

October 29, 2012

Mr. J. Brian Atkins, P.E.  
Division Director  
Alabama Office of Water Resources, a division of the  
Alabama Department of Economic and Community Affairs  
401 Adams Avenue, Suite 434  
Montgomery, AL 36103-5690

Re: Water Management Issues in Alabama

Dear Mr. Atkins:

On behalf of Lake Martin Resource Association, Inc., I am pleased to offer these comments concerning the Alabama Water Agencies Working Group report, Water Management Issues in Alabama. The Lake Martin Resource Association, Inc. ("LMRA") is a non-profit corporation currently comprised of 1,200 members. The Certificate of Incorporation of LMRA (formerly known as the Lake Martin Recreation Association, Inc. states that its purpose is:

"To improve and increase the quality and quantity of recreational opportunities on the water and the land adjacent to the water that makes up the reservoir known as Lake Martin, the same being situated in East Alabama and in the Counties of Tallapoosa, Elmore and Coosa. It shall further be the purpose of this corporation to foster stable water conditions; improve the fish and stock of fish; organize and engage in recreational activities for people of all ages; improve markings and directions for people who use the waterway; to aid and develop the stopping of pollution of said water; to work with all appropriate federal, state, and local agencies to make this Lake a safe place for fishermen, skiers, boaters, and all other persons who want and wish to use this water and its adjacent areas for the purpose of recreation and sport."

LMRA was incorporated in 1970 and intervened in the re-licensing proceedings involving Alabama Power Company ("APCO") and the Federal Power Commission (now known as the "Federal Energy Regulatory Commission" or "FERC") on behalf of recreational users and property owners on Lake Martin. During the course of the re-licensing proceedings, LMRA played a central role in brokering compromise agreements among APCO, itself and other interveners to preserve the recreational uses of Lake Martin.

In the years after the formation of LMRA, the economic impact of Lake Martin has grown in significance and it now serves as a powerful economic engine for east central Alabama. The breadth of this economic impact was demonstrated during the most recent re-licensing proceedings by APCO. FERC required APCO to study the economic impact of Lake Martin as a condition of the licensing process. APCO's consultant designed a study that focused primarily on businesses on the shores of Lake Martin. LMRA believed that the economic reach of Lake Martin extended significantly beyond its shores and assembled a coalition of participants, including LMRA, the Elmore County Commission, the Tallapoosa County Commission, the City of Alexander City, the Middle Tallapoosa River Basin Clean Water Partnership, the Lake Martin Area Economic Development Alliance and Russell Lands, Inc., that retained Robert Charles Lesser & Co. ("RCLCO") to conduct an economic impact analysis of Lake Martin. This historic

coalition of governments, public interest groups and private industry agreed that the economic impact of Lake Martin should be measured and evaluated using objective empirical data.

This study determined the current impact as well as the expected impact for 36 years in the future. Consideration was also given to the economic impact with a higher year-round water level. Some of the findings of this analysis are as follows and show the significant economic impact of Lake Martin: (figures are current as of 2009)

- 7,033 housing units in the study area (Lake Martin shoreline)
  - 3.4 Billion---appraised value of real and personal property in study area
  - \$ 409,000 --average home value
  - \$ 88.7 million—retail sales generated by Lake Martin businesses
  - 450 jobs generated directly from Lake Martin businesses
  - 1,146 jobs indirectly generated because of Lake Martin
  - \$ 20.6 million –tax revenue generated directly because of Lake Martin
- Analysis of Economic Impact projected over next 36 years:
- 6,211---additional housing units in study area of Lake Martin
  - 1,033---additional jobs directly related to Lake Martin
  - \$ 1.14 billion—additional tax revenue

From this analysis, it is clear to see that Lake Martin is a huge treasure to the surrounding counties and the State of Alabama. If Lake Martin did not exist, these jobs, homes, retail sales or tax revenue would not exist. For additional information about this Economic Impact Study, please refer to [www.LMRA.info](http://www.LMRA.info) for a complete analysis.

Often when economic impact is associated with a body of water, the quality of that water may be compromised. That has not been the case for Lake Martin. In 2010, Governor Bob Riley signed an Executive Order designating Lake Martin “A Treasured Alabama Lake” (formally approved in April 2011). This designation simply put the stamp of approval on what we already knew. Lake Martin’s pristine waters will serve as a water conservation model for other lakes in the state. Lake Martin was the first Alabama Lake with this distinction. The Treasured Alabama Lake designation provides a level of protection for generations to come but it does not unduly restrict development around the lake. It does require strong environmental considerations in the future. Now, Lake Martin is officially a “Treasure”.

LMRA appreciates the foresight of Governor Bentley in focusing on water resource management. LMRA also appreciates the efforts of the Alabama Water Agencies Working Group in accumulating the necessary data to accomplish the goal of providing a comprehensive water resources management plan for The State of Alabama. We respectfully ask that the comments in this letter be considered when developing water management policy.

Very truly yours,

Steve R. Forehand  
Legal Officer