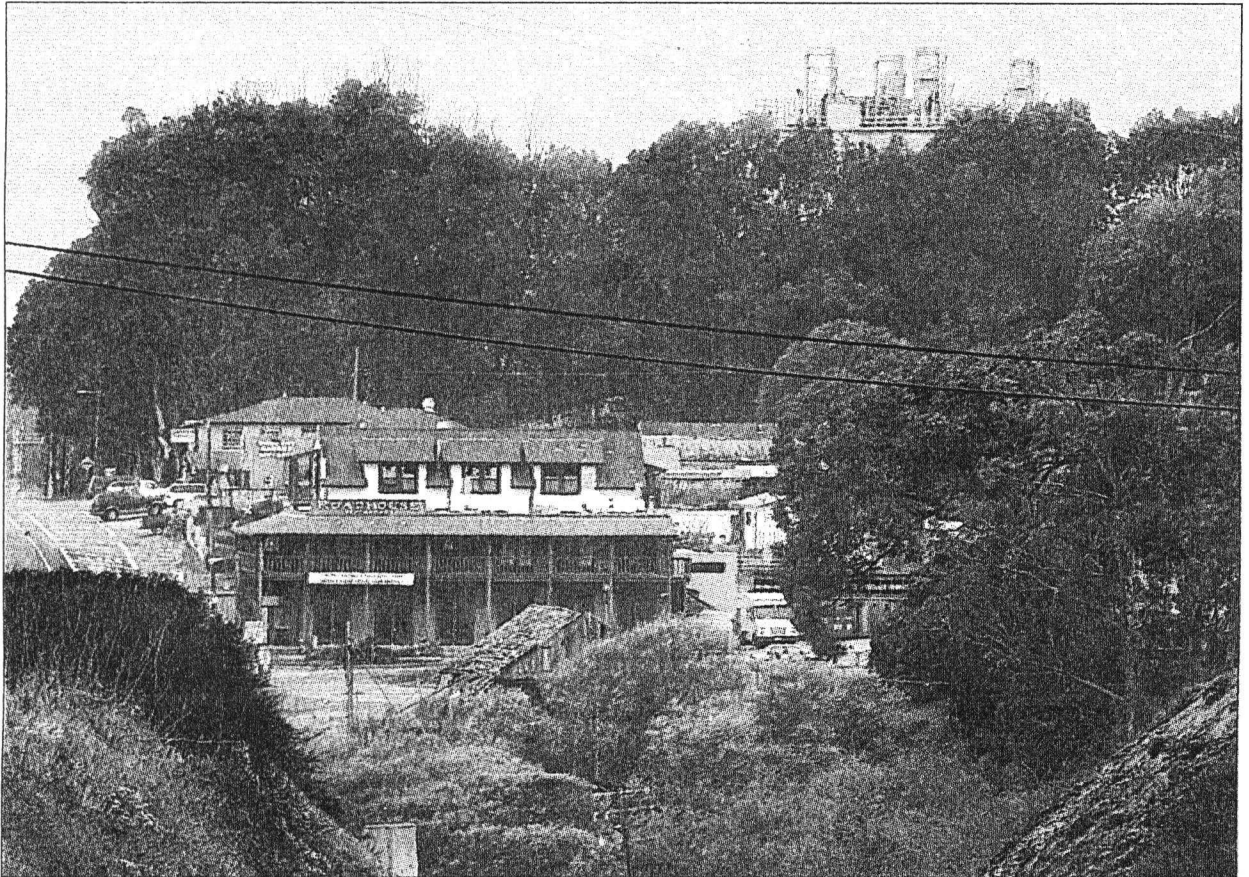


MURKY WATERS

With change comes questions about Davenport's water supply



The North Coast town of Davenport lies in the shadow of the towers of the idled Cemex plant.

SHMUEL THALER/SENTINEL FILE

Davenport

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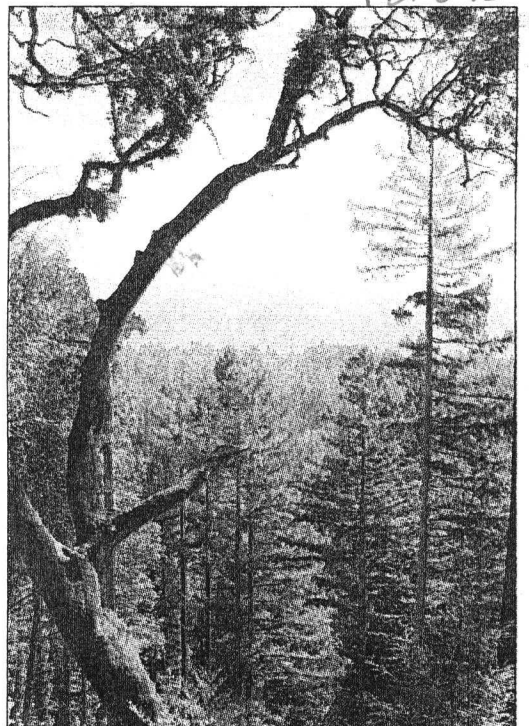
DAVENPORT — At the dawn of the 20th century, a Swiss farmer on the North Coast cut a water deal with some entrepreneurs to supply a cement plant that would go on to help rebuild major portions of San Francisco after the 1906 earthquake.

