Highland Lakes Marina Ordinance

Summary of Recommended Revisions

Water Operations Committee Meeting
May 23, 2023
Highland Lakes Marina Ordinance

- Originally established in 1984
- Last updated in 2011
- 147 permitted marinas on the Highland Lakes
Activities Since our Last Update

• Completed an overhaul of the ordinance
• Updated the fee schedule
• Posted proposed updates for review and comment in March 2023
• Held a public comment meeting on March 15
• Evaluated public comments
• Redrafted the proposed ordinance and fee schedule
• Prepared recommendations for Board consideration
Summary of Proposed Amendments

- Revise community marina regulations
- Replace unencapsulated flotation material
- Update fee schedule
- Update processes related to permit applications and amendments, public engagement, and appeals
- Revise/exempt certain location, configuration and setback requirements
- Update definitions, including for residential docks
- Increase minimum limits of liability insurance for marinas
- Reformat ordinance
Summary of Comments Received

• Community marina regulations
  – Too restrictive on existing community marinas

• Encapsulated flotation material
  – Timeline to replace is too short

• Updated fee schedule
  – Proposed increase too soon

• Other comments
Summary of Proposed Amendments

• Community marinas
  – No new community marinas will be permitted
  – Existing community marinas allowed to expand as they could under the existing ordinance
  – Subject to application and other fees
  – Not subject to annual permit fees (no change from existing ordinance)
Summary of Proposed Amendments (Continued)

• Replacement of unencapsulated flotation
  – Establish a two-year timeline for replacement
  – Allow for the execution of an unencapsulated flotation replacement plan
  – Require replacement of flotation material that is:
    ▪ More than 25% degraded
    ▪ Not providing enough buoyancy
Summary of Proposed Amendments
(Continued)

• Annual permit fees
  – Fees will increase from $0.08 per square-foot to $0.14 per sq-ft for the first 10,000 sq-ft
  – Fees will increase from $0.23 per sq-ft to $0.38 per sq-ft for square footage greater than 10,000 sq-ft
  – Fees will be phased in on the following schedule:
    ▪ Half of the rate increase beginning in January 2024
    ▪ Remainder of the rate increase beginning in January 2025
  – Residential and community marinas are not subject to annual permit fees
Summary of Proposed Amendments (Continued)

• Other changes related to fees
  – Charge marinas the same permit application minimum filing fee
  – Charge residential and community marinas application and other fees (not subject to annual permit fees)
  – Separate the fee schedule from the ordinance
  – Update refund information to standard used by other water regulatory programs
HLMO Rate Development

• Develop a methodology for assigning annual budget to three primary programs
  – Highland Lakes Marina Ordinance
  – Residential Dock Safety Standards
  – Buoy and navigation management

• Develop rates that recover the full cost of service of the HLMO program
  – Current rates recover only a portion of program costs
  – Remainder is supplemented by other LCRA funds
• Used fiscal year 2026 as the test year for computing the rate
  – Due to the step-in recommendation for the rates, FY 2026 is the first year the full rate will be in place

• Cost to recover includes
  – FY 2026 budget for the marina program
  – One-third of FY 2026 budget for buoy and navigation management program
## Allocation of Water Surface Management Budget to Three Core Programs

<table>
<thead>
<tr>
<th>(Dollars in thousands)</th>
<th>Total Water Surface Management Costs – FY 2026 Budget</th>
<th>Allocated to HLMO</th>
<th>Allocated to Residential Dock</th>
<th>Allocated to Buoy/Navigation</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Percent</td>
<td>Amount</td>
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<tr>
<td>Labor</td>
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<td>52.3%</td>
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<td>Materials and transportation</td>
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<tr>
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<tr>
<td><strong>Totals</strong></td>
<td>$1,963.1</td>
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<td>$1,004.7</td>
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</table>
Boat traffic on the lakes originate from marinas, private docks and public boat ramps.

Buoy and navigational management provide navigation and safety aids to all lake users.

Marinas benefit from this service; include one-third of buoy/navigation budget in computation for marinas.

Total budget to recover in FY 2026 is about $1.18 million.

### Highland Lakes Marina Ordinance FY 2026 Budget For Rate Making

#### Table

<table>
<thead>
<tr>
<th>(Dollars in thousands)</th>
<th>HLMO Budget</th>
<th>One-Third Buoy/Navigation Budget</th>
<th>Total Allocated to HLMO</th>
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<td><strong>$1,176.1</strong></td>
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</table>
New Rate Impacts

- Rate increase phased in between January 2024 and January 2025
- Use FY 2026 to develop the rate
- FY 2026 will be the first LCRA fiscal year with the new rate
Next Steps

• Agenda item tomorrow will request approval for:
  – Revised Highland Lakes Marina Ordinance
  – Changes to the HLMO fee schedule
  – Conforming changes to the Safety Standards for Residential Docks
  – Repeal of the moratorium on processing new community marina applications
  – All effective May 24