## San Jose Mercury News

## Lawsuit challenges California water bank deal

By JACOB ADELMAN Associated Press Writer June 3, 2010

LOS ANGELES—Water agencies and others filed a lawsuit Thursday accusing California officials of backing a deal that allows private companies to control and profit from a massive reservoir built with public funds to store water for use during dry spells.

The complaint filed in Sacramento Superior Court alleges the state Department of Water Resources illegally transferred the 32-square-mile Kern Water Bank to a joint-powers authority controlled by agricultural giant Paramount Farming Co. LLC and other private entities.

The deal, known as the Monterey Plus Amendments, "amounts to an unlawful and unconstitutional gift of a critical state asset, ceding effective control of the country's largest groundwater storage facility to private interests," the lawsuit said.

Plaintiffs include the Center for Biological Diversity, California Sportfishing Protection Alliance, Central Delta Water Agency and South Delta Water Agency.

Department of Water Resources spokesman Matt Notley said his agency was reviewing the lawsuit and had no immediate comment.

Paramount did not return a phone message seeking comment.

Paramount parent company Roll International Corp., which owns Fiji Water, POM Wonderful and other brands and is separately named as a defendant in the lawsuit, did not respond to an email.

The lawsuit followed a May 5 action by the Department of Water Resources that formalized a 1995 agreement giving ownership and operational control of the Kern County Water bank to an entity called the Kern County Water Bank Authority.

The authority is primarily comprised of privately owned water districts, such as Paramount's Westside Mutual Water Co., the lawsuit said.

In exchange, the state was promised 45,000 acre-feet of water—about 14.7 billion gallons—that it never received, according to the lawsuit.

"The Monterey agreement is 'Chinatown' on steroids," said Bill Jennings, executive director of the Sportfishing Protection Alliance, referring to the 1974 film about a water swindle in Southern California. "This was an agreement hatched in secret."

The lawsuit also challenges provisions of the agreement that eliminated a long-standing preference given to municipal water users over agricultural users during droughts.

The change resulted in water shortages and higher utility rates for users in Southern California, the plaintiffs said.

In addition, the lawsuit contends the deal permits developers to plan construction based on surplus amounts of water that may not be consistently available, and allows undeliverable quantities of water to be promised to irrigation districts and utilities.