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Dear Client:

It may have been cold and wet recently, but the available water supply has not significantly improved. In fact, the Federal Reserve Bank in Dallas, in a new report this month, says water scarcity could hold back economic growth.

And competition for scarce water is triggering re-thinking of priorities. The Fed's research economists are couching an age-old Texas battle – city folks versus rural folks – in modern terms. A statistic they cite: **while agriculture represents a tiny fraction of the Texas economy these days, ag usage accounts for 61% of the state's 2011 water usage.**

One example is playing out in the Austin area as we speak. The Lower Colorado River Authority (LCRA) made it official this week by **seeking permission from the state to withhold agricultural water from ag interests downstream from Austin in 2014.** Earlier, the LCRA Board by a narrow 8-7 vote decided to sidestep its ag contracts if lakes Travis and Buchanan reservoirs had not reached minimum levels by March 1st 2014. And right now, they have a long way to go because levels are well below minimum requirements.

Water availability has also played a role in the construction moratorium currently being imposed on affluent West Lake Hills – limiting building permits and allowable home size.

At fault isn't so much the *amount* of water, it is water *pressure*, with many areas having little or no fire hydrant water pressure. The abundance of fire-igniting juniper trees in West Lake Hills **causes the city serious concern about the potential of widespread wildfires.** But there is disagreement on the amount of water pressure necessary to provide adequate fire protection.

The West Lake Hills City Council will take up this issue again in January. It's possible the current interim moratorium will become permanent **until an expensive upgrade of the water system can be agreed upon and implemented.**

Meantime, **many who bought lots intending to build new homes are having permits put on hold, and current homeowners who want to build swimming pools, or remodel, are also being stymied by the moratorium.** This city, tucked just west of Austin, has some of the hottest, high-dollar, neighborhoods. As a result the city's decisions will be closely watched.

Austin is the most reliably liberal city in a conservative state. As far as city elections are concerned, one analyst maintains the city's white liberal establishment usually picks the winners. And, he says, this may all be about to change.

Writing in the state's most liberal publication for more than a half-century, *The Texas Observer*, **Mike Kanin** says in the current issue, "**Austin is now on the brink of its first major electoral change in decades. What's coming will replace an awkward (at best) system that reeks of establishment politicking, or (at worst) has entrenched the power of Austin's white liberal oligarchy.**" Kanin has written for the *Austin Chronicle* and is now publisher of *InFact Daily*, a publication that concentrates on Austin City Hall coverage.

Kanin is analyzing the change from Austin's 4-decade long "gentlemen's agreement" that "reserves two of Austin's six council seats for members of the city's African-American and Hispanic populations" elected citywide, to the 10-ONE plan where the Council will be expanded to 10 members from single-member districts with only the mayor elected citywide. **Single-member district proponents contend it will be easier and cheaper for candidates to campaign in a defined area, rather than citywide.** So new faces should emerge.

The ten new single-member district boundaries have been drawn so that they "**present a reliable African-American opportunity district and some count as many as three Hispanic opportunity districts,**" according to Kanin. "Austin City Council will soon see an influx of new people from parts of the city that were rarely represented at City Hall," he added.

Critics of 10-ONE complain that **because Anglos have been carved out of certain districts to make room for African-Americans and Hispanics, it could ultimately result in no African-American being elected.** The reason: the African-American population is in decline and the Hispanic population is growing at a fast rate. (Hispanics have a younger population and a higher birth rate than Anglos and the blacks combined.)

Political consultant **David Butts** (whom some call Austin's liberal version of **Karl Rove**) has "a hand in nearly every council election and seat," wrote Kanin. And Butts fought *against* the newly-adopted 10-ONE plan. Butts, says Kanin, "**worries, like many of the city's old guard, that the new system will throw open the doors of City Council to not just more Latino candidates, but to a group so resoundingly reviled in Austin politics that it has been largely shut out of power: Republicans.**"

Butts, who was in favor of a different plan that was rejected by voters, was quite candid in his **concerns about the re-emergence of a previously-endangered species – Austin Republicans.** Check out the next item for why this liberal political operative thinks that, for the first time in a long time, Republicans may actually be elected to the Austin City Council.

