

Joe Beal, politically connected engineer, back in the water game

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By [Asher Price](#) - American-Statesman Staff

— A decade-long push to move water from Bastrop and Lee counties to fuel growth in communities to the west has largely been stymied by litigation, local opposition and reluctant customers in the Austin area. But with the announcement by the Lower Colorado River Authority in February that the drought has upended long-held estimates of how much of the Central Texas water supply is reliable during drought, the race to bring new supplies to market has rekindled.



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[Ralph Barrera](#)

Joe Beal, a Bastrop City Council member who wants to supply Bastrop groundwater to Travis or Williamson counties, looks out over [... read more](#)

And the pitchman arguably best positioned to answer LCRA's call for new supplies is its former general manager, Joe Beal, a short, bright-eyed civil engineer who has had as many careers in the water and infrastructure business as cats have lives.

It was Beal's empire-building effort at the river authority in the early 2000s that sent water pipelines shooting into the Hill Country, accelerating suburbia in areas around Dripping Springs, much to the dismay of environmentalists. And it was Beal who embarked upon a massive water-sharing agreement — [one that ultimately fell apart](#) — between LCRA and San Antonio.

Now, at 69, he is the point person for Recharge, a groundwater firm that wants to move 46,000 acre-feet of water from beneath Bastrop and Lee counties into Travis and Williamson counties.

Joe Beal, a Bastrop City Council member and consultant on water development projects, encouraged the Austin City Council this month to [... read more](#)

Politically astute — he serves on the [Bastrop City Council](#) and on a [bank board](#) — Beal has met with executives at his former utility, as well as the Williamson County judge, to persuade them to buy Bastrop groundwater.

“I've done the numbers,” he told new Austin City Council members on Feb. 9 in brief comments. “It can be brought in here pretty cheaply, but we have to act quickly.”

At the meeting, Beal identified himself as a Bastrop council member, but he didn't mention that he is also a groundwater developer. Mayor Steve Adler, who invited Beal and a handful of other people to address the council, including the sorts of environmental activists who have locked horns with Beal in the past, said he didn't know Beal was doing groundwater work.

"It would have been instructive for the council to have all of the information about Mr. Beal, so they could have better understood the perspective," Adler said.

Asked by the American-Statesman why he didn't disclose his groundwater affiliation as he addressed Austin officials, Beal said, simply, "I don't think it makes a difference."

The comment was indicative, both to his admirers and detractors, of a characteristically swashbuckling approach to transparency. Coming out of the private sector — Beal had worked at the engineering and environmental consulting firm Espey, Huston & Associates for nearly 20 years — his stint at the river authority was marked by a masterful control and packaging of the information he and his staff conveyed to the river authority's governor-appointed board members.

In keeping with the charged politics of the region over water, Beal's remarks at the Austin City Council were made into a campaign issue back in Bastrop in a state representative race. With water growing ever more valuable, arguments over the fate of Bastrop's supply are shifting from a simmer to a rolling boil. And so even as Beal, who has lived in Bastrop since the mid-1990s, might be singularly situated to move that water, navigating this delicate terrain could be his hardest challenge yet.

The water merchants

The money behind Recharge comes from a private equity firm that counts the son of a congressman as a principal. Last year the firm, Caprock, bought the main stake in End-Op, a groundwater firm headed by former Williamson County Commissioner Frankie Limmer, and hired Beal to be its point person.

The fate of Recharge's water — it wants to pump enough water each year to satisfy the needs for nearly 200,000 average Austin households — is caught up in a long-running fight in the water-rich counties that sit above the Carrizo-Wilcox Aquifer. As in other parts of Central Texas, many residents of those counties don't want to see the water exported and worry about their own groundwater drying up, while other property owners see it as a near-sacred property right to sell the water from beneath their land.

An administrative law judge will soon weigh in on whether Recharge gets its water: In a chicken-and-egg problem, the groundwater district that regulates pumping recently argued that until Recharge gets a buyer for its water it shouldn't be able to pump it; Recharge argued that it can't enter into contracts until it wins assurances from the groundwater district that it will get its water.

As he did with the Austin City Council, Beal has met with the Williamson County judge and the general manager of the LCRA to convince them of the need to buy water from beneath Bastrop County.

