

CITY OF UVALDE
Uvalde Texas



P.O. Box 799 · 78802-0799
(830) 278-3315
FAX: (830) 278-2234

February 23, 2009

John P. Schuster
President
Brackettville ISD Board of Trustees
P.O. Box 586
Brackettville, Texas 78832

RE: Water Pipeline Opposition Resolution

Dear Mr. Schuster:

The 81st Legislative Session is already underway which means that the City of Uvalde is working diligently against the proposed water pipeline. A Regional Water Coalition has been formed to prevent the construction of a water pipeline that would transport Edwards Water from Uvalde County.

We respectfully request that the Board of Trustees of the Brackettville ISD consider passing a resolution in opposition to a pipeline that would move Edwards Water from Uvalde County. Enclosed is a list of cities, counties and other entities that have passed a similar resolution. These entities realize that the effects of a pipeline would extend beyond Uvalde County to the entire region.

Enclosed is an economic impact report prepared by Dr. Jose G. Pena, Texas A&M Extension Center, which details a \$44.1 M direct impact on our local economy with a Value Added Loss of \$22.8M and a direct loss of about 600 full time employee equivalents ANNUALLY. It is important to understand that the effects would reach well beyond Uvalde County. Regional cities, counties, and school districts would be negatively impacted. School districts would most possibly face decreased enrollment due to the loss of local jobs and a decrease in tax funding.

A sample resolution is enclosed for your review and consideration. We greatly appreciate your assistance and your support on this very crucial issue. If we can be of assistance to you, please do not hesitate to contact me.

Sincerely,

Cody Smith
Mayor

**RESOLUTIONS OPPOSING THE USE OF A PIPELINE OR ANY
OTHER MEANS TO TRANSPORT WATER OUT OF UVALDE
COUNTY.**

Resolution Passed & Received

City of Uvalde
Uvalde County
City of Del Rio
Val Verde County
City of Eagle Pass
Maverick County
Zavala County
Winter Garden Groundwater Conservation District
City of Brackettville
Nueces River Authority
Dimmit County
City of Crystal City
Uvalde Area Development Foundation
City of Devine
Uvalde Board of Realtors
Southwest Texas Junior College
Kinney County
City of Natalia
City of Castroville
Edwards County
Real County

Cities/Countries to take action on the Resolution

City of Carrizo Springs (action in March)
City of Hondo (action on 3/2)
Medina County
Middle Rio Grande Development Council (action on 2/25)

3 February 2009


John Harrell,
City Manager
P O. Box 799
Uvalde, TX 78802-0799

Dear Sir,

The economic impact of supplemental water use for irrigation in Uvalde County was estimated per your request. The results indicate that Uvalde County is increasingly dependent on supplemental water use for irrigation to help manage crop production risk. The economic impact of supplemental water use for irrigation to Uvalde County was estimated at \$44.1 million directly affecting about 600 full time employee equivalents.

The result of the analysis is included in enclosures 1 and 2 attached.

Sincerely,


Jose G. Peña
Extension Economist-Management

JGP/ma
Enclosures: 2

Texas AgriLife Extension Service
P O. Box 1849
Uvalde TX 78802-1849

Tel 830.278.9151 x106
Fax 830.278.4008
jgpeña@tamuedu

Enclosure 2

**Economic Impacts of Irrigation in
Uvalde County, Texas**

CNAS Issue Brief 2009-02

February 2, 2009



The economic impacts of irrigated crop production on Uvalde County were estimated using IMPLAN. This model utilizes economic multipliers for each sector of the economy to estimate how a change in one sector affects business activity, value-added and employment in other sectors of the economy that supply inputs and services to the crop production sector. Baseline economic impacts in Uvalde County were estimated for the value of annual average production of corn, sorghum, wheat, cotton, and sunflower/sesame production for the period 2007-2008, and vegetable and melon production for 2005-2008.

