

Massive deal proposed to move water from counties east of Austin to San Antonio

Guadalupe-Blanco River Authority hoping to broker agreement that will also satisfy its own needs.

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Hoping to broker a massive deal that would send water from beneath counties east of Austin in a \$400 million pipeline to San Antonio, the general manager of a Central Texas river authority has asked the region's chief private water developers to convene in Seguin on Friday.

Bill West, who heads the Guadalupe-Blanco River Authority, wants to engineer a deal that would send more than 71 million gallons of water a day to San Antonio through a network of pipelines, according to a Sept. 21 letter obtained by the Statesman. The river authority and its water supply partners would have to put together a preliminary agreement by Oct. 22 to meet a San Antonio call for water.

That amount is roughly equivalent to the amount used on a daily basis by 225,000 average Austin homes.

The letter from West is addressed to Frankie Limmer, the former Williamson County commissioner whose company, End-Op , has been trying to get permission to pump water from beneath Bastrop and Lee counties; Terry Gilmore, a developer supplying the money behind Sustainable Water Resources , an End-Op competitor; Ross Cummings, who heads Blue Water Systems , which has won the right to pump from Milam and Burleson counties; and Lourcey Sams, director of marketing of the Brazos Valley Water Alliance , a coalition of landowners with water rights in Milam, Robertson, Burleson and Brazos counties.

In effect, they are competitors aiming to corner the water-rich underground reserves around the Simsboro formation of the vast Carrizo-Wilcox Aquifer, which stretches beneath the counties east and northeast of Austin. Under the river authority's plan, they would lay down their differences to make money collectively supplying water to the San Marcos area and San Antonio.

For its part, the Guadalupe-Blanco River Authority, which serves Buda, Kyle, San Marcos, Lockhart and Luling and is itself short on water, hopes to step into the role that the more powerful Lower Colorado River Authority abandoned last year, when it pulled out of a multibillion-dollar water-sharing project with the San Antonio Water System, citing water demands in its own basin.

San Antonio has long looked for an alternative source of water to the Edwards Aquifer, but, one after another, proposed water projects have fallen flat, ratcheting up political pressure on the public water utility to find one that works. This month, San Antonio sent out a solicitation seeking 26 billion gallons of water per year, starting with 6.5 billion gallons by 2020.

The solicitation of additional supply "is intended to supplement and diversify (San Antonio Water

System's) existing and projected water inventory," according to the solicitation.

"If you want to tow an iceberg here, we want to hear about it," Chuck Ahrens, the San Antonio utility's vice president of water resources, recently said, according to a news release.

The Guadalupe-Blanco River Authority thinks it can improve on the iceberg idea with the pipeline one.

"GBRA proposes to finance, construct, and operate the transmission system," according to the Sept. 21 letter.

The river authority would pay for the project through financing from the Texas Water Development Board, which already has supported preliminary efforts to put together such a water deal.

"The water supply participants would develop and permit their own water supplies within the Simsboro formation and then deliver such supplies to a common delivery point amendable to the participants," the letter says. "Each participant would maintain their respective independence."

Most of the water would be delivered to San Antonio, with "lesser amounts provided for GBRA customers."

San Antonio Water System "has been informed of this effort and has indicated an interest to review such a project, " according to the letter.

The prospectors need partners with deep pockets to pay for the massive infrastructure required to ship millions of gallons of water daily across the heart of Texas. Government partners are especially prized because of their high bond ratings and power of condemnation to obtain rights of way relatively cheaply.

But the region's major government water suppliers — the Austin Water Utility, Lower Colorado River Authority and Brazos River Authority— have generally turned a cold shoulder, saying they had plenty of their own water, or were examining other strategies, or were worried about the lack of regulatory consistency governing the pumping of groundwater.

The Guadalupe-Blanco River Authority is an exception. Virtually all the water in its main reservoir, Canyon Lake, is spoken for, so to meet expanding demand, the river authority needs to buy water from other sources.

In December, the authority entered into a letter of intent to buy and ship 45 million gallons of water a day from Limmer's group. The authority's board has allowed that agreement to expire as the river authority and End-Op could not come to final terms.

The meeting Friday is intended to drive down the price for Guadalupe-Blanco River Authority customers because the river authority would be relying on more than one supplier, West said in an interview. Also, a larger project will be more cost effective than a small one, he said.

The pipeline, which West estimated could cost as much as \$400 million, would probably be paid for on a pro-rata basis: If the pipeline delivered 100,000 acre-feet of water a year, and San Antonio took 80,000 acre-feet, then San Antonio would pay 80 percent of the capital and maintenance costs.

But the water developers face a challenge in getting permission to pump the quantities of water needed to make the project work. There is only so much water available in the underground bucket, and some residents and water suppliers in the counties to the east and northeast of Austin are mobilizing to prevent the export of water as they prepare for population growth of their own.

"What kind of economic forecast will we have over the next 50 years if we do not have enough water to support our growth?" said Joe Cooper, general manager of the Lost Pines Groundwater District, which regulates pumping in Bastrop and Lee Counties.

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