

# Frequently Asked Questions

## Lake McQueeney Restoration Project

### Background

*The first indication of trouble arose in March 2016. A spill gate on Lake Wood failed, and the lake, part of the same system of lakes as Lake McQueeney, completely drained in less than 24 hours. Today, the lakebed there is a forest.*

*On May 14, 2019, a catastrophic failure of one of the Lake Dunlap's spillway gates occurred, also another lake in the system. Dunlap's spillgate explosively detached from the dam with no indication of a problem beforehand, and the lake subsequently dewatered, also within 24 hours. This time [the failure was caught on video and made national news.](#)*

*Almost immediately, attention turned to the remaining dams in the Guadalupe Valley system, once a chain of six lakes, suddenly four. The remaining dams were built using the same designs, and also built at about the same time — nearly 100 years ago. All of them had outlived all expectations, and emergency inspections revealed significant risk of imminent failure on Lake McQueeney as well.*

*The initial concerns were about safety, and what might happen in the event of yet another dam failure in the Guadalupe Valley. In time it became clear to all that it was no longer a question of if, but when the McQueeney dam would fail.*

*Subsequent engineering analyses by both Guadalupe-Blanco River Authority (GBRA) and Friends of Lake McQueeney (FOLM) concluded that it was even worse than initially thought. The dam, built using 100-year-old technology, really could not be repaired. It needed a major rebuild to bring it up to modern standards of safety and efficiency. The overall dam structure needs extensive repairs and upgrades, and the aging spillgates need to be completely replaced.*

*Amid intense efforts to locate a way to address the issue, it soon became clear that neither GBRA, Guadalupe County, the City of Seguin, nor the State of Texas would make the funds available to bring the dam up to the condition it needs to be. The dam does not qualify for FEMA or similar support. There are no flood monies available, as McQueeney is designated a hydroelectric, not a flood control dam. Despite considerable hard work by community, business, state and federal political leaders, and others, with virtually no stone unturned, over a year later there has still been no public source identified to date for the needed funds.*

*There is a plan in place, however, that can rebuild the dam. FOLM has been working since the failure on Dunlap to develop a workable plan for the McQueeney Dam. FOLM worked with state and local government to help create a local Water Control*

*and Improvement District that allows lakefront owners to take control of their own destiny and secure the future of Lake McQueeney for generations to come.*

*While others have framed the challenges facing the community in different ways, the plan outlined below is the only solution that addresses the core issue facing all McQueeney stakeholders. Our dam has reached the end of its useful life. This plan is designed expressly to address that problem head on, solve it, and keep Lake McQueeney safe not just in the short term, but for the next hundred years and beyond.*

## The McQueeney Dam Restoration Project

### 1a) What is the plan?

The goal of the plan is to begin the task of rebuilding the dam as soon as possible, hopefully with construction beginning in the fall of 2021. In December 2019, the Lake McQueeney Water Control and Improvement District No. 1 (WCID) was successfully created, with the authority to levy a tax on waterfront property owners to fund the repairs. The WCID includes waterfront real property, parcels, lots, and/or developments on the shores of Lake McQueeney, as illustrated in the [map of the district](#).

The plan is to rebuild the dam so that it can maintain its original capacity and restore the lake to pre-2016 levels. The WCID will work closely with the GBRA from both funding and construction perspectives to repair and improve the dam. Additionally, it will provide property owners a mechanism to fund the infrastructure improvements needed to bring the dam and its spill gates up to current standards, and to keep the dam maintained and in operating condition in perpetuity.

On November 3, 2020, registered voters in the district will be asked to vote in an election to confirm creation of the WCID, to elect WCID directors, and to authorize the WCID to levy taxes to raise the funds necessary to rebuild, operate, and maintain the dam in conjunction with GBRA, restoring property values and the economic vitality of the Lake McQueeney community.

