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April 25, 2016

Ms. Connie Sanders
Office of General Counsel
Texas Water Development Board
P. O. Box 13231
Austin, TX 78711

VIA EMAIL

RE: Comments of the Sierra Club-Lone Star Chapter on the Draft 2017 State Water Plan

Dear Ms. Sanders:

Please accept this letter as the official comments of the Lone Star Chapter of the Sierra Club on the draft 2017 State Water Plan posted this spring on the Texas Water Development Board for review and comment. We note for the record that the Sierra Club has monitored the iterations of the state water plan in Texas since the mid-1960s when the Lone Star Chapter was organized, and I have been privileged to be involved in the development of Sierra Club comments on those revisions of the water plan since 1984. So, over the course of several decades we have seen many changes in the state water plan. In general, the quality and value of the document has improved immeasurably over that time frame. We continue to believe, however, that changes in the planning process and in the analysis that shapes the preparation of the plan would be advisable and better assist decision-makers and the public in making decisions about water resources.

First, we do commend the Water Development Board for the creation and implementation of the interactive State Water Plan. Putting the data from the Plan online and in a format that allows easy access by the public greatly improves the usefulness of the Plan to the average Texan and to all who care about water resources planning. The interactive State Water Plan is a model for other State agencies to follow in providing information to the public.

Second, we do want to note that our comments on the draft 2017 State Water Plan will not be as extensive as perhaps they have been on previous iterations of the Plan. One obvious reason is that at this stage of the planning process, under the auspices of SB 1 as adopted in 1997 and modified by subsequent changes to the statutes on water planning, "the die is cast" for all practical purposes as to the final 2017 Plan that will be adopted. The Plan has become basically an aggregation of the 16 regional water plans that have been revised and already approved by the Water Development Board, and the draft Plan essentially summarizes the findings and recommendations of those regional plans. For this round of regional and state water planning there is also an imperative from the perspective

of the Water Development Board to get this 2017 State Water Plan adopted so that it will be in place in time to make decisions in the next few months about the second round of state financial assistance through SWIFT and SWIRFT to water projects recommended in the Plan.

We make these observations not necessarily as a criticism but simply to point out that the marginal value of submitting comments on the draft 2017 Plan is fairly limited, at least in terms of resulting in any substantive changes in the Plan prior to adoption. Therefore, at best, our comments may only have some impact in terms of affecting the thinking behind the next round of planning. We also note, however, that many of our comments made in the past on several previous versions of the state water plan – for example, our contention that environmental flow needs ought to be directly considered just as municipal, industrial, and agricultural water needs are – continue to be ignored in shaping subsequent rounds of regional and state planning. Nevertheless, we will make some of those comments again because we believe that they are critical to a truly comprehensive state water plan.

Here are our specific comments:

Advancing Water Conservation in the State Water Plan

The draft 2017 State Water Plan advances water conservation in several respects although we believe that conservation could and should play a more prominent role in addressing the state's future water demands than it does in even the 2017 Plan. The latest Plan does represent progress on conservation in at least the following respects:

- The 2017 Plan projects a slower rate of growth in municipal water demands than was estimated in the previous (2012) State Water Plan – while in some regions this may reflect a slower rate of population growth than previously projected, this change in municipal water demands is certainly based in part on lower per capita water use as a result of replacement of older appliances and fixtures with more water-saving ones and the implementation of new water conservation measures by many utilities in the state. The bottom line is that the 2017 Plan projects municipal water needs in 2070 to be no higher than what the 2012 Plan initially projected for 2060.
- The 2017 Plan provides capital costs for water conservation projects that will make those projects eligible for state financial assistance through SWIFT and SWIRFT, making the implementation of water conservation measures more affordable by many utilities.
- Water loss control has been identified as a specific water management strategy in regions such as Region H, and specific recommendations have been made to some municipal water user groups regarding a target for reducing water loss.
- Projected levels of municipal water conservation toward the end of the 50-year planning horizon for the 2017 State Water Plan are higher than the levels projected in the 2012 Plan (the original 2012 Plan and the Plan as amended since initial adoption)

On the other side of the coin, however, conservation is not as advanced as it should be in the Plan. These are some of our observations in that regard:

