

Southwest The Resource for Semi-Arid Hydrology HYDROLOGY

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**Water as
a Commodity**

Southwest Hydrology
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Southwest The Resource for Semi-Arid Hydrology HYDROLOGY

A bimonthly trade magazine for hydrologists, water managers, and other professionals working with water issues.



From the Publisher

More than 4,500 water professionals now receive *Southwest Hydrology*. Although more than 90 percent are in the Southwest, our subscribers hail from nearly every state in the country.

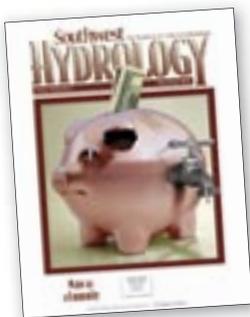
In their day-to-day work, many of our readers consider water only in the technical sense. But as water policies are increasingly shaped more by pressures of supply and demand than science, the economic aspects of water become harder to ignore. Population growth and drought in the naturally arid Southwest create scarcity in water resources, and water has become a commodity in many areas. Markets have formed for water rights and for leasing quantities of water over a specific time. Our feature articles discuss how water has become a commodity, the conditions that foster or hinder the development of water markets, what is entailed in entering the water market, and how various types of water markets in the Southwest work.

Soon we hope to convene the *Southwest Hydrology* Advisory Board, likely consisting of eight to 12 members who represent the geographic and professional diversity of our readership. The Board will provide guidance and support regarding the content of the magazine. If you are interested in serving on the board, please contact me.

Thanks very much to all contributors to this issue, particularly the feature authors, who rose to the challenge of explaining economics to a hydrologically oriented audience! As always, we look forward to your comments and contributions.

Betsy Woodhouse

Publisher



Cover image by Brad James and
Kyle Carpenter

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Water as a Commodity

Ongoing drought and a rapidly growing population in the naturally dry climate of the Southwest have created a high demand for scarce water. With this increased demand for a limited resource comes a need to understand the economics of water, not just the science of it. Water has traditionally been treated as a public good, but in areas where it is increasingly scarce, it is becoming a tradable commodity through the development of water markets. In this issue's feature articles, we look at when, where, and why water may be a commodity, and how water markets work.

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Boone Pickens

Mesa Water plans to export 150,000 acre-feet of groundwater per year from privately owned land in the Texas panhandle to distant areas of the state. Pickens explains why he thinks this is both feasible and in the best interests of Texans.

24 Real and Ideal Markets for California: Potential Limits and Infrastructure's Roles

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How do the costs of regional and statewide water markets compare with nonmarket water management policies in a state that has diverse water users, a variable hydrology, and a vast network of infrastructure supports?

Southwest Hydrology

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Editorial Contribution

Southwest Hydrology welcomes letters and contributions of news, project summaries, product announcements, and items for The Calendar. Send submissions by mail or email as shown below. Visit www.swhydro.arizona.edu for additional guidelines for submissions.

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