CENTRALTEXAS WATERCOALITION

PROTECTING THE HIGHLAND LAKES

The Central Texas Water Coalition advocates for

- Responsible water management policies that minimize fire risks, risks to drinking water supplies, and adverse economic impacts resulting from very low lake levels
- Equitable pricing for water to encourage conservation by all
- Routine updating of hydrology and climatology studies utilized in LCRA's Water Management Plan, regional water planning, and other water management decisions

Texas Can't Afford to Waste Water

In 2011 during the drought, nearly half of the available water supply in Lake Travis was released downstream. Lake-area businesses closed, properties were at increased fire risk, jobs were lost and property values declined. That year, due to a flawed Water Management Plan, huge volumes of water from the lakes were used to flood downstream rice fields. **More water was lost on its way to those rice fields than the City of Austin saves through its water conservation program in a year.** Since 2011, the Central Texas Water Coalition has worked to ensure this doesn't happen again.

The Central Texas Water Coalition is a 501(c)(4) non-profit organization advocating for water policies that will preserve the Highland Lakes as irreplaceable natural resources supplying water for more than two million Central Texans and providing an important economic engine for the tourism industry and the State of Texas. CTWC takes a broad-based and multi-disciplinary approach that is based on applying facts, current science and best practices for water management.

Extremely low lake levels cause:

- Large reductions in property values and associated tax revenues for our schools and government
- Loss of revenue for businesses and lost jobs
- Significant increases in fire risks due to water accessibility issues

With significant growth in Texas' population, unreliable rainfall poses a real threat to the drinking water supply, public health and safety, and the economy. Weather experts predict more drought and a Texas Water Development Board study shows less surface water is flowing in Central Texas watersheds.

We can't control the rainfall, so we must plan for the future and ensure responsible and forward-thinking management of the resources we have during floods, drought, or our new normal. **Economic losses from water supply shortages can be devastating.**

Water pricing is still inequitable and unsustainable

LCRA has slightly raised the price of raw water to irrigators but more needs to be done.

- The prices for raw water are far lower for irrigators than Firm customers. The price of water doesn't reflect the replacement cost, operating costs, or the cost of new supplies.
- LCRA charges for the canal distribution system as it exists but doesn't cover costs of improving the system to reduce losses during transport.
- Low prices do not stimulate conservation, and do not fund conservation projects or new water supplies.
- A weak agricultural water conservation plan does not set adequate conservation goals for irrigators, thus missing an opportunity to save water.

CTWC's Major Successes in Protecting the Lakes

By design, water levels in Lakes Travis and Buchanan fluctuate with changes in weather and demands for water.

CTWC is committed to working collaboratively with LCRA, Region K, TWDB, TCEQ and other stakeholders to focus on education, hydrology, climatology, and conservation of our limited water supplies. Our success includes:

- **Helped Secure Protective Emergency Orders from TCEQ:** Participated in successful efforts to support LCRA's requests to cease large releases of water stored in the Highland Lakes from 2012-2015, the years of historic drought for Central Texans.
- **Increased Water Release Thresholds:** The 2015 Water Management Plan (WMP) maintains a combined storage in Lakes Travis and Buchanan above 600,000 acre-feet, ended unlimited releases by LCRA, separated releases into two crops, and institutionalized the lake-level triggers of the emergency orders.
- **Worked for Accountability for Highland Lakes Management:** Participated in LCRA's Sunset Review Process given the growing impact of LCRA's water management. The Sunset staff report noted that "serious questions continually arise regarding the adequacy of the system of "checks and balances" in place for LCRA. Specifically, there is a serious question whether state law provides for adequate oversight of raw water rates or whether the technical methodology state water planners use to calculate future water availability projections is still appropriate." They also found that LCRA should implement policies to enhance accountability.
- **Prevented More Water Diversions:** Worked to stop the proposal to build a dam across the Colorado River upstream of Lake Buchanan.
- **Raised Awareness of Unfair Pricing:** CTWC recognizes that rates play a significant role in incentivizing water conservation. In 2015 LCRA established a seven-year plan to phase-in higher agricultural interruptible water rates, established surcharges for high usage, and began moving toward a full-cost recovery rate for operating distribution canals. However, that plan is no longer being implemented as established and more changes are needed to achieve a full-cost rate that is equitable to Firm Customers. Agricultural interruptible rates should incorporate fair and accurate allocations of river management costs and begin charging a fair portion of system capital costs.
- **Improved Transparency in Water Planning:** Supported legislation requiring all Regional Water Planning Group Meetings to be open to the public.
- **Participated in LCRA's process for the 2020 WMP:** This WMP includes a cap on the total amount of stored water released for downstream irrigation purposes. It also changes the trigger level for cutting off water for irrigators downstream. The amount of stored water in Lakes Buchanan and Travis must now be 1 million acre-feet rather than 900,000 acre-feet before water is released downstream.

