

TUWaterWays

Water News and More from the Tulane Institute on Water Resources Law and Policy
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BP Bucks Back 'Bama Bonds

[I have a structured settlement but I need cash now!](#) Well, if you're the State of Alabama, a call to 877-CASH-NOW might not cut it. Alabama is set to receive [nearly \\$1 billion](#) between now and 2033 for economic damages from the *Deepwater Horizon* oil spill. But that's just [not fast enough](#) for a state that's been raiding its rainy day fund to cover expenses since 2009, and is facing an \$85 million shortfall for Medicaid costs. To access the settlement money upfront, the [Yellowhammer](#) State plans to sell \$640 million in bonds, backed by \$850 million in BP settlement payments.

Some BP settlement dollars, like RESTORE and NRDA, have [strict parameters](#) on how they can be spent. Economic damages, however, are more or less unencumbered. Louisiana, for example, has decided to [divide economic damages](#) between the Budget Stabilization Fund, the Medicaid Trust Fund for the Elderly, and the Health Trust Fund. [Alabama plans to use](#) most of the bond revenue, \$400 million, to replenish the Alabama Trust Fund. \$120 million will cover the state's Medicaid costs through 2018 and the remaining \$120 million is earmarked for roads in Mobile and Baldwin counties. To facilitate the bond sale, state [legislators created](#) the Alabama Economic Settlement Authority (AESAs). The AESA's motto? It's our money, and we need it [now!](#)

Try and Catch the Wind

Oil prices hover around \$50 per barrel, about half what they were two years ago. Oversupply, thanks in part to domestic fracking and aggressive international development, has forced drillers to cut back on exploration. In fact, in 2015 a mere 2.7 billion barrels of new supply was discovered, the [lowest annual amount since 1947](#). While this slow-down is tough on the industry as a whole, offshore service companies that build new rigs are especially hard hit. Without a rise in prices, oil companies will [continue to favor onshore production](#) over [comparatively expensive](#) offshore drilling.

If offshore oil is your business, business looks bleak right now. But if you're in the business of offshore *energy*, well [that's a horse of a different color!](#) That's the expansive view taken by Gulf Island Fabrication, Inc., a [storied](#) offshore services company. Gulf Island recently built all the turbine foundations at the [Block Island Wind Farm](#), America's first offshore wind farm set to open in November. It turns out

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:

[CRCL Coastal Issues Forum: 2016 Senate Race](#)

Baton Rouge, LA
October 6, 2016

[Anba Dlo Water Symposium](#)

New Orleans, LA
October 13, 2016

[Anba Dlo Halloween Festival](#)

New Orleans, LA
October 15, 2016

[CPEX 2016 Louisiana Smart Growth Summit](#)

Baton Rouge, LA
November 1-2, 2016

[The 19th Annual Conference on Litigating](#)

[Takings Challenges to Land Use and](#)

[Environmental Regulations](#)

New Orleans, LA
November 4, 2016

[RAE/The Coastal Society Summit on Coastal and Estuarine Restoration](#)

Tulane Institute

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experience building offshore oil rigs translates well to wind. Both require anchoring massive structures to the seabed in challenging environments. With [‘staggering’ potential](#) for US offshore wind, companies in the Gulf could once again be poised to reap huge profits from [the next American energy boom](#), [Mississippi Flyway or no](#). Either way, the water-energy nexus will continue to be at [the center of the action](#).

[There’s a Hole in the Bottom](#) of Polk County

If you’ve ever bought fertilizer for your garden, you may have noticed a series of three numbers on the bag. That number – known as the NPK analysis – is a breakdown of the Nitrogen (N), Phosphorous (P), and Potassium (K). These three elements are essential to plant growth and are used around the world to grow the crops that sustain life. The US is the third leading producer of fertilizer worldwide, and almost all of it comes from one place: Bone Valley, FL. The massive phosphate deposit also happens to sit above the central Floridian aquifer, the drinking water supply for millions of people in Central Florida.

The conflict between the two resources was put [in perspective](#) earlier this month, when roughly 215 million gallons of wastewater containing phosphogypsum, a radioactive byproduct of phosphate mining, fell [through a sinkhole and into the aquifer](#). Mosaic, the company running this operation, disclosed the incident to the public two weeks after it started, claiming the incident is unlikely to affect the aquifer, though they will spend [up to \\$50 million](#) cleaning up the site. Others feel differently. As an [expert on sinkholes at Hofstra University](#) stated, “The aquifer is like Swiss cheese and it’s interconnected. Contamination can be very rapid. They must be working very hard to figure out where this is going.” Mosaic has offered its apologies and is offering third party testing of nearby resident’s drinking water.

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Lost in Space

[SpaceX is getting ready to move us to Mars](#). [So is Gary Johnson](#). However, Mars may no longer be our only option. In 2015, NASA’s New Horizon’s mission cruised past ex-planet, Pluto, seeing what may be an ocean. [This was confirmed this week](#), with further modeling confirming that there must be a liquid ocean roughly 60 miles deep. But that’s not it! NASA also recently [discovered what might be plumes of water erupting](#) from Jupiter’s largest moon, Europa. Europa has a large, ice-covered ocean, larger than the whole of the oceans on planet earth. That moon is widely considered by those in the know to be one of the places in the solar system most likely to sustain human life. Now that space explorers may not have to drill through unknown depths of ice to reach the body of water, NASA may be one step closer to understanding what type of life is out there and how we can be a part of it.