



Cyrus Reed

December 12th, 2018

Dear Senator Birdwell and Commission Members,

The Lone Star Chapter of the Sierra Club appreciates the opportunity to comment very briefly on the Sunset Advisory Commission staff report on the Lower Colorado River Authority. With over 29,000 members in Texas, and many of them in counties where the LCRA operates, the Sierra Club has a unique interest in a well-functioning and transparent Authority. As both an electric utility and water management entity, the LCRA plays a key role in stewarding the land, electricity and water of Central Texas. The Sierra Club interacts with the LCRA through our work on these issues, and while we have high regard for the excellent staff and expertise of many LCRA employees, we agree with the staff report that LCRA lacks transparency and good public participation rules and practices.

As an organization, we are in full support of the staff recommendations related to Issue 1, Issue 3 and Issue 5. In particular, it has been our experience that the "Committee of the Whole" meetings are not properly noticed, are impossible to view, and key decisions are often made at the committee level, preventing the public from participating in a fully engaged and democratic process. Thus, in particular, Issue 1.7 is of paramount importance. In fact, the Sunset Advisory Commission may want to consider actually addressing this in statute so that public participation is also required in committee meetings.

In addition, in terms of Issue 3, we would urge the LCRA to also be required to track inspection and enforcement actions, in addition to complaints.

We are neutral on the recommendations on Issues 2 and 4 since these are outside the scope of our interactions with the LCRA.

Additional Issues

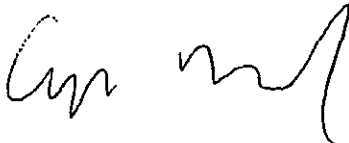
While these issues are outside the present Sunset report, we would urge the Legislature to consider two additional issues: LCRA's electric generation and transmission business and the issue of LCRA moving into groundwater development.

First, while barred by statute from reviewing LCRA's electricity business, we believe the Legislature should consider making a statutory change to allow it to review the LCRA's wholesale electric and transmission businesses. As the report itself make clear, in the case of one water development project, money from the transmission business has flown into the water supply business, a practice which is questionable and must be dealt with. In addition, given the current discussion over rates, electric reliability and how best to pay for transmission, a review in the next cycle of LCRA's electric generation would be in Texas's public interest.

Second, while one could argue that LCRA does have the opportunity and right to develop groundwater resources to meet its customers water needs, we have serious concerns about the LCRA's recent foray into developing water resources through the Lost Pines Groundwater District. We would welcome more legislative attention to the issue of a surface water supplier moving into groundwater development, particularly if those resources were being used in areas outside of the immediate region, which could lead to over-pumping of groundwater. Because LCRA manages a surface water system that can transport water great distances, there is the danger that GW resources will be developed and moved around the state, which is not in the interests of sustainable uses of our water resources. Putting limits on LCRA's ability to develop GW resources -- particularly for use outside of the groundwater district itself -- should be considered.

The Sierra Club appreciates the opportunity to make these brief comments on the Sunset Recommendations on LCRA.

Sincerely,



Cyrus Reed
Conservation Director
Lone Star Chapter, Sierra Club
5127404086
cyrus.reed@sierraclub.org