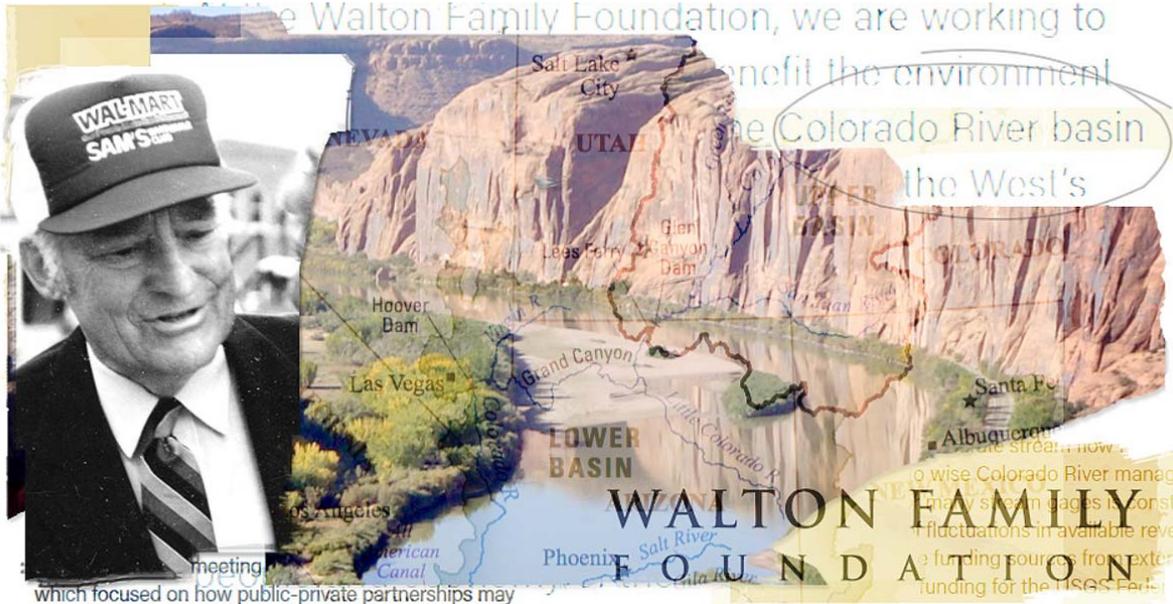


<< Back to E&E News index page.

CONSERVATION

Colorado River's biggest champion: Walmart heirs

Jeremy P. Jacobs, E&E News reporter • Greenwire: Wednesday, April 17, 2019



The Walton Family Foundation is one of the biggest backers of Colorado River conservation work. Claudine Hellmuth/E&E News(illustration); Walton Family Foundation (white paper text) USGS(map & river photo); Janice Waltzer/Flickrr(Sam Walton)

First of a two-part series. [Click here](#) to read the second part.

An unlikely advocate seems to be around every bend of the Colorado River these days: the Walton Family Foundation.

The \$3.65 billion organization launched by Walmart founder Sam Walton has become ubiquitous in the seven-state basin that provides water to 40 million people, dishing out \$100 million in grants in the last five years alone.

"It is unprecedented — the scale and duration of investment," said Dustin Garrick, a former Walton grantee and Oxford University professor who has studied the role of philanthropy in river basins around the world.

The foundation's reach is dizzying and, outside the basin, has received scant attention.

It has funded environmental groups (Environmental Defense Fund: \$5.55 million since 2017, National Audubon Society: \$2.6 million, Trout Unlimited: \$2.7 million), university research (Yale University: \$60,000, Stanford University: \$98,000, Utah State University: \$150,000), even

journalists (KUNC, a community radio station for northern Colorado: \$155,000). Earlier this month, the University of Colorado, Boulder, announced a journalism "water desk." Its funder: Walton (\$700,000).

The Walton money has fueled symposiums, conferences and pilot projects up and down the river to establish "proof points" for conservation programs.