HISTORY OF CTWC

In May of 2010, the Lower Colorado River Authority (LCRA) appointed a Water Management Plan Stakeholders Advisory Committee, which consisted of 16 individuals representing diverse interests: rice producers, environmentalists, water supply customers, and the Lakes.

Individuals representing the Highland Lakes formed CTWC in 2011 to provide a unified voice for Central Texas.

Coalition partners include Texas residents, businesses, affected government entities, property owner associations, environmental interests and concerned citizens. All are united by their commitment to protect our future through responsible water management and conservation policies.

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CentralTexasWaterCoalition.org

CTWC is the ONLY organization dedicated to protecting the interests of the businesses and residents of the Highland Lakes region through ongoing engagement with regulatory agencies that control water policy in Texas.

CTWC continues to represent lake interests by educating the public on the need for responsible water management, encouraging conservation, and urging citizen involvement to help protect the Lakes and our future.

CTWC 2020 Update of Socio-Economic Impact Studies of Lake Travis in 2011 and the Upper Highland Lakes in 2012

Scope: Regional focus on History, Socio-Economics, and Contributions/Value to Region and State utilizing primary data sources, real estate analysis, marina industry survey, interviews, community summaries & emerging issues.

Update shows adverse impacts from low reservoir lake levels during 2011-2015 and significant Growth & Retail Development in Region, particularly after recovery of Reservoir Lakes in 2015

- Population growth within 30 miles of Lake Travis – Doubled from 1990-2010 to 1.5M; 1.9M in 2017
- Property Tax Contributions into State's finance system of $938.4M since 1994 from 4 largest school districts (Lake Travis, Lago Vista, Marble Falls & Llano); represents 3.48% of total contributions
- Tourism Growth Rate fell from 10% in 2010 to 2% from 2011-2017. It finally recovered to 8% in 2018. The Austin growth rate remained steady at 7% during the 2011-2017 period.

Emerging Issues – Water access for fire-fighting during low lake levels, zebra mussels, sedimentation, water pricing impact on conservation, and flooding.

Lake Travis Communities and Study Area Highlights

Taxes, Property Values and Hotel and Mixed Beverages

	2010	2011-2014	2018
State & Local Taxes, $M	$45.2	$54.8	$77.9
Hotel & Mixed Beverages, $M			
o Receipts	$24.3	$28.4	$51.3
o Taxes Collected	$3.4	$4.0	$7.2
Property Values, $B			
o Residential	$8.4	$12.77	
▪ Waterfront	$2.43	$3.28	
▪ Water-related	$1.93	$2.72	
o Commercial		$1.64	

Tourism/Recreation Industry

Boat Sales	2007	2010	2011-2014	2018
o Travis County, $M	$71.0	$40.6	$41.0	$71.8
Commercial Marina Industry				
o Annual Revenues, $M				$36.4
Park Visits, k		476	232	483

Data reflects significant adverse impacts during low lake level years
Numerous tourism-related businesses suffered or closed as a result of the sustained low-lake period between 2011-2015. Significant job losses also occurred, such as Carlos' N Charlies of 250 jobs alone.

Waterfront Property Value & Lost Taxes; Real Estate Data from ABOR & TCAD

3000 Waterfront Homes Only	Actual	Projected	TCAD Total	TCAD Projected	Projected Lost Taxes
2010 Peak Value, $k	$966*				
2011 Bottom	$600				
2018	$808K	$1,598k*	$2.4B	$4.8B	$48M in 2018**
2010-2019 Avg	$780k				$11.1M/yr***

*5-County Metro Average values have appreciated 65% from 2010-2019

2018 Projected Lost Taxes **$48M in 2018 vs Projected @2%

2010-2019 Average: Projected Lost Taxes **$11.1M/yr or $89M over 8 years

Burnet and Llano Counties' Communities & Study Area Highlights

Appraised Property Data from BCAD & LCAD

Burnet County	2002	2010	2015	2018
Total Market Value, $B	$3.508	$6.529	$7.594	$9.960
Net Taxable Value, $B	$2.1	$4.296	$4.96	$6.411
Waterfront, $B	$0.545	$1.510	$1.700	$2.046
% Taxable Market Value	26%	35%	34%	32%
Llano County		2010	2015	2019
Total Market Value, $B		$5.358	$6.063	$7.430
Net Taxable Value, $B		$3.318	$3.880	$4.965
Waterfront-related, $B		$1.783	$1.917	$2.378
% Taxable Market Value		54%	49%	48%