- Projected levels of municipal water conservation in the earlier decades of the 50-year planning horizon are lower in the 2017 Plan than they were in the amended 2012 Plan (although not necessarily the original 2012 Plan)
- The regional water plans upon which the 2017 State Plan is based are not recommending municipal water conservation strategies that encompass the comprehensive range of best management practices (BMPs) for conservation incorporated into the State BMP Guide maintained by the Texas Water Development Board in conjunction with the state Water Conservation Advisory Council – found at www.savetexaswater.org
- There is considerable variation among the regions and the regional plans in terms of the level of water conservation recommended in those building blocks for the State Water Plan
- Water conservation is particularly overlooked as a management strategy to meet demands in the manufacturing and mining sectors.

We also note that the Water Development Board has stated that if conservation strategies in the 2017 State Water Plan are implemented – and if population and water demands meet the projections – then by 2070 the statewide per capita water use should be at 140 GPCD, which was a target recommended by the Water Conservation Implementation Task Force in 2004. We would like more explanation of how the conclusion was reached that 140 GPCD would be achieved by the end of the 50-year planning horizon – how, for example, does industrial water use fit into that calculation based on whether the water for industrial use is self-supplied or comes from a public water supply? We must say, however, that – while we appreciate seeing progress to reduce per capita water use statewide, we do not take too much comfort that it might take 50 years for the state to reach what is really a moderate per capita water use figure of 140. The state should strive to do better.

Although changes in the 2017 State Water Plan to advance conservation are not likely, we strongly urge the Water Development Board to look at the shortcomings of the 2017 Plan in this regard to identify a road map for enhancing conservation as a water management strategy in the upcoming fifth round of regional and state planning under the process set up by SB 1. We particularly urge the Water Development Board to be more pro-active in encouraging the regional water planning groups around the state to take advantage of the continually updated BMPs for water conservation in developing their respective recommended water management strategies.

Moreover, we believe the agency needs to continue to promote SWIFT and SWIRFT financial assistance for water conservation project in the agency's interaction with regional water planning groups and the water user groups represented on those planning entities, and the Board should make the planning groups aware of new initiatives such as the PACE (Property Assessed Clean Energy) opportunity to fund both energy and water efficiency improvements by businesses, industries, and owners of multi-family residential properties.

Regional water planning groups sometimes demur from recommending certain water conservation strategies because they note that they do not have the authority to force any water user group to adopt any specific strategy. That is true. However, it is equally true that regional water planning groups cannot force any water user group to pursue a specific water infrastructure project, but that has not stopped the planning groups from recommending many costly and controversial new

infrastructure projects. It is time that regional water planning groups stop using their lack of authority "to force anyone to do anything" as an excuse not to recommend more conservation strategies, and it is time for the Water Development Board to encourage them to recommend more conservation strategies.

Drought Management

The Sierra Club recognizes and appreciates the fact that more regional water planning groups are now recommending or acknowledging implementation of drought contingency plans as a water management strategy for certain water user groups, and thus drought management is specifically identified in the 2017 Plan as a strategy. This is an incremental improvement over previous plans and a positive response to something the Sierra Club has long advocated.

We are disappointed, however, that more regional water planning groups are not recognizing that when planning for a drought as severe as the "historic drought of record" (still the multi-year drought of the 1950s for most areas) it makes no sense not to take into consideration the positive impact that implementation of drought contingency plans can and will have on reducing water demands during that period. State law actually now requires that when the Governor has declared a county to be in "a state of disaster" due to drought, an entity within that county that is required to have a drought contingency plan (and any retail public water utility with 3300 connections or more must have one) is then required to implement its drought contingency plan. Generally speaking, any drought contingency plan past Stage 1 is going to *mandate* some reductions in water use for the period of the drought. It makes no sense to ignore the fact that implementation of these drought contingency plans is going to happen and not factor that into either the projection of water demands or into the recommendation of drought response as a water management strategy.

We find the discussion in the 2017 State Water Plan that essentially defends the inaction of most regional water planning groups to incorporate drought response into their water management strategies to be very disappointing. It sends a signal to regional water planning groups to ignore this very logical measure. That makes us doubly appreciative of Regions J, K, L, and P for including specific, quantified municipal drought management strategies in their respective plans. We would hope that in the upcoming round of regional planning the Water Development Board would encourage more planning groups to take this approach rather than offering planning groups a "get out of jail free" card for not taking drought response measures seriously in the consideration and selection of management strategies.