And the foundation helped shepherd the recent multistate Drought Contingency Plan for the river across the finish line. A foundation representative sat on a steering committee in Arizona, and when the state faced a funding gap for its conservation program, the foundation stepped up with other philanthropies and said it would chip in \$8 million.

"The Walton Family Foundation recognizes how critical a healthy Colorado River is to the entire Southwest and to the benefit of the environment," Ted Kowalski, the foundation's Colorado River leader, told E&E News.

"They are trying to use their resources to ensure we can avoid a crisis," he said.

But the involvement has raised questions, including why a Bentonville, Ark.-based foundation has committed itself to the West's primary waterway. And it has led to criticism among the few groups that have not received Walton money.

"The Walton Family Foundation has neutered the Western environmental movement," said Dan Beard, the former Bureau of Reclamation commissioner during the Clinton administration.

Environmental work on the Colorado River has hit a critical juncture. The 1,450-mile-long river is enduring a nearly two-decade-long drought — its longest in recorded history — and climate change is expected to further reduce the river's flows from its main stem's headwaters in northern Colorado through five states, two time zones and the Grand Canyon before it crosses the Mexican border in the Sonoran Desert. There will undoubtedly be less water to go around, and conservationists are working to make sure some of what's left goes to the environment.

There are two competing versions of the foundation's role in the basin.

On one hand, before the Walton Family Foundation got involved, all of the technical expertise and authority in the Colorado River Basin resided in the states and their water managers. Environmental groups could barely scrape together money for basinwide work and didn't have a seat at the negotiating table.

The Walton Family Foundation has built a robust second layer of capacity and know-how within the basin. Environmental groups are involved, and ecosystems and other considerations are part of the discussion.

For example, environmentalists have long dreamed of Colorado River water returning to its natural delta in Mexico. That happened in 2014, in part because of work funded by the foundation.

"Environmentalists have a hard time getting in the room in the first place, and without funding, it's that much harder," said Jennifer Pitt of the National Audubon Society, who has worked in the basin for two decades.

But on the other hand, there are concerns about the breadth of the foundation's influence. Critics say it has become part of the established water hierarchy in the basin, effectively silencing critics with its checkbook.

And because of that reach, they say, the set of solutions considered for the river has effectively been limited.

"What you have," Beard said, "is a situation where once they decide what they think ought to happen, nobody is going to sue them, no one is going to criticize it and no one is going to do any scientific research to say this isn't a good idea."

To critics, Kowalski — who formerly worked for the state of Colorado — embodies that close relationship.

Kowalski rejects that idea. He admitted that while he worked for Colorado he had some "skepticism" of the foundation's aims but said he has since found that the "motivations are pure."

"At the end of the day," he went on, "it's curious to me that people would say you're limiting the types of solutions. We are adding to the dialogue with the solutions we think are worthwhile to explore."

What's undisputed is that Walton has become a major player in the basin, and its reach continues to spread, said David Callahan, who has chronicled the foundation as the founder and editor of *Inside Philanthropy*.

"Walton, in a few years, has become one of the largest — if not the largest — U.S.-focused environmental conservation funders in the country," he said.

'A strong connection to the environment'

The Walton Family Foundation opened its doors in 1987 on the 25th anniversary of Walmart, the discount chain that made Sam and Helen Walton and their children one of the world's richest families.

Much like Walmart's growth, the foundation moved quickly.

Callahan also chronicled the foundation's influence in his recent book, "The Givers: Wealth, Power, and Philanthropy in a New Gilded Age."

He said that by the mid-1990s, the foundation was promoting a passion project of the elder Waltons: charter schools.

"Walton for a long time was the principal — and remains the principal — bankroller of the schools," he said.

Around a decade ago, the Waltons began their environmental initiative, making it a pillar of the group's work — along with education and "home region" projects in Arkansas.

Kowalski said the shift was born out of a genuine interest. As a young family, they visited national parks, hiked, canoed, fished and hunted.

"For the family, they have a strong connection to the environment, to land conservation, to waterways," he said.

