

# Big player in California water plan pulls out

Move shows building tensions over statewide water plan

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The state's biggest farming district is pulling out of a sweeping effort to fix environmental and water supply problems in the Delta, accusing the Obama administration of political interference.

The move by Westlands Water District is a serious blow to the Bay Delta Conservation Plan, which after four years has cost \$140 million.

"As a public agency, Westlands cannot continue to spend millions of our ratepayers' dollars on a project that is likely to deliver no more and potentially less water to the public than they are receiving today," Westlands board president Jean Sagousse said in a letter released late Monday.

The decision was the clearest sign yet of building tensions that threaten the viability of the \$12 billion plan, which aims to protect the West Coast's biggest estuary while also providing water users a reliable supply.

Westlands spokeswoman Sarah Woolf said the district would no longer pay its share of the \$100 million needed to complete initial studies.

Westlands officials might continue to participate in planning meetings if invited, she said.

"I don't think it's a permanent exit," said Laura King Moon, assistant general manager for the State Water Contractors, which represents water agencies in Southern California and elsewhere. "It's a frustration many of the state contractors feel as well. "... Why would we spend all of this money if we were going to get less water than the status quo?"

At the very least, the move puts political pressure on the Obama administration to soften its insistence on strict environmental protections. It also could foretell federal legislation to ease environmental rules in the Delta.

"This has everything to do with the new Republican majority in the House of Representatives," said Assemblyman Jared Huffman, D-San Rafael, chairman of the Water, Parks and Wildlife Committee.

In a letter released Monday night, Sagouspe accused David Hayes, a deputy Interior secretary, of "myopic and unscientific obstructionism." The letter also said that the Bay-Delta plan would fail unless Hayes changed the direction of federal water and environmental agencies under his control.

Interior officials called Westlands' charges baseless and factually inaccurate.

"Given the status of the BDCP process, the promise it holds, and the consequences of its failure, it will be a disservice to all involved if Westlands prematurely walks away from the process based on unfounded conclusions or the mere fact that a range of (options) are being reviewed," Hayes wrote in a response letter Tuesday.

At issue, Westlands said, is a warning that state and federal water contractors may have to accept less water than they were hoping to receive in exchange for an environmental permit that would define water supplies for the next 50 years.

Several recent reports by government scientists showed that the estuary needs more water to flow through it to recover, whether that water comes from regions such as Westlands that are dependent on Delta pumps or regions such as the East Bay and San Francisco that rely on water taken out of rivers upstream of the Delta.

Delta water users contend that by building a Peripheral Canal or tunnels to take their water above the Delta, they can eliminate environmental problems such as fish kills associated with the pumps. In addition, they argue that restoring wetlands and removing environmental threats such as pollution and invasive species should allow them to obtain more water.

That position may not turn out to be scientifically justified.

One scientist for an environmental group saw a tactical move to counter the growing body of science showing that the Delta is overtapped.

"They want to find a scapegoat for the fact that the overwhelming scientific opinion that restored flows are part of the solution in the Delta," said Jonathan Rosenfield, a conservation biologist at The Bay Institute, an environmental group that is participating in developing the plan.

Westlands is a sprawling farm district of 600,000 acres that stretches along Interstate 5 in western Fresno and Kings counties, from near Firebaugh in the north down to Kettleman City.

The district was ground zero during the recent drought because of its lack of stored water and the fact that, as a relatively new district formed in 1952, it has a lower priority water allocation than other users.

A handful of Westlands officials worked in the Interior Department during the Bush administration. A consultant, Julie MacDonald, was accused by federal investigators of running roughshod over agency scientists with the tacit approval of then-boss Craig Manson, now Westlands' top lawyer.

MacDonald was criticized by the department's inspector general for her handling of regulations concerning two Delta fish, Delta smelt and Sacramento splittail.

Westlands' No. 2 official, Jason Peltier, also worked in the Bush Interior Department. He suggested at a recent Assembly hearing in Sacramento that higher-ranking officials rather than "mid-level biologists" make policy decisions to ensure more water goes to water agencies.

Meanwhile, environmental groups on Tuesday asked Rep. John Garamendi to request that the U.S. Securities and Exchange Commission investigate how Westlands is financing its share of the plan so far.

Studies have so far cost about \$140 million, and another \$100 million may be needed to complete them.

Tunnels beneath the Delta could cost \$12 billion or more, but habitat improvements and other pieces of the plan are likely to drive the final price tag higher.

The environmental groups contend that investors who lent \$50 million to Westlands and other water contractors were misled into thinking the plan would not be as controversial as they say it is, and that by leveraging Delta water in such a way regulators might be pressured to either bail out investors or ease environmental restriction to ensure farmer can repay the debt.