

November 5, 2012

Ms. Becky Motal
Lower Colorado River Authority (LCRA)
3700 Lake Austin Blvd.
Austin, Texas 78703

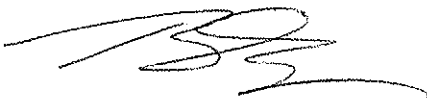
Dear Ms. Motal:

With the December 31, 2012 expiration of the Emergency Order pending, the outlook for rain continues to diminish along with the chances for El Nino. While conditions have improved over this time last year, lake levels remain a mere three percent (3%) above the 850,000 A/F combined storage limit. All parties agreed in 2011 that 850,000 A/F of combined storage presented a uncomfortable level of risk of reaching a Drought Worse Than Drought Of Record (DWDOR) if interruptible water was released with no significant changed in lake inflows. If inflows next year mimic those of the past year, lake levels are likely to be lower this time next year than they are currently. If lake levels do not increase dramatically, the chances of entering a DWDOR increase with every passing year.

In acknowledgement of the current conditions described above, the City of Pflugerville, a firm water customer of LCRA, is asking the LCRA Board to request the Texas Commission on Environmental Quality (TCEQ) for an emergency departure from the Water Management Plan. We also ask that LCRA delay entering into contracts with the downstream interruptible customers until after the March 1st deadline that was agreed to in last year's Emergency Order so the LCRA Board can accurately assess the lakes and combined storage at that time. Additionally, we request that any contract issued to the downstream interruptible customers contain a provision that will allow for a complete cut-off of interruptible supplies anytime during the term of the contract to prevent managing our way into a DWDOR in accordance with the 1988 Adjudication Order.

We respectfully request the LCRA Board to take the appropriate action to avoid pro-rata curtailment and to ensure all firm customers receive the protection they are entitled to under the Adjudication.

Respectfully,



Brandon Wade
City Manager

Cc: Mayor and City Council