This plan will directly benefit all of the landowners included in the district and provide a significant indirect benefit to all the residents of Guadalupe County and the City of Seguin who use the lake or make their living in ways related to it. Restoring the lake to its previous capacity would also restore property values, return businesses that provide services to homeowners or users of the lake to viability, and restore tax revenues for area governments, schools, and roads.

### 1b) Who is leading this effort?

From the earliest days that it became apparent that the dam was reaching the end of its useful life, the effort to understand the situation and develop a viable plan has been led by the Friends of Lake McQueeney (FOLM), whose board members have collectively devoted a great many hours to the effort.

Now that the Lake McQueeney WCID has been provisionally created, a five-member temporary WCID Board of Directors has been named and they are leading the efforts to complete negotiations with the GBRA. The temporary members are Bob Worth, Paul Mueller, John Ewald, Lindsey Gillum and David Doughtie.

Each of these WCID temporary board members is standing for election to the official board of directors in the November 3rd election. Together, the board brings a wealth of experience and leadership to the task that spans engineering and construction, finance, communications, and more.

### **1c) How much is GBRA contributing? Is GBRA paying for the engineering?**

GBRA's contributions are substantial. The WCID will receive 100% of the gross hydroelectric revenues from Lake McQueeney for as long as the operating agreement with GBRA remains in place. For the past ten years, these revenues have averaged \$585,000 per year. We expect that with the more modern dam technology, we will be able to produce even more revenue from the hydroelectric operations than has been possible historically.

The total GBRA contribution breaks down like this: GBRA has already agreed to fund the engineering and design for our dam, assuming the WCID is approved by voters in November. They are planning to spend approximately \$17.55 million over the 30 years to pay for their share of construction via the hydro revenues. Add to that the cost of armoring the dam, which they plan to cover from separate funds that we will not have to repay.

GBRA has stepped up and committed well over \$17 million for a \$40 million project. When the engineering and armoring costs are added in, they will be funding the majority of the bill. These figures are preliminary, and there is a good chance that costs could come down as the engineering documents are completed and we begin talking to contractors. If that happens, GBRA's share would be even greater as it is based on revenue streams that are well documented.

In terms of what GBRA has agreed to contribute over the life of the project, this is a great plan for McQueeney's waterfront owners.

### **1d) What is the status of our contract with GBRA?**

The contract is currently in public review. September 18, 2020 is the planned date the contract will be finalized.

### **1e) What safeguards do we have to ensure the contract is honored over its lifetime?**

The contract provides for a multitude of safeguards for the WCID including construction and engineering design oversight and approvals, financing oversight and approvals, limitations on costs to the WCID, legal restraints and limits on liability of the WCID, and many more.

### **1f) Are Guadalupe County, the City of Seguin, or the State of Texas going to contribute?**

We continue to be in discussions with both the county and the city on this point, as well as with state officials in Austin. Those conversations are ongoing but disappointing. To date, none of these entities has identified any sources of funds to help. We anticipate that the state will make a low-interest loan available to us, and that is the plan we are pursuing.

### **1g) Why is this plan needed now?**

We currently have two key opportunities that make this plan very compelling right now. The first is that we can leverage our efforts with the efforts taking place on Dunlap, saving millions in engineering and construction efficiencies related to building not just one dam, but several in succession. The second is that we have access to very low-cost money right now. There is no guarantee that these funds will continue to be available in the future. The time to do secure these funds, and the plan as a whole, is *right now*.

### **1h) How can I learn more?**

You can follow the WCID website at <https://www.lakemcqueeneywcid1.com>, attend the public meetings of the WCID (times and dates are posted on the website), and/or subscribe to the election newsletters.

## **The Lake McQueeney Water Control & Improvement District (WCID)**

### **2a) What is a Water Control and Improvement District (WCID)? Why is it needed?**

A WCID is a type of conservation and reclamation district empowered by the State of Texas to control and preserve the waters of the State of Texas. A WCID is empowered to finance, build, construct, improve, reconstruct, repair and maintain dam facilities. It is a type of governmental entity and will be governed by a board of directors elected by the registered voters within the District.

