

# Waterman Gap sale finalized

Land to be preserved; foes press petition drive

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SENTINEL STAFF WRITER

**BOULDER CREEK** — An effort to force the controversial sale of watershed land to a public vote was knocked broadside Wednesday when escrow closed abruptly, catching petition-circulators unaware.

"I think it's scandalous, bully tactics to the nth degree and that's typical of this board of directors and its management," fumed Bruce Oneto, a Boulder Creek resident

who is spearheading the petition effort to halt the San Lorenzo Valley Water District's sale of the Waterman Gap property to the Sempervirens Fund, a preservation group.

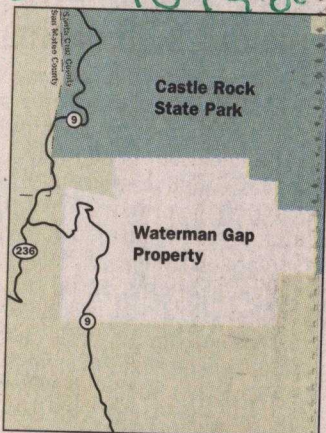
"This is a slap in the face of the democratic process," Oneto said, vowing to continue gathering signatures. He needs 548, and must turn them in Friday, before the water district ordinance authorizing sale of the land takes effect.

Meanwhile, Sempervirens Fund executive director Brian Steen said Wednesday that with the close of escrow, his organization officially owns the land.

"We've already got it insured," Steen said.

Oneto and other land-sale foes started the petition drive Monday. It protests the \$10.9 million sale of the 1,340 acres and asks water district directors either to cancel the ordinance that authorizes the sale or set the matter to a vote

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Sentinel map

A-12 SANTA CRUZ SENTINEL Thursday, October 19, 2000

## Land sale: Petition drive attempts to stop Sempervirens Fund deal

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of district customers.

For years, while the district discussed what to do with the land, Oneto, a retired lawyer, urged district directors to keep the property and use it for educational projects.

"If the water board gave the community three years' time, we could flesh out a vision that would include our kids and grandkids and teachers that would light their fire," Oneto said.

The water directors rejected that option. They also rejected two tentative offers by logging companies that were about \$8 million more than the Sempervirens offer.

Instead, at the urging of some residents who wanted the land conserved, they voted unanimously to sell the property to Sempervirens.

Sempervirens intends to turn the land over to the state as an addition to Castle Rock State Park.

Escrow on the deal was initially scheduled to close Monday, Steen said.

As part of the deal, the water district agreed to buy two parcels in the Mulosky Creek area that Sempervirens holds an option to buy. The option expires Nov. 1 on one parcel. Without the option, the land can be logged, according to Steen.

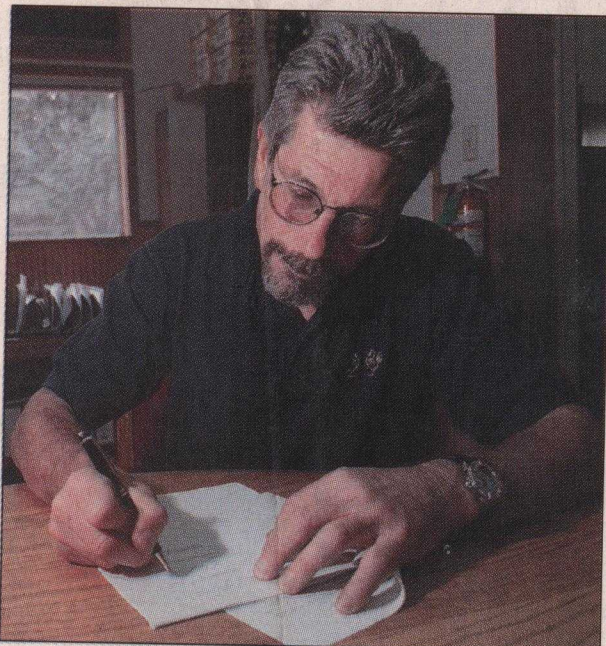
By closing escrow early, the water district will be able to use a \$1.2 million down payment from Sempervirens to buy the Mulosky property, a \$545,000 purchase, Steen said.

"This way the district has the cash to go ahead and close the deal," he said.

Steen also said it was more convenient to close early because he will be out of town later in the week.

He denied the petition-circulating effort had anything to do with the timing of escrow closing.

David Ross, a San Lorenzo Valley Water District director and lawyer, said the water district was within its legal



Bill Lovejoy/Sentinel

Terry Vierra, president of the San Lorenzo Valley Water District board of directors, signs the contract selling the Waterman Gap property to the Sempervirens Fund.

rights to close early. The contract between the district and Sempervirens specified that escrow was supposed to close "on or by Oct. 23," Ross noted.

Ross said the district was aware of the petition drive, but that the board's attorney had advised district officials to proceed with the sale anyway.

If the water district had stalled or abandoned the sale, it would be vulnerable to a lawsuit by Sempervirens for breach of contract, Ross said.

If the drive succeeds, and is certified by the county Elections Department, supporters can get a court injunction to stop the sale, Ross said.

That option, Oneto said, would be expensive.

"My appraisal is that the cost of an injunction would be prohibitive. It puts tons of legal fees on the citizen group," he said.

Oneto charged that the water district dealt in bad faith by closing escrow after learning of the petition drive.

He predicted it will make it difficult to gather the necessary signatures since people will conclude the land sale is a done deal.

Oneto said he didn't learn of the escrow close until Wednesday afternoon, when about 20 petitioners were still out gathering signatures.

Despite the close of escrow, Oneto maintains that the deadline for signatures is Monday. The ordinance was passed Sept. 21 and scheduled to take effect 30 days later. But since that would be Saturday, the date it would legally take effect is Monday, Oneto said.

Oneto said he has spent about \$500 of his own money to launch the referendum.

That included paying to have a copy of the petition included in the Valley Press newspaper, which reached subscribers Wednesday.

Oneto predicted the water board's action would lead to an attempt to recall members, a grand jury investigation or both.

Either way, he said he intends to turn in the petitions Friday, as planned.

"I don't think we asked for anything we weren't entitled to ... just a level playing field," Oneto said.

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