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Regional Oral History Office  
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California Water Resources Oral History Series

Carl Boronkay  
and  
Timothy H. Quinn

THE PASSAGE OF THE CENTRAL VALLEY PROJECT IMPROVEMENT ACT, 1991-1992:  
THE METROPOLITAN WATER DISTRICT PERSPECTIVE

Interviews Conducted by  
Malca Chall  
in 1997

Since 1954 the Regional Oral History Office has been interviewing leading participants in or well-placed witnesses to major events in the development of Northern California, the West, and the Nation. Oral history is a method of collecting historical information through tape-recorded interviews between a narrator with firsthand knowledge of historically significant events and a well-informed interviewer, with the goal of preserving substantive additions to the historical record. The tape recording is transcribed, lightly edited for continuity and clarity, and reviewed by the interviewee. The corrected manuscript is indexed, bound with photographs and illustrative materials, and placed in The Bancroft Library at the University of California, Berkeley, and in other research collections for scholarly use. Because it is primary material, oral history is not intended to present the final, verified, or complete narrative of events. It is a spoken account, offered by the interviewee in response to questioning, and as such it is reflective, partisan, deeply involved, and irreplaceable.

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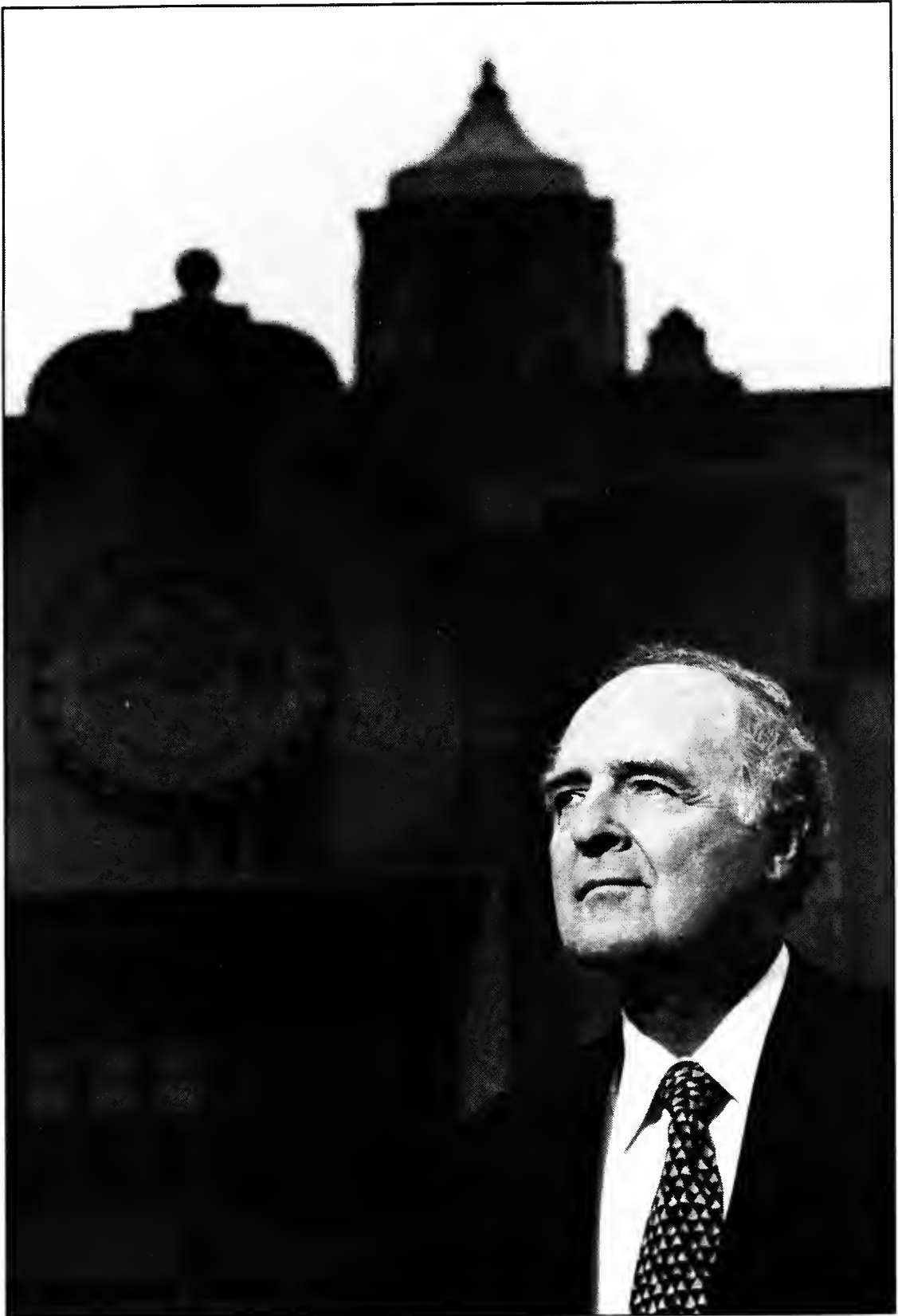
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Carl Boronkay, "...The serious me (perhaps the visionary Tim describes)," 1992.