Upon approval by voters, a WCID is authorized to levy annual ad valorem property taxes to fund district operations and costs. Our plan is for the WCID to work with GBRA to fund and repair the McQueeney Dam and re-establish the lake levels to its pre-2016 levels, but with a safe, efficient, and modern dam — and the reserves in place to ensure it is maintained in perpetuity.

We need to do this as all other efforts to seek funding have been either unsuccessful or remain uncertain. The WCID provides the mechanism for property owners to help GBRA fund the project via a self-imposed property tax. It is the only certain way we can raise the necessary capital in a timely way to make the repairs.

### **2b) Who are the WCID Board members?**

When the WCID was created, the five temporary WCID Board members listed below were appointed. They will serve until the November election, when an officially elected board will be put in place.

- Bob Worth
- Paul Mueller
- John Ewald
- Lindsey Gillum
- David Doughtie

Each of the temporary board members is on the November 3 ballot.

### **2c) Will they receive compensation?**

No, the board members have declined any compensation other than reimbursement of actual costs so that taxpayer-generated funds are applied directly to the restoration of the dam. There is a provision for compensation of future directors should they elect to do so at some future time, but the current board will not be paid at their own request.

### **2d) When was the WCID created? What is its role in the project?**

The WCID was officially created by order of the Guadalupe County Commissioners Court on December 17, 2019. It will operate as an agency of the State of Texas and will oversee and approve the repair and construction of the dam by GBRA, collect a maintenance tax to cover WCID expenses and the operations and maintenance expense of the dam, a contract tax to repay the debt on the dam construction (both through the County Tax Assessors), collect the gross revenues from GBRA from the hydroelectric operations of Lake McQueeney, and pay all bills of the operation of the WCID.

### **2e) Will the Lake McQueeney WCID provide other services to the district, such as water or sewer service?**

The exclusive focus of the Lake McQueeney WCID is to generate the funds to repair and sustain the dam in perpetuity. There are no plans to provide any water, sewer, or wastewater services.

### **2f) What will be FOLM's role now that the WCID has been created?**

Once the WCID is confirmed by the voters, it is anticipated that FOLM will resume the normal functions and activities it engaged in historically.

## **GBRA's Role**

### **3a) What will be GBRA's share of the total cost of the dam?**

GBRA's contributions are substantial. We will receive 100% of the gross hydroelectric revenues from Lake McQueeney for as long as the operating agreement with GBRA remains in place. For the past ten years, these revenues have averaged \$585,000 per

year. We expect the more modern dam technology we will produce even more revenue from the hydroelectric operations than has been possible historically.

The total GBRA contribution breaks down like this: GBRA has already agreed to fund the engineering and design for our dam, assuming the WCID is approved by voters in November. They are planning to spend approximately \$17.55 million over the 30 years to pay for their share of construction via the hydro revenues. Add to that the cost of armoring the dam, which they plan to cover from separate funds that we will not have to repay.

GBRA has committed well over \$17 million for a \$40 million project. When the engineering and armoring costs are added in, they will be funding the majority of the bill. These figures are preliminary, and there is a good chance that costs could come down as the engineering documents are completed and we begin talking to contractors. If that happens, GBRA's share would be even greater as it is based on revenue streams that are well documented.

### **3b) Will the WCID own the dam and operate it or will GBRA still operate and maintain the dam?**

GBRA will own, operate and maintain the dam as well as finance the construction and repair of the dam, oversee the repairs, and operate the hydroelectric facilities.

We had intensive discussions both internally and with our legal and financial counsel about the benefits and downsides of owning the dam. That was a complex choice and we spent a good deal of time learning as much as we could about the pros and cons before we made a decision.

The potential for litigation claims arising out of a dam failure or dam operations is one of the reasons why it was decided that it was not prudent for the WCID to acquire ownership of the dam or responsibility for operations.