Steam Electric Generation Demand Projections

The Sierra Club supports the comments on the draft 2017 State Water Plan filed by the Texas Center for Policy Studies calling into question the demand projections in the Plan for steam electric power generation. The projections for dramatic growth in water demands in this sector over the next 50 years totally ignore what is happening on the ground now and what is likely to be the electric power generation scenario over the next half century. We realize that projecting future water demands for any sector is always a challenging task in a fast-changing world. It's not rocket science,

however, to see that the sources of electric power generation in Texas are rapidly changing, and that those changes will have the effect of reducing water needs for power generation, not increasing those needs. With the dramatic expansion of wind power in Texas over the last decade and a half (which is likely to continue as a result of congressional approval of the extension of federal tax credits for wind power), the new growth in solar power installations (some centralized but even more distributed), and the shutdown of many dirty old coal plants (and more shutdowns to come), the state is moving from water intensive to much less water intensive electric generation. The 2017 State Water Plan should acknowledge that and look to the future, in keeping with its 50-year planning horizon – not look back wistfully to the electric power generation picture of the 1950s.

Water Management Strategies in Excess of Need

In addition to the over-projection of water demands and needs for steam electric generation in the 2017 State Water Plan, another matter of concern with regard to the Plan is the recommendation of water management strategies for some regions that are far in excess of even the water needs estimated for those regions. This is not a universal issue with regard to the 16 planning regions, but it is a situation in several regions, including, for example, G, H, and K.

The most egregious is the case of Region H. The 2017 State Water Plan projects annual water needs for Region H for 2070 to be approximately 1,162,00 acre-feet of water per year, but the Plan – in keeping with the regional water plan – recommends water management strategies that would total 1,791,000 acre-feet of water per year by 2070. Granting that some of those strategies involve conservation, that volume of water is *hundreds of thousands of acre-feet per year in excess of projected needs*. In Region H at least this seems to be a reflection of an unwillingness on the part of the regional water planning group to make choices among the various infrastructure projects being pursued or considered by entities represented on the planning group. This situation undermines the state and regional water planning process because it makes the State Water Plan continue to look like a wish list of water projects rather than a true plan for the strategies that would address real water needs.

This issue needs to be addressed by the Texas Water Development Board for the next round of regional planning, or else it will damage the credibility of the water planning process

Environmental Flows

We have said it before. We will say it again because it is just as critical for the water future of Texas as anything else in the State Water Plan. Environmental flow needs (instream flows and freshwater inflows into coastal bays and estuaries) ought to be considered a water need in the regional and state water planning process just as municipal, industrial, agricultural, and other such needs are identified, and strategies to meet those environmental flow needs ought to be evaluated and recommended just as strategies to meet those other needs are evaluated and recommended.

We recognize that the Texas Legislature created the SB 3 process for identifying environmental flow needs, setting environmental flow standards, and potentially developing strategies to provide necessary flows for various bay and basin areas. However, that process has not worked well in a

number of bay and basin areas, and there is no prohibition against interaction between the SB 1 regional and state water planning process and the SB 3 environmental flow process to have a more comprehensive and coordinated approach to meeting all water needs. We continue to strongly urge the Texas Water Development Board to take a broader vision of what the regional and state water plans should be doing to address the state's water needs in a cohesive fashion.

Although we have focused in these comments on some of the shortcomings we see in the 2017 State Water Plan, we do want to emphasize that there is much to be commended in this plan and the planning process and that we recognize the hard work and dedication of the Water Development Board in overseeing the regional water planning process and pulling the state water plan together out of the 16 regional water plans. We again express our appreciation for the heightened public accessibility to the data in the plan through the interactive State Water Plan.

As always, we appreciate the opportunity to make these comments, and we are grateful for the ongoing openness of the Texas Water Development Board staff and leadership to receiving and discussing our perspectives on the state and regional water planning process even if when we disagree on some elements of how that process is conducted and what it produces.

Sincerely,

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