

# Water-Shark Attack in SLO County

## Need to Know in San Luis Obispo County

Analysis by G. Edward Griffin, 2015 June 8 [www.needtoknow-slo.com](http://www.needtoknow-slo.com)

### SUMMARY

Everyone knows there is a drought-related water shortage in California, but less known (or at least less discussed) is that many parts of the state are not impacted. The Paso Robles water basin, which is one of the largest aquifers west of the Rockies, has ample ground water in spite of the drought. Based on historical records, it is likely to continue that way. SLO County has been blessed by nature.

Less fortunate areas in California want to access the Paso water supply and will pay almost any price to get it. Those who have water are in a position to make a fortune.

**But it gets complicated.** Even if you are a landholder or a municipality with ample groundwater, and even if you are willing to sell some of it to Southern California, delivering it is not so easy. That's why new pipelines are planned for the Salinas river basin heading south. Soon, there will be feeder lines and pumping stations scattered across the Paso basin. Water will flow south. Money will flow north.

**This is what attracts the water sharks.** Corporations are buying the rights to as much land and water as possible. Their primary interest is not conservation or agriculture. They plan to acquire water at \$200 to \$500 per acre foot and sell it to drought-stricken communities for \$2,000 to \$5,000 per acre foot. Even more lucrative than selling water is renting in-ground storage space for water held under contract for future delivery. That, alone, could yield several billion dollars per year income – spelled with a B.

## WATER-SHARK STRATEGY

**1.** Purchase land in the North-Eastern part of the county where plentiful groundwater exists. This is close to the pipeline that delivers water to Southern California. Already they have drilled numerous high-volume wells in that area.

**2.** Convince ranchers and vineyards to sell their water to the corporations who then will pump the liquid gold to the main pipeline. Locals are told they will make more money selling water than producing crops.

**3.** Support government officials who want to place the water they control into a so-called “water bank” and sell the excess reserves for future delivery. However, much of the excess exists only in calculations and estimates that are greatly exaggerated. Insiders call this ‘paper water’. It is profitable to sell but, eventually, cannot be delivered.

**4.** Convince voters to support the creation of a new, Paso Robles Water District to “save the basin” and maintain “local control”. The outcome, however, will be just the opposite. The water board will work with county and state agencies to facilitate the sale of Paso water to other communities. Local citizens will be taxed to pay for new pipelines to accomplish that. The basin will not be saved. It will be drained.

**At the end of this process,** the water sharks will be greatly enriched, those with wells will pay for using their own water, the Paso basin will have a *real* water shortage, and family farms will be replaced by corporate farms that can pay for water. City and rural residents who thought they had no skin in this game will find their water usage severely restricted, and their most affordable drink of water will come in a fancy bottle shipped from France.



### LOOK TO THE PAST

We do not need to speculate about how this will turn out. There already has been a similar shark attack in Kern County. To see the future, look to the past.

**The Kern Water Bank, Semitropic Water District** was created in 1995 when 20,000 acre-feet of groundwater was transferred from the state to a new water district controlled by private investors. Since then, there have been numerous law suits against the Bank, including one from other water districts, for over-pumping and depleting the aquifer.<sup>1,2</sup>

### WHO ARE THE SLO WATER SHARKS?

- **Harvard Investment Natural Resources Division of Brodiaea Inc:** Matt Turrentine and James Ontiveros formed Grapevine Capital to purchase large acreage in Northern SLO and Santa Barbara Counties with money primarily from the Harvard University endowment fund. Turrentine is a Director of PRAAGS, an association of large-acreage agriculture operators who likely will dominate the new water district, if formed.<sup>3</sup>
- **Windfall Farms, a Limoneira Company subsidiary:** A publicly held Delaware corporation diversified among real estate, agribusiness, and water resources. From Limoneira's web site: "Limoneira has the good fortune of possessing access to a variety of surface water and groundwater supplies.... The company's opportunity for success in carrying out water transfers will be enhanced by conditions of increased scarcity."<sup>4</sup>
- **State of California** political sharks have sold five-times the amount of water than can be delivered. That means

80% of it is "paper water". Take-or-pay clauses in their contracts require buyers to pay even if they don't receive the water.<sup>5</sup>

- **SLO County** political sharks are selling "paper water" but the amount is not published. The County says it has an 11-year portfolio of banked water. A study discussed at a Water Resources Advisory Council on June 6, 2007, said the recipient would be Santa Barbara County.<sup>6</sup>

Investing in groundwater is not unethical. Describing these groups as sharks is not intended to impugn their character but to emphasize their aggressive business plan. However, if they knowingly manage water resources so that it is detrimental to their fellow human beings or if they practice deceit to promote their enterprises, then the word shark is overly kind.

### CALL TO ACTION

The sharks are calling for the creation of a North-County water district. That tells us a lot about what we can expect from it. They say that, allowing this entity to tax us for the use of our own water and giving it the authority to decide if our water will be sold, somehow, equates to "keeping local control". If we don't do this, they say, the state will take charge. That argument is a ploy. It is the official policy of the state to not interfere unless local water-management policies prove to be unsustainable.<sup>7</sup>

**A new water district dominated by sharks** will not sustain our water supply. It will plunder it. We must reject yet another level of political control and taxation. This has nothing to do with landowners vs. renters, wineries vs. ranches, or rural vs. urban. It's about water sharks vs. the people of San Luis Obispo County.

**When this issue appears on the ballot in 2016, vote NO!**

\*Footnotes for this article are published at [www.needtoknow-slo.com](http://www.needtoknow-slo.com).