

January 4, 2011

Dear Irrigator:

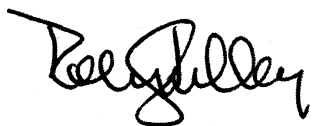
This is a follow-up letter to our November letter and the purpose of this letter is to determine interest in an innovative voluntary program being considered by the Edwards Aquifer Recovery Implementation Program (EARIP), the *Voluntary Irrigation Suspension Program Option*, or *VISPO*, to compensate irrigators with permits to withdraw water from the Edwards Aquifer for reducing or suspending irrigation when the aquifer is at specified low levels. Two meetings were held in early December with excellent comments and questions from the approximately 150 persons in attendance. In response, we have attached a Frequently Asked Questions sheet to represent the questions and the answers.

At this point, the EARIP needs to gauge interest by irrigators in the VISPO. Please remember the VISPO is one piece of a multi-layered approach; however, we want to understand participation in the program so we can continue with the development of the larger program to sustain the federally protected species and habitats in the Comal and San Marcos springs ecosystems. Please understand -- your indication of interest is not a contractual commitment, rather an expression of your intent that is quite important in assisting the EARIP in putting together the program.

We have attached a sheet for you to use to indicate your interest that includes a table showing that annual payment schedule for both options as a reminder. If you are interested, please indicate the amount of water you would consider enrolling in the program, the respective permit number and if the water is base or unrestricted. Regardless of your interest, we would appreciate your comments on the program. When finished, tear the bottom portion off and return it to Mr. Rick Illgner at the Edwards Aquifer Authority by January 14, 2011. The address is indicated at the bottom of the sheet.

Thank you for your consideration of this important program.

Sincerely,



Robert L. Gulley
Program Manager
Edwards Aquifer Recovery Implementation Program

RLG/mb

Enclosure

Program Payment Schedule and Indication of Interest

Option	Fee	1	2	3	4	5	6	7	8	9	10
5-Year	Stand-by	50.00	50.50	51.01	51.52	52.03	N/A	N/A	N/A	N/A	N/A
	Implementation	150.00	151.50	153.02	154.55	156.09	N/A	N/A	N/A	N/A	N/A
10-year	Stand-by	57.50	57.50	57.50	57.50	57.50	70.20	70.20	70.20	70.20	70.20
	Implementation	172.50	172.50	172.50	172.50	172.50	210.60	210.60	210.60	210.60	210.60

Please tear off this portion and return it as indicated below the table

I would be interested in participating in the VISPO in the following manner:

5-year			10-year		
Permit #	Base (acre-feet)	Unrestricted (acre-feet)	Permit #	Base (acre-feet)	Unrestricted (acre-feet)
Total			Total		

Comments

Please return to Mr. Rick Illgner by January 14, 2011
 Edwards Aquifer Authority
 1615 N. St. Mary's
 San Antonio, TX 78215

Frequently Asked Questions:

Edwards Aquifer Recovery Implementation Program's (EARIP) Voluntary Irrigation Ssuspension Program Option (VISPO)

The purpose of this sheet is to provide responses to all Edwards Aquifer Authority (EAA) irrigation permit-holders for questions that were asked at one of the informational meetings held December 6th & 7th, 2010 regarding the VISPO.

1. *"Can I enroll Base Irrigation Groundwater (base) into the VISPO?"*

Yes, this program is designed to provide compensation to those interested in participating in this voluntary program. No one else can use the water enrolled in the program – it will remain in the aquifer to benefit aquifer levels, springflows, the protected species and their habitats.

2. *"What about other sources of water for irrigation?"*

The VISPO is intended to enroll **Edwards Aquifer** pumping permits. Water rights from another source, such as other aquifers or surface water [e.g. canals], are not eligible to be enrolled. An EAA permit-holder can enroll their EAA permit and continue to irrigate from these other sources, recognizing that all of the legal conditions affecting those other water sources remain in force.

3. *"How will this program be paid for? What is the funding source?"*

The VISPO is **one part** of a **multi-layered** approach to aquifer management to ensure the beneficial economic use of the Edwards Aquifer can continue while at the same time accomplishing endangered species protection during periodic droughts. The EARIP is now considering various options for funding the implementation of the approach. Even though specific funding mechanisms have not been identified at this time, some combination of financial resources is expected to be available to meet the funding needs of **each part** of this **multi-layered** approach including the VISPO prior to September 1, 2012.