Tim Quinn, 1996.

*Photo by Linda Okamura*



Cataloguing information

Boronkay, Carl (b. 1929)                      General Manager, Metropolitan Water District  
Quinn, Timothy (b. 1951)                      Deputy General Manager

The Passage of the Central Valley Project Improvement Act, 1991-1992: The Metropolitan Water District Perspective, 1999, viii, 152pp.

Joint interview discusses the background of the Los Angeles Metropolitan Water District's (MWD) interest in water marketing and transfers, and water banking; Imperial Irrigation District, Palo Irrigation District, Arvin-Edison Water Storage District, Areias Dairy Farm Transaction; the three-way process, formation of the California and Western Urban Water Coalition; assistance in drafting, lobbying for, passage of the Seymour, Miller-Bradley bills to ensure water marketing; changed relationships with agriculture and environmental communities; analysis of CVPIA implementation and CALFED; MWD board: size, committees, and support for water marketing before and during passage of the CVPIA.

Interviewed 1997 by Malca Chall for the California Water Resources Oral History Series, Regional Oral History Office, The Bancroft Library, University of California, Berkeley.



## ACKNOWLEDGEMENTS

The Bancroft Library, on behalf of future researchers,  
wishes to thank  
The Metropolitan Water District  
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of Carl Boronkay and Timothy H. Quinn.



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## PREFACE

The Water Resources Center of the University of California, in 1965, established a History of California Water Resources Development Oral History Series, to be carried out by the oral history offices at the Los Angeles and Berkeley campuses. The basic purpose of the program was "to document historical developments in California's water resources by means of tape recorded interviews with men who have played a prominent role in this field." The concern of those who drafted the program was that while the published material on California water resources described engineering and economic aspects of specific water projects, little dealt with concepts, evolution of plans, and relationships between and among the various interested federal, state, and local agencies.

To bridge this information gap, the Water Resources Center, during the past quarter century under the successive direction of Professors Arthur F. Pillsbury, J. Herbert Snyder, and Henry Vaux, Jr., has provided funding in full or in part for interviews with men who have been observers and participants in significant aspects of water resources development. Early advisors to the project on the Berkeley campus were Professors J. W. Johnson and David K. Todd. Gerald Giefer, librarian of the Water Resources Center Archives, Berkeley, has maintained an important advisory role in the project.

Interviewees in the Berkeley series have been pioneers in western water irrigation, in the planning and development of the Central Valley and California State Water Projects, in the administration of the Department of Water Resources, and in the pioneering work of the field of sanitary engineering. Some have been active in the formation of the San Francisco Bay Conservation and Development Commission; others have developed seminal theories on soil erosion and soil science. But in all cases, these men have been deeply concerned with water resources in California.

Their oral histories provide unique background into the history of water resources development and are valuable assets to students interested in understanding the past and in developing theories for future use of this essential, controversial, and threatened commodity--water.

Henry J. Vaux, Jr., Director  
Water Resources Center

January 1989  
University of California, Riverside

January 1999

The following Regional Oral History Office interviews of have been funded in whole or in part by The Water Resources Center, University of California.

- Banks, Harvey (b. 1910)  
California Water Project, 1955-1961. 1967 82 pp.
- Gianelli, William R. (b. 1919)  
The California State Department of Water Resources, 1967-1973.  
1985, 86 pp.
- Gillespie, Chester G. (1884-1971)  
Origins and Early Years of the Bureau of Sanitary Engineering.  
1971, 39 pp.
- Harding, Sidney T. (1883-1969)  
A Life in Western Water Development. 1967, 524 pp.
- Jenny, Hans (1899-1992)  
Soil Scientist, Teacher, and Scholar. 1989, 364 pp.
- Langelier, Wilfred F. (1886-1981)  
Teaching, Research, and Consultation in Water Purification and Sewage Treatment, University of California at Berkeley, 1916-1955.  
1982, 81 pp.
- Leedom, Sam R. (1896-1971)  
California Water Development, 1930-1955. 1967, 83 pp.
- Leopold, Luna B. (b. 1915)  
Hydrology, Geomorphology, and Environmental Policy: U.S. Geological Survey, 1950-1072, and UC Berkeley, 1972-1987. 1993, 309 pp.
- Lowdermilk, Walter Clay (1888-1974)  
Soil, Forest, and Water Conservation and Reclamation in China, Israel, Africa, and The United States. 1969, 704 pp. (Two volumes)
- McGaughey, Percy H. (1904-1975)  
The Sanitary Engineering Research Laboratory: Administration, Research, and Consultation, 1950-1972. 1974, 259 pp.
- Robie, Ronald B. (b. 1937)  
The California State Department of Water Resources, 1975-1983.  
1989, 97 pp.
- The San Francisco Bay Conservation and Development Commission, 1964-1973.  
Interviews with Joseph E. Bodovitz, Melvin Lane, and E. Clement Shute.  
1986, 98 pp.

