

Marshall secures 50-year water source

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The Northeast Texas Municipal Water District board of directors has approved its water supply contract with the city of Marshall, making the contract a done deal, according to water general manager Walt Sears.

Marshall city commissioners approved the contract last month.

The 50-year contract provides Marshall up to 5,000 acre feet per year, with an option for another 4,000 acre feet, if needed.

Marshall must pay for 1,000 acre feet per year, even if that water is not used. Over the life of the contract, Marshall's cost rises 2 percent every five years, Sears said.

This means, he said, that Marshall will be paying a minimum of \$100,000 when it begins taking the water, and will be paying a minimum \$110,000 in five years.

Inflation will make a difference in the cost. The price of the water can rise up to 3 percent for inflation, or decrease up to 3 percent, for deflation, beginning in contract year two.

At the end of the contract, in 2056, Sears said Marshall must be purchasing a minimum of 1,900 acre feet per year, costing at least \$190,000, without calculating inflation.

At a maximum, Marshall will be paying \$250,000 per year for the same 1,900 acre feet if inflation stands at 3 percent.

If, however, Marshall is using its entire 9,000 acre feet of water and inflation stands at 3 percent, then Marshall will be forced to pay \$2.2 million per year for the water.

Sears said if Marshall was forced to pay the maximum amount for its water, and was using the maximum amount, the city will have at least \$13.5 million to pay the cost "because raw water is typically 15 percent of the total cost" on a residential water bill.

"I sell the water to Marshall for 30 cents for 1,000 gallons and the city sells it to residents for \$1.80 or more per 1,000 gallons," Sears said, "so Marshall should make money.

"The principal is they are buying it at a wholesale price and selling it at a retail price."

The most that \$2.2 million could cost residential water customers, through their water bills, would be an extra \$2.50 per month, he said, if those residential customers use 8,000 gallons per month, or less, on average.

If the city is only forced to buy water a few months a year, when big Cypress Bayou runs low, then the cost for the purchased water would be a minimum.

Also, costs of service is 85 percent of a water bill, Sears said, while actual water "routinely" accounts for only 15 percent of a bill.

Sears said he believes that Marshall residents have a reason to feel good.

During drought times Marshall will not be solely dependent on rainfall that supplies the water basins which drain into Big Cypress Bayou, where Marshall gets its water, he said.

"The way I see this," he said, "is that Marshall is making an investment in its future.

"It is guaranteeing the town will have the water it needs."

Also, Marshall stands almost alone in East Texas for relying on surface water not having a supply of stored water, he said.

Marshall can begin buying its water as soon as the deal is approved by the Texas Commission of Environmental Quality, Sears said, adding he believes approval will not be forthcoming until next year.

The process includes public hearings, he said, and two complex permits.

Bayou getting extra water

Although Marshall has endured the fifth worst drought on record, Walt Sears, with NETMWD said that the district has voluntarily released much more water down Big Cypress Bayou for Marshall.

The federal government requires the district to release 3 million gallons per day down Big Cypress, but Sears said the district has actually released about 30 million per day, without cost to Marshall.

Asked why, Sears said "because you needed it. It was the right thing to do."