4. *"When would the first trigger date be? What year?"*

Some or all of the components to the multi-layered approach may not be implemented until the United States Fish & Wildlife Service formally approves the Habitat Conservation Plan. The goal is to have this approval by September 1, 2012. If the EARIP is successful in achieving this goal, the first time VISPO would be triggered is in September 1, 2012. If not, the first time the VISPO could be triggered would be September 1, 2013.

5. *"What happens if the trigger is implemented on September 1st, but then aquifer levels improve?"*

If the trigger is reached (650 feet or lower as measured at the Index Well J-17 in San Antonio, Stage 2) on or before September 1st, those who choose to enroll in the program will be required to suspend their irrigation the following calendar year regardless of improved conditions. Irrigation of fall crops can continue until January 1, subject to Critical Period reductions, if the suspension trigger is reached on September 1. If the aquifer level improves after September 1st, but the VISPO has been triggered, participants will still be paid to suspend irrigation the following year.

6. *"Can a portion of a permit be enrolled?"*

Yes. If a permit-holder wishes, a portion of the pumping rights **can** be enrolled in the VISPO. This preserves the enrollee's flexibility to irrigate a portion of the farm. Enrollees who desire to enroll less than their entire permit

will be required to have a real-time meter installed by the EAA on their well(s) at no cost to the well-owner. This is intended to ensure the pledged portion of the permit is suspended.

7. *“What does this mean to businesses that supply and equip irrigators?”*

Seed, fertilizer, equipment, fuel, and crop storage companies have expressed concern that they will be adversely affected by the VISPO. Several components of this program have been designed to **lessen** any impacts to these businesses. First, enrollees and agribusinesses will have what is thought to be enough time to adjust their operations in preparation for an upcoming suspension-season. Second, irrigated agriculture can continue on the acres of land not affected by the program. Third, enrollees can choose to pledge only a portion of their pumping permits and still irrigate on a portion of their acreage. Fourth, dry-land farming remains an option for enrollees; it is believed that a September 1st trigger date will provide adequate notice for agribusinesses to accommodate these practices. A similar program was enacted by the EAA in 1997, as documented by agricultural economists at Texas A&M University (<http://repository.tamu.edu/bitstream/handle/1969.1/6153/tr175.pdf?sequence=1>). Also see Frequently Asked Question #9 below).

8. *“What will this do to aquifer levels?”*

Aquifer levels depend on many factors; however, current analysis indicates that the VISPO provides a significant improvement in springflows at Comal Springs and some benefit at San Marcos Springs during a repeat of the drought of record compared to a baseline condition of withdrawing water from the aquifer at permitted amounts with drought restrictions.

9 *“How has agriculture been represented in this process, and how can I get involved?”*

The EARIP is overseen by a Steering Committee and almost 100 other participant stakeholders give their input to the Steering Committee through various working groups and subcommittees.

Agriculture has multiple seats (“votes”) on the Steering Committee. An Edwards Aquifer irrigator and EAA permit-holder is one of the voting members. The alternate for that voting member has been actively involved in numerous other EARIP working groups and is also an EAA permit holder. The Texas Department of Agriculture has been involved in this process from its inception. The Department of Agriculture must be satisfied with the entirety of the plan, since it is required to be a signatory of the final document by State law. The EAA itself is a voting member of the Steering Committee and is overseen by a Board of elected Directors, four of whom represent irrigated-agriculture communities of Medina or Uvalde counties. The Guadalupe County Farm Bureau is represented on the Steering Committee, representing irrigators who receive their water partly from springflow in the surface rivers downstream. The South Texas Farm and Ranch Club and the Texas Wildlife Association are also involved stakeholders in the process. The Texas farm Bureau is an important, active stakeholder in the EARIP. The EARIP is administered by Texas AgriLife Extension at Texas A&M University.

All EARIP meetings adhere to the spirit of required public notice and are held in public buildings in the aquifer region. Anyone interested in the EARIP process can be involved in a number of ways:

- The EARIP’s website: <http://earip.org/>
- Join the EARIP mailing list to receive updates, reports, and notices of upcoming work group, subcommittee, and Steering Committee meetings (EARIP@listserv.tamu.edu)
 - The next meeting of the Steering Committee will be held on January 13-14, 2011 from 10AM-4PM at the San Marcos Activity Center in San Marcos.