

SAC Alternate Supplies Feedback Summary

Thursday, February 28, 2013

7:00pm-9:00pm

Rosters:

Purple Group	Pink Group	Yellow Group
Mary Kelly Byron Benoit Cynthia Wilcox Mark Zeppa Graham Moore Wendall Braniff	Mathew Scott Jason Biemer Stanley Fees Daniel Meyer Tim Miller Mike Personett	David Parkhill Jennifer Walker Charles Laws Vicky Kennedy Joseph Marini Rodney McCowen (David Loftis)

Directors in attendance:

Gary Franklin, Craig Smith, Bob Larsen, and Blake Dorsett

Staff in attendance:

Kirk Holland, John Dupnik, Robin Gary, Brian Smith, Tammy Raymond, and Kendall Bell-Enders

Alternate Water Supply Strategies Ranked by SAC members

- #7 - Develop science for alternate supply feasibility studies (87,000 points)
- #2&3 - Incentivize switching (29,000 points)
- #9 - Other (20,000 points)
- #8 - Encourage others to conduct studies and finance plants and systems for new water (17,000 points)
- #1 - Require switching (8,000 points)
- #6 - Public-private partnerships as regional water suppliers (8,000 points)
- #4 - Alter or remove groundwater use fee cap (6,000 points)
- #5 - BSEACD becomes a water purveyor/broker (5,000 points)

Require Switching

1

Change rules to require switching a portion of historical use to alternate supplies

by geographic area according to available alternative supplies by a certain date.

Lonestar GCD mandated that portions of the county switch to alternate supplies based on geographic area and proximity to identified other/new sources.

This is intended to be an all the time switch.

SAC Vote: 8,000

	Benefits:	Drawbacks:
Yellow	<ul style="list-style-type: none">• Relieves pressure on BSEACD• Across the board requirement• Would force people to use all available sources	<ul style="list-style-type: none">• Variety of economics, putting users at economic disadvantage• Profitability of industry would be affected• Lack of alternate supplies• Legal and legislative issues• Legal challenge of rule (Day case)

Yellow Group general comment: Strategy applies equal pain. This is not a vote for this strategy.

Incentivize switching

2&3

Change rules and/or statute to incentivize switching a portion of historical pumpage to alternate supplies to reduce authorized pumpage during ERP once a MAG is reached.

Incentive to not curtail permittees more. Targeted to those that have diversified water supply and encourages others to diversify. This could encourage folks to switch during drought conditions.

Tried curtailing by type in a prior rule change, which met with great opposition from industrial and irrigation permittees.

Example: Sunset Valley who could increase historical non-drought pumpage in exchange for greater than 50% curtailment during ERP.

SAC Vote: 29,000

	Benefits:	Drawbacks:
Pink	<ul style="list-style-type: none">• Help provide access to alternate supplies, \$\$ = transfer of pumpage• Assures water supply• Enhance springflow	<ul style="list-style-type: none">• Have to revise statutes to allow BSEACD to streamline switching• Lack of monetary authority• Regulatory structure

Pink Group general feedback: This could allow trading permits. Could the District help fund this switching?

Alter or remove groundwater use fee cap

4

Push for legislative change to remove fee cap. This would make raw groundwater use cost comparable to raw surface water cost, and could provide a revenue source to develop alternative supplies.

Example: Historic groundwater cost is \$0.17/1000 gallons; Raw surface water is \$0.46/1000 gallons.

Options: Change in cost could be used to develop alternative water supplies. Could be limited to when the MAG is reached.

This would make it so that the cost of existing groundwater supplies are more comparable to new or alternate supplies. Lessen the disparity between sources.

SAC Vote: 6,000

	Benefits:	Drawbacks:
Pink Group	<ul style="list-style-type: none"> • Equalize rates to develop alternate water supplies • Statutory structure 	<ul style="list-style-type: none"> • Increased cost burden by permittees and ultimately end users • Potential for increase in staffing of BSEACD
Yellow Group	<ul style="list-style-type: none"> • Provides revenue source that could be used for alternate water supplies • Encourages conservation • Makes groundwater less attractive • Provides disincentive to use groundwater in the future • Encourages innovation 	<ul style="list-style-type: none"> • No limits on fees to be charged • BSEACD is a regulatory agency. Collecting and dispensing revenues is not in District purview • Will make it hard for low income communities to afford groundwater

BSEACD becomes a water purveyor/broker:

5

Have the BSEACD develop new supplies to replace historical pumpage and/or provide new water to others for the region.

