

# **LCRA Interruptible Water Rates for Calendar Year 2025**

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**LCRA Board of Directors  
Meeting**

**Dec. 10, 2024**



# Water Rates Review

- **For rate-setting purposes, costs are divided into the following four categories:**
  - River management – operations and maintenance expenses of managing the river system
  - Water debt obligation – annual debt service and coverage
  - Irrigation canals water delivery – agriculture and Gulf Coast industry
  - Other adjustments:
    1. Firm revenue-funded capital
    2. Firm revenue requirement offsets – STP Nuclear Operating Company revenue and City of Austin Lake Travis diversions revenue

# Water Rates Review (Continued)

- **Firm pays for:**
  - Allocated portion of river management (78.7%)
  - Water debt obligation (100%)
  - Other adjustments and revenue requirement offsets (100%)
- **Interruptible pays for:**
  - Allocated portion of river management (21.3%) – Gulf Coast and Lakeside agricultural divisions only
  - Irrigation debt (100%)
  - Irrigation canals water delivery (100%)

# What's Changed From 2024 Rate?

- **Firm and interruptible operations and maintenance costs updated**
  - Based on fiscal year 2024 actual results
  - Adjusted for known and measurable changes
    - For interruptible, full water delivery is assumed for calendar year 2025; electric and certain other costs are adjusted to reflect CY 2025 estimate of water use at full availability
    - 4% base labor increase; market adjustments; benefits increase; new hires; open positions
    - Other adjustments, including outside services and materials costs

# What's Changed From 2024 Rate?

## (Continued)

- **Interruptible billing units updated**
  - Acres based on three-year rolling average of actual acres
  - First season water use per acre based on statistical analysis that considers rainfall, temperature, evaporation, etc.

# Garwood Agricultural Division CY 2024 Acres and Water Use

	First season rice	Second season rice	Row crop	Wildlife	Pasture
Number of contracts serviced	56	36	0	40	0
Acres serviced	21,183.8	12,852.8	0	4,237.3	0
Water delivered (acre-feet)	37,955.8	19,042.9	0	5,802.8	0
Water used (a-f per acre)	1.79	1.48	0	1.37	0
Number of contracts in surcharge	0	1	0	4	0

# Interruptible Billing Units – CY 2025

		Gulf Coast	Lakeside	Garwood	How derived
Acres					
	Rice – first season	8,956	22,893	20,661	Three-year averages: <ul style="list-style-type: none"> <li>• First season rice, turf:               <ul style="list-style-type: none"> <li>– Gulf Coast and Lakeside – 2020, 2021, 2022</li> <li>– Garwood – 2022, 2023, 2024</li> </ul> </li> <li>• Second season rice:               <ul style="list-style-type: none"> <li>– Gulf Coast and Lakeside – 2019 2020, 2021</li> <li>– Garwood – 2022, 2023, 2024</li> </ul> </li> </ul>
	Rice – second season	3,762	11,908	16,327	
	Turf	1,700			
Times: water use (a-f per acre)*					
	Rice – first season	2.826	1.848	2.023	Statistical analysis
	Rice – second season	1.346	1.165	1.230	Three-year weighted averages: <ul style="list-style-type: none"> <li>• Gulf Coast and Lakeside – 2019, 2020, 2021</li> <li>• Garwood – 2022, 2023, 2024</li> </ul>
	Turf	0.710			
Equals: billing units (a-f)*					
	Rice – first season	25,310	42,311	41,789	
	Rice – second season	5,065	13,875	20,082	
	Turf	1,206			
	<b>Total interruptible billing units</b>	<b>31,581</b>	<b>56,186</b>	<b>61,871</b>	