Callahan suggested the focus on environmental issues may also reflect the family's younger generation taking a more prominent role in the foundation.

He noted the environment was likely viewed as less contentious than their charter school work, which some have criticized as attempting to create a parallel school system that siphons money away from traditional public schools.

"Compared to the charter school stuff, this seemed not so controversial," Callahan said.

Further, the foundation has also steered clear of more hot-button environmental issues, like climate change, he said, choosing instead to focus on oceans, the dead zone in the Gulf of Mexico, and the Mississippi and Colorado rivers.

A looming catastrophe

To understand the Walton Family Foundation's impact on Colorado River environmental work, go back to before it was involved.

Simply put: There was no money.

Pitt, who was at the Environmental Defense Fund in the mid-2000s, said EDF and other groups were barely stringing together salaries.

It was around 2007 that Pitt and others saw an opportunity to entice philanthropic dollars into the basin. More precisely, they saw a looming catastrophe.

The Colorado River suffers from what is referred to in the basin as a "structural deficit" at its main reservoir, Lake Mead on the Nevada-Arizona border.

In most years, more water goes out — to be used by lower basin states Arizona, California and Nevada — than comes in from the upper basin states, Wyoming, Colorado, Utah and New Mexico. The deficit is substantial: an average of 1.2 million acre-feet. That's twice as much as all of Los Angeles uses in a year.

States have gotten by so far, in part because upper basin states don't always use their full allocations of river water. But the deficit paired with climate change forecasts of more frequent droughts led Pitt and others to see what was coming.

"We are dealing with a new water reality," said Kevin Moran of EDF. "Less supply that is running up against the current water allocations in the lower basin."

If a crisis occurred, Pitt and her allies knew that water for environmental purposes would be at the bottom of states' priorities.

The first philanthropic interest to dive in was the David and Lucile Packard Foundation, but the Walton Family Foundation soon followed with a much larger commitment.

Once the Waltons signed on, two big shifts occurred.

First, Pitt and others learned from successful endangered species negotiations and vowed to take a more modest and collaborative approach than earlier environmentalists who aggressively — and radically, in some cases — vowed to tear down dams.

"What the Walton funding enabled was the environmental community to put more people in more positions to pursue that approach," she said.

Second, the groups could hire the technical experts needed to converse with the states' water managers.

"You could bring that technical expertise to the table and be more sophisticated in our talks with the water users," Pitt said.

Callahan said that expertise plus funding university research is a common tactic in the philanthropy world.

"What Walton has done," he said, "is a pretty standard operating strategy for philanthropy. You want to empower civil society to have more of a voice in decisions."

There are parallels, he said, to what's happening now in cybersecurity, which has previously been dominated by government and industry.

The foundation set up four tenets of its Colorado River work.

First, it wanted to test whether water markets would work for agriculture, cities and the river. It even coined the term "conservationomics" for its environmental work, though it later abandoned it.

"We fundamentally reject the idea that it's the economy or the environment," Kowalski said.

Second, it expanded financing for agricultural and urban water efficiency. Third, it worked to improve flows and riparian habitat. And fourth, it supported the development of drought plans and other water agreements.

Measuring the foundation's access is difficult. The water market concept has been strongly criticized by other groups as an attempt to commoditize water, a natural resource. But those efforts largely haven't worked. Private investors haven't flooded into the Colorado River Basin.

540 miles

Looking at conservation and restoration, the Walton Family Foundation's work is virtually unparalleled.

Through the Colorado River system, it is working on or has restored nearly 540 miles with its grantees.

"It's pretty novel to work on that scale," said Peter Skidmore, one of the foundation's program managers, who formerly worked for the Nature Conservancy. "It's really not done in many places."

One of the foundation's most successful programs is on the Escalante River, a tributary in southern Utah.

The foundation supported an effort to remove Russian olive trees, an invasive species with roots that burrow deep in riverbanks, channelizing it and devastating the local ecosystem.

Walton got involved about nine years ago, said Noel Poe of Grand Staircase Escalante Partners.

