



Citizens Alliance for Responsible Development Hays County, Texas

CARDtalk

Hays County Water Security - At What Price?

Hays County is gambling one million tax payer dollars a year on our water future. Citizens Alliance for Responsible Development believes our elected officials need to show the taxpayers of Hays County that this is a sound bet, not wasted tax money that will never hold water.

In October, 2013, Hays County Commissioners Court approved a multi-million dollar contract with the private Forestar Real Estate Group to reserve and purchase groundwater pumped from the Simsboro aquifer in Lee County, 70 miles east of San Marcos. The Texas Attorney General's office has been asked to give "an opinion confirming Hays County's authority to enter into and carry out the transactions contemplated by the agreement, including the use of ad valorem (property) tax revenues for payment of all costs." That opinion is still pending.

The contract calls for Hays County to pay Forestar a "base rate" of \$1 million every year, beginning October 1, 2013, to reserve 45,000 acre-feet (14.66 trillion gallons) a year. With growing concerns of future water shortages, this may sound like a foresighted hedge against Hays County citizens running out of water. But is it that simple?

- Currently Hays County has no identified customers for this groundwater. No engineering study shows that Hays County needs, or will need, this amount of imported water. It can be argued that future growth and possible continued drought and climate change will make it necessary. But when?
- Forestar, which has applied for the pumping rights from the Lost Pines Groundwater Conservation District, has been approved for ONLY 12,000 acre feet of groundwater, a mere 27% of what they are "reserving" for Hays County's \$1 million tax dollars. It appears that Forestar intends to seek the additional 33,000 acre-feet per year through a lawsuit filed against the Lost Pines Groundwater Conservation District. Hays County will support Forestar, but a decision could take years, during which Hays continues to pay \$1 million annually.
- The million dollars a year, while significant, is just a drop in the water bucket. If Hays County ever wants to obtain and use that water, it faces major additional expenses. The costs of the pipelines, storage facilities, treatment facilities, pump stations, rights of way and so forth to bring the groundwater from Lee County into Hays County have not been identified. These costs are expected to be in the hundreds of millions of dollars, to be paid by water customers or tax payers. These facility costs would be many times greater -- and in addition to -- the cost of the reserved and delivered groundwater from the Forestar well fields. Where is the engineering study showing tax payers the true cost of this venture?

- While all contracts such as this are presented in open court meetings, most tax payers in Hays County are unaware of the financial implications of this massive undertaking to import groundwater for future use within Hays County.

Hays County Judge Bert Cobb has stated: "We must reserve water in the name of Hays County now, before we are forced to buy water from private companies at whatever price they demand. It is my goal to keep water in Hays County. This water reservation contract represents an insurance policy for Hays County and its citizens."

There is little doubt that future water shortages are likely, and good water conservation practices and regulations are increasingly urgent. CARD applauds efforts to solve these problems with plans supported by engineering and economic studies. If there is compelling evidence that this expenditure with Forestar is sound policy, and will actually supply water, then it needs to be shared with the public, which will soon be paying its costs.

County Commissioner Will Conley has said the County may terminate the contract with 90 days' notice and will review the termination option annually. CARD representatives have met with Commissioner Conley about the Forestar contract. Conley said the Commissioners Court intends to hold a public "water meeting" to provide insight into the County's vision for the reserved water and allow the public to ask questions. Months have passed. A date for the meeting has not been set. It should be soon and well publicized.

CARD calls on the Hays County Commissioners to schedule this public "water meeting," and suggests that Hays citizens attend this meeting, ask questions, make suggestions and carefully follow this important discussion. These are your tax dollars being committed by the Commissioners Court.

CARD Steering Committee