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Dear Client:

If water during a drought is important to you, your fate is being determined as we speak. A committee is examining possible scenarios for curtailing or cutting back water to certain customers during drought.

Sixteen members comprise the Lower Colorado River Authority's (LCRA) Water Management Plan Advisory Committee. The members make up the major groups that depend on water from the Highland Lakes. **The goal is to come out with a plan that balances the needs of the major interests:** cities, industry, environment, agriculture and lake-area businesses and residents.

Candidly, what this committee recommends will **affect the vast majority of residents of Central Texas. The Highland Lakes supply water for 1.1 million people in Central Texas**, as well as water for farming, industry and the environment. The lakes also draw many boaters, anglers and other visitors that support a strong business community that is concerned about the effect of drought on lake levels.

Determining how water from lakes Travis and Buchanan is allocated in times of drought is a **tough task**. In fact, one committee member said the final solution will probably be **"equally disagreeable to all of us."** Another member of the advisory group referred to it as **"shared pain."**

One scenario has already been presented to the committee — a scenario that resulted in what one committee member said was a **"really difficult discussion."** Members from multiple interest groups said the scenario didn't meet their needs.

At the heart of all these deliberations are existing contracts between the LCRA and the users of water. But not all contracts are created equal. **Cities buy "firm" water**, which should be available through a repeat of the worst drought on record. **Farmers buy "interruptible" water**, which is significantly less expensive than firm water, but it can be curtailed during drought and even cut off in a severe drought.

Check out the next item for the "triggers" that kick in and some of the problems.

The “triggers” are the key. They determine whether your water supply will be curtailed, or even cut off, during times of drought in Central Texas. And, right now, those triggers are under review.

The Lower Colorado River Authority (LCRA) controls the release of water from the Highland Lakes. Lakes Travis and Buchanan are the two variable-level lakes. They regularly **fluctuate as the LCRA releases water to those who hold contracts – including the City of Austin.**

The triggers that determine *who* must reduce water and *when* are contained in the current Water Management Plan and they are **generally based on the combined storage of lakes Travis and Buchanan.** The lake levels drop dramatically during times of drought. So, the Plan in effect “rations” water that streams out to 1.1 million Central Texas users. This Plan is now being reviewed and revised. Some considerations:

How low should the lakes drop during a serious drought? As an example, in the recent two-year drought, water levels fell so dramatically that marinas were forced to move. Low lake levels could pose problems for cities that have to move their water intake infrastructures to continue providing water to their residents.

Should water be limited to farmers, even when the lakes are full? Right now, water releases for farmers are unlimited when the supply is plentiful.

How do you encourage conservation in a way that keeps the benefits with those who conserve? For example, area cities say it is harder to persuade their citizens to conserve during drought conditions when the water might be sent downstream to flood rice fields near the Gulf Coast.

And what about the flow of water for environmental purposes? Minimum flow levels are currently set for the Colorado River to keep species alive in Matagorda Bay during a drought. Should the flow levels be modified?

Should conservation be implemented throughout the year to better respond to changing conditions? Under the current plan, such triggers are determined once a year based on the amount of water in the lakes January 1st of each year.

For more information, you can go to www.lcra.org/watermanagementplan.

By the way, adding to this LCRA review is a highly controversial effort by the **City of Austin which could stringently strengthen conservation plans** – maybe making them mandatory – for users of water delivered by Austin. Not only that, the initial proposal would also call for much higher City of Austin water rates. However, Mayor **Lee Leffingwell** was quoted in the *Austin American-Statesman* last week saying “**it doesn’t make sense to me to enact draconian measures they don’t even have in the desert to feel good about ourselves.**”

Okay. If the supply of water from the Highland Lakes is a problem during times of drought, why not find more water supplies?

Well, actually, that very question was raised by several members of the Lower Colorado River Authority's (LCRA) Water Management Plan Advisory Committee. In effect, those members were saying **the only real solution to all the issues was for the LCRA to find more water supplies**. But, this solution was not the task of the Advisory Committee. It is tasked with finding consensus on potential updates to the existing plan – not finding new water supplies.

But doesn't finding *new water supplies* go hand-in-glove with how to apportion and prioritize water releases during time of drought? Well, yes. And the LCRA says it *is* addressing the “new water” question in another way.

Last year, LCRA's Board of Directors approved a **Water Supply Resource Plan that should act as a roadmap** for meeting the region's water supply needs way out to the year 2100.

And, on the question of water sent all the way to near the Gulf Coast for agricultural purposes, the Board has also directed its staff to come up with **strategies to specifically reduce the water shortages projected for downstream agriculture**. In fact, a draft plan is scheduled to be complete later this summer.

As you can see, there are many facets to the question of water availability for this Central Texas region. **LCRA's Board and ultimately the Texas Committee on Environmental Quality must approve any new plans**. And the LCRA hopes to finish its work by June. However, reading between the lines, it could be later than the early part of summer. The LCRA Board indicated it might be open, at a later meeting, to extending the process by a couple of months.

One way to determine the health of residential real estate in the Austin metro area is to examine how many homes are on the market and how long it takes to sell them. Good news. Austin leads all metros in the state of Texas.

“Months' Inventory” and “Equilibrium” are two words the numbers-crunchers use to gauge how well homes are selling. Inventory is calculated by considering the current rate of sales alongside the number of homes with for-sale signs in the front yard. **If the current pace of sales results in selling all the homes on the market in six months, the market is said to be in “equilibrium”** – not too many or not too few homes for sale, keeping the market in balance.

The current Austin metro tally, compiled by TexasA&M's Real Estate Center shows 5.6 months' inventory — right at “equilibrium.” Dallas at 6.4, Fort Worth at 6.8, Houston at 7.4 and San Antonio at 7.6 follow Austin.

The election headlines out of the Texas Legislature so far have been about a new tough Voter ID law. But, election testimony was heard this week that will determine whether a Republican or a Democrat will represent one Travis County district in the Texas House this session.

Incumbent Democrat State Rep **Donna Howard** has survived all the challenges so far to her victory over GOP's **Dan Neil**, a political newcomer. The final margin of victory in the House District 48 race is only 12 votes. **So Neil has taken his challenge to a "court of last resort," the House of Representatives itself. Two-thirds of the 150-member Texas House are Republicans.** Now the State Republican Party is throwing money and muscle behind Neil.

The Chairman of the Republican Party of Texas (RPT), **Steve Munisteri**, said "there has been discovered evidence making it apparent that Dan Neil won this race on Election Day. This evidence has been steadily mounting. Since the recount, the discovery process has **uncovered numerous illegal votes in the race, and the more we dig, the more we seem to find.**"

Munisteri cites examples as **people voting who live outside the county, one voter who was not registered in time to vote and another person who voted twice.** He said they found "a shocking amount of disenfranchisement from overseas voters" that "voters who are residents of HD48 were not allowed to vote in any state or local race" and some of them have been registered in HD48 since 1992."

Munisteri said "I have committed to Dan Neil that **the RPT will provide financial and political resources** to wage whatever battles are necessary to ensure that every eligible voter has their vote counted and every illegal vote is stricken. We will also be **calling on the Travis County DA to open an investigation of the Travis County Elections Office** as a result of these numerous abuses." This info is provided to show you how the battle has ratcheted up. **But don't underestimate Howard's chances to keep her seat. She has survived all challenges to the election results this far.**

Dr. Louis Overholster notes that talk is cheap – except when Congress does it!

Sincerely



Editor/Publisher