Could Republicans serve on the next Austin City Council, for the first time in decades? This is the possibility raised by one longtime *liberal* city political operative.

First of all, it should be pointed out the **ballot for Austin City Council elections does not list candidates by party affiliation**. So you can't tell the political leaning of Council candidates by just reading the list of wannabes. But in many cases, Democratic and Republican organizations try to field – and support -- their own kind. And in Democrat-dominated Austin, Republican candidates have not fared well in *citywide* elections. Much as Democratic candidates have not fared well in Republican-dominated Texas. For years, in both cases.

Now with the city about to be carved up in 10 districts to elect one councilmember from each specific district, the dynamics are changing dramatically. The 10-ONE plan is now law (with only the mayor elected citywide). **David Butts** can claim each of the 6 current councilmembers and the mayor as his clients. **The liberal strategist has a well-deserved reputation for successful election results**. So, how does he see this 10-ONE approach?

“Republicans were behind 10-ONE solidly,” Butts told **Mike Kanin** for his article in the liberal newspaper, *The Texas Observer*. **“They emailed, they sent out messages, their precinct chairs had signs for 10-ONE in their yard. I know they did. They understood.** Republicans are a nonfactor citywide. In an 8-3 system (which Butts backed), you can create districts that would basically be dominated by Obama majorities in every case. In a 10-ONE scenario that is not as easy to do.”

What is Butts' big fear? **“Do you want one or two Republican councilmembers running to the Legislature every time the City Council does something they don't like?”**

Kanin has an interesting take on this liberal establishment opposition to the GOP and 10-ONE. **“Butts' partisan scenario is an interesting reflection of state level politics. Texas Democrats have been shunted to political insignificance, some of it through creative gerrymandering, much the same way that Austin Republicans have a difficult time in local politics. And so, at worst, Butts' argument reads like his own brand of voter disenfranchisement. Don't Republican voters, even in Austin, deserve their own representation on City Council?”**

“Writing Republicans out of local politics may be satisfying, but it's also just about as backward as, say, limiting minority representation to one or two seats on a seven-member body,” Kanin observed. **“Without citywide elections, will Austin remain as progressive a place?”**

Kanin's *Texas Observer* article is quite lengthy (more than 7 single-space pages when printed off the *Observer's* website). It includes an extensive historical background about city elections.

You've likely heard about Google's new hands-free computer device encased in a titanium eyeglass frame. Well, even though Google Glass is not yet available for consumers, it will be on display in Austin this weekend.

The device is on when you need it and off when you don't. **It can be used to access on-the-go maps, voice searches, video calls, photo sharing and much more.** Google touts that it allows users to seamlessly interact with their technology without interrupting the flow of their everyday lives. Google Glass will be on view from 10 am to 6 pm Saturday and Sunday, 12/14/13-12/15/13, downtown at Brazos Hall, 204 East 4th St.

***Kiplinger's Personal Finance* just ranked UT Austin #21 on its annual list of best values in American higher education. That's a move up six spots.**

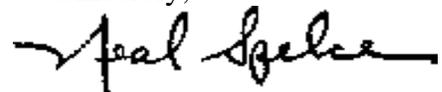
Kiplinger's ranks the top 100 four-year schools that **combine outstanding education with economic value.** Other considerations: admission rates, percentage of students who return for their sophomore year, student-faculty ratio, and four-year graduation rate. The rankings also examine tuition and fees, financial aid offerings, and average student debt at graduation.

As we reported recently, UT Austin currently ranks **27th in the world** according to *Times Higher Education* and **26th in the world** according to the Center for World University Rankings. "We should take great pride in these assessments," says UT Austin president **Bill Powers**.

By the way, UT Austin president Bill Powers expects the first dean for the Dell Medical School to be named within the next month or two.

Dr. Louis Overholster advises his patients obsessed with obesity to, instead of leaving Santa Claus milk and cookies Christmas Eve, leave a salad with a note suggesting he lose a few pounds!

Sincerely,



Editor/Publisher