

LDWCID

LAKE DUNLAP WATER CONTROL & IMPROVEMENT DISTRICT

LDWCID Member Update

ISSUE #1

January 21, 2021

Day 618

Fellow LDWCID Members,

This is the first issue of a Member Update from your Board. The goal of the LDWCID Board is to begin sending you regular updates until our beloved Lake Dunlap is restored. The Board has also approved the hiring of a web site developer and we hope to have that up and running in the next month or two. We intend to use the website to keep you informed with important information about the construction and financing of this project.

617 days ago, just after 8am (yes- just like you, we are counting the days) the center gate of our dam collapsed and our lake became a river. By 8:30am the President of PLDA, J Harmon, had begun making calls and assembling a team to figure out what we were going to do to fix it. We immediately began meetings with City, County and State officials to search for a solution. On May 31st PLDA hosted our first Townhall Meeting to begin discussing the situation with the public.

After exhausting all possible funding options from the City, Counties and State, we decided that if we wanted the lake back we would have to pay for it. We began the long process of negotiating a contract with GBRA to finance the reconstruction of our dam. To collect the necessary funds to pay for the dam, we would have to create a taxing district, and we believed the most efficient vehicle for that was a WCID.

We created an Advisory Committee of Dunlap neighbors to help us move forward with the creation of the District. The formal creation of a taxing district requires the approval of the voters in that district. As you know, you gave us the authority to move forward with the Lake Dunlap WCID at the November 3rd election with a landslide approval rate that was well over 80%. On behalf of the Board, I extend our gratitude to our entire advisory committee, the neighborhood election teams, and all of the PLDA Board members and volunteers that have donated time and money to make this happen. A special word of thanks is also due to Tony Corbett, our attorney and to Thor Thornhill of HMT Engineering for helping us do this in record time at minimal cost.

Some Big Picture Details:

1. GBRA will still own and operate the dam and the hydro electric facilities.
2. GBRA paid several million dollars for all engineering costs to rebuild the dam.
3. GBRA will pay for all operating costs for the dam thru the life of our contract.
4. GBRA obtained the loan (bonds) from the Texas Water Development Board to finance the reconstruction. As of last week, GBRA received the \$40 million dollars and put it into a

dedicated construction fund. The interest rate on the Bonds is 0% for the first 12 years and then the rate gradually increases to 0.3% by the last year of the Bonds.

5. LDWCID has guaranteed GBRA that we will pay the debt service on the loan. This will be approximately \$1.465 million per year.
6. LDWCID will pay for any Capital Repairs and Replacements necessary on the dam (in excess of \$25k/event)
7. Since LDWCID is paying for the dam, GBRA has agreed to give us 100% of Gross Revenues from the Hydro Electric production.
8. We have HIGH flow years and LOW flow years, but we estimate the average Hydro Electric Revenues to be approximately \$800,000 per year.
9. GBRA believes that all hydro electric production facilities are in working order and will “warranty” the operation of the dam and all hydro electric facilities for the first year after completion.
10. GBRA has negotiated a renewed contract with GVEC to buy the hydro electric power through the life of the bonds.
11. The bulk of the income from GVEC (first \$650k/yr) will be used to reduce the debt service payments by the LDWCID.
12. Some of the GVEC income (above \$650k) will be set aside in dedicated funds for future repairs and maintenance AND to help smooth out revenue in future LOW flow years.
13. GBRA has already received bids on the project and selected a winning bidder. Zachry Construction in San Antonio.
14. Official “Notice to Proceed” and a Ground Breaking is anticipated within the next 30-45 days. As soon as we know that date we will certainly update you.
15. The construction timeline in the bid is 24 months. We are building a massive project on top of a 90+ year old structure in the middle of a river that is prone to flooding. PLEASE understand that neither LDWCID nor GBRA nor Zachry can guarantee this timeline.
16. The Timeline above would have the dam completed around February of 2023 – nearly 1400 days from the time we lost the lake. We will continue counting every day.
17. LDWCID has appointed a Technical Engineering Committee that has been and will continue to meet regularly with GBRA and Zachry to manage costs AND try and accelerate the timeline. LDWCID Director Harry Moeller, Greg Hills and LDWCID President Doug Harrison are members of this Committee.
18. Your initial Tax Bill from the LDWCID will show up on your October 2021 tax bill.
19. We do not yet know the initial tax rate. The initial tax rate will be dependent upon the overall value of all properties in the LDWCID. We expect to be able to give you a good estimate this summer and we must turn in the official rate to the County before September. Look for more detail in future updates.
20. SPECIAL NOTE: Although the LDWCID is in BOTH Comal and Guadalupe Counties – ALL of the tax collection will be done through Guadalupe County. That means **if you live in Comal County, you will get a bill from Guadalupe County** since they will be collecting the tax for both Counties. This is a common practice for things like school districts that cross county lines.

Your LDWCID Board:

Doug Harrison, President
Larry Johnson, Secretary

J Harmon, Vice President
Harry Moeller, Asst. Secretary

Gary Schaub, Treasurer