### **3c) What are the GBRA's responsibilities in the event of a flood? As an example, what if the gates are not lowered in a timely manner?**

The new dam will enable the gates to be operated remotely, which will significantly reduce the emergency response. It is currently contemplated that the WCID will contract with GBRA to manage all aspects of the dam operations, including flood events. Anything related to the operation and maintenance of the dam would be their contractual responsibility, but an interlocal agreement would protect the interests of the WCID and its property owners.

### **3d) Will GBRA work with the WCID to lower and raise the water level for waterfront maintenance/improvement on a 2-3-year schedule?**

This question has been discussed with the GBRA, and they are amenable to working with the WCID on items like this.



## Property Taxes

### 4a) What new taxes can we expect to see?

The WCID will ask **voters** on **November 3** to approve a “contract” tax as well as an “operations and maintenance” tax. The contract tax is designed to pay back the money borrowed to fix the dam, and related costs. It includes contractually obligated payments for debt service, debt reserve requirements, capital repair, and replacement costs. A separate operations and maintenance tax will be collected to cover WCID expenses and the operations and maintenance expense of the dam.

The purpose of the maintenance and operation tax will be to provide the funds needed to run the district’s operations, which include things like a website, a phone, future staff, as well as accounting, audit, and legal services, among other usual kinds of business expenses, as well as the operations and maintenance expense of the dam.

To keep operating costs low, there are no staff contemplated, no salaries for directors, and no offices or buildings planned.

The contract tax will be used for two purposes: 1) to repay the portion of the debt to rebuild the dam that is not covered by hydroelectric revenues, and 2) to accrue funds for maintenance and repairs that will be needed in the future.

Both the contract tax rate (Proposition B) and the maintenance and operations tax (Proposition C) are designed with a fixed tax rate, but that could change depending on the district valuation.

### 4b) How much will the new tax be?

Experts have prepared both a best case and a worst-case estimate of the tax rates. We are confident the cost of the dam will not exceed \$40 million so the key variables in setting the tax rate are the total district valuation and the interest rate required to secure the funds.

The district valuation is approximately \$435 million; the scenarios below show the impact of the interest rate. Proposition C sets the operation and maintenance tax at \$0.05/\$100; the balance of the tax is the contract tax which is for the dam.

*In the worst-case scenario*, the Proposition B bonds would be sold on the open market, the contract tax would be \$0.30/\$100, and the total tax would add a nickel to that, or \$0.35/\$100 in total. For a typical \$500,000 home, the WCID tax would add about \$133/month or \$1,600/year.

*In the best-case scenario*, our efforts to secure zero percent financing from the Texas Water Development Board are successful, and the contract tax would drop to \$0.15/\$100. Add the nickel for the Prop C tax, and the total is \$0.20/\$100. At this rate, that same \$500,000 home would pay a total tax of \$83/month, or about \$1000/year.

There are multiple variables in this calculation, but it is easy to see that the interest rate has a large impact. We are optimistic that we can secure low or even very-low rates on these bonds.

#### **4c) Can WCID taxes increase over time? Can they decrease over time?**

Both the contract tax rate (Proposition B) and the maintenance and operations tax (Proposition C) are designed with fixed tax rates that will not vary over the term of the bonds.

#### **4d) How do you pass on the taxing responsibility to a prospective buyer of your property?**

That happens just like it does with schools or county taxes. The tax is attached to the property and transfers with it automatically if sold. When you sell, this tax will be handled like other property tax categories (schools, roads, etc.), and will be managed by the county tax assessor/collector.

#### **4e) What happens if I refuse to pay the extra taxes?**

The taxes, like all property taxes, will be collected and enforced by your county tax collector. Once levied, they are like any other property tax. There are severe penalties for not paying assessed taxes, including foreclosure of property for nonpayment.