Note: Waterfront and waterfront-related properties make a major contribution to the tax base

Waterfront Property Impacts of sustained low lake levels

- The Combined loss in assessed market value for waterfront related properties in both Burnet and Llano counties due to sustained low lake levels on Lake Buchanan was $69.7 million in 2015
  - Burnet – down $41.6 million (19%) and Llano – down $28.1 million (16%)
- Peninsula on Lake Buchanan premier development continues to suffer from sustained low lake level period. Loss of potential taxable value estimated to be in the $30 – 50 million range in this community alone

Taxes and Hotel and Mixed Beverages

	2010	2011-2014	2018
State & Local Taxes, $M	$25.7	$29.4	$41.7
Hotel & Mixed Beverages, $M			
o Receipts	$27.8	$33.1	$49.9
o Taxes Collected	$2.3	$2.7	$4.0

Tourism/Recreation Industry

Boat Sales	2006	2010	2012	2015	2018
o New & Used, $M	$9.7	$5.6	$5.5	$7.9	$14.5
o Number Sold	1,091	767	734	858	1,044 *

- Numerous tourism-related businesses suffered or closed as a result of the sustained low-lake period between 2011-2015, particularly fishing-related businesses on Lake Buchanan
- *2018 finally recovered to 2006 levels

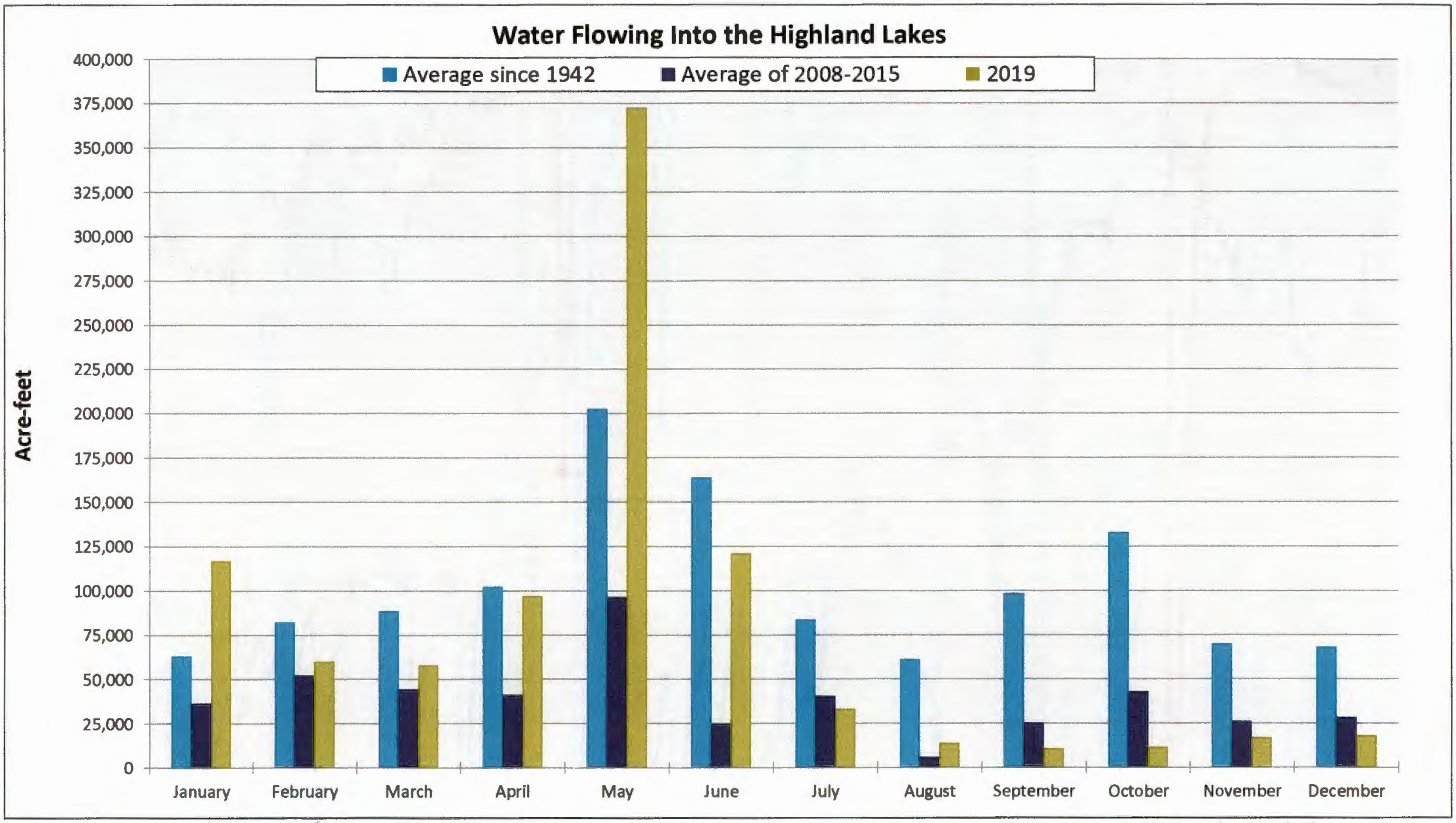
REFERENCE DOCUMENTS, SOURCE MATERIALS, AND INFORMATION CONTRIBUTORS:

