## A West Texas pecan farm fights to save its water supply as neighbors sell it to growing cities

A yearslong dispute over exporting water to growing Texas cities offers a hint at the battles to come as the state's population booms and water supply dwindles.

BY CARLOS NOGUERAS RAMOS OCT. 31, 2024 1 PM CENTRAL

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FORT STOCKTON — Zachary Swick plucked a pecan from one of the 78,000 trees at a sprawling West Texas farm — a rare sight in the desert known for oil rigs and pump jacks. He peeled away the pecan's layers, leaving a stain on his hands that would be difficult to wash off.

One day, Swick said, there might not be any pecans left to peel.

Swick is the farm manager at Belding Farms, which has been owned for decades by the Cockrell family. Each year, the farm produces 5 million pounds of the iconic Texas nut.

The farm sits atop a reservoir of underground water used to produce the pecans since the 1960s. The farm shares the water with its neighbors. Under Texas law, all property owners have the right to use the water underneath their boots.

One of those neighbors is Fort Stockton Holdings, a company established by oil baron and one-time gubernatorial candidate Clayton Williams. Fort Stockton Holdings, for years, has sought to sell its share of the water to West Texas' growing cities. The 50-year deal between the company and the cities of Midland,

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Abilene and San Angelo would exchange water from the aquifers for \$261 million.

Midland is the capital of the Permian Basin, a 61-county region that holds the state's vast oil reserves. Over the last decade, Midland has added 10,000 people. About 138,000 people call it home. And more are expected as the oil industry shows no signs of slowing.

"Our goal was to secure a long-term, sustainable water supply that requires minimal treatment and can meet the city's future needs," Midland Mayor Lori Blong said in a statement.

Fort Stockton Holdings did not return requests for comment.

Belding Farms has asked the Middle Pecos Groundwater Conservation District, the local governing body tasked with managing water rights, to protect the water to ensure it isn't swallowed up by the deal. Fort Stockton Holdings will sell 28,400 acre-feet of water per year as part of the contract, more than twice as much as the farm uses on an annual basis.

Earlier this month, the groundwater district rejected Belding Farms' request to put more rules and fees around the exports. However, the decision is only one factor in a yearslong feud between the two powerful families.

The conflict is a harbinger of the water wars the state will face as the population continues to swell. By 2060, Texas is expected to add up to 14 million more people, according to a study by Texas 2036 — and there is not enough water for everyone, let alone agriculture and industry, experts say. Already, the state has lost its sugar industry to a dearth of water in the Rio Grande Valley. Swick does not want pecans to be next.

"We're mining a resource that is, in essence, being depleted, and that's our biggest concern," Swick said. "Will that water be as consistent as it has been in the past?"

P ecans are a Texas staple. It is the only nut indigenous to the state. The tree dates back to prehistoric times, according to the Texas State Historical Association. The Texas Legislature in 1919 declared



pecans the official state tree.

The Cockrell family began planting pecan trees in the 1960s. Today, about 40 employees work year-round to tend to the farm, from the orchard manager and foremen to mechanics.

The season begins each year in March. Workers stimulate cross-pollination throughout the year. The pecans mature during the summer and fall. And in the winter, the farm shucks the trees.

Farming the 2,200 acres requires water — and a lot of it. The farm uses between 11,000 acre-feet and 12,100 acre-feet of water annually. The farm employs different irrigation mechanisms to keep the farm hydrated efficiently, including a technique called land leveling, in which excess water pools on a terrace between the trees to prevent run-off. The farm also has cement canals along the property that hold the water and stop it from seeping into the soil.

Over the years, the farm has bolstered its efforts to conserve water. In 2022, it spent about \$455,000 to install a sprinkler system that covers 96 acres. Instead of a mist, the sprinklers shoot out a stream of water to prevent evaporation. Also scattered across the farm are soil moisture probes that monitor whether the ground needs to be watered.

Swick said that he and the farm try to be proactive in conserving water because a dry spell could result in a crisis for the farm and the surrounding community. A particular concern is the wells, Swick said, which are not able to pump water if the aquifers are below a certain threshold.

"If we are not proactive, the ramifications of that could be huge," he said." We could lose large sections of our farm if not all of it."

T exas has a long history of private property rights, which includes water. As the state's population has grown, larger cities have turned to rural landowners to buy their water. Groundwater districts, like Middle Pecos, can act as an arbiter.



The 98 groundwater conservation districts, which are mostly in rural or sparsely populated communities, manage the water supply. Groundwater districts are the state's "preferred method of groundwater management in order to protect property rights," an update to an old mandate known as the rule of capture that allowed landowners to pump water as they wished.

The conflict between Belding Farms and Fort Stockton Holdings began in 2009 when the latter first attempted to sell roughly 50,000 acre-feet annually. One acre-foot of water is about 325,851 gallons of water.

The groundwater district initially rejected the request, in part because the exports needed more protections attached to it. At the time, then-mayor of Fort Stockton, Ruben Falcon, said the residents felt "that the future water supply is threatened by having a large amount of water transferred out of the aquifer."

In 2017, Fort Stockton Holdings and the groundwater district reached an agreement to allow the holding company to pump and sell 28,400 acre-feet of water. That's when Belding Farms sued the groundwater district, which controls the permits for export agreements like the one between Fort Stockton Holding and the other cities.

