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Yolo County ranch's sale of water prompts lawsuit threat

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The owners of the vast Conaway Ranch in Yolo County this year sold much of its annual allotment of water to an irrigation district in Central California – prompting the threat of a lawsuit by environmental groups.

Yolo County leaders who two years ago were in court trying to seize control of Conaway through eminent domain are keeping a wary eye on what its private owners are doing. The county dropped its lawsuit in exchange for greater assurances that the land would not be developed, and that its ample supply of Sacramento River water would not be sold out to outside interests.

Conaway Ranch is unusual in the region for its large size, proximity to downtown Sacramento and habitat for myriad waterfowl species. Much of the ranch lies in the Yolo Bypass flood area.

"The good news is I haven't seen any real material changes on the ground; they're still farming it," said Supervisor Mike McGowan, who led the eminent domain charge. "I'm not ecstatic about the water transfers," he said.

Tovey Giezentanner, a spokesman for the Conaway ownership group, emphasized that the sale of 12,000 acre-feet of water to the San Luis and Delta-Mendota Water Authority was for one year only. The county was first given a right to negotiate to buy the water, in compliance with the terms of the court settlement, he said. When the county demurred, and the water was sold, Conaway paid Yolo a 2 percent fee on the \$2 million sale.

Conaway is owned by the Conaway Preservation Group, which is led by Sacramento developer Steve Gidaro and includes other prominent Sacramento developers and builders. Their purchase of the 17,300-acre property for \$60 million in 2004 stoked suspicion that a plan to build on the ranch and sell off its 50,000 acre-feet of Sacramento River water would be forthcoming. An acre-foot of water covers 1 acre a foot deep, enough to supply an average family of five for a year.

The land was previously owned by National Gas and Energy Transmission, a successor to PG&E Properties.

Conaway Preservation Group has insisted it wants to preserve Conaway – a place where some of its members enjoy hunting ducks – and make money from its attributes as farmland, habitat and flood basin.

Giezentanner said the ownership group has pursued that strategy since the county dropped its lawsuit.

"We've been hard at work trying to do the right thing," he said.

For instance, Giezentanner said, Conaway is negotiating with the city of Davis to use part of the ranch as a disposal site for the city's treated wastewater, which would be used to irrigate crops that would be fed to animals.

The city of Davis faces a state requirement that it upgrade its sewage treatment plant, which could cost \$200 million.

Maintaining the current level of treatment but disposing of the water on Conaway – rather than into the Sacramento-San Joaquin River Delta – could be a much cheaper option.

Davis Public Works director Bob Weir said the Davis plant discharges about 5.6 million gallons of treated sewage per day, which now winds up in the Sacramento-San Joaquin Delta. The city plans to go before the Central Valley Regional Water Quality Control Board in early February to discuss the possibility of using Conaway instead.

"The regional board is interested in promoting the use of recycled water, and they're also supportive of looking at regional wastewater solutions," Weir said. "We believe this meets both of those objectives."

He noted, "Our treatment plant is right next to Conaway."

Giezentanner said Conaway is discussing a similar agreement to handle sewage from Woodland. In addition, the ranch is viewed as a possible long-term supplier of water to Davis and Woodland.

The settlement agreement that ended the county's eminent domain lawsuit contains no guarantees that Conaway's water will remain in Yolo – or even in the Sacramento region. It merely gives the county the right to negotiate for the water before it is sold, and requires Conaway to pay a fee to the county if it sells the water somewhere else.

Much of Conaway Ranch is used for rice farming, a water-intensive crop. Still, the ranch is an efficient user of water due to a closed drainage system, and it usually does not draw its full allocation, Giezentanner said.

This year, the ranch sold about 12,000 acre-feet of water, he said. In order to make the water available, about 1,000 acres of rice fields were fallowed, and 500 converted to crops that don't require as much water.

On Dec. 16, the Butte Environmental Council and the Center for Biological Diversity filed a notice that they plan to sue the U.S. Bureau of Reclamation and the U.S. Fish and Wildlife Service for allowing the transfer. The groups contend the review by the wildlife service did not adequately determine the effect of the water transfers on the endangered giant garter snake, which relies on rice fields for habitat.

Leaders of the two groups said water transfers from north to south are becoming an increasingly significant issue after two years of drought and increasing demands on the state's water supply.

"Our concern is with the giant garter snake and the habitat," said Lisa Belenky, senior attorney for the San Francisco-based Center for Biological Diversity. "Most of this area was wetlands originally, and it was converted to cropland. The rice crop is more similar to native wetlands, so it was able to be a substitute habitat for species."

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