## **Costs and Financing**

#### **5a) What will the new dam cost?**

The cost of the dam, based on the issues that have been identified by our engineers and advisors, as well as the engineering work done for Dunlap, is estimated at \$40 million.

#### **5b) What income will we receive from GBRA?**

We will receive 100% of the gross hydroelectric revenues from Lake McQueeney over the life of the loan for as long as the operating agreement with GBRA remains in place. For the past ten years, these revenues have averaged \$585,000 per year. We expect that with the more modern dam technology, we will be able to produce even more revenue from the hydroelectric operations than has been possible before the dam failed historically.

The total GBRA contribution breaks down like this: GBRA has already agreed to fund the engineering and design for our dam, assuming the WCID is approved by voters in November. They are planning to spend approximately \$17.55 million over the 30 years to pay for their share of construction via the hydro revenues. Add to that the cost of armoring the dam, which they plan to cover from separate funds that we will not have to repay.

#### **5c) How will the work be financed?**

We have agreed with GBRA to pursue zero or low-interest funding for the dam reconstruction from the Texas Water Development Board. GBRA will secure the loan with their credit rating, and we will repay them over approximately 30 years.



### **5d) Why should we do this now?**

We currently have two key opportunities that make this plan very compelling right now. The first is that we can leverage our efforts with the efforts taking place on Dunlap, saving millions in engineering and construction efficiencies related to building not just one dam, but several in succession. The second is that we have access to very low-cost money right now. There is no guarantee that these funds will continue to be available in the future. The time to secure these funds, and the plan as a whole, is right now!

### **5e) Why shouldn't we wait until the lawsuit is completed before we commit to taxing ourselves?**

These two efforts are not mutually exclusive in any way. If we are successful with the plan to get work going, and if the ongoing litigation against GBRA also succeeds in the 5-10 years it will take to work its way through to the Supreme Court, great! GBRA will pay off our debt, and we will have had a lake those 3-8 years for what most consider a very reasonable cost. These are years when many of our kids and grandkids will be of the prime age to enjoy our Lake. *Both efforts can complement each other.*

An even stronger reason to move forward is that there is a very strong economic case for why people should invest in this plan, if only for the relatively quick return in value from the approximate 28% loss in value most property owners experienced on their recent tax appraisals.

If you want your dam fixed and the risk of its imminent failure gone, this plan is a sure bet. The plan, if passed by the voters, is a guarantee to bring the lake back in short order once construction starts. For homeowners, the value return is definitely very compelling.

## **Construction**

### **6a) I have heard there are different options for repairs. Why were hydraulic crest gates chosen?**

Our team of engineers and other experts looked at this deeply for several months. They looked at all the three options, and given all the facts, plus the genuine need for stop logs to make maintenance safe and routine, they advised us that with stop logs the costs for all spill gate options are virtually the same.

FOLM's engineering committee, the WCID, and the GBRA are all in agreement that the option we want first is the ability to use stop logs. Our skilled engineers and advisors have looked at all the options very hard, and all are also in agreement that the plans GBRA has made are based on the best choice of action available to us.

The hydraulic crest gates are a very reliable, proven spill gate technology that is used all over the US and the world. It is a durable, practical, efficient design that is safe and easy to maintain. Once the essential restoration work to the main dam structure is factored in

that simply has to take place, plus the safety and lake-level stability that stop logs offer, the cost of any of the three spillgate candidates was essentially the same.

One source of confusion is that the lower cost initially attributed to the bear trap gates was not realistic once the true issues with the dam surfaced. Of the \$40 million estimated for the dam restoration, only about 9% (\$3.6 million) is allocated to the actual gates, which will cost about \$1.2 million each. The remainder is to ensure the core dam structure is sound.

### **6b) What are stop logs? Will they be part of the dam?**

Stop logs are a ready-to-use way to isolate the spill gates for inspection or repair on very short notice. When put into place into channels in front of the spill gates, stop logs seal off the dam and allow it to be maintained with a much higher margin of safety, without the need to remove the water from the lake, greatly reducing maintenance costs.