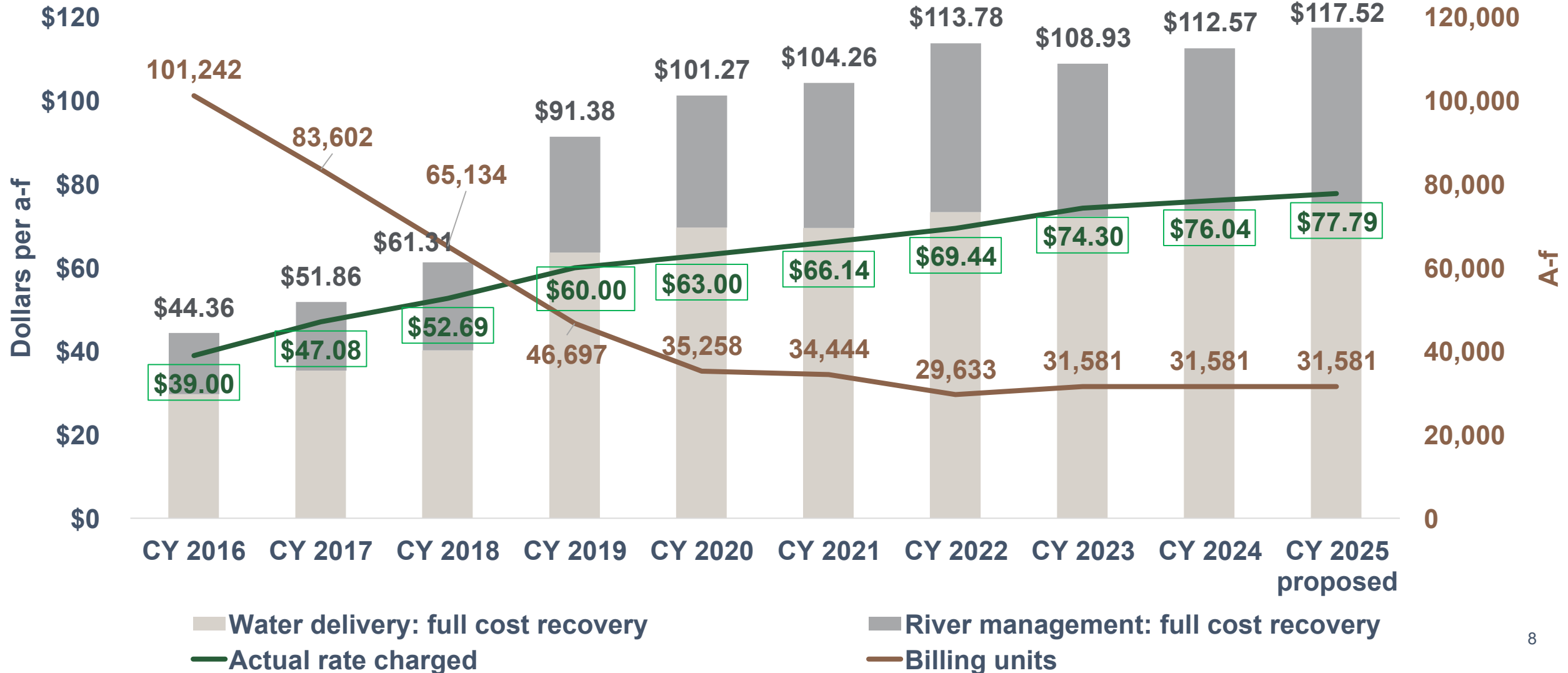
\*Water use is delivered to the field

# Gulf Coast Agriculture Rate – CY 2025

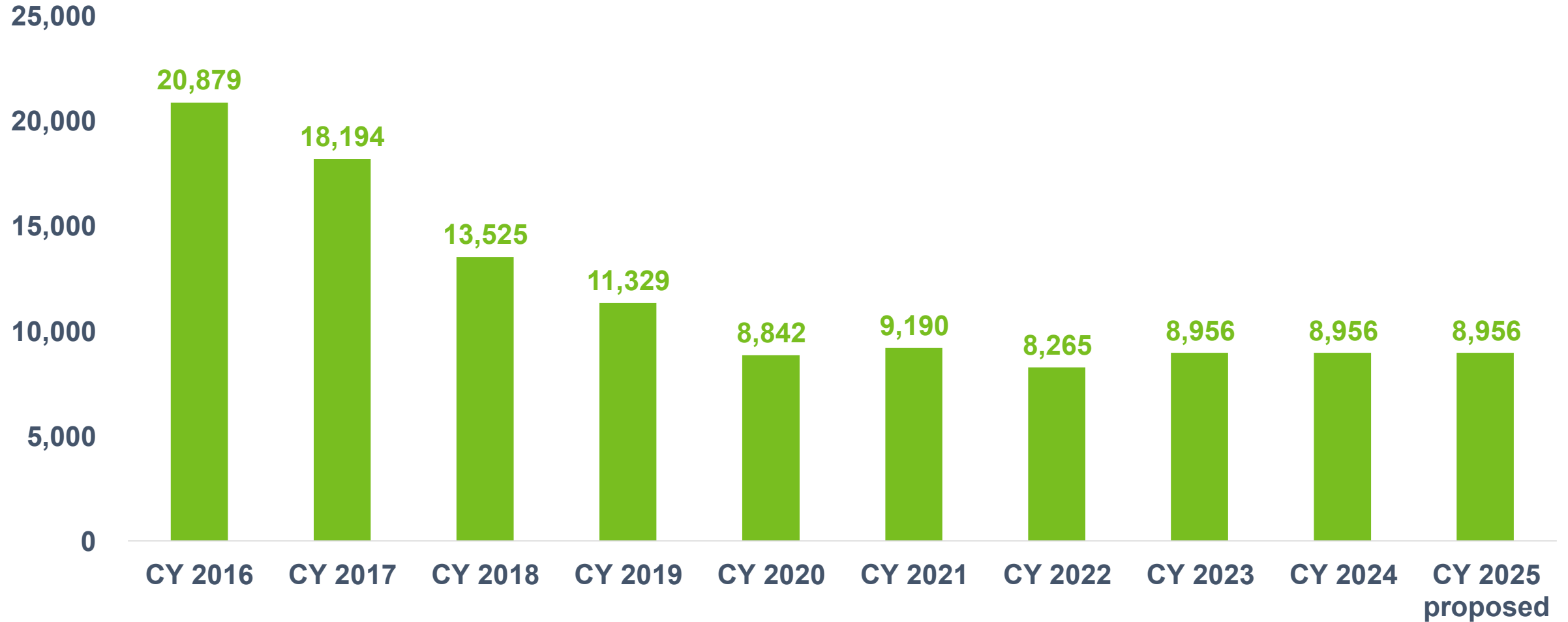
(Dollars in thousands unless otherwise noted)	CY 2025 rate	CY 2024 rate	Variance	
			Amount	Percent
Water delivery costs	\$2,385	\$2,334	(\$51)	(2.2%)
Add: allocated river management costs	\$1,326	\$1,221	(\$105)	(8.6%)
<b>Total costs – full cost recovery</b>	<b>\$3,711</b>	<b>\$3,555</b>	<b>(\$156)</b>	<b>(4.4%)</b>
Less: Agriculture Reserve Fund used	(\$1,255)	(\$1,154)	\$101	8.8%
<b>Total costs</b>	<b>\$2,456</b>	<b>\$2,401</b>	<b>(\$55)</b>	<b>(2.3%)</b>
<b>Divided by: billing units (a-f)</b>	<b>31,581</b>	<b>31,581</b>	<b>0</b>	<b>0.0%</b>
<b>Equals: rate (dollars per a-f)</b>				
Water delivery costs	\$75.52	\$73.90	\$1.62	2.2%
River management costs	\$42.00	\$38.67	\$3.33	8.6%
<b>Total full cost recovery rate</b>	<b>\$117.52</b>	<b>\$112.57</b>	<b>\$4.95</b>	<b>4.4%</b>
Less: Agriculture Reserve Fund used	(\$39.73)	(\$36.53)	(\$3.20)	(8.8%)
<b>Total Gulf Coast agriculture rate</b>	<b>\$77.79</b>	<b>\$76.04</b>	<b>\$1.75</b>	<b>2.3%</b>