The Central Valley Project Improvement Act Oral History Series

Beard, Daniel P. (b. 1943)

Passage of the Central Valley Project Improvement Act, 1991-1992: The Role of George Miller. 1996, 67 pp.

Boronkay, Carl (b. 1929) and Timothy H. Quinn (b. 1951)

The Passage of the Central Valley Project Improvement Act, 1991-1992: The Metropolitan Water District Perspective. 1999, 152 pp.

Golb, Richard K. (b. 1962)

The Passage of the Central Valley Project Improvement Act, 1991-1992: The Role of John Seymour. 1997, 136 pp.

Graff, Thomas J. (b. 1944) and David R. Yardas (b. 1956)

The Passage of the Central Valley Project Improvement Act, 1991-1992: Environmental Defense Fund Perspective. 1996, 133 pp.

Nelson, Barry (b. 1959)

The Passage of the Central Valley Project Improvement Act, 1991-1992: Executive Director, Save San Francisco Bay Association. 1994, 88 pp.

Peltier, Jason (b. 1955)

The Passage of the Central Valley Project Improvement Act, 1991-1992: Manager, Central Valley Project Water Association. 1994, 84 pp.

Somach, Stuart (b. 1948) In process.

For other California water-related interviews see California Water Resources list.



## INTERVIEW HISTORY--by Malca Chall

Momentous shifts in social policy often seem to arrive on the scene without a history. On close inspection, one finds that people have worked, perhaps for decades, on a concept that now works its way into our consciousness. So it was with the Central Valley Project Improvement Act (CVPIA), that significant transition in California water policy history which was signed into law by President George Bush in 1992. In 1993, the Regional Oral History Office initiated an oral history series, the Passage of the Central Valley Project Improvement Act, 1991-1992, to document this important legislation. The series began with interviews with Jason Peltier and Barry Nelson, continued with Thomas Graff and David Yardas, Daniel Beard, and Richard Golb, and now moves to Carl Boronkay and Timothy Quinn.

The history of the CVPIA is incomplete without understanding the role of the Metropolitan Water District (MET) and its key players Boronkay and Quinn in the passage of that landmark water policy legislation. Others who were interviewed in the CVPIA oral history series, while concentrating on their special interests for or against the reform act, discussed the MET and its shifting positions on the Seymour, Bradley and Miller bills.

They left many questions: What was the MET's core philosophy on water policy? Why was MET willing to abandon its former special relationships with the agriculture/water community in order to achieve certainty of a water marketing provision in the Act? Did the rise of the organized urban water community signify that MET had assumed a divergent position from that of the age-old, but surely changing, water coalition in California?

Fortunately the board and administration of the MET also recognized the importance of recording the experiences of Boronkay and Quinn and their dramatic story behind passage of the CVPIA, and was willing to consider funding an oral history. With funding assured by July 1997, as arranged by Chief of Operations Jay Malinowski, only scheduling conflicts prevented starting the process until December.

Carl Boronkay, now retired, was for seventeen years a top-ranking officer of the Metropolitan Water District, seven as general counsel and nine as general manager. He was a key player in MET's action to ensure a place for water marketing in the several CVP reform packages moving through the Congress between 1991 and 1992.

Timothy Quinn, now deputy general manager of the MET, was the district's economist during the CVP debates, and a close associate of Mr. Boronkay throughout the several years of drafting, lobbying, and

pushing for the final passage of the Omnibus Water Act in which the CVPIA was embedded. Between them, as the oral history aptly demonstrates, is a striking bond of friendship, admiration, and trust.

Prior to the scheduled December 9 interview in Los Angeles, I sent to Mr. Boronkay and Mr. Quinn an updated chronology of significant dates, events, and personnel within the framework of the 1991-1992 CVPIA debates, and a brief outline for the planned interviews. In turn, I received resumes, and from Mr. Boronkay an article he had co-authored dealing with the Miller-Bradley bills. He also proffered twelve broad questions which he thought might be useful, and an invitation to lunch so that we might not be strangers as we began the process.

We also established this format for the interviews: On December 9, after lunch, I would meet with Mr. Boronkay in an office in MET headquarters, to obtain biographical background and information on aspects of his career leading to his involvement with the CVPIA legislation. Later, I would do the same with Mr. Quinn. On December 19, I would return and interview them together about their experiences during the congressional debates, and, in so doing, get answers to those questions about the role of the MET, its board, and the adherence to the concept of water marketing which shattered their long-time relationship with the ag community. Then, in view of the fact that, since 1992, the Bay-Delta Accord had been hammered out and the CALFED organized, and that there surely had been opportunity for the MET to have made some progress in water transfers, I asked Mr. Quinn to grant me another hour or so to discuss these issues. Within about seven hours we completed the interviews.

