

Investors Have A Big Thirst For Water

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(CBS) Who says oil and water don't mix? Not T. Boone Pickens. As **CBS News correspondent Anthony Mason** reports, Pickens, a Texas billionaire who made his fortune in black gold, is now investing in a blue liquid.

Pickens' new company, Mesa Water, has been buying up ground water rights in Roberts County, Texas — 200,000 acres in all. He says that over a 30-year period, he expects to make more than \$1 billion on his investment of \$75 million.

Pickens isn't the only investor with a big thirst for water: GE has bought four water companies. Water is now a \$400 billion global industry — the third-largest behind oil and electricity. The difference: There are alternatives to those two energy sources.

Not so with water.

"There is really no substitute for water," says Roberto Lenton, a hydrologist with the Earth Institute at Columbia University. "There's nothing else that will play that role."

Water itself isn't scarce. But *clean* water is. For investors, the lack of usable water around the world is making it almost as valuable as oil.

"The water sector is going to grow two to three times the global economy over the next 20 years," says Rod Parsley, who runs the \$50 million Water Fund, which invests solely in water-related businesses. "By buying the companies that source, treat, distribute and monitor our water supply, you're pretty likely to have a strong investment over the next decade or so."

That's because cities will need new technologies to help replace their deteriorating water systems. New York, for example, is spending \$6 billion to build 60 miles of water tunnels. It's one of the largest water infrastructure projects in U.S. history. It will carry about 1.5 billion gallons a day.

The U.S. population has increased about 50 percent since 1965. But water usage is up 300 percent. Experts say you can expect your water rates to go up.

"I know what people say — water's a lot like air. Do you charge for air? 'Course not; you shouldn't charge for water," says Pickens. "Well, OK, watch what happens. You won't have any water."

With our unquenchable thirst, more and more investors are seeing water as a liquid asset.

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