Provide means to switch water and accommodate growth.

SAC Vote: 5,000

	Benefits:	Drawbacks:
Pink	<ul style="list-style-type: none"> • none listed 	<ul style="list-style-type: none"> • Fox in the hen house • Lack of expertise. Would have to hire qualified staff • Conflict of interest issues
Yellow	<ul style="list-style-type: none"> • none listed 	<ul style="list-style-type: none"> • Don't go there • Be a regulator
Purple	<ul style="list-style-type: none"> • none listed 	<ul style="list-style-type: none"> • District doesn't have personnel that can produce, treat, and/or market wholesale water • BSEACD is a regulatory agency, so that might be a conflict of interest • Desalinization plants are very costly to decommission. Australia is having a big problem with decommissioning now that it is a rainy period

Public-private partnerships as regional water suppliers

6

Participate in public-private partnerships to develop replacement and new water supplies. The BSEACD could provide driver for preferential use.

If someone uses this water (where we have a stake in it), we would require some aquifer benefit.

Should the PPP have a different set of provisions for permittees vs. others?

SAC Vote: 8,000

	Benefits:	Drawbacks:
Pink	<ul style="list-style-type: none"> Private partners can/have funding mechanisms Private entity can develop projects faster 	<ul style="list-style-type: none"> Too many 800 pound gorillas (LCRA, CoA, SAWS, GBRA) Regulatory review and approval process
Yellow	<ul style="list-style-type: none"> none listed 	<ul style="list-style-type: none"> Worse than becoming a water purveyor/broker Profit driven = private entity Be a regulator or a purveyor, not both
Purple	<ul style="list-style-type: none"> may create new supply opportunities 	<ul style="list-style-type: none"> Regulatory agency has conflict with being the permittee selling water Impacts (potential impacts) on existing rate payers May have to share cost burden through existing permittees

Develop science for alternate supply feasibility studies

7

Develop scientific basis for feasibility studies for desalination and ASR in Saline Zone and/or Lower and Middle Trinity aquifers.

Should we develop the science for feasibility studies or take it one step further and actually conduct the feasibility studies?

This is our current strategy.

Issues: Benefits permittees and developers equally.

SAC Vote: 87,000

	Benefits:	Drawbacks:
Pink	<ul style="list-style-type: none"> • Understand limits of reservoir • Reduce uncertainty for water purveyors, so it's not complete wildcatting 	<ul style="list-style-type: none"> • Would require continuous study
Purple	<ul style="list-style-type: none"> • It might work • Within District's current authority • Can't really do alternative water supply without the science (Step #1 to anything) 	<ul style="list-style-type: none"> • none listed

Encourage others to conduct studies and finance plants and systems for new water

8

Encourage permittees, developers, and other stakeholder—rather than BSEACD—to conduct studies and form partnerships that could finance and operate new water supply plants and systems.

Limit BSEACD role to monitoring.

This would be most hands off approach.

SAC Vote: 17,000

	Benefits:	Drawbacks:
Purple	<ul style="list-style-type: none"> • Voluntary, not likely to have opposition from current permittees 	<ul style="list-style-type: none"> • Need established viable sources of water supplies • Developers are motivated by profit margin not water conservation • Current permittees may bear burden for new permittees

OTHER

9

What did we miss?
Please explain.

SAC Vote: 20,000

	Other Ideas:	
Yellow	<ul style="list-style-type: none">• Promote and encourage use of graywater, water reuse, conservation, A.C. condensate, and rainwater harvesting to lessen burden on groundwater supplies• Investigate incentive programs to help reduce water use	<ul style="list-style-type: none">• none listed
Purple	<ul style="list-style-type: none">• Support innovation and educate residents and permittees about rainwater harvesting, graywater, and condensate collection systems• Encourage appropriate use of water reuse	<ul style="list-style-type: none">• none listed