

BRAZOS G

WATER PLANNING GROUP

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Hood
Johnson
Jones
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Knox
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Lee
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Milam
Nolan
Palo Pinto
Robertson
Shackelford
Somervell
Stephens
Stonewall
Taylor
Throckmorton
Washington
Williamson
Young

BRAZOS RIVER AUTHORITY, Administrative Agent
P.O. Box 7555 Waco, Texas 76714-7555
(254) 761-3100 W Fax (254) 761-3204

September 28, 2009

Mr. Joe Cunningham
President Board of Directors
Aquilla Water Supply District
P.O. Box 959
Hillsboro, Texas 76645

RE: 2011 Brazos G Regional Water Plan

Dear Mr. Cunningham:

I appreciate your letter dated September 4, 2009, regarding the Aquilla Water Supply District (District) and the Brazos G Regional Water Plan (Brazos G). The matters you have raised speak to the importance of regional water planning and the need for local stakeholders such as the District to engage in this process.

Brazos G's planning activities and meetings are open to the public. Our meeting agendas are posted publicly and on the Brazos G website (www.brazosgwater.org) at least three days in advance of our meetings. We are currently meeting on the third Wednesday of each month at the Brazos River Authority offices in Waco, Texas located at 4600 Cobbs Drive. Our next scheduled Brazos G meeting will be held on Wednesday, October 21, 2009. Please note that the Brazos River Authority (BRA) serves as both a stakeholder in the regional water planning process and as Brazos G's Administrative Agent, providing a meeting location and related administrative support for our group.

As you are aware, regional water planning is an ongoing and dynamic process that results in updated water plans every five years. Brazos G is currently developing its 2011 Regional Water Plan, which is essentially an update to the 2006 Brazos G Regional Water Plan. In light of this, I would like to address the matters raised in your letter.

Brazos G recognizes the sensitive nature of developing population projections for water user groups and wholesale water providers for each county in the Brazos G planning area. Earlier this year, population projections with minor revisions from those used in the 2006 Plan were

approved by the Texas Water Development Board (TWDB) for use in the 2011 Brazos G Plan. The City of Hillsboro's population projections were in fact increased for the 2011 Plan. However, the overall population for Hill County was not allowed to increase. For this cycle of planning, the TWDB did not allow any changes to population projections for water supply corporations which I believe constitute the remainder of the District's customers. The population and water demand projections have been established by the TWDB and the TWDB will not allow further changes to those projections for the 2011 Plan. We anticipate that the population projections used for the 2015 Plan will be based on the 2010 U.S. Census, and therefore should reflect the population growth you and your customers are experiencing.

Another issue you raise concerns about is the accuracy of water supplies available to the District. Brazos G's consultant, HDR Engineering, used data provided by the Brazos River Authority to determine water supplies available to the District.

The sedimentation rate provided by BRA resulted in a year 2000 yield of 13,746 acre-feet per year and a year 2060 yield of 9,490 acre-feet per year. This is a 31 percent decrease and is in line with the Freese and Nichols and BRA studies you referenced. However, the District's specific contractual supply does not decrease as dramatically because there is only 11,403 acre-feet per year of water supply contracts written against Lake Aquilla. We recognize that those allocations are firm in 2000, but not in 2060.

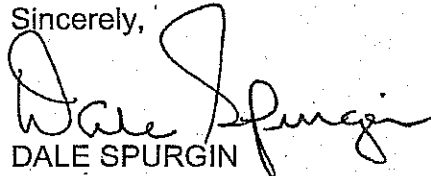
To determine the supply available from Aquilla to the BRA's customers, HDR set the supply to the customers as firm in 2000 because the yield exceeds the sum of the contracts. HDR then linearly reduced the supply in each decade until the 2060 yield was reached, which is less than the written contracts. All of the contracts share proportionately in the reduction from 11,403 acre-feet per year to 9,490 acre-feet per year. This results in an apparent reduction in supply to the Lake Aquilla contractual customers that are smaller than the overall decrease in Lake Aquilla's yield. This is consistent with the supply calculation methodologies used for the 2006 Brazos G Plan.

With respect to the aforementioned, the Brazos G Group welcomes any input you have regarding the planning process and would like to make the District aware of an opportunity to formally submit its contention that the population and water demands in Hill County are disputed. I encourage the District to send another letter as a formal comment to the Initially Prepared 2011 Brazos G Regional Water Plan. You will have that opportunity during the public comment period that will follow the publication of the Initially Prepared Plan in March of next year. Formal comments received during the public comment period will be included and addressed in the final 2011 Plan.

In addition, the District is certainly welcome to attend any of Brazos G's posted meetings and participate during the public comment period. If the District wants a more formal meeting than the public comment period, you can contact Trey Buzbee, Brazos G Administrator, at (254) 761-3168 and request an agenda item at an upcoming planning group meeting.

Thank you again for sending me your letter. I very much appreciate your interest in regional water planning.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale Spurgin". The signature is written in a cursive style with a large initial "D".

DALE SPURGIN
Brazos G Chair

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