

# Water agency's land purchase rattles California farmers

Elliot Spagat and Jae Hong, Bay Area News Group, 11-22-15

BLYTHE — The nation's largest distributor of treated drinking water became the largest landowner in a remote California farming region for good reason: The alfalfa-growing area is first in line to get Colorado River water.

Metropolitan Water District of Southern California's play in Palo Verde Valley, along the Arizona line, tapped a deep distrust between farm and city that pervades the West over a river that's a lifeline for seven states and northern Mexico.

Farmers recall how Los Angeles' modern founders built an aqueduct a century ago to bring water hundreds of miles from rural Owens Valley, a story that was fictionally portrayed in Roman Polanski's 1974 film, "Chinatown."

"Are we going to dry up our rural, agricultural communities just to keep Los Angeles, San Francisco and San Diego growing? I think it would be a sad state of affairs," said Bart Fisher, a melon and broccoli farmer who is board president of the Palo Verde Irrigation District.

Metropolitan tried to calm nerves by sending its chairman in September to a public forum in Blythe, 225 miles east of its Los Angeles headquarters. It pledged to honor a 2004 agreement that caps the amount of land it pays farmers to idle at 28 percent of the valley.

That agreement, which expires in 2040, is hailed as a model for farms and cities to cooperate. Metropolitan pays farmers about as much as they would profit to harvest — \$771 an acre this year — to bring foregone Colorado River water on its 242-mile aqueduct to 19 million people in the coastal megalopolis it serves. Palo Verde enjoys California's highest rights to the river, making their immune to drought.

The dynamic changed when Metropolitan paid \$256 million in July to nearly double its Palo Verde holdings to 29,000 acres, or about 30 percent of the valley. The agency denied its purchase from Verbena LLC, a company that bought the land several years earlier from the Mormon church, was part of an orchestrated plan.

"It's made the farmers out there nervous that we are the largest owner but there was a strategic opportunity that came up," Metropolitan's general manager Jeffrey Kightlinger said.

Metropolitan stirred similar angst this month in Northern California when its board expressed interest in buying farms on several islands in the Sacramento-San Joaquin River Delta. Its staff said the land could provide water storage and wildlife habitat.

Blythe, a riverside town of about 13,000 people in the Mojave Desert with two state prisons, is an oasis of gas stations, motels and fast-food restaurants on Interstate 10 between Los Angeles and Phoenix. Thomas Blythe staked claim to the river in 1877, beating Southern California cities under a Gold Rush-era doctrine called 'first in time, first in right.'

Los Angeles and its suburbs founded Metropolitan in 1928 to build the remarkably durable Colorado River Aqueduct. Parker Dam and the reservoir it created in Lake Havasu empties into a gray Art Deco-style building with nine pumps that quietly pipe water 300 feet up a steep slope. Teal metal cases that cover the pumps vibrate so little that a nickel placed on top stands on its side.

The water goes uphill through four more pump stations and through tunnels, canals and pipelines before reaching Southern California's coastal plain two days later.

The Colorado's huge man-made reservoirs have made the river an unheralded savior in California's four-year drought. Last year, the river supplied two-thirds of the 1.7 billion gallons of drinking water that Metropolitan delivers daily, up from a third three years earlier.

The river sustains 40 million people and farms 5½ million acres, but white "bathtub rings" lining walls of the nation's largest reservoir in Lake Mead, near Las Vegas, are evidence of shrinking supplies. California took more than it was entitled to until Sunbelt cities like Phoenix and Las Vegas clamored for their share and forced the nation's most populous state to go on a diet in 2003.

"It's really the only supply of water to this otherwise bone-dry region," said Bill Hasencamp, Metropolitan's manager of Colorado River resources.

Metropolitan has diverted up to 118,000 acre feet of water a year from Palo Verde since 2005, enough for about 250,000 households. It paid \$3,170 an acre to farmers who committed for 35 years, plus an annual fee for fallowed land. It idles 7 percent to 28 percent of the valley each year, depending on its needs.

Jack Seiler, a grower who volunteered 900 acres, calls the agreement a "poster child" for farms and cities to cooperate but Metropolitan's July purchase of nearly 13,000 acres unsettled him. It gave Metropolitan the largest voting bloc on Palo Verde's water board.

Metropolitan says it won't have to pay someone else to idle the land it now owns and will lease it to farmers, cutting its net cost to about \$50 million. It voted for incumbents in a September election to Palo Verde's seven-member board, which includes Seiler.

"I obviously don't know why they bought all this land," Seiler said. "It puts us a little bit at odds."