Mr. Boronkay appeared to welcome the opportunity to reflect on the highly emotional debates, which shifted personal and business relationships. Leaning back in his chair, he spoke slowly and quietly, frequently embellishing his story with quotations, helping one feel the drama of a given situation. He also made clear why he and the MET board, whose members he had carefully brought around to his position, would ultimately favor any bill which included water marketing.

Tim Quinn, on the other hand, spoke rapidly and forcefully, yet, like Mr. Boronkay, with total recall. He looked back at the events which propelled him and MET into the current contentious debates on water policy with the sense of mission he has held in both periods--ensuring water marketing and reaching compromise among competing stakeholders. Recognizing the meaning of the landmark CVPIA legislation he said, "[In 1992] the urbans were voicing an independent view which we continue to do today. Today, we assert ourselves very much as an independent voice. In '92 we were just breaking away. I think it will go down as one of the most important times in natural resources politics in the West."



The CVPIA did indeed change relationships between agriculture and the MET and formerly allied interests. Now farmers must share water with the environment (fish and wildlife) and the organized urban interests. Boronkay and Quinn agree that this triad is not an equilateral triangle. Yet among these three competing interests, cooperative relationships must be established.

Boronkay, completing his interview, said, "There are times when we'll be with the ag people, say, on a new facility in the Delta. There will be times where we're with the environmentalists, say, on fisheries restoration...So, I think Tim works always toward the right goal--a suitable compromise, but of three parties. But there are times when a compromise can't be reached, and then you can't allow a third party to simply veto any action...There are now three independent parties at the table."

And Quinn, ending his recital of MET's attempts to forge water marketing agreements, and his striving currently to build a coalition to support CALFED solutions, said, "Remember the revolution has been won. Now the issue is: can we govern what we have won."

The lightly edited transcripts were sent to the interviewees in March 1998 and returned, carefully reviewed, in August, with some corrections but few substantive changes. With the additions of relevant articles and memoranda inserted to enhance the story, and other donated material deposited in the Water Resources Center Library, the Boronkay-Quinn oral history has added an essential dimension to the history of passage of the Central Valley Project Improvement Act.

The Regional Oral History Office was established in 1954 to augment through tape-recorded memoirs the Library's materials on the history of California and the West. Copies of all interviews are available for research use in The Bancroft Library and in the UCLA Department of Special Collections. The office is under the direction of Willa K. Baum, Division Head, and the administrative direction of Charles B. Faulhaber, James D. Hart Director of The Bancroft Library, University of California, Berkeley.

Malca Chall  
Interviewer/Editor

January 1999  
Regional Oral History Office  
The Bancroft Library  
University of California, Berkeley



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Berkeley, California 94720

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(Please write clearly. Use black ink.)

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 Father's full name Andrew Boronkay  
 Occupation retail sales-produce Birthplace Budapest, Hungary  
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 Occupation house wife Birthplace Radomish, Poland  
 Your spouse Lenore Boronkay  
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 Your children Sharon Maranta ; Andrew Boronkay

Where did you grow up? 0-12 yrs New York City ; 12 yrs to present Los Angeles, Calif.  
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USC LLM 1964  
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Lawyer - Metropolitan Water District 1976-1984  
General Manager - Metropolitan Water District 1984-1993  
 Areas of expertise

Natural resources, water rights, government agencies; charitable trusts and non-profit organizations; law office management, government water agency management.  
 Other interests or activities

Literature, classical music, hiking, local & foreign travel, politics and public policy

Organizations in which you are active \_\_\_\_\_

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 Father's full name Dale Hughes Quinn  
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 Mother's full name Marabelle Quinn (maiden name Woodring)  
 Occupation Housewife, mother Birthplace Gering, NB  
 Your spouse Vivien Quinn (maiden name Cartledge)  
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M.A. Economics, 1976, and Ph.D. Economics, 1983 (UCLA)  
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resource manager.  
 Areas of expertise resource economics, using market forces  
to manage resources, coalition building.  
 Other interests or activities Backpacking, gourmet cooking,  
golf, soccer referee.

Organizations in which you are active American Youth Soccer Organi-  
zation, Association of California Water Agencies, California  
Urban Water Agencies, Western Urban Water Coalition.

INTERVIEW WITH CARL BORONKAY

I CARL BORONKAY: GENERAL MANAGER, METROPOLITAN WATER DISTRICT,  
1984-1993

[Interview 1: December 9, 1997] ##<sup>1</sup>

Education and Career Path to the Metropolitan Water District

Chall: First I'd like to find out a little bit of background about you, leading up to how you became general manager of the Metropolitan Water District. So let me know where you were born and where you had your original early education.

