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Residents of Guadalupe River lakes brace for worst

Josh Baugh | June 22, 2019 | Updated: June 22, 2019 7:45 p.m.

The spill gates of four aging dams on the Guadalupe River are at such a high risk of collapse that the agency in charge has halted all repairs.

The Guadalupe-Blanco River Authority — which owns four dams still in operation and two others where spill gates failed, draining Lake Dunlap last month and Lake Wood three years earlier — put an indefinite hold on work four days ago, citing safety reasons.

The possibility of another spill gate breakdown has added urgency to the search for money, by the GBRA and property owners, to solve the problem permanently.

Some property owners on the lakes, concerned that a financial fix from the state or federal government may never materialize, are now talking about the possibility of an election to create special local districts with taxing authority to help pay for replacement spill gates.

On Lake Dunlap, some residents have taken the initial steps to form a district that could end up buying the dam from the GBRA for \$1.

Others are contemplating whether to sell their houses rather than risk property devaluation or loss of lakefront access.

In the meantime, some residents of McQueeney and Placid lakes — the two closest to Dunlap — are playing it safe and keeping their boats out of the water so they won't be stranded if their lakes drain suddenly, like Dunlap and Wood.

"It's not a matter of *if* the (McQueeney) dam breaks, but *when*," real estate broker and McQueeney resident Lisa Thomson said, based on comments she has heard from GBRA representatives.

"Some people are hoping wealthy lake homeowners will step up to cover the costs. Others say it will be funded in the next legislative session, which would ultimately take years," she said. "And a special taxing district is also being considered."

"People are also saying the dams no longer serve the same purpose as they did 'back in the day,' and to let the river go back to its original flow and get rid of the headache altogether."

The six dam structures — built between 1927 and 1932 for hydroelectric power generation — are in fair to good condition, according to inspections in 2018 by the Texas Commission on Environmental Quality, which checks them every five years.

Beyond repair

The problem is the deteriorated state of the spill gates, which are opened and closed to set the lakes' levels. Made of steel and wood some 90 years ago, the gates are beyond repair and outmoded, the GBRA says.

For safety reasons, the TCEQ doesn't routinely inspect the interior of the gates or do an operational assessment, a spokeswoman said.

The GBRA does, and has known about the problems with the gates. Since 1963, when the agency bought the dams from the private owners that built them, it has spent \$25 million on overall repairs and maintenance.

Charles Hickman, the executive manager of engineering for GBRA, said the problem with the existing gates "is the age of the steel. Given what happened at Dunlap, we have to completely re-evaluate any approach toward maintenance of these spill gates."

To replace all 15 with better ones, solid steel hydraulic crest gates, is estimated to cost \$179 million and take two to three years per dam.

The GBRA doesn't have the money but is looking for help in all directions. It doesn't collect taxes or receive money from the state and it is not allowed to spend revenue from other services, like selling water, on the dams.

At one time, the dams made money by generating electricity, but those days ended with the abundance of inexpensive natural gas and deregulation of energy markets.

Kevin Patteson, GBRA's CEO and general manager, has said that the future of the dams and lakes isn't their hydroelectric production but recreation.

They are popular spots for water-skiing, wakeboarding and fishing, among other activities.

Patteson was hired by the GBRA after the Lake Wood failure, and lake residents say he's been upfront about the problem.

Kevin Skonnord, president of the Citizens United for Lake Placid, an association of property owners, said Patteson and other GBRA officials have been sounding the alarm about the condition of the dams, but some residents reacted like the concern was overblown.

"A lot of people thought it was Chicken Little, the sky is falling," he said. "But ever since Dunlap, I've been flooded with emails. People are asking, 'What's the plan? Why isn't the state helping?'"

Mark Williams, vice president of Friends of Lake McQueeney, has lived on the lake since he retired more than a decade ago.

"All of us have taken for granted that the lakes would always be there," he said. "And we don't take that for granted any more."

He removed his boat from the water when the GBRA lowered the lake level for dam repairs.

"But repair work has ceased because getting inside the dam is too hazardous for anyone to take that chance. The river authority considers the failure of any of these dams to be imminent," he said. "It could

be tomorrow morning. It could be five years. But the fact that two out of six have failed indicates that they're at the end of their useful life."

Who will pay?

Williams thinks from a "moral standpoint, the people with property on the lake ought to bear the brunt" of the cost of fixing the dam at McQueeney, where residents have estimated there's \$550 million in property value.

Skonnord, the Placid association president, said property owners have a vested interest in taxing themselves to help pay for new spill gates. A few thousand dollars more in property taxes each year, dedicated to debt service on bonds for new spill gates, would be a small price to pay to prevent losing another lake and seeing property values fall.

Others noted that the nearby cities and counties also benefit from the lakes, which stretch from south of New Braunfels to near Gonzales.

Bob Spalten, president of the Lake McQueeney group, said the lakes contribute significantly to the local economy.

Dunlap failed just before Memorial Day, so consider the number of people who would have been on the lake that weekend, he said. They do business with local boat repair shops, gas stations, restaurants groceries and liquor stores.

"The ripple effect, in my estimation, is huge," Spalten said.

J. Harmon, president of the Preserve Lake Dunlap Association, said the onus is on property owners to take charge of the funding.

He said his group is taking the initial steps to call an election that would lead to the creation of a water district. The district, he said, would be specific to waterfront property owners on Dunlap and, if approved by a majority of voters in the proposed area, would assess an annual tax of about \$6 to \$8 per linear foot of waterfront property.

Harmon thinks the assessment, along with financial assistance from Guadalupe County and the GBRA, would be enough to pay the debt service on a 30-year bond to cover the estimated \$28 million cost of overhauling Dunlap's dam. The GBRA would transfer the dam to the district for \$1.

"The reason we're going to form this district is because everybody has been looking for money, from Washington, D.C., to Texas," he said. "But there's no money out there."

He added: "Anybody who doesn't want to participate in the district, and it gets voted down, they better be willing to live with the condition it's in now."

At a meeting a few nights ago, the group's board gave the plan the go-ahead.

Some residents are still recovering their boats, left stranded after the lake drained. It now looks more like a river with wide grassy flats along it.

Now that the flats have dried, some owners are building boardwalks from their docks out to the river channel so they can still find some enjoyment in the water that's left, Harmon said.

Tractors are crawling along the earthen banks, slipping boats back into the river channel and their owners are taking them to Harmon's boat ramp, which he extended out to the river.

Though real estate agents and appraisers say it's impossible to know yet how much a waterless lake would hurt property values, some have estimated it could mean a 50 percent decrease.

Leati Menn-Lang, a Placid homeowner and real estate appraiser with waterfront-property expertise, said some residents are talking about whether to leave.

"I've had the discussion with my husband, 'Do we sell now while we have water? Or do we hang onto it and hope the dam stays?'" she said.

While a couple of homes on Placid have sold since May 14, when the Dunlap dam failed, some buyers have pulled out of deals — unsurprisingly on Dunlap, but also on McQueeney.

At the same time, Menn-Lang said, several McQueeney properties are supposed to be coming on the market soon. If prices drop, she said, it could be because of a glut of properties or it could be worries about the lake.

Williams said his neighbor at McQueeney had planned an addition to his home but decided to against it because of doubts about the future of the lake.

"Needless to say, it's probably not a good time to sell your property," he said. "We love living there. We love looking out onto the lake. We don't ski anymore, and I'm not a fisherman. But just being there is wonderful."