The stop logs are part of the dam, in that they will be built along with the dam improvements, permanently stored next to the spillways, and installed with a mechanism to allow them to be easily moved into place. They are always on site and will be ready to be used on very short notice as needed.

### **6c) Will the lake need to be lowered during the construction process, and if lowered by how much and for about how long? After construction is complete, will it go back to its historic (pre-2016) levels?**

Zachry Construction Corp has been contracted to investigate methods to maintain the current lake elevation during dam reconstruction. A geotechnical testing company has been hired by Black and Veatch to conduct borings, geotechnical testing, and generate a geotechnical report. The borings are scheduled to occur by late September 2020. The geotechnical report will provide the soil bearing capacities for supporting the temporary coffer dams. Zachry will begin performing their services after the geotechnical report is available

We do not currently have a construction timeline specific to Lake McQueeney, so we are using Black & Veatch's timeline for Lake Dunlap, which is 28 months (24 months for construction plus 4 months to allow for weather events).

We have been told by the GBRA that the Lake Dunlap coffer dams will be 4ft above the current hinge point/concrete sill. If this were to hold true for McQueeney, the lake level would be approximately 8½ ft below *normal* lake level or 7ft below the *current* lake level, during construction.

(McQueeney's lake level is currently ~18 inches below normal levels due to the lake level being lowered for gate repairs. While the repairs were abandoned due to safety concerns after the Lake Dunlap gate failure, there was no way to raise the gates to the normal height. McQueeney's temporary lower lake level was retained when the restraining order was granted.)

The lake level will be raised to the pre-2016 lake level when the dam restoration is approved, and construction completed.

**6d) If our lake is lowered by eight feet, what effects will it have on our trees? Will different species of trees be more susceptible to damage than others? What actions would you recommend to property owners to help mitigate tree damage and/or loss?**

We asked an arborist to help us with this one. When the lake drops that much, he noted that the underlying water table also drops by a similar amount. The health of your trees is going to depend on two factors: 1) how much of a tree's root system was within the water table before the lake was lowered and 2) the ability to irrigate those areas no longer within the water table. Basically, all trees along the water line need to be watched carefully for signs of stress, no matter what the tree species.

Simply put, if normal lake levels have kept your trees watered without your help in the past, most of those trees will need your help with additional watering if the lake drops for an extended period of time, but they can be saved until the lake comes back.

If water levels are lowered on Lake McQueeney, it may take a couple of months before some of the trees begin to show signs of stress. You can get ahead of that with targeted watering as soon as you can. Many owners on Dunlap have installed drip systems that pull water from the lake.

Cypress trees with a significant portion of their critical root zone may begin to go into dormancy if dry conditions persist. Other trees may partially or fully defoliate and others may turn a pale green or yellow. The worst potential problems are crown dieback or outright death. Trees in distress will definitely need additional irrigation to help stave off these problems. Best is to not let them get stressed by planning to proactively water trees along the waterfront that you want to keep healthy.

A good general rule is that you need to keep the area within the drip line of the tree that was partially submerged moist with irrigation.

**6e) Can the repair/replacement process be accelerated?**

We think it can. Our engineers and advisors are committed to making sure we have planning and construction efficiencies in the plan, along with timing and performance incentives in the contractor agreements. These experts will be much involved in reviewing the engineering documents as they come out.

**6f) What is to prevent the dam from falling into disrepair in the future?**

Our plan will restore the dam in a way that makes ongoing maintenance considerably safer and much cheaper. We plan to implement a cycle for gate replacements on a regular schedule that ensures that the gates will never fail again, and even if they do, we can fix them without draining the lake because the plan includes the addition of stop logs. The WCID will make it possible to create a maintenance fund in perpetuity, so this dam will always be operational for not just decades, but generations to come.