Law School and Interest in Water Law

Boronkay: I was born in New York City in 1929 and attended grade school there. At the age of twelve, in 1942, my family moved to Los Angeles where I attended public school in Boyle Heights. Then, in 1947, I went to UCLA, where I graduated in sociology and then went on to law school. I graduated law school in '54.

I had general interests in law. I liked it all very much. I didn't have any specialty that I was after, although I was interested in water law, and they gave all of an hour instruction on water law, in the course on real property.

Chall: Why were you interested in water law?

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<sup>1</sup>This symbol indicates a tape or tape segment has begun or ended. A guide to the tapes follows the transcript.

Boronkay: It just struck me as being a very intellectually stimulating, puzzling area. Water law not only deals with an essential resource to humanity, but it was derived from England and the eastern states where there was lots of water, and so the debates were among riparian owners. There was essentially a lot of water most of the time. Then you had an inconsistent, independent concept of water ownership or water rights ownership in the West--the appropriative water rights. Here in California they came together and clashed. So you could follow how the law developed to resolve these differences to the extent that they are resolved. I don't think that they are entirely resolved.

But it was just a very stimulating thing--as, incidentally, was oil and gas law. But those were casual lectures. I mean, you didn't get three units of credit for them. I think oil and gas law was a course--perhaps two units of a semester--and that interested me too: the concept of regarding minerals as being wild animals. They're called *ferae naturae* because if you put oil back in the ground it's anybody's; it's a wild animal, released. Those are just quite curious to me.

Chall: Did that come out of some philosophical concern that came with sociology?

Boronkay: I don't think so. I don't relate it to that at all. I found various classes at law school interesting--some very, some less so--and these turned out to be very interesting, but I found a lot of philosophical concepts in the law interesting, definitely: constitutional law, contracts law, tort law--not so much the practice of anything, but the understanding of it and how it develops and why. To that extent, there is a kind of a sociological connection. To see how the law develops is always fascinating.

Chall: And so from there, with your LL.B. you went on to get a master's?

Boronkay: Well, first I went into the army for close to two years. It was the end of the Korean conflict. I spent time in the infantry, basically.

When I came out, I had already passed the bar; I'd taken the bar before I went into the service in 1954. I was already married, and I got a job when I came out with a sole practitioner. His work wasn't very interesting. It was remunerative to him. He didn't pay me a great deal, but I was brand new and just doing low level stuff. Mostly there were business or collection and finance matters. So when an

opportunity came to join the state attorney general's office six months later, I was quick to take that opportunity. I had friends there, so I knew what it was about.

Chall: Let's see. In 19--

State of California, Office of the Attorney General, 1957-1976

Boronkay: It would be February of '57 that I joined the attorney general's office.

Chall: In '57. That would be just before Pat Brown became governor.

Boronkay: That's correct. He was still attorney general. He had one year to go and was a very impressive man.

Chall: What did you do at the beginning of your career there?

Boronkay: The program there was that almost all new people started doing criminal appeals. There are just lots of them; that's the bread and butter of the attorney general's office--the handling of appeals for all the district attorneys throughout the state --so perhaps half the office is devoted to that. So I did that a couple of years, and while it was good training it just became old hat. Surely there were some interesting issues, but most people tired of that.

I don't know if that is the case today, because there is so much constitutional law involved today. At the time I did it, there was not a lot the defense could do. There are so many more rules now on advising the person arrested and getting an attorney for him, and I think even the exclusion of evidence that was wrongfully seized--those were not yet concepts that had been accepted. So criminal law, I'm saying, may be more interesting today than it was to me then.

But from there I asked to go into other things as soon as something was possible. Fortuitously, what was possible was a major water case in San Diego, even though I lived in the San Fernando Valley and had a child by then. I assisted Adolph Moskowitz, who was a very prominent attorney in Sacramento in the attorney general's office. He had been with, I believe, the Bureau of Reclamation. So I was sent to San Diego to assist him in a trial that would go for months. I actually wound up moving down there with my family for a few months.

I was always interested in water law as an intellectual pursuit, and here I was right in a major case. And I learned a lot there. It was a federal case involving the Pendleton marine base, the Santa Margarita Water District, the Vail Ranch, the state--and there were lots of private parties. I was very young and inexperienced, and I think I learned a great deal there and met several of the top water lawyers.

When that ran out, I then looked for other openings back in the L.A. office. It was a small office--thirty-five, forty, maybe that number of people--so you would kind of talk around and ask about what was available. So available came up administrative law: a lot of business matters, professional licensing, Department of Motor Vehicles--all kinds of things where a state agency issued licenses or otherwise administered something. So it was administrative law, and I did that for a couple of years or more.

Then I got involved in the Charitable Trust Enforcement [section]. That involved wills, leaving money to charity, and trusts, and also charitable corporations. The purpose there was to see that the money was spent for the proper purposes and not either wrongfully taken by those in charge of it or not investing it properly.

