

TUWaterWays

Water News and More from the Tulane Institute on Water Resources Law and Policy
February 11, 2016

About that Loan, Mr. Potter...

With all the trouble residents of Flint, Michigan, are having getting drinkable water and responsive governance, one might wonder why they don't just pack up and move. Or maybe walk down to the bank and take out a mortgage to cover the cost of replacing the lead pipes serving their own homes. As it turns out, they might not be able to do either of those due to the fact that banks don't seem to think houses without potable water are very good collateral. It seems that some lenders are refusing to issue new mortgages unless borrowers can [prove up a safe water source](#). Of course, that may not be possible to do. So what then? Maybe property values will go down, taking the tax base with it and further stressing Flint's ability to recover. Maybe the State of Michigan or the U.S. government will buy them out (or be forced to by takings claims) as was done for [Love Canal](#), New York, though Flint is much bigger than the 800 families bought out there. Time will tell, but this much is clear: The problem of threatened water supplies is [not unique to Flint](#) and the prospect of lenders (or insurers) paying attention should be taken to heart. Cities without access to capital or insurance are likely to look a lot like [places that used to be cities](#).

The Man with the (Big) Plan

In American West some names take on a mythic quality owing to deeds of their namesakes. Their names—[Cody](#), [Carson](#), [Houston](#) and more—can be found on the names of counties, towns, and streets throughout the West. Perhaps future generations will add Disque Deane Jr. to that list. Not [Dizzy Dean](#) the pitcher or [Disco Duck](#) the song but [Disque Dean Jr.](#) the New York financier with the big idea of privately purchasing water rights and peddling them to high value users. In practice this means buying water rights from farmers and selling them to city folk. Dean is hardly the first to think of this, but with his hedge-fund firm Water Asset Management poised to actually do large scale purchases he could transform not only water management but the actual landscape of the West. The reason for this is historical. When water rights were first created in the West, the lion's shares went to miners, ranchers and farmers. Today, cities are far more efficient (in terms of value and in getting the most from each drop of water) than rural areas, but most of the water is in rural hands. There may be fewer farms and fewer towns when it's all over but that's hardly news. What is news is water is undervalued and there

The Tulane Institute on Water Resources Law and Policy is a program of the Tulane University Law School.

The Institute is dedicated to fostering a greater appreciation and understanding of the vital role that water plays in our society and of the importance of the legal and policy framework that shapes the uses and stewardship of water.

Coming up:

[Tulane Environmental Law Summit](#)

New Orleans, LA
February 19-20, 2016

[Center for Natural Resource Economics & Policy](#)

New Orleans, LA
March 20-22, 2016

[River Rally](#)

Mobile, AL
May 20-23, 2016

[State of the Coast 2016](#)

New Orleans, LA
June 1-3, 2016

[Summit on Coastal and Estuarine Restoration](#)

New Orleans, LA
December 10-15, 2016

Water jobs:

[Clean Water Advocate](#)

Environment America

[Staff Attorney](#)

Tennessee Clean Water Network
Knoxville, TN

[Assistant Water Program Leader](#)

Forest Service
Washington, D.C.

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are those who believe there is money to be made from water. And if a classic western telling the Disque Dean (Jr.) story is filmed it just might be called the [Good, the Bad, and the Thirsty 2](#) (actually there are more of these than you want to imagine).

I Say, Old Chap, Reduce Water Loss and Win Big Prizes

After this year's Super Bowl everybody knows that [wasting water](#) is a very, very bad thing to do. But even if we stop washing and brushing our teeth, in some places (New Orleans among them) a staggering amount of water will be wasted because it never even makes it to your tap. Call it leakage, lost water, stolen water, or "nonrevenue water (NRW)" an amazing amount of water that is taken from public supply water sources never gets to the public it is supposed to serve. And the British Government is [quite displeased](#) with that going on in developing countries (which curiously does not include Louisiana) and has announced the [Dreampipe Challenge](#) to do something about it. The British Government's Department for International Development is behind the prize and is not, repeat not, looking for cool new technologies like pipes and pumps. Instead they are looking for innovative ways to finance water saving technologies and management practices. At stake is roughly \$1.8 million in prizes. All we can say is [good show and good luck](#).