# Gulf Coast – Rates and Billing Units Used for Setting Rate



# Gulf Coast First Season Rice Acres – Used for Setting Rate\*

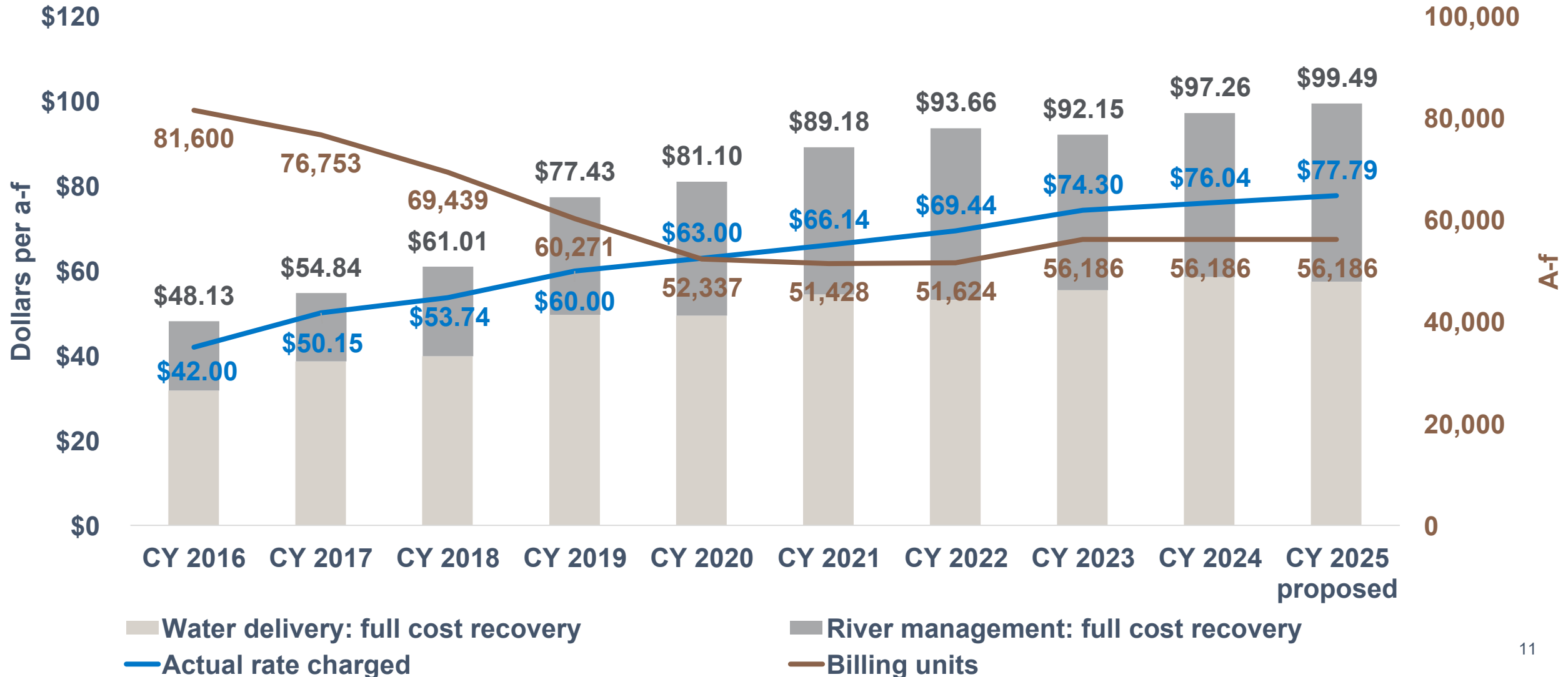


\*Based on rolling three-year averages of actual planted acres

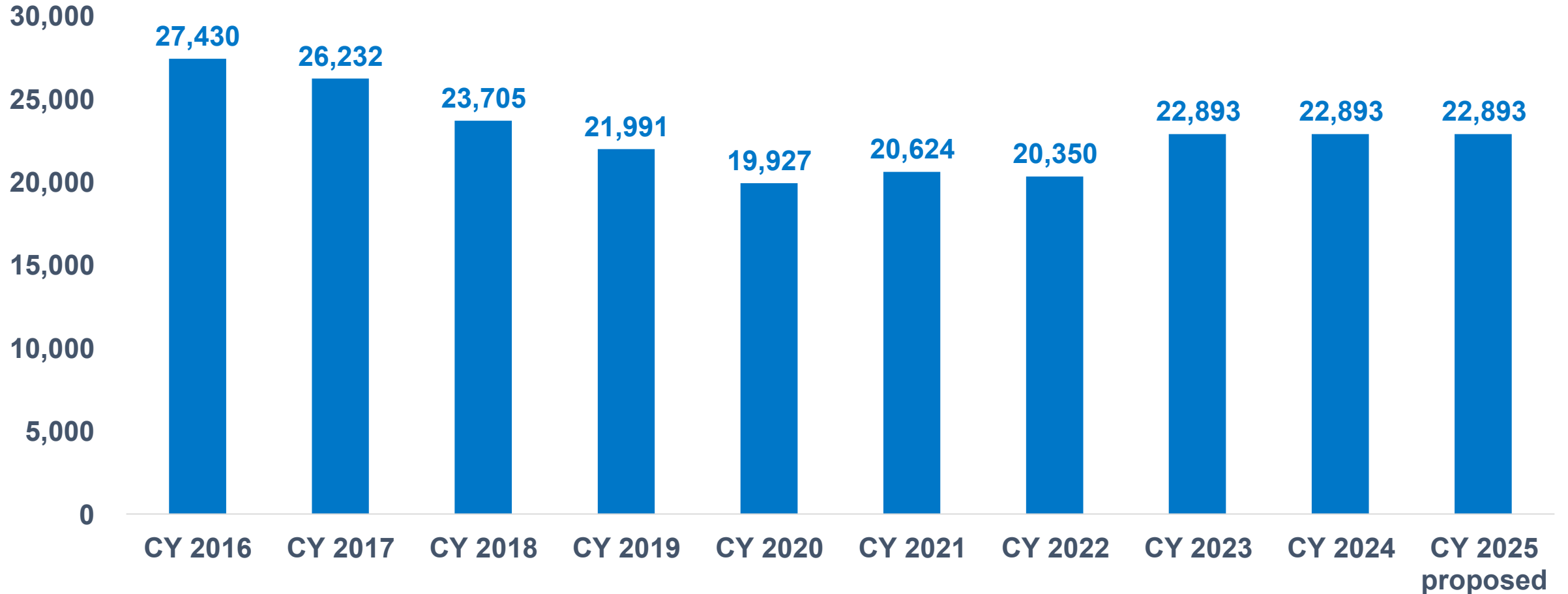
# Lakeside Rate – CY 2025

(Dollars in thousands unless otherwise noted)	CY 2025 rate	CY 2024 rate	Variance	
			Amount	Percent
Water delivery costs	\$3,230	\$3,292	\$62	1.9%
Add: allocated river management costs	\$2,360	\$2,173	(\$187)	(8.6%)
<b>Total costs – full cost recovery</b>	<b>\$5,590</b>	<b>\$5,465</b>	<b>(\$125)</b>	<b>(2.3%)</b>
Less: Agriculture Reserve Fund used	(\$1,219)	(\$1,193)	\$26	(2.2%)
<b>Total costs</b>	<b>\$4,371</b>	<b>\$4,272</b>	<b>(\$99)</b>	<b>(2.3%)</b>
<b>Divided by: billing units (a-f)</b>	<b>56,186</b>	<b>56,186</b>	<b>0</b>	<b>0.0%</b>
<b>Equals: rate (dollars per a-f)</b>				
Water delivery costs	\$57.49	\$58.59	(\$1.10)	(1.9%)
River management costs	\$42.00	\$38.67	\$3.33	8.6%
<b>Total full cost recovery rate</b>	<b>\$99.49</b>	<b>\$97.26</b>	<b>\$2.23</b>	<b>2.3%</b>
Less: Agriculture Reserve Fund used	(\$21.70)	(\$21.22)	(\$0.48)	(2.3%)
<b>Total Lakeside rate</b>	<b>\$77.79</b>	<b>\$76.04</b>	<b>\$1.75</b>	<b>2.3%</b>

# Lakeside – Rates and Billing Units Used for Setting Rate



# Lakeside First Season Rice Acres – Used for Setting Rate\*



\*Based on rolling three-year averages of actual planted acres

# Garwood Rate – CY 2025

(Dollars in thousands unless otherwise noted)	CY 2025 rate	CY 2024 rate	Variance	
			Amount	Percent
Water delivery costs	\$2,783	\$2,602	(\$181)	(7.0%)
Add: allocated river management costs	n/a	n/a	n/a	n/a
<b>Total costs</b>	<b>\$2,783</b>	<b>\$2,602</b>	<b>(\$181)</b>	<b>(7.0%)</b>