You had a variety of cases, anywhere from you suing someone who was speculating on the futures market with charitable funds--our problem was that he was doing well. [laughter] So I had to stop him doing it because it wasn't a proper investment category. We couldn't show that he lost anything. But he agreed to stop, so that was nice. On the other end, you saw people that were misusing charitable funds. And in between, you were trying to uphold wills where an identified charity wasn't named, such as "my estate for the poor," "my estate for cancer research," things like that, and the heirs would attack it as an indefinite or vague gift. Or you had other charitable gifts which by some means or another were being attacked, such as an heir saying that the testator was not of sound mind or suffered undue influence.

So I stayed in there about twelve years. It was a fascinating area of law, but it was on a low level of office interest. There were never more than two or three of us doing that--one in L.A. and perhaps one or two elsewhere in the state--although the funds involved were in the millions.

Chall: You state in your vita that from '71 to '76 you were a senior assistant attorney general and managed the public resources section.



Boronkay: Yes. In '71 I was asked to take over the public resources section by a classmate and close friend who was doing that work when I was doing the charitable enforcement work. He became [Evelle] Younger's special assistant at one of the very top exempt personnel levels. I said to him, "Well, I don't have any background. I haven't done that." There must have been ten or fifteen people working for him, mostly in San Francisco and Sacramento. And, "Gee, those are old timers and they know this stuff and why do you want me to do it?" He said, "Well, you're a better administrator and that's what's needed, and you'll learn the law fast enough." I said, "Well, let me think about it." Well, I got enough courage up, and I finally did it.

Chall: Certainly, it was in the field that you had been interested in anyway, in terms of law.

Boronkay: Yes. And it turned out that it was far more interesting than I had anticipated. I knew the water end of it was in that section, but forestry matters and fish and game matters and water pollution and air pollution and Colorado River Board-- There were so many areas.

Chall: It was humming.

Boronkay: Yes. And then, of course, in '72--

Chall: CEQA [California Environmental Quality Act] came out in that period.

Boronkay: Well, I think CEQA came out in that period, but of greater, immediate impact on us was the California Coastal Act passed as an initiative.<sup>1</sup> I think that was in '72. That was a tremendous new challenge with creation of six regional agencies and a state board, and I was put in charge of all of that. So we were really humming--trying to interpret and apply uniformly throughout the state, comprehensive, not always clear, law affecting development of the coast. Lots of litigation ensued.

Then Union Oil company had a major spill. I think it was Union. Well, you know, I'm not sure now who it was, but it was off the shore of Santa Barbara--a major, major drilling blowout and a spill. Then we brought a suit for environmental damages for several million dollars at a time when we weren't prepared for that. Our budget was just for these other activities, and suddenly you have a \$10 million suit and the need for funds to

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<sup>1</sup>Proposition 20, the Coastal Zone Conservation Act, November 1972.

have experts and develop your case. We actually relied upon volunteer experts, retired engineers, for a while.

Chall: You were working under Evelle Younger, right?

Boronkay: At that time it was Evelle Younger. Before it had been Brown, Mosk--

Chall: Oh, Stanley Mosk?

Boronkay: Yes. Mosk was there for quite a bit. Tom Lynch for a short time, and then, I think, it was Younger.

Chall: Did you find any one or the other of those men more interesting to work with? Or did it matter who was the attorney general?

Boronkay: Well, it mattered because of the identification you made as an employee with the boss. In any action, you like to think the boss is someone you admire, and you get some aura from that. I think under Brown I was there so short a time that I really learned to appreciate him only years later when I used to have something to do with him on water matters. I thought very highly of him then.

Mosk was clearly a giant-like figure intellectually. You knew you would have someone that understood everything. He was very bright, fairly independent, a fine public official, a fine leader.

Lynch was there for too short a time--I mean, he finished Mosk's second term--and he was mostly in San Francisco, so you didn't see that much of him, and you had seen a lot of Stanley Mosk.

Then Younger took office and was down here most of the time. I thought highly of him; his strength was practical and organizational; he had the ability to judge the staff members well and to distribute responsibilities.

Chall: Mosk has been on the [California] supreme court for many years.

Boronkay: Many, many years.

Chall: So, you were a senior assistant in charge of the natural resources section for about five years, it seems.

Boronkay: That's right, five or six years. I left in the summer of 1976.

The Metropolitan Water District: Assistant General Counsel,  
General Counsel, 1976-1984

Chall: And then you went into the Metropolitan Water District in '76 as the assistant general counsel. Now, what brought you there?

Boronkay: I was tiring in the sense that, although the water resources and all the natural resources questions are always very stimulating, I had been with the attorney general's office a long time, almost twenty years. I wasn't--I'm kind of looking back at myself--I didn't feel bored; I was not motivated to leave by the work, but two things happened. There is an awkwardness here, but I'll tell you about them.

