

## WHY ATTEND?

*Can we create an effective bailout  
for our subprime water crisis?*

Gold-rush thinking currently drives our economic growth, but ultimately, financial strength depends on the sustainability of fundamental resources. Until this inconsistency is resolved, the Middle Rio Grande's hard-won water plan is a pile of paper, and our future includes foreclosure.

## REGIONAL WATER PLAN

In 2004, the Water Assembly completed the MRG Regional Water Plan with lots of community input. Accepted by local governments in the region as well as by the New Mexico Interstate Stream Commission, the Plan contains 43 recommendations to close the gap between supply and demand. Now the challenge is implementation.

Please join us in the upcoming year in our efforts. Activities underway include a legislative questionnaire and fall candidate forums. More is possible with more participants!

Middle Rio Grande Water Assembly is a 501(c) (3) non-profit organization. The Water Assembly's purpose is to assure effective implementation of the Middle Rio Grande Regional Water Plan through an open, inclusive, and participatory process so as to achieve the common interests of the people and stakeholders of the region for a sustainable water future that balances water use with renewable supply in accordance with the stated goals of the Water Plan.

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# The 12<sup>th</sup> Annual Water Assembly

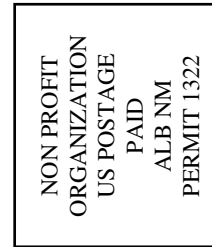
## Subprime Water Crisis



**Saturday, June 14, 2008**  
**Dane Smith Hall, UNM**  
**9:00 a.m to 3:30 p.m.**  
**Registration begins at 8:30**

Registration Fee: \$10.00 at the door  
continental breakfast & lunch is included

Free parking on Saturdays at UNM  
Campus map can be found at  
<http://www.unm.edu/campusmap.html>



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## Why Call It A “Subprime Water Crisis”?

Water resource allocation and permissive/consumptive use have much in common with the current subprime mortgage crisis. Those in authority assumed there would be adequate returns to meet repayment promises. They encouraged speculative betting on resources that either were not there, or were falsely represented as a “sure thing.” Are we similarly gambling on the existence of sufficient water in our region, in New Mexico, in the United States, and in the world?

Study after study concluded and now affirm the existence of a substantial gap between our renewable water supply and escalating demand in the Middle Rio Grande (MRG). Even during the wettest quarter-century in 2000 years, our water consumption exceeded supply by 15 to 20%. New users will require even more water, while a warming climate reduces supply.

Water rights provide the means for our wet water use. Consistent with constitutional principles, the public's water is allocated for beneficial use, with senior rights having priority. But more rights have been issued in the MRG than there is wet water to cover them, even in a good year, and more uses are still being added.

*“Existing water rights, compact obligations, conservation efforts and public welfare might all be jeopardized unless sufficient valid surface water rights are obtained to offset effects on the Rio Grande prior to pumping ground water...It's similar to buying short on the stock market... the day to pay comes around and you better have the money, or in this case the water rights, to cover yourself.”*

Tom Turney, former N.M. State Engineer, 2001

## Betting on the Come

Even without clear understanding of how much wet water is backing paper claims, or what the future holds, plans are being pursued to generate growth. With oil prices escalating, local food production will increase in importance. As we try to reduce pressure on our aquifer, removing contaminants from drinking water may require additional financial and energy resources. Desalination, a potential source of water, will also require substantial amounts of capital and energy. Producing that energy also requires water, and so on... Decisions based on subprime water have too often been made with little or no weighing of consequences. Those consequences include:

- unrealistic accounting practices
- nominal monitoring and administration
- increased energy needs
- incompatible land use practices
- emergent water quality issues
- speculative-based growth and probable supply reductions

While each issue merits examination, together they constitute reason for concern. As with the mortgage crisis, the current situation arises from differences in values and perceptions; from inconsistent policy prescriptions; and from a lack of requisite political will to take action.

Mission of Regional Water Plan  
*Balance Use with Renewable Supply*

## Speculative Betting

Are we depending upon fictional supplies?  
What bailouts are needed to avoid foreclosure?

Current actions have carved deeply into our natural capital. How can this be changed other than simply “print more water”?

- How can all the promises made be met?
- Should prime water continue to be supplied to all?
- How should the ecological and economic effects of “new” water be handled?
- How will we assure water quality?
- What bailout tools do we have and what others do we need?

## Join us at the 12<sup>th</sup> Annual Water Assembly

Agenda includes:

- Subprime Economics: The Dollars and Gallons Nexus - the “Gold Standard”
- Subprime Water Sources & Concerns - Desalination & Contamination
- Perspectives Panel: Consequences of Impending Water Foreclosures
- What Can/Should Our Politicians Do?
- Can The State’s Water Planning Help?
- Remedying Inadequate Accounting and Accountability
- Bailouts for the Uncollateralized Promises to Provide Water
- Plenary Discussion: Where Can We Be Most Effective?

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### Speak for your interests!

Advocacy Groups will select their delegates to the Board for the coming year. Join us!

