

LNRA BOARD POLICY
601 – WATER RESOURCES MANAGEMENT

601.10 PURPOSE

This policy establishes directives and guidelines for water resource management and planning within LNRA's water service area.

601.20 POLICY

601.201 DEFINITIONS

- LNRA's water service area means and includes: (a) Jackson County; (b) the Lavaca River Basin; and (c) those areas, as authorized by law.
- Water resource management means maximizing the benefits of the surface and groundwater within the Lavaca River Basin to customers, constituents, and the public, while conserving surface and groundwater supplies and protecting ecosystems and environments associated with the Lavaca River Basin.

601.202 SURFACE WATER RESOURCE MANAGEMENT

LNRA will initiate appropriate programs and projects to control, store, preserve, use, and sell on a firm and interruptible basis the surface waters under its jurisdiction.

LNRA will take the initiative in planning on all aspects of surface water resource management to assure: (1) an adequate supply of surface water and optimal use thereof; (b) construction of reservoirs to control and store surface water; (c) construction of surface water treatment facilities; (d) construction of wastewater treatment facilities; (e) development of surface water quality programs and related activities; (f) consideration of regional planning alternatives and initiatives; (g) appropriate sales of surface water; and (h) reuse of wastewater.

601.203 GROUNDWATER RESOURCE MANAGEMENT

LNRA may discover, develop, and produce groundwater within the Lavaca River Basin for use within that portion of a county located within the Lavaca River Basin where groundwater is discovered, developed, and produced.

LNRA may coordinate and contract with groundwater conservation districts to engage in conjunctive groundwater and surface water management.

601.204 RESALE OF COMMITTED WATER

LNRA may contract with any of its raw surface water customers that have reserved at least a 25-year firm supply of surface water to market and re-sell any portion of the customer's firm supply to another customer on a limited term basis for a management fee and under terms mutually acceptable to LNRA and the raw surface water customer.

601.30 INTERBASIN TRANSFERS

LNRA will consider transfers outside the Lavaca River Basin as long as it is demonstrated to the satisfaction of the Board that:

- a. The interbasin transfer will not detrimentally affect the public welfare or the interests within the Jackson County and the watersheds that contribute to the flows of the Lavaca and Navidad Rivers.
- b. The receiving basin is prudently using and conserving its existing water resources and has aggressively planned and attempted to develop local sources of supply to meet current and future demands with no success; and
- c. Adverse impacts are adequately compensated and/or mitigated as agreed to per a water supply and conveyance contract.
- d. For purposes of this section, “public welfare” includes, but is not limited to:
 - 1. Existing water rights and obligations;
 - 2. Existing customers; and
 - 3. Water supplies for environmental purposes and economic activities, including instream flows, inflows to bays and estuaries, municipal and industrial users, irrigation, recreation, and tourism.

60.301 COMPENSATION AND MITIGATION FOR INTERBASIN TRANSFERS

Section 11.085(o) of the Texas Water Code provides that parties to a contract for an interbasin transfer may include provisions for compensation and mitigation. LNRA may include such provisions in any contract for interbasin transfer. Such provisions should require compensation to the basin of origin that is at least as valuable as the transferred water when factoring in third parties such as landowners, residents, local governments, and businesses, that do, or will, benefit from the water to be transferred, but do not have established rights to the water.

601.302 FACTORS EVALUATED FOR COMPENSATION AND MITIGATION

When determining levels and amounts of compensation and mitigation related to interbasin transfers, LNRA will consider a range of possible mechanisms described below.

LNRA will evaluate replacing income that is given up or foregone as a result of the interbasin transfer. Factors to evaluate include, but are not limited to:

- a. Property value and income loss by landowners whose property is directly impacted by reservoir and facility construction and by landowners indirectly impacted;
- b. Aesthetic value loss;
- c. Property value and income loss by local governments impacted;

- d. Business economic and opportunity loss;
- e. Loss of fish and wildlife; and
- f. Loss of recreational opportunities.

LNRA may evaluate the net effect of sharing income gained in the receiving basin with the basin of origin as a result of the transfer.

LNRA may evaluate the benefit to the basin of origin as result of the transfer.

LNRA may seek input on appropriate compensation and mitigation for interbasin transfers from sources within of each county located in whole or part in the basin of origin.

601.303 DIRECT PAYMENTS, IN-KIND PAYMENTS, AND COST SHARING

LNRA may require as contract provisions direct payment to individuals or governments directly impacted by the water transfer. LNRA may require contract provisions that achieve compensation in the form of in-kind payments, cost sharing on public projects or subsidies that approximate the size of basin income forgone.

60.304 SPECIAL FUNDS

LNRA may establish a process to transfer a portion of revenues it receives under contractual provisions requiring compensation and mitigation for interbasin transfers to support community service and other activities through special funds. Such funds could support:

- a. Water and wastewater facilities;
- b. Water conservation programs;
- c. Improving parks and recreational facilities;
- d. Improving waste disposal facilities;
- e. Maintaining or improving water quality;
- f. Facilitating public education;
- g. Improving emergency communication; and,
- h. To the extent permitted by the constitution and laws of the State of Texas, improving the quality and quantity of services essential for development of viable communities, and economic growth by contributing to education, transportation, public safety, recreation, health care, training, tourism, community planning or employment efforts in LNRA's jurisdictional area;

601.305 STUDY

LNRA may commission a study, paid for in whole or part by the customer(s) seeking interbasin transfer, which evaluates the regional economic and cost/benefit impacts and the amount, level, and form of compensation and mitigation.

601.40 RESPONSIBILITIES

601.401 GENERAL MANAGER

The General Manager shall be responsible for the implementation and coordination of this policy.

Effective: December 16, 2009