We weren't getting very much in the way of salary increases in those years. Here we were, senior people, and we used to have trials against O'Melveny and Meyers and Gibson Dunn and Crutcher--the major firms. We certainly never dreamed of having remuneration on a comparable basis, but we thought there was a certain amount of respect that goes with your salary and that hadn't been increasing.

So, one or more years were skipped, and then there was a year that Jerry Brown<sup>1</sup> proposed for welfare people and state employees the same increase--something like 2 percent--and I just felt that there was not a real appreciation of public employees, whether they were the attorney general's people or others. You can box them in with the increase you are going to give as a largess to welfare people, but there is a lack of respect. I didn't do anything; I just felt that way.

I certainly never thought about moving to the Metropolitan Water District but I had a friend there who was chief counsel. He wasn't, then, a close friend. I knew him because I had represented the state's Colorado River Board and MET [Metropolitan Water District] was very much involved in it as a member. At about that time, Bob Will asked me to come over as assistant general counsel, and I found myself in a frame of mind where I talked to him about it and accepted the position.

In years past, my satisfaction with the attorney general's office was such that I rarely would talk to anyone about leaving. I mean, if I got a call from time to time saying, "We're interested in an experienced person. My partner has just become a judge and we need to fill in," I would say,

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<sup>1</sup>Edmund Brown, Jr. (Jerry) was governor of California 1975-1983.

"Well, let's not have lunch because you're going to make this attractive and I don't want to think about it." [laughs] "I like what I'm doing." But Bob Will asked me at a time when I was at a state of mind that, "By god, I am not going to stay here if I don't have to," so I left. But that's what it was. I'm not sure I should be proud of that, but that's how it was.

Chall: Many people make decisions based on moving ahead in some way, financially or otherwise. But it turned out to be a good move. You were the assistant general counsel with ten attorneys under your direction?

Boronkay: Yes. That sounds right.

Chall: I'm reading it off here [vita]. So again, you were an administrator.

Boronkay: Yes. In the attorney general's office there were about thirty-five attorneys who had been under my supervision, and this was about ten. But there was a big difference in that these attorneys did not go to trial; they were for in-house advisory opinions, preparing documents, and reviewing transactions--but they were not expected to go to trial. It's like any large company: they would have their in-house counsel, but then if they went to trial they would hire a major firm or have the major firm on retainer. We basically used O'Melveny and Meyers for any important trial work, which was not frequent; we didn't have a lot of trial work.

Chall: At that time.

Boronkay: Right. But I should mention that in that period when I was assistant general counsel, Proposition 13 passed, and a number of questions came up on whether we should still annex land to Metropolitan.<sup>1</sup> Now, Metropolitan never to my understanding and memory acted unilaterally to annex anything. A district or city would come to MET asking to become part of MET to get a water supply and we had to agree. So when we say, "MET annexes someone," that means not only with their permission but at their request. But it took two: they had to vote it, and we had to vote it. We also required they pay certain back taxes and catch up with what everybody else had done. So it wasn't that easy a thing, but whoever did it felt, for the reliability of the water supply, it was worth it.

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<sup>1</sup>Proposition 13, Tax Limitation Initiative, June 1978.

But Proposition 13 limited the raising of taxes to areas where there was outstanding voter-approved indebtedness. Well, we had a lot of bonds out, and that's voter-approved indebtedness, and we taxed to pay it. Well, now you're going to be asked to annex new areas where the people there didn't vote on our bonds, raising the question of whether they can be taxed. The board after strong debate just put a moratorium on annexations while they were going to think through whether they were going to allow any more.

Chall: The result was, that because of Proposition 13 you stopped annexing?

Boronkay: Yes. So that's a major legal and policy question, suddenly. A lot of the board felt, "Well, they're not going to come in and get the benefit of the water supply from MET and not pay taxes for their fair share of the outstanding bonds." Others argued, "Well, we exist to make sure there's an adequate water supply in southern California, and what are we going to do? Just stop all development?"

There was critical dispute there, so I persuaded the board to bring a test case to raise the questions and we won that case. For one thing, the court didn't like that act; nobody in the government establishment liked that act, suddenly curtailing taxes that way. So I argued that the law required a voter-approved indebtedness prior to the date of the act, but didn't specify upon whom the taxes may be levied. So, if you're the one that is seeking to join MET and you are willing to pay the voter-approved indebtedness, then why should anybody object? Well, the court thought that was a practical legal position and accepted it. So we got back to annexations again.

In pursuing this and other cases, the legal department was becoming more aggressive and gaining the confidence of the board.

Chall: In 1980, you moved up to the position of general counsel.

Boronkay: In 1980, Bob Will surprisingly resigned from MET to become a lobbyist in Washington.

Chall: A lobbyist for what?

Boronkay: Well, he wanted to represent water organizations, and he did. He signed up Metropolitan, and then I believe he went to Sacramento and eventually got some clients up there. I think he represented water interests elsewhere in the West, too. I know Arizona is one such area.

That left his position open, and I was promoted to that position.

