flows and “OP-3” levels for freshwater inflows to Matagorda Bay.
- On July 1, 2022, the combined managed storage of lakes Buchanan and Travis was 1.278 million acre-feet. As a result of the combined storage amount, drought duration and cumulative inflows during the drought, the water supply condition was determined to be “Extraordinary Drought” . In accordance with the 2020 Water Management Plan, no interruptible stored water was available for the second agricultural season of 2022 for Gulf Coast, Lakeside, and Pierce Ranch. Environmental flow requirements from July 2022 through October 2022 were set to “Subsistence” levels for instream flows and “Threshold” levels for freshwater inflows to Matagorda Bay.
- On November 1, 2022, the combined managed storage of lakes Buchanan and Travis was 1.056 million acre-feet. Environmental flow requirements from November 2022 through February 2023 remained at “Subsistence” levels for instream flows and “Threshold” levels for freshwater inflows to Matagorda Bay.

Inflows to the Highland Lakes were an annual record low in 2022 and provisionally totaled 118,361 a-f. The 2022 inflows were slightly less than the 2011 inflows of 127,811 a-f. The year ended with a combined storage of 1.058 million acre-feet on December 31, 2022, which is over 300,000 acre-feet greater than the combined storage on December 31, 2011.

B.5. LCRA New Water Supply Projects

Construction on LCRA's new off-channel reservoir, named the Arbuckle Reservoir, near Lane City in Wharton County was substantially complete in 2018. Since that time, additional work has been undertaken to reduce subsurface seepage that was discovered during initial filling and testing of the reservoir. The reservoir is expected to become operational in 2024. Once operational, the reservoir could add up to 90,000 acre-feet of water to the region's supply. It is the first project that will allow LCRA to capture and store significant amounts of water downstream of the Highland Lakes.

LCRA owns the groundwater rights associated with the 5,000-acre Griffith League Boy Scout Ranch in Bastrop County, and has sought permits from the Lost Pines Groundwater Conservation District (LPGCD) to drill up to eight wells for the production and transport of up to 25,000 acre-feet of water when the need arises to meet demand for use within Bastrop, Lee, and Travis counties. After a contested case hearing before the State Office of Administrative Hearings (SOAH), the SOAH judges recommended issuance of the requested permits in July 2020. In May 2022, the LPGCD acted to grant production permits for 8,000 acre-feet/year and transport permits for the full 25,000 acre-feet per year. LCRA has filed suit in Bastrop county challenging the LPGCD decision and the litigation remains pending.

B.6. LCRA Water Supply Resource Report.

LCRA started the development process for its upcoming Water Supply Resource Report (WSRR). LCRA will be evaluating firm water demands and commitments, water supply, and water needs on a decadal basis through 2080. LCRA obtained input from Austin regarding population and demand projections, and the firm water supply to be planned for from LCRA. For the WSRR, LCRA will assume the existing obligation to supply or back up 325,000 acre-feet of municipal remains in place through the planning horizon.

C. Other Activities and Discussions

C.1. Water Conservation Committee

Austin and LCRA water conservation staff continued their ongoing focus on conservation in 2022. No Water Conservation Committee meeting was held in 2022.

C.2. Stakeholder Committee

No Stakeholder Committee meeting was held in 2022.

C.3. Water Quality Committee

The Water Quality Committee was not able to meet in 2022, but met in January 2023 to coordinate on zebra mussels, harmful algal blooms, and other topics.

IV. Summary of Planned Year 2023 Activities

A. Upcoming Events

- Annual briefings to the Austin Water and Wastewater Commission and Austin City Council.
- Updates provided to the LCRA Board, as needed.
- Austin to submit updated 100-year water demand projections (Demand Schedule) to LCRA for use by the partnership.
- Austin Water will continue implementing Water Forward strategies.
- Austin Water will continue work on the 2024 update to the Water Forward Plan.

B. Ongoing Activities

- Continue coordination on water supply and drought response measures and other items being addressed by the Austin-LCRA Water Partnership Technical Committee.
- Coordination on zebra mussel monitoring and remediation.
- Continue to monitor and collaborate on potential HAB risk management strategies.
- Continue coordination on water use reporting.
- Continue coordination regarding LCRA and Austin pending water rights permits at TCEQ.
- Support implementation of the Stoneledge Quarry Recharge Project.
- Continue development of the Lady Bird Lake Water Use Accounting Plan.
- Continue updates and review of LCRA's Water Supply Resources Report.

