



HERE'S THE REALITY: PANHANDLE WATER SUPPLY OUTSTRIPS DEMAND

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A Free Market LIFT Commentary

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Here's the Reality:

PANHANDLE WATER SUPPLY OUTSTRIPS DEMAND

BY BRENT CONNETT

The Texas Water Development Board estimates that as the Texas population grows, water demand will increase by 50 percent between now and 2060. It is paramount that private companies participate – if not play a leading role – in meeting increased water demands.

By 2040, Dallas-Fort Worth is projected to have grown by up to 193 percent while the Panhandle is projected to grow by just under 24 percent. Demand for water in Dallas-Fort Worth will be great and supplies low, while the opposite is true of the Panhandle.

One plan by Mesa Water to address future water needs has drawn the ire of some residents in North Texas and the Panhandle. The plan would pipe privately-held water from the Ogallala Aquifer to help meet the growing water demand in the Dallas-Forth Worth area.

While the people who own water rights and land through which a water pipeline might traverse have every prerogative to resist the Mesa plan, any debate about private water development and marketing must recognize four fundamental issues.

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First, state water law has been reaffirmed by more than one hundred years of court cases. Under the long-standing precedent, property ownership extends to the water beneath the land and owners are allowed to pump their water according to fair and impartial regulation by groundwater conservation districts. Owners of groundwater can maximize the potential of their land and rights by selling their water, in much the same way they have done for generations by putting their land to productive use in farming, ranching, and for oil & gas production.

Second, the oil & gas industry is a guide for responsible resource management and hints at the potential of private water development. For nearly 100 years, the oil & gas industry has been a mainstay of the Panhandle economy precisely because state law allows private parties to enter into agreements to extract, refine and transport a natural resource from a place where it is plentiful to places where demand must be met.

The water business, if allowed to bloom, can be the advent of another multi-billion dollar business that will tremendously benefit all Texans, especially those who hold the rights to the water in the Panhandle.

Third, the Ogallala Aquifer is massive, running from the Texas Panhandle to South Dakota, underlying eight states. Hydrologists estimate that the Texas portion of the Ogallala Aquifer holds approximately 370 million acre-feet of water, with annual recharge ranging from 500,000 to 1 million acre-feet per year. The MESA project will develop 200,000 acre-feet, which represents less than 0.04% of the Ogallala Aquifer in Texas.

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Furthermore, water marketers, by contract, must mitigate any ranching water supplies that are affected by a municipal supply project. Plus, residents of the Panhandle stand to benefit from increased economic activity stemming from the growth of a new industry, similar to the impact of the wind energy business in towns across West Texas.

Fourth, private water plans place high value on private property rights while government-directed water plans put *more* private property at risk of seizure. Senate Bill 3, passed by the 80th Legislature, authorized up to sixteen massive reservoirs in rural areas of the state to hold the water needed in urban areas. These reservoirs will necessitate the use of eminent domain in order to drown an estimated 244,166 acres (381 sq. miles) of private farms, ranches, and homes. That equates to the size of the cities of Amarillo, Abilene, Lubbock, and Wichita Falls *combined*.

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