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Southwest Texas Water Resources reacts to filing of pipeline bill

Company calls Rep. Gutierrez legislation a "visionary step toward ensuring an adequate water supply"

SAN ANTONIO (Jan. 24, 2011) — Southwest Texas Water Resources, LP (STWR) today praised legislation, H.B. 814, authored by Rep. Roland Gutierrez, (D-San Antonio), that would eliminate legal hurdles to a proposed pipeline project to transport 40,000 acre feet of water annually from the Uvalde Pool of the Edwards Aquifer to water consumers in Bexar County and surrounding communities.

"This legislation represents a visionary step toward ensuring an adequate water supply for Bexar County and the entire region," said Rod Sands, STWR board member and former executive of Silver Ventures and Pace Foods. "The San Antonio area is a model for the nation when it comes to water conservation, but that has not eliminated the need for additional sources of water."

STWR supports an exemption to the Edwards Aquifer Authority Act under the following conditions:

- Only presently permitted water would be utilized
- The project would not exceed 40,000 acre feet per year
- The base acre foot water supply would not be utilized
- The water would stay within the Edwards Aquifer region
- The reliability of the Uvalde Pool of the Edwards Aquifer would be maintained

"Rep. Gutierrez's legislation will help diversify our water supply, protect springflows and endangered species in Comal and Hays counties, and create jobs and tax revenue for the citizens of Uvalde and Medina counties," added Sands. "I commend Rep. Gutierrez for showing leadership in addressing our area's major water supply challenge."

In 1993, during the creation of the Edwards Aquifer Authority Act, several farmers in Uvalde County successfully fought for a prohibition against a pipeline from Uvalde to San Antonio. At the time, landowners across Texas could pump as much water as they wanted under the "rule of capture." The Uvalde farmers feared that water providers in San Antonio would buy land in Uvalde County and pump all the water out from under them. Nearly 20 years later, pumping across the Edwards Aquifer region is regulated through the EAA's permitting system, and the fear of a "water grab" is not warranted. Recognizing that the pipeline prohibition has served its useful life, the same landowners who fought for the prohibition now seek to have the law changed, including one of the prohibition's lead proponents, Uvalde farmer Maurice Rimkus.

"With modern irrigation practices, we have reduced agricultural water usage by more than 60 percent," Rimkus said. "Even with the project, Uvalde County will pump far less water than it did twenty years ago, and

this legislation will provide a vital economic boost to Uvalde farmers by allowing us to lease water that has already been permitted to us. This is about protecting our property rights, creating local jobs and preserving our farming way of life in Uvalde County.”

The project would provide via pipeline an additional, reliable source of water to serve more than 100,000 families per year in Bexar County and neighboring communities. It would also increase spring flows in the environmentally-sensitive San Marcos and Comal springs.

“The San Antonio Pool of the Edwards Aquifer is increasingly strained by population growth and increased pumping,” said Rodney Smith, president and general partner of STWR. “Unless we find ways to relieve pressure on the San Antonio Pool, water restrictions will be imposed more frequently in San Antonio, and there will be an increased likelihood of federal intervention to protect endangered species living in the Comal and San Marcos springs. Rep. Gutierrez’s legislation is an important water management and environmental preservation tool.”

STWR would build the proposed pipeline without any taxpayer funding. The \$250 million pipeline would provide \$1.7 million in tax revenues for local governments in Uvalde County, and \$2.6 million in tax revenues for Medina County entities. An economic analysis also concludes the project would represent the largest economic development project in Uvalde County history, creating more than 100 permanent jobs and putting millions of dollars into the pockets of area landowners.

“I think the project is good for Medina County on the principle that it helps manage the Edwards Aquifer,” said Tommy Boehme, president of the Medina County Groundwater Conservation District. “Pipelines are used across the state to move water around. We’ve got to move water around in this state to make areas function better. It’s a management tool to keep the aquifer at a higher level.”

“This legislation offers a regional solution to a regional challenge by better utilizing the water resources of the one aquifer we all share,” said David Ladensohn, STWR board member and former chairman and chief executive officer of KLN Steel Products Company. “This is about addressing one of the great challenges of our future in a manner that makes economic, ecological and environmental sense.”

For more information, please visit swtexaswaterproject.com.

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About STWR

Southwest Texas Water Resources, LP (STWR) is a Texas-based limited partnership working to preserve a reliable water supply and competitive water rates for all businesses and families that rely on water from the Edwards Aquifer. STWR’s proposed Southwest Texas Water Project will diversify the region’s water supply, enhance water reliability, relieve pressure on Comal and San Marcos springs, help address threats of federal intervention due to the Endangered Species Act and provide an economic boost to Southwest Texas by creating a new water company that constructs and operates a pipeline to move water from the more reliable Uvalde Pool of the Edwards Aquifer to communities in the San Antonio Pool.