

Brazos G
System Operation Permit Application
Questions submitted through Chairman Jones to BRA

Question: “Why would the state allow BRA to receive the run-off and re-use water that enters streams and rivers at no cost and charge for the water?”

Answer: The Brazos River Authority - as most river authorities - has a responsibility of developing water to meet the long term needs of their respective basin. Since no significant money is appropriated by the state to fund the development of water, the cost is embedded in the cost of raw water. The additional water allows BRA to broaden its base of raw water use and thus spreading the cost of developing water over the larger base. Re-use water becomes “state water” once it is discharged into a stream and subject to appropriation by the state. Including it has the benefit of reducing the cost, per acre ft to rate payers, of developing new water.

Question: “Will we have to go through BRA in the future for water needs, reservoirs, groundwater, and permits from the state?”

Answer: No, future water projects in the Brazos River basin will not be obligated to go through the BRA to obtain water. BRA’s permit will not preclude future reservoir projects in the Brazos Basin. However, the permit would make additional water available within the BRA system for sale.

Surface water in the Brazos is currently not “firm” in most cases without utilizing storage. That will be the case whether the state grants BRA’s permit request or not. BRA’s permit will potentially have an impact on future, unpermitted projects that will plan to use surface water – just as any water rights permit the state grants potentially effects subsequent permits. This is due to our method of administering water rights in Texas, the first-in-time, first-in-right approach known as the Prior Appropriative Doctrine.

BRA is in the process of developing groundwater in areas where insufficient supplies of surface water exists. However, BRA will develop groundwater consistent with the rules of the local groundwater districts - but will have no exclusive right to groundwater other than what it has purchased.

TCEQ will continue to be charged by law with the exclusive right to administer the surface waters of the Brazos; just as local groundwater districts will continue to have the exclusive authority to manage groundwater supplies. BRA has no authority to issue permits to use state water. It can only enter in to contracts to supply the water it has been authorized to use by the state.

Question: “Is there any rationale for the BRA to continue raising the cost of water up to a rate charged by LCRA @ \$100.00/acre foot? Rumor is this statement was made by members of the BRA.”

Related Concern: “There is a fear that BRA will continue to increase the cost of water at the rate of approximately 125% over the past seven years.”

Related Concern: “The increased cost of water, 100% of the increase, is being charged to approximately 35% of the ones purchasing water from the BRA.”

“The question and/or concern by many as to the cost of water increasing so high is due to the cost of operations by the BRA over the last 2-3 years being passed on unduly.”

“The question of heavy spending by the BRA and passing off to its customers has been a repeating comment.”

Answer: Since BRA is not a taxing entity or an agency that regularly receives direct state or federal appropriations, our operations are financed from the sale of water and providing water and wastewater treatment services. The Authority is committed to developing the most cost effective water first, for the benefit of the basin.

It is true that water rates have increased by 15% annually for the last few years. That is in part because rates had been inordinately low - but also because the Authority realized its very important goal of *assuring long term water supplies for the Brazos*. The BRA Board of Directors establishes the rate each year and is sensitive to the impacts of increasing rates on customers. They also believe it is a responsibility to meet the long term water needs of the basin.

It's also important to consider that we are playing “catch-up” – including recapitalization, maintenance, staffing, and planning for future infrastructure. During the past several years, we have dealt with deferred maintenance on our existing infrastructure and are now taking care of keeping that maintenance current and looking to the future. We have staffed the BRA to better serve the basin and have put time and resources in to making our staff as good as they can be. We are aggressively working to secure long-term supplies.

Concern: “There is a fear that the BRA is not being straight with everyone based on the way answers are being given.

Concern: “There are those that have fears of not being treated fairly based on past experiences.”

Answer: The drought of 1996 and the resulting SB-1 planning processes resulted in the BRA realizing that it was not prepared to meet the long term water needs of the basin. The focus changed from one of managing existing resources to one of proactively developing long term needs. Several communities in high growth areas needed significant additional supplies if they were to continue to grow and expand economically. The Authority was confronted with making significant changes in its approach as well as organizational structure. Unfortunately we have not communicated as well as we could have, which has created some question of our motives. We apologize for that. Our consistent desire had been to be straightforward and upfront about our project.

Concern: “as to a statement made by a BRA board member that the "BRA was not going to be a lap dog for the City of Waco." This statement did not come from anyone from the City of Waco.”

Answer: We currently enjoy a good working relationship with the City of Waco and are working together with them on issues of mutual concern such as the Bosque River and Lake Waco. However, some believe that in the past BRA has shown considerable deference to the City of Waco, which has been seen as being unfair to other customers in the basin. We are committed to treating all those in our basin equitably.

Concern: “In 1996, during another water study in which the BRA was on that study board, the statement was made Water has been consistent at around \$19/acre foot and it wasn't anticipated increasing in the near future. Water started increasing the next year and has not stopped or slowed.”

Answer: The statement made in 1996 was prior to the drought of the 1996 – 2000, prior to the changes to the water business that came from SB 1, and prior to the new leadership and reorganization of the BRA that occurred in 2001. The BRA has been upfront about our rising water rate and informed our customers from the beginning what kind of increases they should expect and for how long.

Question: “In 1998, it was stated that there were no more water rights available from Lake Limestone, Lake Somerville, or the Brazos River. How and where did 48,000 acre feet become available?”

Brazos River Authority water is now sold on a “System” availability basis, as compared to previous contracts where much of our water was sold on a reservoir specific basis. As allowed by our current System Operations Order, the Brazos River Authority can use permitted water from any reservoir, as long as the total annual consumption does not exceed the total of all the reservoirs. There are approximately 50,000 acre-feet available for sale, following the return of that amount of water from one of the Electric Utility Customers in 2001.

Question: “If you are purchasing water from the BRA and have no further use for the water, the water can not be sold to other entities but may be given back to BRA without any further liability. Why the wording in Texas A&M's contract that they do not have the same right of return on their water rights purchased?”

Answer: The Texas A&M contract is a System Water Supply Agreement, entered into in July of 1998 for the purchase of 6,945 acre-feet of water, with expiration in 2047. All Brazos River Authority System Contracts contain language which allows a customer to notify the Authority if the water is surplus to their needs and Texas A&M has done so. Our contractual obligation is to use “reasonable efforts to find another party who is willing to purchase such surplus water.” Without a new customer to accept the contractual obligation, the Authority is not required to release the existing customer (Texas A&M) from the contract. A letter was sent to Texas A&M in September of 2004 which explained the Authority’s position on this matter.