This analysis assumes that acreage and cropping patterns would remain constant with or without water for irrigation, with the exception of vegetable and melon crops which are assumed not to be technically feasible without irrigation water. Therefore, this should be considered a very conservative economic impact of the contribution of irrigation to agriculture and the economy in Uvalde county. As a result, it is likely a lower bound of what the actual economic impact of irrigation may be. Excluded from the analysis due to insufficient data are sorghum for forage, improved pasture and livestock.

Output is analogous to total sales for a sector such as corn or vegetables. Value Added includes employee compensation, proprietor's income, rents and royalties, and payment of business taxes, and is a component of Output. Value Added is also referred to as income or gross state product. Employment is reported in full-time equivalent jobs, so the actual number of employees for any sector is higher than reported here because part-time workers are combined in this analysis.

	Output		Value Added		Employment	
	Value of Production	Total Economic Impact	Farm Level	Total	Farm Level	Total
	(\$)		(\$)		(FTE Jobs)	
Current Situation (Irrigated & Non-Irrigated)	\$44,724,360	\$61,284,196	\$19,849,680	\$30,502,445	621	952
Economic Impact if No Irrigation	\$12,801,606	\$17,169,900	\$4,817,423	\$7,621,896	269	353
Economic Impact of Irrigation	\$31,922,754	\$44,114,296	\$15,032,257	\$22,880,519	353	599

The Current Situation includes both irrigated and dryland production in Uvalde County averaged for the period 2007-2008, except for fruits and vegetables which were averaged for 2005-2008 in order to account for wide swings in acreage and production. The total value of crop production was \$44.7 million for the Current Situation. Using the Uvalde County economic multiplier of 1.37 results in a total economic impact for agriculture of \$61.3 million. About \$44.7 million impact occurs on the farm, while \$16.3 million is non-farm economic impact.

EDITORIAL PAGE

Sunday, February 15, 2009

Want to send in a letter to the editor?
E-mail: cgarnett@uvaldeleadernews.com

LEADER-NEWS EDITORIAL BOARD

What excess water?

You will excuse our snickering when a company calling itself Southwest Texas Water Resource LP announces, as it did last summer, a plan to build a \$140 million pipeline to pump the "excess water" from our end of the Edwards Aquifer to San Antonio.

Does anyone remember the last time it rained? Can you tell us what it sounds like to hear an approaching storm, the distant drumming of thunder, followed by explosions of lightning and then the rain – hard, pelting rain that hammers on roof tops and geysers from down spouts?

You cannot because it has not happened since last August. And before that it was the previous summer. And before that? It was not in 2006, which was the driest year ever recorded (2008 was the third), so it must have been 2005. In fact, over the last 18 months, we have received less than half of our average rainfall.

And yet STWR wants to help us with our "excess water." Their contention is that we consistently leave more than 40,000 acre-feet of our Edwards Aquifer Authority-permitted total of 115,000 acre-feet in the ground. They believe that water can be pumped to San Antonio and sold dearly, which will create a boom for the county.

There are many problems with the plan, not the least of which is that, as Nueces River Authority director Con Mims has pointed out, there is no such thing as "excess water." Every drop of water is spoken for and serves an important purpose, from sustaining surface water in areas south of us to helping to maintain the levels of our other aquifers like the Austin Chalk, Buda and

Leona Gravel. That water also serves as an important reserve in times of drought – like today.

Texas A&M economist Joe Peña has estimated that supplemental water use for irrigation in Uvalde County creates an economic impact of \$44 million and employs about 600 full-time employee equivalents. An additional \$23 million is created by value-added activities that result from crop production.

By the way, Peña also points out that we used 72,000 acre-feet of our permitted total in 2006, which is up 26 percent from the 58,000 acre feet used in 2000. This increase is despite the fact that much more efficient irrigation methods have been put in place.

If you visit the uvaldewaterproject.com Web site you will find that the fine people with STWR paint us as a pitifully backward economy propped up by government transfer payments and a declining farm sector. In a magnanimous gesture, they have decided to save us from ourselves by spending \$7 million a year to purchase water from 40 local water permit holders. The water would have to be sold in San Antonio for about double what is paid here (to pay off the cost of the pipeline over 30 years). And if they could pump more than 40,000 acre-feet? Yes, they could charge less and pay off the loan more quickly.