Attachment:

A. City of Austin-LCRA Water Partnership Organization Chart.

Appendix:

1. Committee Rosters
2. EXHIBIT A - COA and LCRA Water Resource Management Partnership From the: SETTLEMENT AGREEMENT BY AND BETWEEN THE CITY OF AUSTIN AND THE LOWER COLORADO RIVER AUTHORITY REGARDING JOINT WATER RESOURCE MANAGEMENT AND THE RESOLUTION OF CERTAIN REGULATORY MATTERS PENDING AT THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Approved By:

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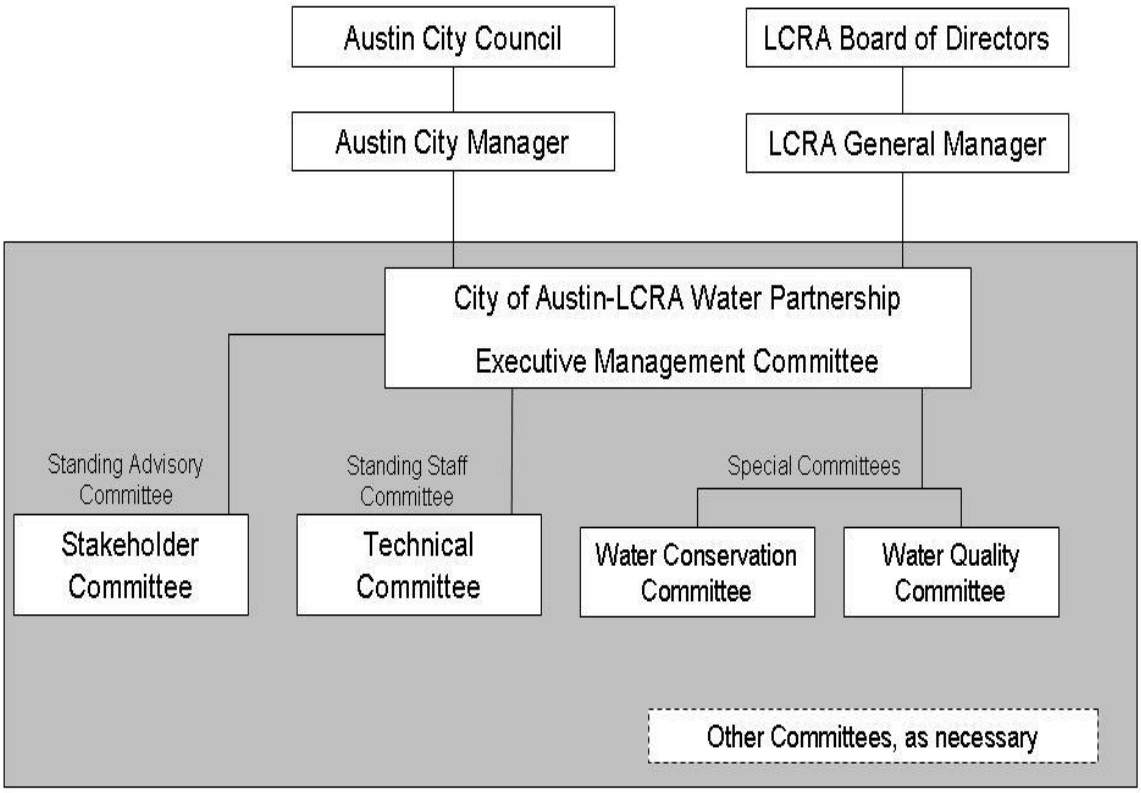
City of Austin-LCRA Water Partnership Organization



Attachment A

Appendices

Appendix 1
Committee Rosters
(as of December 2022)

Executive Management Committee

City of Austin

Robert Goode, Interim Director, Austin Water
Kevin Critendon, Assistant Director, Austin Water

LCRA

Monica Masters, Vice President, Water Resources
John Hofmann, Executive Vice President, Water

