

Group Sues California For Privatizing Massive Water Reserve

Linda Yee
February 7, 2014

KERN COUNTY (KPIX 5) — California is in a drought so serious, Gov. Jerry Brown has declared a state of emergency. Yet a handful of the state's biggest agribusinesses may not be feeling the pinch as much.

The Golden State is bone dry. "Make no mistake, this is a mega-drought," Brown said just last week. The worst drought on record has delivered virtually no snowpack, drained reservoirs and turned once lush vineyards brown. Mandatory rationing is in the works.

But there is one place where there's no shortage of water. The bountiful pomegranate, almond and pistachio fields of paramount farms are as green as ever.

You wouldn't know it because you can't see it. But there is a huge underground water reservoir on the south end of the Central valley, near Bakersfield. It's four times as big as Hetch Hetchy reservoir.



Kern Water Bank. (CBS)

It's called the Kern Water Bank. And it's majority controlled by two of the state's biggest agribusinesses: Paramount Farms, a division of Roll International, and Tejon Ranch Company.

"I agree that it's a big water bank," said Katy Spanos, an attorney with the California Department of Water Resources. Spanos said the state turned the huge underground aquifer over to a handful of big agribusinesses

almost 20 years ago, in exchange for a cutback on their state water allotments.

But no money was exchanged. In fact, the state lost money, because it had originally paid about \$70 million for the land the Kern Water Bank sits on.

Spanos told KPIX 5 the cost of building a bank is significantly more than that. "Water managers feel that this is the kind of thing that makes good sense," she said.

But not everyone agrees. “I don’t think in this country we are prepared to allow fresh water to be a privately controlled resource,” said Adam Keats, a senior attorney with the Center for Biological Diversity.

His group, along with California Sportfishing Alliance, several Delta water districts and ratepayers, are suing the state to get the water bank back. The suit claims the transfer of the Kern Water Bank to controlling private interests “amounts to an unlawful and unconstitutional gift of a critical state asset.”

“This is as important as some of the largest dammed reservoirs in the state,” said Keats. “What our lawsuit is about is to try to say hey, you can’t just rewrite the contracts on these things.”

Keats predicts the private ownership of that much water will lead to speculation, and profitmaking.

“The drought is a perfect opportunity for them to do so. I think they are trying to lay low until they feel they have a more solid grasp on this water. And then the proverbial floodgates are going to open and we are

going to see the damage that these guys have engineered,” he said.

Katy Spanos disagrees. “We don’t see any signs that it will be used to sell water outside the service area,” she said.

But she admits the state no longer has control over the water in the Kern Water Bank. “We don’t look at the end use,” she said.

Keats said, “Should we leave it to a couple of rich guys to decide how to distribute it, or should we let that be the democratic process that our governor and our elected officials if they really had our interests at heart, would distribute fairly?”

A judge heard arguments last week on claims the transfer of the Kern Water Bank violates California’s environmental laws. A decision is expected in a couple of weeks.