More than 100 years later, the county, the Mexico City-based plant owner and the 400-strong community of Davenport are trying to sort through the implications of that deal. While no one thinks the town's water supply is in jeopardy, what's at stake could impact everything from the plant's redevelopment to when thousands of acres of conserved North Coast land finally open to the public.

"All of this is this Gordian knot based on something that is sort of fundamental to the existence of our little community," said Davenport resident Don Croll, who has followed the issue closely.

For decades, the plant operators — whether based in California, Texas, or later Mexico — subsidized Davenport's water supply from San Vicente Creek, rights the original Santa Cruz Portland Cement Co. and its successors, including Cemex Corp., owned through that ancient deal with Coast Dairies and Land Co.

The plant closed in 2010. Despite a clause in the original deal that the water reverts to Coast Dairies upon closure, Cemex has been asserting it retains those rights, potentially valuable as the company, the county and neighbors weigh the



DAN COYRO/SENTINEL

Cemex Redwood Forest land from the ocean beyond is visible from an outlook vantage point off Pine Flat Road in Bonny Doon.

WATER

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redevelopment of the plant.

The issue isn't about the town's access to water: That seems assured through strict California water laws. Rather, it is about who controls that access. Control the water and you may as well control the future.

"You can't plan without knowing what water you have," Croll said.

Publicly and privately, county officials downplay the issue. But that doesn't mean they're taking any chances — when Cemex began asserting ownership of the water, County Counsel Dana McRae locked up arguably the state's preeminent water rights law firm, Best, Best & Kreiger.

Through a spokeswoman, Cemex officials declined to comment on the issue. Supervisor Neal Coonerty disagrees with the company's position on water rights, but said he isn't overly concerned about it.

"You find me a judge that's going to cut off water to a small town when they've been using it for a century," Coonerty said.

RESIDENTS WANT A FIX

But some Davenport locals, including Croll and other members of the Davenport/North Coast Association, want the issue cleared up before redevelopment planning and the long-expected transfer of 5,800 acres of Coast Dairies land, which borders San Vicente Creek, to the Bureau of Land Management.

"It is imperative that the water rights issue is resolved by the time BLM takes title to the (Coast Dairies) land," said Noel Bock, who chairs the Davenport/North Coast Association.

Forming a proud but isolated coastal enclave, residents in Davenport have long struggled with water issues. Federal regulators keep a close eye on the water in San Vicente Creek, since it is the southernmost run of endangered Coho salmon in

the state. Residents have had to boil their water at times, and the county recently spent nearly \$1.2 million in grants — some from the federal stimulus package — to upgrade treatment facilities on Cemex property, or about \$3,000 per resident.

Through the decades, the water supply was subsidized by Cemex, a benefit that came to an end when the plant closed. In recent years, water and sewer bills have skyrocketed, with residents now paying several thousands per year.

However the plant is redeveloped, the project would have to be approved not just by the county, but the state Coastal Commission as well. By adding customers, it also is expected to reduce Davenport's water bills, believed to be among the highest in the nation.

But local residents also are insisting the water issue gets cleared up before 5,800 acres of North Coast uplands are transferred to the federal government's Bureau of Land Management. Under a \$45 million, 1998 deal, several beaches were later given over to State Parks, while a transfer of a larger piece of land east of Highway 1 is still being worked out.

Under that deal, the Trust for Public Land took ownership of Coast Dairies. Though the land was once targeted for high-end development, last year the Coastal Commission approved the Coast Dairies preservation deal after adding tough language barring hydraulic fracturing or other future resource development.

MORE DELAYS?

But clearing up the water problem would create another hinge on which the transfer of the land would turn. Some of the same residents involved in the water issues recently won a lawsuit against the county that could lead to further even more restrictions on the land before being handed over to the BLM, a process that could further delay opening the Coast Dairies uplands to the public.

That has been eagerly awaited for years by hikers, mountain bikers, nature enthusiasts and more. The former Spanish land grant surrounds Davenport, and includes redwood and oak forests and numerous historic and biological resources.

If the water rights did somehow end up in the fed-

eral government's hands, there appears to be no risk to Davenport's supply — an agency representative said BLM wants nothing to do with them, and would look to transfer those rights back the county.

"We would be actively and proactively working with the county to make sure the Davenport community has water," said Rick Cooper, Hollister-based field manager for the BLM.

Neighbors in Davenport point, optimistically, to an ancient title deed that says the water rights revert back to Coast Dairies (and thus the Trust for Public Lands) if the cement plant ceases operation.

But the intake for the town's water supply isn't on the Coast Dairies property — it's on 8,000 acres of forest recently purchased by a consortium of conservation groups, including Sempervirens Fund and the Peninsula Open Space Trust.

Those groups bought the land from Cemex. And as part of the deal, Cemex retained water rights, including an easement to the intake dam on San Vicente Creek.

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The Cemex plant in Davenport closed in 2010. The plant once provided water to the town.