

# “Blood in the Water”: The Privatization of California’s Water Spells Disaster

Is Proposition 1 really “DTP neutral” and what connection does that all have with frackin’?

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*Governor Brown spoke last week lobbying for Proposition 1 at Stanford University on October 23rd, at a conference organized by the Stanford Wood’s Institute, whose co-director is Stanford Hoover Institute member Barton Thompson. The Stanford Hoover Institute and Bechtel (the multi-billion dollar construction company), through the funding of studies taught at Stanford, appear to be promoting the DTP and its probable use as a source of water for fracking in the possible 15 Billion barrel Monterey Shale Formation spread across central and southern California.*

The DTP is being promoted by a study called, “Managing California’s Water”, co-written by Hoover Institute member Barton Thompson. The study is being taught at Stanford (a 501c3 Non-profit) with co-funding coming from the Steven Bechtel Jr. foundation (a 501c3 Non-profit). The Stanford Woods Institute is funding another Stanford study supporting fracking, “Water and Energy Nexus”. Lauren Dachs, the President and Board member of S. D. Bechtel, Jr. Foundation is also on the Stanford Woods Institute’s leadership (Advisory council) as well as formerly on the board of trustees at Stanford.

Bechtel is one of the few companies that have the capacity to construct the enormous water tunnel (DTP). When Bechtel’s spokeswoman Michelle Michael was asked about the possibility of Bechtel building the Delta Tunnel Project she explained, **“We’ll keep an eye out”**.

Chevron Oil is holding onto the largest oil reserves in California but is waiting to frack, perhaps needing to acquire water from the DTP first. Chevron declined to respond to emails questioning their potential desire to use DTP’s water for fracking.

The Stanford Hoover Institute is intimately connected to Chevron in numerous ways including that former Secretary of State and Provost of Stanford University, Condoleezza Rice, served on the Chevron Board of Directors. Currently, Ms. Rice is a Stanford professor and a Hoover Institute member. In addition, Ms. Rice is on the board of directors of Makena Capital (located on Stanford’s Campus), which has heavily invested in hydrocarbons that include Chevron and Occidental Oil stocks. Occidental is currently the largest fracker in California and recently donated \$27 thousand to Governor Brown’s campaign. After several phone calls and emails, no one at Stanford’s media relations department was able to respond to questions about the university’s ownership of oil stocks (i.e. Chevron) or explain Stanford’s official relationship with Makena Capital.

California Governor Gerald Brown, who received \$54 thousand in campaign contributions from Chevron in 2013, is supporting the Delta Tunnel Project. Governor Brown's office declined to comment on his possible connections with Chevron and the DTP. The DTP's movement of the critical water down south could open up more fracking possibilities that could contaminate some of California's most productive farmland. Fracking could demolish California's agricultural productivity, which generates over \$100 billion annually. Fracking a single well requires up to 7 million gallons of water loaded with toxic chemicals which are secret thanks to deregulation by former Vice President Cheney's "Halliburton loophole".

If the DTP were built, and western water privatization expanded by the company Cal Water, California could possibly see a water crisis similar to the 1999 energy crisis. The privatization schemes that are being promoted by (p.339) "Managing California's Water", taught at Stanford could earn CAL Water, the biggest water company in the west, a pretty penny. The corporate leadership of CAL Water includes a former Stanford trustee and vice president of Stanford (Linda Meier) and Stanford high ups (*i.e.* a top executive of Stanford's Lucile Packard Children's Hospital whose revenues were \$265 million in 2011, Thomas Krummel). Cal Water board of directors includes some who were, just prior to California's energy deregulation, previously in corporate leadership positions (George Vera & Chairman Peter Nelson) with the same companies who were the architects of the Enron scandal (Arthur Anderson and PG&E). Mr. Vera was also the former vice president & CFO of David and Lucile Packard Foundation, which co-founded the Stanford's pro water privatization study, "Managing California's Water".

Bechtel has been down the road of corporate expulsion of public property before. In 1999 Bechtel's privatization of Bolivia's water, incredibly including rain water, resulted in the murder of civilians protesting the crippling poverty of Bechtel's privatization scheme.

If the past is any indicator of the extent to which these "connected groups" will go to secure oil and profits, it is prudent to carefully scrutinize the intent and goals of current legislation (DTP & Prop. 1) relating to exploiting the water supply and these supposed scientific studies of a Stanford University that are enormously entangled with these powerful profiteers. Perhaps it is time to advocate for alternative energy options to prohibit oil interests from dominating our public policy and fracking our farmlands. According to a NASA funded study released this year, if our oil based energy policy is not changed and social economic inequalities addressed, our industrial civilization will collapse.

There are signs of hope. The EPA (Environmental Protection Agency) is questioning the legality of the DTP and Stanford has recently decided to divest from coal. Also, Stanford University and the Steven Bechtel Jr. Foundation are 501c3 Non-Profits whose tax exemption status could be revoked by the IRS if it were ruled financial gains were being made through conflicts of interest.

### **Connecting the dots:**

~ Riley and Steven Bechtel Jr. are part owners of Bechtel and members of the Stanford Hoover Institute, as well as substantial donors to Stanford University.

~Bechtel's & Chevron's numerous connections to Washington D.C. & Stanford's Hoover Institute run deep.

~George Shultz whose titles include: the former Bechtel president, former Secretary of

State, Stanford Hoover Institute member and former board of director of Chevron/Unocal.

~Caspar Weinberger whose titles include: former Bechtel vice president, Secretary of Defense and Stanford Hoover Institute writer/researcher. During President Regan's tenure, Weinberger's and Shultz's State Department Angolan visit further secured Chevron assets in Angola, in addition to the then recently secured loans from the Import Export Bank, previously headed by a former head of Bechtel's Far East Operations, John Moore Jr.

~Since World War II, Bechtel has often landed sole source government contracts ranging from millions to billions of dollars

~Steven Bechtel Sr.'s (former advisory for the Import Export Bank) past business partner of the Bechtel-McCone Company was the former head of the Atomic Energy Commission and later former CIA director, John McCone.

~Bechtel has ongoing partnerships with Chevron and with the Stanford Research Institute, formerly officially affiliated with Stanford University.

For further details and analysis including sources and references, [read the complete article](#) (pdf)

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