In total, the farm has sued five times and petitioned the groundwater district to establish controls around the exports, including defining so-called unreasonable impacts. Unreasonable impacts would define the points at which the aquifer is too low. The farm also asked the district to impose a 20-cent export fee for every 1,000 gallons. These collections would provide financial compensation to landowners affected by unreasonable impacts, such as having to deepen their wells. The groundwater district rejected both in its October session.

Two of the cases reached the Supreme Court of Texas. The first is the settlement agreement between Fort Stockton Holdings and the groundwater district, which allowed the company to sell the water. The second case concerns a renewal permit for Fort Stockton Holdings, which will need to continue to sell the water.

Groundwater District board members say they must grant companies and individuals the ability to use the

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groundwater as they see fit, adding it has been caught in the crosshairs of a generational dispute.

In 2012, the Texas Supreme Court <u>ruled</u> in an unrelated case that groundwater districts could not severely limit landowners from pumping water. At the time, the attorney for the Edwards Aquifer Authority said the ruling would "make life much more complicated for groundwater districts."

"When you're giving big chunks of the pie, it's like you have to keep giving big chunks of that pie out because if you start telling people no, you're going to get sued," said Robert Mace, executive director at The Meadows Center for Water and the Environment. "That's a case the district's probably going to lose."

Still, landowners who drill a water well that is within the jurisdiction of a groundwater conservation district must register it. Groundwater conservation districts issue permits for commercial wells or wells that pump large volumes of water from the aquifer. They also issue spacing, drilling and production requirements.

Groundwater districts determine their supply by monitoring the water underground. Every five years, they submit a report to the Texas Water Development Board that calculates the available water for the next 50 years. The groundwater district uses that information for regional planning and how much water can be permitted for pumping.

Justin Thompson, a research assistant professor at the Bureau of Economic Geology at the University of Texas, said the goal was to maximize the use of the available water while balancing that against protecting the supply.

"They have an unenviable task," he said.

y Edwards, the general manager of the Middle Pecos Groundwater Conservation District, said he sees his role less as a regulator and more as a relationship manager. The groundwater conservation district must represent and protect the interests of groundwater users.

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If a landowner disagrees with the groundwater district's decision, they can approach the board members and request changes. Edwards said that is the point of a local governing agency.

Three pools of water flow underneath the soil in Fort Stockton, a geographically unique makeup that isn't common in Texas. The Edwards Trinity aquifer is closest to the surface. The Rustler aquifer is below it. The Capitan Reef Complex aquifer is the deepest one.

The farm and holding company are not the only water rights owners in Pecos County. In the County, 4,000 wells tap into the aquifer. Almost 3,000 of those belong to landowners who registered their wells. Nearly 1,000 are permitted.

One hundred wells make up the majority of the water use, including Fort Stockton Holdings, Belding Farms, the city of Fort Stockton, another pecan farm and a detention facility.

Last year, a combined 42,205 acre-feet of water was pumped from the Edwards-Trinity aquifer. That's more than Midland and Ector counties, which pumped a combined 25,000 acre-feet of groundwater in 2021, according to the regional water plan submitted by 32 counties to the Water Development Board.

Fort Stockton Holdings' deal with the cities will add 24,800 acre-feet more pumping annually. Edwards said that the groundwater district evaluated pumping levels over the years and determined that the impact on the aquifer would not be a risk. He said the monitoring mechanisms are protective of the aquifer.

Since the deal was first proposed, Fort Stockton Holdings and the Cockrell family armed themselves with lawyers, scientists and consultants who have sparred for years, disputing the data they present to each other. Edwards said the data Belding Farms provided helped them arrive at their decision.

Although it is not opposed to exports outright, the Cockrell family argues this amount could drain the aquifer faster than it can recharge. They said the groundwater conservation district's monitoring ability is not robust enough and can only provide estimates of the water levels. Experts also pointed to excessive agricultural pumping in the 1950s, which caused the local springs, called Comanche Springs, to dry up.

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Edwards, who volunteered at Belding Farms in his youth, said the water supply was not in danger. He said the historical data going back decades portrays a healthy aquifer capable of withstanding the added demand.

"We're not going to let their wells go dry," Edwards said.

At the groundwater district's October meeting, tensions were high. The 11 board members sat around a conference table beneath a wide-screen TV where scientists, lawyers and consultants gathered and waited their turn to speak.

Opposite the TV, the Cockrell family's attorney, Ryan Reed, sat in a folding chair. Behind him sat Carlos Rubenstein, a former commissioner for the Texas Commission on Environmental Quality, erstwhile chair and board member of the Texas Water Development Board, now a consultant for the family and farm.

Reed once again asked the groundwater district to consider setting stricter rules and defining unreasonable impacts. What he is asking is not included in the law. It would be up to the groundwater district to establish.

Fort Stockton Holding's attorney spoke next, calling the request a fearmongering tactic. He said their studies show the aquifer can sustain the added pumping.

Board members said they would convene the residents and discuss adding export fees at their discretion, not the 20-cent amount the Cockrell family recommended.

After the meeting, Edwards sat in his office with a plate of barbecue in front of him. A groundwater field technician cooked the meal.

He said Texas law compels them to treat groundwater users equally and that the Legislature does not give them enough teeth to take on every battle. In the meantime, he said he trusts the science.

"Nobody likes the fact that water is going to leave Pecos County," Edwards said. "None of the board members like it. You're not going to find anybody in the community that supports them moving water out of

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the county, but we didn't write the laws."

Shortly after the meeting, Reed said the groundwater district's decision was shortsighted in refusing to agree to the farm's terms.

Reed did not say what the farm would do next, only that the fight was far from over.

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