

A while back, I wrote about an STR boom town called Hochatown. I recently read a *Wall Street Journal* article by Matt Wirz about another type of boom town. Like the Hochatown article I wrote, the WSJ article, "This Texas City is Too Hot, Short on Water and Booming," is also a cautionary tale.

The article states that Kyle, Texas, located just outside of Austin, is the second fastest-growing town in the country. In fact, its population has increased by 35% since 2020. The growth has been triggered by the relocation of several major companies to Kyle, including a 308,000-square-foot Amazon facility.

Kyle has seen a proliferation of subdivisions that offer reasonable home prices. Folks have flocked to the town because of employment opportunities, housing costs, and community amenities. Given that Kyle even now has a population of 63,000 people, it has been a very attractive place to relocate from big cities and live the good life. Or at least that is what the folks coming from all over the country thought. But, there have been growing problems and challenges for the local government and residents.

First, as Wirz points out, with on setting climate change, Kyle is too hot. I mean really hot. This spring, not this summer, but this spring, the town was experiencing 100-degree temperatures. They have not let up this summer but only increased in intensity and frequency. The result is many residents stay in their homes most of the summer to cope with the heat. Exercising and playing in the town parks and ball fields have been greatly curtailed. The heat simply impacts the quality of life in Kyle.

The second byproduct of the growth and heat explosion is that Kyle is running out of water. The town is in a continual cycle of drought, and water demand from new suburbs is draining the aquifer that supplied Kyle when it was much smaller.

The lack of water, heat, and dry conditions have many new homeowners concerned that the dry and shrinking soils under their home foundations will cause serious damage. As if that were not enough, increased traffic is creating traffic jams and extending commute times, problems that many newcomers thought they had escaped from their former lives.

To solve the water problem, the city of Kyle and some neighboring towns are building a 40-mile water line to pipe water from another aquifer. That project will cost 250 million dollars. How will Kyle pay for it? The water customers will.

In fact, from 2012 to 2022, the annual water rate increase has been 6.8%, or an overall 70% increase, compared to a national average of 3.5% or a 40% increase, according to the American Water Works Association. In Southern states, that number is 30%.

So why my concern about Highlands after reading about distant Kyle? First, WNC and especially Highlands will see a surge in heat refugees seeking to relocate to cooler areas. Last weekend, I talked with tourists and second homeowners at the Mountain Top Rotary Art Show. Many told me they were here to escape the suffocating heat where they permanently reside. That phenomenon of escaping hot places like Kyle will increase significantly.

Second, with climate change, our water resources are not infinite. While we have registered large rain fall amounts in recent years, the rain patterns have changed and are concerning for those who make our water. Highlands used to get steady, small rain showers almost daily that kept our groundwater and impoundment levels full. Notice that last summer and to some extent this summer, we have had weeks or longer when no rain fell on the Plateau only to be deluged with surprisingly heavy rain events. We don't need the heavy rains where the water quickly runs off the mountain almost as soon as they arrive. In short, Highlands may not have the capacity to meet an ever growing water demand in the future. Our watershed and water table might become distressed in the coming years. Resources may be limited if demographics shift to where the Plateau experiences a boom in growth.

Finally, what struck me about the WSJ piece is that we have not been charging enough for water. This year's water rate increase is the first in several years. Our water rate increase does not come close to what Kyle has experienced or even the national average. In short, to maintain a vibrant water system, our rate increases will have to continue. For that matter, rates for other city services will also have to increase to keep up with inflationary pressures, environmental shifts, and maintenance costs. The days of telling friends in other communities how cheap services are in Highlands are coming to an end.