

What is Water Worth?

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Water just like air is critical to our existence; we can't live without it. Good potable groundwater is a quality of life essential. As a commodity its value varies with its scarceness. Water laws governing water varies from state to state and country to country. People fight over water, states fight over water, and countries fight over water. Generally the rule for groundwater is that it is a defacto property right, if located under your land. In New Mexico the state controls groundwater through a permitting system by regulating the amount of withdrawal. However, if there are too many landowners vying for a limited amount of water the water is apportioned by need or a water master. So by its scarcity it has become more valuable.

Groundwater as a commodity should be more valuable than minerals, including oil and gas, since it is a requirement for life. Bottled water is often more costly per gallon than refined gas products. The state under its oil and gas lease program collects money from leases because of its intrinsic value. Municipal water companies collect money from its customers for the distribution and treatment of the water and not just the value of the commodity. For years the federal government has tried to change the 1872 mining law so that miners have to pay a royalty on the minerals that are extracted. It is ironic that no such fee is collected for groundwater extraction. Large private landowners such as the Augustin Plains Ranch, LLC can apply for permits from the state that would extract many thousands of acre-feet of water to do with, as the market will bear. But they do not have to pay a cent for the water itself. Any adjacent landowners who could be adversely affected by such a withdrawal have to suffer the consequences by either having to lowering their wells or get in-lieu water. This type of impairment should not have to be endured by anyone.

The State Engineer has made a suggestion that maybe a severance compensation levy should be put in place to help offset potential damage or impairment to adjacent land owners. The request by the Augustin Plains Ranch, LLC to extract 54,000 acre feet of groundwater annually from the plains will over time mine out what is now considered excess water. So if there is a severance compensation levy applied to that pumping who is going to benefit from this fund? Does the Augustin Plains Ranch, LLC put into this fund or is it a tax that is funded through your tax dollars? Who is the recipient of these funds the counties or the adversely affect landowners? How is the damaged to be assessed? If your well goes dry is it the beneficial use of that well that set the damage value? If your well is used only for domestic consumption is the damage assessment going to be different than if your well is for the support of a cattle operation? The real problem is that not only has your well gone dry but your land value has dropped significantly as well as the local economy. This adversely affects both Socorro and Catron Counties. How is severance compensation going to address this impact? Is severance compensation going to become the state's equivalence to the federal PILT (Payment in Lieu of Taxes) program to help support counties that have large federal land ownership holdings?

Does the development of the LLC's water for commercial use make it more valuable because the water is sold under contract to the highest bidder? When there is no more water to be extracted, because the aquifer is basically pumped dry, how is this water transfer going to be a benefit to area receiving the water? Where is the next source of water coming from, will it be your back yard? These are hard questions to answer and this is why we need a state water plan that actually addresses the supply and demand issues that face this state. Shovel ready projects are not the answer to water planning for future needs of this state.

The OSE (state engineer's office) is guided by some antiquated water laws and policies, which have little or no bearing on how groundwater should be managed for the people of the state. The state needs to take a realistic look at the future needs of groundwater to support the people of this state. The states water permit system should be revamped to help met our future goals of adequate water.

If the population of the state thinks it is in their best interest to have groundwater controlled by corporations then they can expect to give up on reasonable water rates and water quality. If they think that the state should be the only controlling body they may ultimately wind up with the same circumstances under the current management climate. A policy of reasonable beneficial use and flow meters may be the only way to control future withdrawals. At our current rate on pumping in this state we are mining our resource to a point of non-sustainability. With the current population growth and perceived demand for groundwater resources in this state, it puts the State Engineers Office in a position that it needs to address real water planning, because as a commodity the value of water will ultimately increase dramatically.

Water is life. Control the one and you control the other.

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