### **6g) What is the timeline for construction?**

If voters endorse the plan November 3<sup>rd</sup>, the dam construction could be started in Fall 2021, and completed by October 2023. We do not currently have a construction timeline specific to Lake McQueeney, so we have been using the estimates for Lake Dunlap, which specify 28 months start to finish. (24 months for construction plus 4 months to allow for weather events).

### **6h) What if the water district is formed and then it turns out that the cost of repairs/replacement is going to be a lot higher than anticipated?**

The engineering work for the McQueeney Dam is just getting underway. The best estimate today is that the cost will be \$40 million. This number, however, includes a large amount for TCEQ-required hardening of the dam itself, and GBRA intends to fund the hardening with a grant from the state. Until we know if GBRA got that grant, and we have actual bids and a construction contract, the \$40 million is the most accurate number we have for the cost. While we feel GBRA will get this grant and thus the final cost of the dam will be less, the tax numbers we are estimating here are based on this \$40M figure.

Given the nature of the design and bidding process, the contractual basis of the agreements, and other factors, we do not believe that a significant increase in costs is very likely, but there is a provision in the plan to pull the plug before the project actually starts if it is no longer affordable. The Board of Directors of the WCID, elected by district residents, must approve all funding by the District, and they would be the body that would make this assessment and ultimately the decision to go forward or not as needed.

We are required to get voter approval for the maximum amount that we can borrow under the life of the note and have set the maximum the WCID is allowed to borrow at \$40 million to both cover the debt and give us a potential source of emergency funds in the event of a dam or hydroelectric failure.

## **Potential Liability**

### **7a) Can the WCID and its members be sued?**

As a political subdivision with elected officials, the WCID and its directors will generally enjoy governmental immunity from claims. There are some exceptions to the immunity, but the WCID would secure insurance to protect the District and its directors from liability exposure.

Waterfront property owners (e.g., property owners within the District) will have no liability exposure arising out of the District's actions.

### 7b) What if the dam breaks and there are injuries or fatalities? What are the consequences?

The potential for litigation claims arising out of a dam failure or dam operations is one of the reasons why it was decided that it was not prudent for the WCID to acquire ownership of the dam or responsibility for operations.

### 7c) Why do we want GBRA to own/operate the dams?

We had intensive discussions both internally and with our legal and financial counsel about the benefits and downsides of owning the dam. That was a complex choice and we spent a good deal of time learning as much as we could about the pros and cons before we made a decision. In the end, those involved in these discussions realized that operating a dam is not easy, nor without risk. GBRA has decades of experience doing this across multiple dams, and frankly, we would have to spend a lot of money to get that expertise. It just wasn't a good value proposition for the District property owners.

The potential for litigation claims arising out of a dam failure or dam operations is one of the reasons why it was decided that it was not prudent for the WCID to acquire ownership of the dam or responsibility for operations.

## Voting and the November 3<sup>rd</sup> Election

### 8a) Who can vote in the November 3 election?

Any registered voter (including children of voting age and tenants) who is registered at an address within the WCID will be able to vote on the approval of the District, the associated propositions, and the board of directors. (The rule of thumb is that if the property touches the lake, or is on Treasure Island, it is in the District; if it doesn't, it is not).

- Statewide election rules for Texas hold that your voter registration address should match that of your domicile, which is your "main" home.
- You *\*do not\** need to be a homeowner to vote on the propositions in the WCID election.
- The address you have designated as your homestead is not relevant nor asked for in your voter registration. Your voting address and your homestead address can be different.
- While you are required to show your driver's license or other government ID for any Texas election to verify your identity, the addresses on your ID and your voter registration can be different. Polling officials only are allowed to check the name and the expiration date on your ID and do not compare the addresses.
- If your voter registration address matches a property within the WCID boundary, you will be given a ballot that includes the WCID propositions.

