

Summary of Minutes

Wholesale Workgroup Meeting and Conference Call

The wholesale workgroup is a part of the Water Conservation Advisory Council

Date: January 23, 2026

Time: 9:30 – 10:30 a.m.

Location: TEAMS

Members/Alternates

Dustan Compton, Chair
Anthony Stambaugh
Ashley Neill
Jennifer Whitt
Mary Alice Boehm-
McKaughan
Stacy Pandey

Interested Parties

Hunter Duncan
Jade Rutledge
Kathy Fonville
Kevin Kluge
Ted Pick
William Bosland

TWDB Staff

Denise Livingston
Jessica Paz
Karen Sander
Shae Luther

Dustan started the meeting at 9:30 a.m.

- I. Participants introduced themselves.
- II. Discussion on the draft BMPs:
 - a. No substantial changes since last meeting
 - b. Request for more research on other wholesale entities doing rebates.
 - c. A survey is being drafted to help gather more information for the BMPs
- III. WCAC legislative Report and Recommendations
 - a. Dustan reviewed the requirements of the Council to compile a legislative report.
 - b. Support additional examples and information from wholesale providers for the Council's online resources of "Drought Mitigation Resource and Mini-case Studies
 - c. Research the ability of wholesale provider enforcement of drought management, and conservation plan implementation.
 - i. Identify jurisdictional or resource limitations preventing enforcement and implementation issues.
 - ii. Use wholesale contract language to advance water conservation efforts in customers' water conservation plans
 - iii. Submit wholesale water provider drought resources for Council's [resource page](#).
 - iv. Wholesale entities may have rules ensuring customer DCPs follow certain guidelines such as specific minimum drought response measures, and they could be subject to penalties by the wholesaler.
 - d. Wholesale group will send out a survey to get more information from wholesale entities.
 - e. Discussion on cost benefit analysis
 - i. Legislation passed in 89th session requires local retail public utilities certify there is sufficient groundwater available for the development.

- f. HOA's ability to fine residents for lack of irrigation or dead vegetation when in drought stage.
 - i. [HB 359](#) - Relating to the authority of a property owners' association to assess a fine for discolored vegetation or turf during a period of residential watering restriction.
 - ii. [HB 517](#) - Relating to the authority of a property owners' association to assess a fine for discolored vegetation or turf during a period of residential watering restriction.
 - iii. [SB 542](#) – Companion to HB 517
- g. Research the ability of wholesale water providers to adopt conservative pricing structures.
- h. Texas Water Code 11.039 – curtailment of water use.
 - i. Development of pro rata curtailment plans
 - 1. Industrial customer whose water use is directly related to production capacity may not be willing to implement desired target reduction goals in earlier drought stages until forced to through pro rata curtailment, resulting in significant economic consequences.
 - 2. Power plants that are called on by ERCOT to deliver power during energy shortages that coincide with severe drought conditions may not be able to cut back.
 - 3. Retail customers with very low gpcds (and very little outdoor water use) may not be able to achieve desired curtailment goals.
 - 4. Discussion was held on the difference between pro rata curtailment and regular drought mitigation efforts.
 - a. Pro rata curtailment is often defined as a drought worse than the drought of record scenario, representing a very severe drought (often Stage 4).
 - b. It can be difficult for a wholesaler to enforce drought restrictions in earlier stages of drought.
 - c. TCEQ provide guidelines for DCP reductions. These may be hard to enforce.
 - d. In an example of pro rata curtailment, a provider is allowed to legally charge non-compliant customers up to 10 times the normal rate and other rules to obtain compliance in times of drought or emergency situations.

Future meeting to be determined.

Meeting Adjourned

Useful links:

[BMP Resource Page TWDB](#)
[Wholesale Agency Assistance Program](#)
[LCRA DCP Appendix B](#)
[LCRA Firm Water Contract Rules](#)
[Hill Country Alliance Model Language for HOAs](#)

LCRA [Firm Water Pro Rata Curtailment Rules](#)