Our view is that if such a pipeline is ever constructed, the owners will never be satisfied with our "excess water." They will eventually want all of the water, which would be calamity for the vast majority of us.

Friday, February 6, 2009

Partnership seeks to develop \$250 million water pipeline

San Antonio Business Journal • by Mike W. Thomas

A group of investors is looking to persuade state lawmakers to make an exception to an existing law so that they can build a 67-to-75-mile water pipeline from Uvalde to San Antonio.

Southwest Texas Water Resources LP is the name of the group backing the project, which they say could deliver up to 40,000 cubic acres of water per year beginning in 2013. The funding for the project, estimated to cost about a quarter of a billion dollars, would all be raised privately.

Rodney Smith, president of San Antonio-based Southwest Texas Water Resources, says the pipeline would serve as a resource management tool for the Edwards Aquifer. Not only would it serve as an additional water supply source for the San Antonio metropolitan area, but it could also provide a significant economic boost to Uvalde County, Smith says.

"We think this project can act as a pressure-release valve by moving water into San Antonio as it is needed," he says.

Smith adds that the project would not be the "silver bullet" answer to all of San Antonio's long-term water problems, but it could be an important part of an overall solution.

"Accessing the under-utilized water from the Uvalde Pool of the Edwards Aquifer and transferring a portion of that water to the San Antonio metropolitan area will relieve pressure on the San Antonio Pool as well as the San Marcos Springs and Comal Springs," Smith says.

Smith says the population of the greater San Antonio metropolitan area is expected to reach 2.4 million by the year 2050, and the city will need additional water supplies of approximately 120,000 acre feet per year.

"Municipalities need a long-term focus on the management of their water resources," Smith says. "You can't have a community based on a supply that goes away in 50 years. You just can't run a community like that."

Western water

Mike Beldon, chairman of **Beldon Enterprises** and a past chairman of the **Edwards Aquifer Authority**, says he has been a longtime advocate for the need to look west to resolve San Antonio's water problem.

"There is a lot of water out there, and I think just philosophically we need to look at it," Beldon says.

When state lawmakers established the rules that determined how water resources would be divided up, Beldon says, in effect, they gave the farmers and irrigators in rural counties more water than they needed and shortchanged the cities. That happened because the state law prohibits municipalities from piping water out of Uvalde County.

"The irrigators won big time," Beldon says. "They got two acre-feet per acre and they only use one."

Beldon says he is not taking a position on the proposal by Southwest Texas Water Resources. "Whether Rod's plan is the best one is for SAWS (San Antonio Water System) to decide," he says. "All I am saying is that Western water needs to be part of any long-term plan to address San Antonio's water problems."

Luana Buckner, current chair of the Edwards Aquifer board of directors, says she has met with Smith a couple of times and has been briefed on his plan, but the authority has not yet taken a position on his plan one way or another.

"We have directed our staff to look at their plan, consider the assumptions they use, and see if we concur," she says.

Buckner says she has members of her board who are on both sides of the issue. Some are concerned about the economic impact that any pipeline plan would have on the Uvalde community.

"There is some fear that it could reduce the availability of water for crops and put a lot of farmers out of business," she says.

Smith says, to the contrary, that his plan would be an economic stimulator for the Uvalde community and would not take away water that would be needed by area farmers.

Southwest Texas Water Resources is currently seeking backers in the Texas Legislature who would be willing to sponsor a bill carving out an exception for the pipeline project. Smith says he hopes to have commitments on sponsorships in the next three weeks.

"We want to be very up-front and transparent about this process," he says.

(More information about Southwest Texas Water Resources LP can be found at

~~www.uvaldewaterproject.com~~

[WWW.UVALDEWATERPROJECT.COM](http://www.uvaldewaterproject.com)