Technical Committee

City of Austin

Helen Gerlach, Engineer A, Austin Water
Teresa Lutes, Managing Engineer, Austin Water
Ross Crow, Assistant City Attorney, Law Department

LCRA

Ronald Anderson, Chief Engineer
Greg Graml, Associate General Counsel

Water Conservation Committee

City of Austin

Kevin Critendon, Assistant Director, Austin Water

LCRA

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Water Quality Committee

City of Austin

Kevin Critendon, Assistant Director, Austin Water
Katie Coyne, Assistant Director, Austin Watershed Protection

LCRA

Vic Ramirez, Associate General Counsel, Legal Services
Bryan Cook, Manager, Water Quality Protection

Appendix 2

EXHIBIT A - COA and LCRA Water Resource Management Partnership

From the:

SETTLEMENT AGREEMENT BY AND BETWEEN THE CITY OF AUSTIN AND THE LOWER COLORADO RIVER AUTHORITY REGARDING JOINT WATER RESOURCE MANAGEMENT AND THE RESOLUTION OF CERTAIN REGULATORY MATTERS PENDING AT THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

EFFECTIVE DATE: JUNE 18, 2007

1. **Background:** Water is the lifeblood of Central Texas communities. Austin and LCRA have individually employed traditional water management strategies, focusing on solutions that have often unintentionally led to conflict. These conflicts, if left unresolved, may limit the ability of the Parties to meet their responsibilities as major water suppliers. As population growth and economic factors in the region increase the demand for water, the Parties recognize a different approach is needed. Collaborative water management strategies can offer new opportunities to optimize water supply solutions for the region.

2. **Vision:** Reliable and affordable water, managed in an environmentally responsible and collaborative manner, is critical to the vitality and economy of the region.

3. **Purpose:** LCRA and Austin, as the two largest water right holders in the lower Colorado River basin, have agreed to develop a cooperative management structure. Through this new approach, the Parties will jointly evaluate and implement strategies to optimize water supplies to meet water needs of their customers and the environment.

4. **Scope:** The scope of the partnership agreement will include joint water supply planning, as well as the ability to manage both entities' individual raw water supplies as an integrated system. All existing raw surface water supplies, including Return Flows, of each party will be included in this agreement. Future water supplies will be included as approved by the Executive Management Committee.

   Day-to-day management and coordination of the river system including flood management, water quality protection and other functions will remain LCRA's

responsibility. Day-to-day water/wastewater utility planning and operations will remain the responsibility of each party.

5. **Cooperative Management Structure:** The Parties shall establish an Executive Management Committee and Technical Water Resources Planning Subcommittee, with the following structure and responsibilities:

A. Executive Management Committee

i. Composition: The Executive Management Committee (EMC) will be composed of two representatives each of Austin and LCRA, to be designated by the chief executive officer of each organization.

ii. Duties and Responsibilities: The EMC will be responsible for carrying out the Purpose and Scope as follows:

1. establishing and implementing strategic goals and policies,
2. approval of joint water supply strategies and implementation plans,
3. continued supervision and oversight of approved joint water supply strategies and implementation plans,
4. obtaining any necessary approvals from and ensuring compliance with requirements of each party's governing body,
5. coordination of communication with internal and external stakeholders,
6. ensuring adherence to the decision-making guidelines set forth below,
7. creation and general supervision of any subcommittees necessary to carry out the Purpose and Scope, and
8. developing standard operating procedures and bylaws for the EMC and any subcommittees.

B. Technical Water Resource Planning Subcommittee. A Technical Water Resource Planning Subcommittee (Technical Subcommittee) shall be established as follows:

i. Composition: The Technical Subcommittee will be an interdisciplinary committee comprised of members appointed by the EMC.

ii. Duties and Responsibilities. The Technical Subcommittee will be responsible for:

1. Projections of water demands and identification of a wide array of supply alternatives, including Return Flows, and preliminary recommendation of alternatives for consideration by the EMC for further study.

2. In consultation with the EMC, develop any necessary technical analyses and implementation plans for strategies identified for further study.