The deadline to **register to vote** in any Texas election is 30 days before the election, or for the November 3<sup>rd</sup> election, **no later than October 5**. You can learn more here: <https://www.votetexas.gov/register-to-vote/>

**8b) What WCID questions will be decided in the November 3 election?**

There will be three WCID propositions on the November ballot, plus the election of directors.

All three propositions — A, B, and C — need to pass on **November 3<sup>rd</sup>** for the plan to move forward and construction to start.

Each proposition is discussed in turn, below:

***A. “Shall the creation of Lake McQueeney Water Control and Improvement District No.1 be confirmed”***

**A vote of "FOR" Proposition A is a vote to formally approve the creation of the Lake McQueeney WCID.**

A vote against Proposition A is a vote to not have a WCID, and essentially a vote to kill the project entirely. Without a WCID, we cannot raise the money to pay for the restoration.

***B. “Shall the provisions of the contract for financing and operation of Lake McQueeney dam and hydroelectric facilities between Lake McQueeney Water Control and Improvement District No. 1 and Guadalupe-Blanco River Authority (“GBRA”) be approved, including particularly the provision thereof requiring the district to levy an annual ad valorem tax on all taxable property within said district to make certain payments thereunder for the debt service requirements of the GBRA Lake McQueeney dam and hydroelectric facilities bonds and for charges associated with GBRA’s operation and maintenance of the Lake McQueeney dam and hydroelectric facilities, all as defined and provided in said contract?”***

**A vote of "FOR" Proposition B is a vote to authorize the Lake McQueeney WCID to levy a tax to fund the restoration of the Lake McQueeney dam and its hydroelectric capacity.**

A vote against this proposition is a vote to cripple the plan and deprive it of the needed financial mechanism to fund the restoration of the lake.

***C. “Shall the Board of Directors of Lake McQueeney Water Control and Improvement District No. 1 be authorized to levy and collect an operation and maintenance tax (in addition to any other operation and maintenance tax authorized by the voters of said district) not to exceed five cents (\$0.05) per one hundred dollars (\$100) valuation on all taxable property within said district to secure funds for operation and maintenance of all district facilities authorized by Article XVI, Section 59, of the Texas Constitution, including, but not limited to, funds for planning, constructing, acquiring, maintaining, repairing, and operating all necessary land, plants, works, facilities, improvements, appliances, and equipment of the district, and for***



*paying related costs of proper services, engineering and legal fees, and organization and administrative expenses?”*

**A vote of "FOR" Proposition C is a vote to approve the tax for operations and maintenance of the Lake McQueeney WCID and the dam and its related assets.**

To keep the operating costs of the Lake McQueeney WCID low, there are no staff contemplated, no salaries for directors, and no offices or buildings planned.

**The operations and maintenance tax rate planned for our district is 5 cents per \$100 valuation; that rate is included in the \$0.20/\$100 total tax estimate.**

A vote against Proposition C is a vote to not fund the district's operations, which include things like a website, a phone, future staff, as well as accounting, audit, and legal services, nor to fund the operations and maintenance expense of the dam.

All three propositions — A, B, and C — need to pass on **November 3<sup>rd</sup>** for the plan to move forward and construction to start.

**8b) Where do I go to vote?**

The election will be run by the same county election administrators that run all the local elections and polling places for every election (including state-wide and federal), so you can expect that in really almost every way, the election will be just like any other proposition or school board election.

A list of all the polling places in the county will be posted on the WCID website. They will be the same locations as those for the presidential election. The website will also provide times and dates for early and mail in voting as well.

**8c) What happens if the vote does not pass?**

All three propositions must pass for the plan to move forward. We hope that voters will endorse the plan, of course, so we can capitalize on Texas Water Development Board funding, and not lose unnecessary time in getting our dam repaired.

All our efforts at the moment are on helping district voters, owners, and residents understand the plan and why it makes sense to vote FOR all three Lake McQueeney Propositions — A, B, and C — on **November 3<sup>rd</sup>**.