- "Lake Travis Economic Impact Report" prepared by Robert Charles Lesser & Co. (RCLCO) for Travis County and the Lake Travis Economic Stakeholders Committee (Sept. 2011);
- "The Economic Impact of the Upper Highland Lakes of the Colorado River" prepared by TXP, Inc., Concept Development & Planning, LLC, and Diverse Planning and Development for Burnet and Llano Counties (Fall 2012);
- County Appraisal Districts - data on property appraised valuations.
  - Travis County Appraisal District
  - Burnet County Appraisal District
  - Llano County Appraisal District
- Multiple Listing Service reports on property sales
- Texas Demographic Center at the University of Texas at San Antonio (UTSA)
- Texas Parks and Wildlife Department (TPWD)
- Marina Association of Lake Travis (MALT)
- Economic Development and Tourism Department; Office of the Governor
- Travis County Parks
- Lower Colorado River Authority (LCRA)
- Upper Highland Lakes Retail Trade Area Demographic Profile prepared by the Retail Coach for the Marble Falls Economic Development Corporation, July 2019
- Marble Falls Economic Development Corporation
- City of Bee Cave
- City of Lakeway
- City of Lago Vista
- Travis County Emergency Services District 8
- Pedernales Electric Cooperative, Inc (PEC)
- Central Texas Electric Cooperative, Inc. (CTEC)
- Various owners of lake-oriented businesses and local community leaders

Burnet County Community 'Snapshots'

Marble Falls - With a city population of just under 7,000, most people would call Marble Falls a small town—but very few would call it "sleepy." The town feels much bigger due to a primary retail trade area population of more than 70,000 and daily traffic counts in the center of town exceeding 35,000 vehicles per day. In 2018, Marble Falls surpassed $1 billion in gross sales for the first time. In the last 5 years, Marble Falls' primary retail trade area population has grown 6.5%, average household income has increased by 21.3%, and median home value has increased by 21.5%. During the same period, taxable sales activity has increased by 31.5% to more than $466 million. Recent developments include Baylor Scott & White's $100 million regional medical center, a new 110,000-square-foot H-E-B grocery store, and a $20 million operations center for Pedernales Electric Cooperative. The development pipeline includes some exciting retail development, multi-family properties, and a Downtown hotel and conference center, in addition to two new subdivisions with more than 1,200 homes planned. People are beginning to see Marble Falls as more than just a touristy, scenic lake town on the outskirts of the Austin metro area.

