

# Proposed Changes to Firm Water Contract Rules and Standard Terms

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Planning and Public Policy  
Committee Meeting

June 15, 2022



# **Some of the Proposed Changes**

- **Approval of pending contracts and notice requirements**
- **Requests for early termination or reduction in contract quantity**
- **Exceedances of the contracted quantity**
- **Meter testing**
- **Water conservation measures**

# **Some of the Proposed Changes**

## **(Continued)**

- **Dispute resolution procedures**
- **Charges for noncompliance**
- **Reduction in quantity for nonuse**

**NOTE: All proposed changes will be available on [www.lcra.org](http://www.lcra.org) for review and comment later this year before Board consideration**

# Approval of Contracts

- **Current provision:**

- LCRA Board action is required to approve contracts for 500 acre-feet or more or for nonstandard contracts or amendments

- **Alternative provision:**

- Board action is required for:
  - Contracts less than 1,000 a-f per year only if the contract reflects a new or increased commitment of at least 500 a-f, or
  - Contracts of 1,000 a-f or more that are new or a replacement

# Notice Requirements

- **Current provision:**

- For contracts that require Board action, notice is required in the newspaper and mailed to county commissioners

- **Alternative provision:**

- Remove newspaper notice requirement, provide notice on LCRA website

# Requests for Early End of Contract or Reduction in Contracted Amount

- **Current provision:**

- For contracts of 500 a-f or more, reducing or ending the contract early must occur in a stepped manner of no more than 25% of the original amount once every five years

- **Alternative provision:**

- Allow for a reduction of up to the greater of 250 a-f or 25% of the original contracted amount every 12 months

# Exceeding Contracted Quantity

- **Current provisions:**
  - If water use exceeds the contracted quantity, the customer is subject to an excess use charge
  - For exceedances in two out of four consecutive years, the customer must apply for a new contract
- **Additional provisions:**
  - Customer may adopt additional water conservation measures
  - Subsequent exceedances trigger higher recurring excess use fees

# Meter Testing

- **Current provisions:**
  - Meter testing is required every 12 or 24 months
  - If three months past due, monthly administration fees occur
- **Additional provisions:**
  - Starting at three months past due, \$100 administrative fee applied monthly
  - Starting at six months past due, an additional charge of assumed water use: the greater of one-twelfth of the maximum annual quantity per month or the prior year's use for the given month
  - Starting at nine months past due, a 25% surcharge on all water use and reservation fees



# Water Conservation Measures

- **Current provision:**
  - Domestic use and landscape irrigation or recreation users follow an outdoor watering schedule of no more than twice per week
- **Alternative provision:**
  - Twice-per-week watering schedule required for all water contracts
  - Includes specific limitations on irrigated landscapes

# Dispute Resolution

- **Current provision:**
  - The dispute resolution process includes opportunities for resolution between parties including mandatory arbitration
- **Alternative provision:**
  - Remove mandatory arbitration

# Charges for Noncompliance

- **Current provision:**
  - After providing notice and an opportunity to become compliant, LCRA may terminate a contract
- **Additional provision:**
  - Add fees

# Reduction in Contracted Quantity for Nonuse

- **Current provision:**

- If a customer has not used 10% of contracted quantity by year 10, contract is subject to reduction in quantity or termination

- **Alternative provision:**

- Repeated nonuse or use significantly less than the contracted quantity would make the contract subject to reduction in quantity or termination

# Next Steps

- **Summer: customer meetings to discuss current contract and proposed rule changes**
- **Late summer: proposed changes posted on [www.lcra.org](http://www.lcra.org) for public comment**
- **Fall: proposed changes presented to the LCRA Board for consideration**