<b>Divided by: billing units (a-f)</b>	<b>61,871</b>	<b>59,415</b>	<b>2,455</b>	<b>4.1%</b>
<b>Equals: rate (dollars per a-f)</b>				
Water delivery costs	\$44.98	\$43.79	\$1.19	2.7%
River management costs	n/a	n/a	n/a	n/a
<b>Garwood rate – weighted average</b>	<b>\$44.98</b>	<b>\$43.79</b>	<b>\$1.19</b>	<b>2.7%</b>
Garwood rate – one lift (81% of total volume)	\$43.47	\$42.32	\$1.15	2.7%
Garwood rate – two lifts (19% of total volume)	\$51.53	\$50.17	\$1.36	2.7%

# **CY 2025 Interruptible Rates**

## **Key Issues**

- **CY 2025 proposed rates are 2% to 3% higher than CY 2024**
- **Rate Stabilization Fund – original balance \$19.7 million**
  - Current balance is \$14.6 million
  - If curtailment continues into CY 2025:
    - For the remainder of CY 2024 and all of CY 2025, projected to use \$9.8 million (includes lost supplemental revenue), leaving a balance of \$4.8 million by end of CY 2025

# **CY 2025 Interruptible Rates**

## **Key Issues (Continued)**

- **Agriculture Reserve Fund – original balance \$13 million**
  - Current balance \$6.7 million
    - Projected to use \$2.5 million in CY 2025
    - Projected to be depleted by end of CY 2028
- **Agricultural Rules and Drought Contingency Plan**
  - We have no proposed rule or Drought Contingency Plan changes for 2025



# **CY 2025 Interruptible Rules, Rates and DCP Implementation Summary and Timeline**

- **Interruptible rates – increasing**
- **No proposed rules or DCP changes for 2025**
- **Interruptible water rates**
  - Post on website for review and comment in December 2024
  - Close comment period in early January 2025
  - Seek approval at Jan. 22, 2025, Board meeting
- **Interruptible water availability – driven by conditions on March 1, 2025**