Poe first saw the Escalante while working as a National Park Service ranger decades ago.

He said the program has since removed the tree from 2,000 acres in the Escalante's watershed. The nearly \$10 million program has received significant funding from the Walton Family Foundation, but others, like the state of Utah and the National Park Service, have also gotten involved.

The river now reminds him of what it looked like when he first saw it.

"It's amazing how that river has changed once we started removing the Russian olive," he said. "It's like going back to the hydrology in the '60s and '70s."

'Part of the establishment'

The hefty sums of Walton Family Foundation money flowing through the river have raised questions that are more political than ecological.

Is the foundation providing local interests a chance to save their waterway?

Or has it become a powerful gatekeeper, deciding whose voices are heard? And has it risen to become a water buffalo, playing a key role in water management decisions?

The foundation's ability to put environmental groups — "civil society," as *Inside Philanthropy's* Callahan calls them — at the bargaining table, "in theory, that's a good thing," Callahan said.

But there is a flip side, particularly for a private foundation that ultimately is held responsible only to its board — all Walton family members.

"If you have one funder that is giving money to everybody, but it's only one funder, then that funder has disproportionate power over how this new ecosystem evolves," Callahan said.

"Walton is deciding what civil society voices are able to be at the table," he said.

Gina Gilson studied the influence of the Walton Family Foundation for her recent dissertation at Oxford University, providing the only academic analysis of the foundation's work on the Colorado River.

She studied key 2015-2016 grantees and found that Walton was frequently a primary funder and, for some, it provided nearly all their money.

In her research interviews, the grantees disagreed that their work was donor driven — or meant to accomplish Walton's goals. But she nevertheless said the arrangement raises question about independence.

"Though foundations may be enhancing the autonomy and performance of some grantees, other grantees may be seen as tools through which the foundation enacts its strategy," she wrote.

Gilson added that the foundation's funding may limit the set of solutions considered for the river.

"A lack of diversity in the funding community may be channeling actors into mainstream strategies and causing missed opportunities to explore other approaches to problem solving," she wrote.

And some worry about how the foundation could flex its influence in order to achieve its purely environmental goals.

"Those are noble goals," said Dan Keppen, a former Reclamation staffer who is now at the Family Farm Alliance. "The concern is where is the water going to come from to do that? Is agriculture water going to be sacrificed? I am not saying that's the objective. But there is a concern out there."

To its credit, the foundation recognizes the funding problem. It has worked to get more philanthropy dollars into the basin through avenues like the Water Funder Initiative, but the Walton Family Foundation remains the biggest bankroller in the basin by far.

Pitt, the environmentalist who has worked in the basin for decades, for example, is not funded by the Walton Family Foundation; her position at the National Audubon Society is backed by the S.D. Bechtel Jr. and William and Flora Hewlett foundations.

The Walton Family Foundation also has many defenders who have benefited from its funding and who have a long history in Colorado River work.

"One can always disagree with the direction of the influence of a big infusion of philanthropic money," said Anne Castle, a former assistant secretary of Interior for water and science during the Obama administration.

"But I think empowering and enabling the environmental [groups] in this river basin has made a substantial and positive difference," she said.

Asked about the two competing narratives of the foundation's role in the basin, Gilson responded: "I think both of them are true."

"They are doing a lot of good," she said. "But in doing good, they have become part of the establishment. It seems to me that conservation groups aren't as willing to question the way things are running. It pushes them toward the status quo."

Garrick, Gilson's adviser at Oxford, put it another way. He noted that the more than \$20 million per year the foundation invests is much less than what the basin states spend on water planning.

The question, he said, is how the foundation's spending affects those water managers.

"The issue is of leverage. How is their investment influencing other players?" he asked. "The leverage point comes in with how does that \$20 million move the other millions?"

Reporter Jeremy P. Jacobs was a 2018 Institute for Journalism & Natural Resources fellow on the Colorado River, which was largely funded by the Walton Family Foundation.

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