Central Texas Water Coalition

July 10, 2013

Request to Region K for Inclusion of the Highland Lakes Needs in Strategic Water Planning

TWDB & RWPGs Responsibilities in Preparation of Regional Water Plans

(Texas Water Code Sections 16.051(a) & 16.053 (a))

The State Water Plan "shall provide for the orderly development, management, and **conservation of water resources and preparation for and response to drought conditions**, in order that:

- sufficient water will be available at a reasonable cost to **ensure public health, safety, and welfare**;
- **further economic development**;
- and protect the agricultural and natural resources of the entire state."

Region K has the Authority to Plan Strategically

- TWDB pointed out in a October 10, 2012 letter to Region K that the Texas Administrative Code specifies that ***evaluations of potentially feasible water management strategies can go beyond the defined water use categories, and include other factors as deemed relevant by the RWPG.***

Minimum Levels of Reserve Waters Are Needed to Protect Basin-Wide:

- Businesses and Industry
- Economic Stability & Development,
- Tax Base
- Recreation/Tourism Industry
- Drinking Water Supply

Austin Business Water Impact

- Samsung semiconductor factory uses about 4800 af of water per year (less than the big farm users who use as much as 12000+) to generate billions of dollars.
- UT uses about 2000 af /year to support its students, faculty, and research.
- Running the risk of again driving the water supply down to a 20% pro rata curtailment is risky.
- While we cannot affect the outcome of this drought, we can lower risks for the future through creative and innovative strategic planning.

Lake Travis Economic Impact Report

- $8.4 billion in assessed value
- 2010 tax revenues $207,246,861
- Real Estate premium = 10- 15%
- Hotel, mixed beverage and sales tax = $49 million
- Visitor Spending = $168.8 million
- 1,900+ jobs supported by visitor spending

Fiscal Impact of Low Lake Levels*

- Decreased non-property tax revenues by $16.4 - $21.9 million.
- Potential loss of premium on real estate = $15 - $20 million in property taxes.
- Sales, hotel/occupancy, mixed beverage, property taxes all decrease.
- Impacts local governments, school districts and services.

*Lake Travis Economic Impact Report - September 2011

Key Lake-Related Drivers for Upper Highland Lakes*

- Tourism and Housing
  - 81% of accommodation and lodging business within 2 miles of lakes
  - Account for 42% of all workers in area
  - Approximately 75 percent of total Upper Highland Lakes Region hotel sector activity is lake related
- Potential loss of $1.4 billion in taxable property value from non-development of approximately 5,800 acres of lake-related land

*Source: The Economic Impact of the Upper Highland Lakes Fall 2012 Report

Direct impacts/spending in 2011 by visitors in Burnet and Llano County*:

- 3,648 jobs
- $161.3 million in direct economic activity
- $58.9 million in earning for employees and business owners
- $3.5 million in local tax revenue (excluding property tax).
- $9.2 million in state tax revenue

*Source: The Economic Impact of the Upper Highland Lakes Fall 2012 Report

Very Low, Sustained Lake Levels Are Dramatically Affecting Lives

- "I would use the word 'devastating.'
- Restaurant owner: From a normal year when the lake is full, our 2011 calendar year revenues were down 50%. In 2012 they are down 66% from 2010.
- Many businesses are closed because of access. Owners are not sure if they'll come back or not.
- "It's a mini-recession for lake businesses even though Austin is doing relatively well."
- In 2010 an owner of several lake-oriented businesses employed over 300 people. By 2012 it was less than 100. The only reason is because of low lake levels.

Minimum Operating Levels Would Provide Water for Severe Extended Drought

- Current Macro Scale Ocean Temperature Effects Promoting Long Term Drought per State Climatologist
  - Pacific Decadal Oscillation (PDO) "Cold Phase" dry cycle can last 20-30 years, while La Nina cycles last only 6-18 months
  - Atlantic "Warm Phase" Oscillation dry cycle also long term
- Current Inflows Too Low for Recovery
  - Average inflows since 2008 = **456,000k AF/yr**, with 2013 likely to bring the average down, as tracking **127k AF/yr** level from 2011
  - Firm demand , environmental releases and evaporation are now essentially at this level, and driving lake levels into dangerous conditions for health and safety

CTWC Request: Reality of Current Drought Requires Urgent Action by Region K to Plan CREATIVELY and STRATEGICALLY

- LCRA projects for 100k AF/yr from off-channel reservoir(s) and groundwater are a step in the right direction, but not nearly sufficient.
- New technology must be reassessed in this current multi-year drought.
- CTWC's proposal for 200k/yr in additional demand appears to be a minimum volume to drive recovery.
- Please commit now to include all needs and plan in a more broad and holistic manner to protect our basin.

Thank You for your hard work. ANY QUESTIONS?

Central Texas Water Coalition

Jo Karr Tedder, President

512-755-4805

www.Ourwater-OurFuture.com

www.Facebook.com/centraltexaswatercoalition