C. Decision-making Guidelines

i. Consensus decisions of the EMC shall be made using interest-based problem solving, mindful of the standards and mutual interests of the Parties as set forth below.

ii. The standards against which water supply strategies shall be evaluated include:
   1. Improve relationships between Austin and LCRA
   2. Cost effective and provides value to both Parties
   3. Obtain stakeholder input in an effort to fairly address multiple needs of the region

iii. The mutual interests of the Parties to be addressed by any water supply strategy selected by the EMC include:
   1. maintaining ownership and protecting the value of each party's individual water rights,
   2. preserving water quality and environmental health of the river and bay system,
   3. improving the Parties' relationship and building trust through enhanced information sharing, cooperation, and partnering,
   4. improving water supply certainty, including enhancing reliability and water availability, and
   5. responsible water resource management, mindful of the Parties commitment to a strong water conservation ethic.

iv. The Parties may, by consensus, modify the standards and mutual interests to be used in making decisions under this agreement.

v. If the EMC cannot reach a consensus decisions on whether to pursue particular water supply strategies recommended by the Technical Subcommittee, then the EMC shall request a decision from the chief executive officers of each organization.

6. Operating Guidelines:

A. The Parties agree to designate their representatives to the Water Partnership Executive Management Committee (EMC) within 90 days of the final approval of the Supplemental Water Supply Agreement called for in Paragraph 1V.B of the Settlement Agreement. The Parties also agree to convene an initial meeting of the EMC within 120 days of execution of the Supplemental Water Supply Agreement.

B. The initial tasks of the EMC include, but are not limited to:

i. Develop operating procedures and by-laws, to include but not be limited to:

1. Set meeting schedule to initially include a minimum of one EMC meeting per quarter
2. Set meeting logistics including chair, chair rotation schedule, meeting location, and record keeping, including meeting minutes, workplans, etc.
3. Set schedule and process to develop scopes and workplans for tasks to be accomplished by the COA and LCRA Water Resource Management Partnership
4. Set reporting schedule to include a minimum reporting schedule of at least one report to each the Austin City Council and the LCRA Board every two years
5. Set regular quarterly meeting format to include, as appropriate, but not be limited to:
   a. Report by each party on all activities that might affect either party's water rights or water supply, which may include any significant developments in the following:
      i. status of
         - all water rights applications
         - a water supply development projects (current or proposed Water Management Plan status)
         - any proposed water treatment, wastewater treatment or other related facilities
         - any direct reuse projects
         - water conservation efforts
      ii. status of joint efforts and suggestions for additional joint effort opportunities
      iii. updates on studies relevant to water supply availability

iv. updates on relevant environmental issues and implementation of environmental policies
v. relevant legislative updates including new statutes and pending legislation relating to water supply of the Parties
vi. Relevant administrative matters before the State Office of Administrative Hearings
vii. Updates on significant actions or decisions by the Texas Commission on Environmental Quality
viii. Update on water rates revisions
ix. Information on water sales, water usage, major diversions, new customers, and projected water demands (short and long-term)
x. Update on any LCRA Water Management Plan planned amendments
xi. State Region K regional water planning efforts
xii. Update on LCRA Board and Austin City Council actions relevant to water supply availability

b. Subcommittee reports
c. Other items as determined

6. Set meeting process to initially include a minimum of two work sessions per year
    a. Work session tasks may include, but not be limited to:
        i. develop joint basin management strategies in keeping with the mutual interests of the parties as outlined in Exhibit A. Section 5. C. iii., and updated, as needed, by the EMC.
        ii. develop plans for joint studies and projects,
        iii. develop any joint resolutions, proposed agreements,
        iv. Formulate subcommittees, as needed
        v. Evaluate on-going efforts of the COA and LCRA Water Resource Management Partnership including a re-evaluation of the scope and purpose, including progress of efforts to meet long-term water supply needs
7. Appoint the Technical Water Resource Planning Subcommittee
8. Develop initial scope and workplan to address the following:

a. Develop initial scope of tasks to be accomplished in the initial two years, including but not limited to:
    i. As per Settlement Agreement Section VII. D., develop proposal to address maintenance of Town Lake levels
    ii. Establish process to evaluate and implement joint water management strategies to optimize water supplies
b. Establish coordination of reporting, operations, and diversions
c. Develop a list of matters to be monitored by the EMC
d. Develop process for determining future tasks and work plans, once initial tasks are complete, including development of demand projections ("Demand Schedule")