It's a well-worn path: Gary Bradley, the boom-and-bust developer of Circle C, met with LCRA officials several years ago to persuade them to buy water, and before that the rainmaker lawyer Pete Winstead tried to broker massive water deals.

Core to Beal's pitch is that because of the current drought, the river authority should revise downwards the amount of dependable water in Lakes Travis and Buchanan, the chief reservoirs of Central Texas, including Austin. With a bounding population, Beal argues these entities should look east for groundwater.

He won a measure of vindication when LCRA officials confirmed in February that the drastically low flow of water into the Highland Lakes during the current drought has forced them to recalculate how much water they can guarantee for sale.

“We’re going to continue to explore and pursue additional sources of supply,” said John Hofmann, who oversees water resources for the river authority.

The stakes in Bastrop

But Beal’s message to the Austin City Council was not as warmly received by some residents of Bastrop who are battling efforts to export groundwater.

In February, with a race for state representative underway for a district that includes Bastrop, activist and one-time candidate Linda Curtis sent out an email blast tying Beal’s comments to the City Council to his endorsement for Republican Brent Golemon’s runoff opponent, fellow Republican John Cyrier.

“I’ve seen too many good ol’ boys like Joe Beal in my life to put up with it and neither should the voters,” Curtis wrote in the mass email. “This should tell voters all they need to know about John Cyrier, who has repeatedly refused to tell us anything about what he will do to protect our water.”

Cyrier won the race with 52 percent of the vote.

In an interview, Beal said he thought a big water deal would benefit the entire region — and that he was bothered “to be accused of misdoings” in the campaign.

“The economic climate that Austin enjoys today is one of the major reasons why things are as good as they are in Bastrop from an economic standpoint,” he said. “If Austin is unable to continue its economic vibrancy because of a lack of adequate water supplies it will have a significant impact on the economy of Bastrop.”

“We are experiencing a drought worse than any drought we’ve seen in the past,” he continued. “The amount of reliable, adequate supply will be less in the future than it was before.”

Like other water marketers hoping to move underground water from points east, he says Austin should be less reliant on the Colorado River.

But with Austin guaranteed water through the middle of the century because of a long-term contract with the river authority, the city appears unlikely to buy groundwater supplies of its own.

In 2014 a volunteer task force assembled by the Austin City Council said the city should be more aggressive about conservation before turning to expensive and logistically difficult sources — such as groundwater from the east.

“The cost of buying and transferring water from other areas can be high,” Council Member Ann Kitchen said. “And we might be doing better to conserve our current supplies.”

A new round

As visionary as some of Beal’s water projects have been, the reality has been less kind. After his departure, the LCRA sold off dozens of [small retail water systems](#) he had purchased at a loss, parted ways with San Antonio on the water deal before it was consummated and remains vilified by environmentalists for expanding water pipelines in the Hill Country. (Looked at another way, the LCRA pipelines to the Hill Country championed by Beal led to the economic growth that came with a population boom.)

Beal joined the LCRA in 1995 to oversee its water services, and when he left in 2007 as its general manager, he said: “I can tell I don’t have the stamina I used to have.”

But as Beal gained a second wind, he immersed himself in Bastrop politics, helping found a bank with state Sen. Kirk Watson, D-Austin, and other local luminaries, and joined the board of pawn chain company EZCorp (he has since left the board).

And he never strayed far from water issues.

The current LCRA general manager, Phil Wilson, said he meets with people regularly who want to pitch him water supply projects, from desalination to groundwater.

Groundwater has “challenging uncertainties” involving costs, politics and ownership of the water, Wilson said.

Still, Beal, with some personal connections remaining at the LCRA and the support of his bosses at Caprock, appears in prime position to add a chapter to his legacy.

“Joe is a sophisticated executive,” said Toby Neugebauer, a Caprock principal and the son of U.S. Rep. Randy Neugebauer, R- Lubbock. “If Joe can’t figure it out, it can’t be figured out.”

The LCRA board could start begin acting on new supplies as soon as this spring.

About Joe Beal...

MBA, municipal finance, UT-Austin.

B.S., civil Engineering, Texas Tech.

Bronze Star, U.S. Army, Vietnam, 1969.

Senior vice president Espey Huston & Associates, 1976-1995.

LCRA head of water services and then general manager, 1995-2007.

City Council member, Bastrop, 2009 to present.