



LAKE DUNLAP WATER CONTROL & IMPROVEMENT DISTRICT

LDWCID Member Update

ISSUE # 5

July 14, 2021

Day 802

Fellow LDWCID Members;

We are now at 2 years and 2 months since the collapse of our beloved Lake Dunlap dam and we are working continuously to get back to where we were before that date but even better!

Townhall Meeting: Your LDWCID was hosted by PLDA at a Town Hall Meeting on June 23, 2021, to give a presentation that included an address by GBRA General Manager and CEO, Kevin Patteson, a presentation on construction progress by Zachry Group and briefings by PLDA President J Harmon and LDWCID Board President Doug Harrison. The presentations were followed by a question and answer session that was well received. Several hundred of our friends and neighbors from Lake Dunlap showed up to the event. Your Board truly appreciates your participation and we know that we couldn't have made so much progress without your incredible support.

The big two questions (plus one bonus question):

1. When is construction going to be completed? As you can read below, the target is June 2023. But please remember, we are building on top of a 90+ year old structure in the middle of a river that is prone to flooding. Excess

delays due to flooding, or unforeseen structural issues with the old dam could cause some delays to the target date.

2. How much will this cost me? Your LDWCID Board is still hoping that the tax rate will come in at around \$0.20/\$100 valuation. GBRA borrowed a total of \$40 million from the Texas Water Development Board. The annual debt service on that loan will be \$1.465 million per year. The LDWCID is obligated to pay the full debt service. If the construction experiences costly issues and we spend the full \$40 million, and if there is no income from hydro electric production, then our tax rate could be much higher. \$1,465,000 divided by the total of all property values in the district (+/- \$330,000,000) would be a tax rate of 44cents /\$100 valuation. HOWEVER, we are hopeful that Zachry will complete the project on budget and be below \$40M. We are also anticipating average hydro electric revenues of \$800,000 per year. If both of those anticipated scenarios stay on track, we believe the tax rate will be very close to the 20cent/\$100 valuation target. The tax rate will continue to be a little bit of a moving target until the construction is completed, and the hydro electric plant is again producing and selling power.
3. One extra question from the meeting: What is the taxable value on which a property owner will be taxed? The property owners will be taxed on their net appraised taxable value after exclusions and deductions.

We are still waiting for the final property appraised values in the District before the initial tax rate can be officially be determined. The Board's target remains at approximately \$.20 per \$100 valuation. This number may go up as property owners continue to challenge their assessed values with their respective county tax officials. Stay tuned for a FINAL decision in August 2021.

Construction Update: The team from Zachry gave a great presentation at the June Townhall meeting. Zachry is committed to completing the project in 25 months. That 25 month clock started the day that Zachry was officially awarded the bid: 5/14/2021. 25 months would be 6/14/2023. Several of the Lake Dunlap oriented Facebook pages are showing regular video updates from the dam. Work is well under way. Very EXCITING!! Zachry reminded us that

there may be loud noise when they're driving pilings, and some loud very early mornings when they are pouring concrete. We will do our best to work with them and keep you informed about those events. The water level in the lake will remain at the current level until the project is completed.

Lake Bed Vegetation: All of us along Lake Dunlap are concerned about the vegetation (and TREES) growing from the exposed Lake bed. PLDA has already begun meetings with GBRA and TPWD to discuss options and potential solutions. While the answer is still unknown, we have 23 months to figure it out. GBRA continues to allow property owners to keep the vegetation trimmed in front of their property.

Legal Update: GBRA's lawsuit with one of the bidders continues. So far, it has cost us ZERO dollars and ZERO delay. Zachry, the winning bidder, is working full speed ahead.

Official News: There are many points of unofficial news and unverified gossip out there. The only true source is **www.LakeDunlapWCID.org**.

We will continue to keep you informed on our activities.

Your LDWCID Board:

Doug Harrison, President	J. Harmon, Vice President
Gary Schaub, Treasurer	Larry Johnson, Secretary
Harry Moeller, Asst. Secretary	