CERTIFICATE

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

I, John W. Rubottom, hereby certify that I am the General Counsel and Assistant Secretary of the Board of Directors of the Lower Colorado River Authority (LCRA), a conservation and reclamation district, duly organized and existing under and by virtue of the public laws of the State of Texas.

I further certify that the Board of Directors of LCRA, on November 19, 2013, in a meeting posted properly in accordance with the Texas Open Meetings Act and with a quorum present and voting, by a vote of 8 to 7, adopted a resolution captioned "Resolution of the Board of Directors of the Lower Colorado River Authority Regarding Drought Management Actions in Response to Current Drought Conditions."

I further certify that a true and correct copy of the aforesaid Resolution is attached hereto. Such Resolution has not been modified, amended or repealed and remains in full force and effect as of this date.

TO CERTIFY WHICH, witness my hand and official seal this the 3rd day of December 2013.

John W. Rubottom, General Counsel
and Assistant Secretary of the
LCRA Board of Directors

Board approved Nov. 19, 2013

Resolution of the Board of Directors of the Lower Colorado River Authority Regarding Drought Management Actions in Response to Current Drought Conditions

Whereas, the Colorado River basin is experiencing a serious drought that has, at times, been more intense than the worst recorded drought this region has experienced, the Drought of Record that occurred from 1947 to 1957; and

Whereas, 2011, 2012 and 2013 have produced record low inflows to the Highland Lakes; and

Whereas, LCRA has sought and obtained emergency drought relief from the Texas Commission on Environmental Quality (TCEQ) to reduce demands for interruptible stored water for agricultural purposes in 2012 and 2013 that have reduced demands on lakes Buchanan and Travis; and

Whereas, combined storage in lakes Buchanan and Travis on Nov. 18, 2013, was 727,914 acre-feet, or 36 percent full; and

Whereas, the TCEQ has previously found that the conditions presented by the current drought pose an imminent threat to human health and safety because of the potential impacts on LCRA's firm customers, who face mandatory curtailment if storage in the lakes continue to drop; and

Whereas, recent heavy rains in the region have failed to replenish LCRA's water supply reservoirs, with most of the inflows entering the watercourse downstream of Lake Travis; and

Whereas, the contributing watershed to the Highland Lakes is included in the Governor's emergency disaster proclamation related to drought; and

Whereas, LCRA's Board of Directors understands the economic distress caused by this drought to farmers in the lower Basin and throughout the state; and

Whereas, LCRA's Board of Directors also understands the economic distress caused by this drought to firm customers and the region around the Highland Lakes; and

Whereas, current analysis indicates the possibility of combined storage dropping to 600,000 acre-feet and triggering the LCRA Board to declare a Drought Worse than Drought of Record as early as spring 2014; and

Whereas, absent emergency relief from the 2010 Water Management Plan, LCRA would be obligated to release significant amounts of interruptible stored water in 2014, even if combined storage on the evaluation date were just above 600,000 acre-feet; and

Whereas, many LCRA firm municipal water customers have implemented restrictions on landscape irrigation water use to once-per-week or twice-per-week or taken other measures to reduce nonessential water use; and

Whereas, LCRA's Board of Directors wants to take all necessary and prudent steps to manage the region's water supply to meet the essential needs of the communities and industries through this severe drought; and

Whereas, LCRA's Board of Directors has previously authorized staff to seek temporary amendments to downstream water rights to allow for their use in meeting firm customer demands at additional diversion points in 2014; and

Whereas, additional drought management measures must be pursued to address the drought in a responsible and measured way; and

Whereas, LCRA experts have analyzed numerous comparisons of current conditions and historical droughts and have recommended a comprehensive set of drought management actions needed to respond adequately to the continued and unprecedented drought conditions; and

Whereas, LCRA's Board of Directors believes that the severe drought conditions necessitate drought response measures related to LCRA's interruptible agricultural customers and firm water customers.

THEREFORE, BE IT RESOLVED that the LCRA Board of Directors hereby takes the following actions:

1. The General Manager or her designee is authorized to prepare and file an application to seek emergency relief from TCEQ under Texas Water Code § 11.139, and any other applicable law, to allow LCRA to deviate from the 2010 Water Management Plan as it pertains to the determination of interruptible supply for 2014 as follows:

    a. Provide interruptible stored water for first crop in 2014 based upon the combined storage of lakes Buchanan and Travis on March 1, 2014 at 11:59 p.m. as follows:

        i. Provide no interruptible stored water to customers within the LCRA Gulf Coast and Lakeside Divisions and Pierce Ranch if combined storage is below 1.1 million acre-feet;
        ii. Provide up to 100,000 acre-feet of interruptible stored water for diversion by customers within LCRA's Gulf Coast and Lakeside Divisions and Pierce Ranch if combined storage is at or above 1.1 million acre-feet but below 1.2 million acre-feet;
        iii. Provide up to 124,000 acre-feet of interruptible stored water for diversion by customers within LCRA's Gulf Coast and Lakeside

Divisions and Pierce Ranch if combined storage is at or above 1.2 million acre-feet but below 1.3 million acre-feet;

iv. Provide up to 148,000 acre-feet of interruptible stored water for diversion by customers within LCRA's Gulf Coast and Lakeside Divisions and Pierce Ranch if combined storage is at or above 1.3 million acre-feet but below 1.4 million acre-feet;

v. Provide up to 172,000 acre-feet of interruptible stored water for diversion by customers within LCRA's Gulf Coast and Lakeside Divisions and Pierce Ranch if combined storage is at or above 1.4 million acre-feet;

b. Provide interruptible stored water to the Garwood irrigation division and Pierce Ranch, to the extent required by their contracts.

2. The LCRA Drought Contingency Plan is temporarily amended to provide for additional regulation of water use by firm water customers as follows:

   If combined storage of lakes Buchanan and Travis is below 1.1 million acre-feet on March 1, 2014 and TCEQ has issued an order that results in the cutoff of interruptible stored water supply to the Gulf Coast, Lakeside and Pierce Ranch irrigation operations, the following measures shall take effect until such time as either combined storage increases to1.1 million acre-feet or above or interruptible stored water is supplied to any customers in the Gulf Coast, Lakeside or Pierce Ranch irrigation operations:

   a. Firm customers shall adopt and implement watering restrictions that limit the irrigation of ornamental landscaped areas (such as lawns) with hose-end sprinklers or automatic irrigation systems other than drip irrigation to no more than once per week.

   b. Municipal wholesale water customers shall provide LCRA with an order, ordinance, or resolution to demonstrate adequate enforcement provisions related to the restrictions.

   c. Failure to comply with the watering restrictions will subject the customer to the following penalties to be determined by the LCRA Board of Directors:

      i. First documented violation: Written notice of violation;
      ii. Second documented violation: Penalty of up to $2,000;
      iii. Third and subsequent violation: Penalty of up to $10,000;
      iv. Each day in which the violation is observed is considered a separate violation.

Approved this 19th day of November 2013