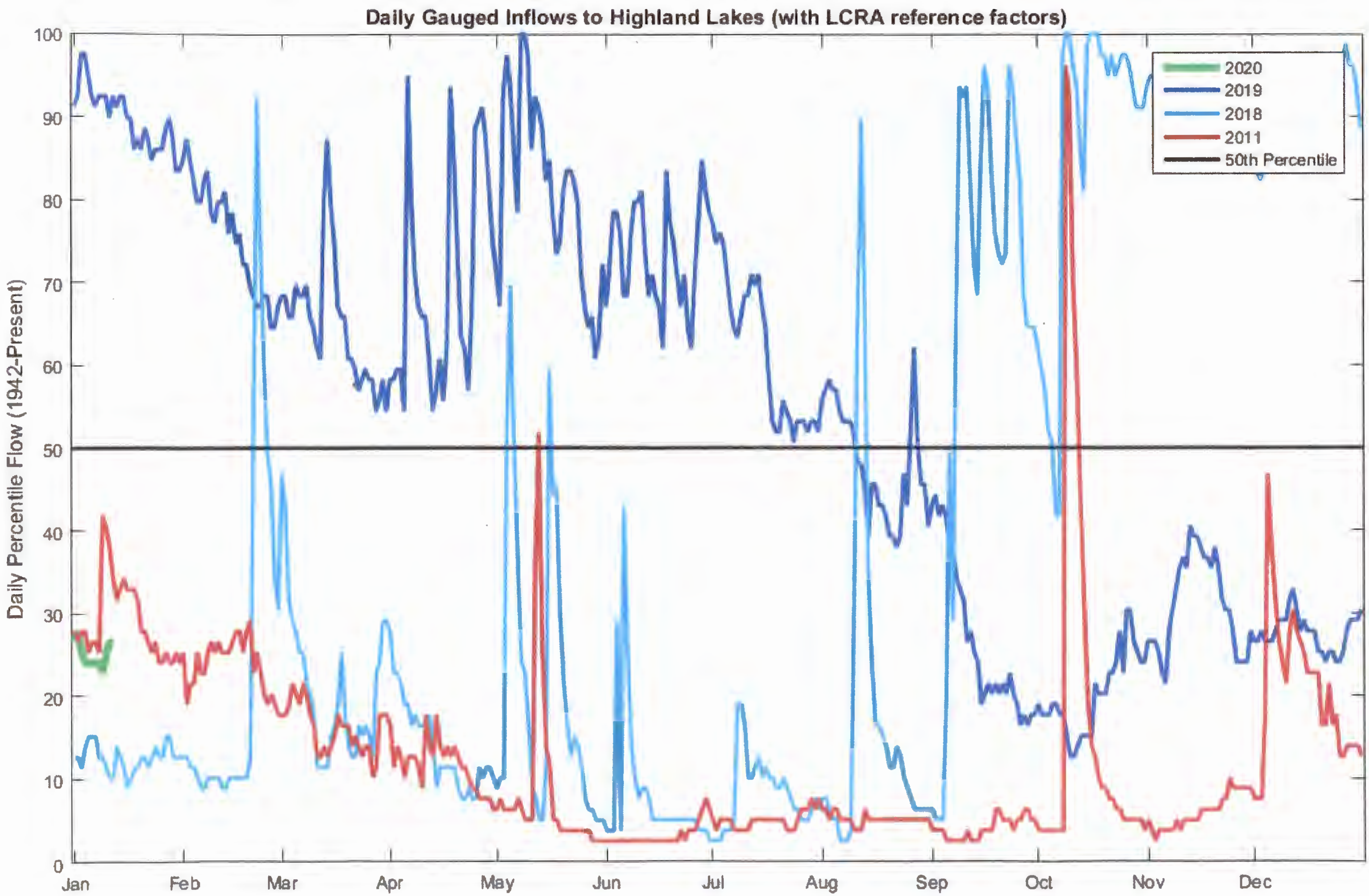
Lake Buchanan Community - The communities on the banks of Lake Buchanan, including surrounding areas in both Llano and Burnet Counties, continue to grow at a noticeable rate. The area has traditionally been a mecca for retirees looking for a slower pace of life at reduced living costs. That is changing, as the cities of Llano, Kingsland and Burnet have become shopping, supply and dining attractions. Numerous wineries and tasting rooms have opened, as a way to attract visitors seeking smaller crowds than found along the Winery Highway between Johnson City and Fredericksburg. To further capture these tourist dollars, numerous RV, resort and owner short term rentals have successfully opened. In addition to the peak summer traffic from parents transporting children to a variety of camps, the area has become an arts destination, with the oldest art guild in Texas located at Buchanan Dam, and other festivals such as LEAF, twice yearly Llano Studio Tours, Western Art on the Llano, and Paint the Town and Burnet Plein Air Festival, growing in participation and attendance. Fishing continues to fuel the economy on the lake, with Buchanan providing some of the best Striper bass fishing in the world.



	Period: December (acre-feet)	
Since 1942, December Average:		**67,997**
2008-2015, December Average:		**28,338**
December 2019:		**18,180**

* Inflows: the estimated amount of water flowing into the Highland Lakes from rivers and streams.

Data for 2018 and 2019 is preliminary and subject to change.



Link to 2020 LCRA Water Management Plan

http://centraltexaswatercoalition.org/wp-content/uploads/2020_Water_Management_Plan.pdf