Chall: So that was another four years. I noticed that you "represented the board in numerous meetings and conferences, often participating as a speaker," and "participated in policy development and implementation." That was a broader scope than what you had been doing previously as assistant.

Boronkay: Yes. As assistant, you kind of manage the office, freeing the general counsel to get involved with the board and policy matters and relationships with the federal government, the state and water agencies. Now, you're the board's advisor, and you're the board's representative in major policy matters. Incidentally, I recommended to the board as my replacement Warren Abbott, whom I knew at the AG's office as an extremely competent lawyer. Of course, some senior staff were disappointed but most came to appreciate his skills and experience.

Chall: How did you feel about your promotion?

Boronkay: Well, it felt wonderful. It really did. The Peripheral Canal defeat had occurred when I was still assistant counsel, and was behind us: I had been given little or no real part to play there--occasional speech was all. There was a federal lawsuit during the Peripheral Canal matter, and I was involved in that. It was an action alleging that we were mispending public funds for the election, which was brought really for publicity purposes; the board saw it that way, as did the federal court, and it didn't go anywhere.

But as general counsel, there was much more in the way of carrying out policy, helping to develop policy, relationships with others. I mean, you were looked upon as the point man in a lot of ways, particularly if you had a general manager who was engineering oriented, as was the case. So he looked internally. His strengths were in building pipelines and dams and figuring out how many engineers you need to operate the system.

Chall: And who was this?

Boronkay: It was Evan Griffith. Evan Griffith was the manager, and he was oriented that way, toward the internal organization and its construction activities. So, now, with regard to the outer world--if you say inner or outer world--now the outer world, mostly political matters, fell more completely on the general counsel, but that need not be the case. Indeed, when I became

manager, I discontinued that division. But he was well-satisfied that I handle the outer world, and so I was involved in many more things.

It was exciting being general counsel, entering the legislative arena. With the Peripheral Canal campaign behind us, I made some efforts to get so-called Through Delta legislation--very modest legislation that improved some channels and connected channels. I believe Assemblyman [Jim] Costa authored that legislation and we, at MET, reluctantly supported it, some directors saying, "Well, we really want a peripheral canal, but all right, we'll do this as an interim measure."

Well, we couldn't get to first base on that. I mean, the water agencies misread everything. I certainly was with the rest of them. I didn't realize how strong were the feelings of opposition to water development--not merely to the Peripheral Canal, but beyond that to almost all water development. So that was the end of water development for a while.

Chall: You began, then, to become involved in working with the board, I presume.

Boronkay: As general counsel, much more than as assistant general manager.

Chall: Right. And they became much more aware of you.

Boronkay: Yes. In that respect, I believe the board's regard for me was increased when I was able to come up with a legislative solution to a longstanding dispute concerning MET's tax policy. The chief opponents were the two largest agencies of MET, Los Angeles and the San Diego County Water Authority. It took a lot of shuttle diplomacy on my behalf but, with the help of a couple of long-time board members from each agency, the issue was resolved. We got unanimous board approval on our compromise legislation (tax only to pay our general obligation bonds and our share of the State Water Project's bonds) and quick approval in the legislature. There's a lesson in that.

#### General Manager, 1984-1993

Chall: In 1984, then, you became general manager. How did that come about?

Boronkay: Well, the manager retired. He had been ill for a while.

Chall: That was Mr. Griffith?

Boronkay: Yes. He finally decided to retire. He gave a year's notice, and the board undertook a search for his successor.

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Chall: They made a regular professional search, I assume, outside and inside of California?

Boronkay: I believe so. You know, I never did have a clear understanding of how they went about the selection of general manager. I knew that internally there were at least three of us who were being considered. Indeed, you had to indicate your interest, file a lengthy application with the personnel division.

Chall: Did you?

Boronkay: Yes. And through an interview schedule conflict between me and someone from out of state, I realized the board's interview committee was looking at outsiders. How they went about that, I really don't know, but I do know that they considered outsiders and, indeed, interviewed some.

#### Attorney or Engineer?

Chall: When they were thinking about hiring you, was the board interested in continuing with an engineer as the chief or somebody like you who would represent them in a different kind of fashion? I mean, they picked you, but I wondered if within the board there was this question.

Boronkay: Well, the board is a large board--fifty-one members representing twenty-seven member agencies that make up MET. And within fifty-one persons you will have lots of views, but sometimes they coalesce.

I think there was no question that the problems we were having were understood by the board correctly not to be engineering problems. You could build anything. The problems we were having were political problems, legal problems, public relations problems, getting support from other water agencies and governmental agencies, getting along with environmental organizations if possible, or fighting them, if necessary.



The quarrels, the opposition, the forum was always various interested parties, whether it was from the EPA [Environmental Protection Agency] or Fish and Game Department or Environmental Defense Fund or certain administration officials or legislators.

But last on the list was engineering problems. I think they understood that, and they saw me for four years as their general counsel and for four earlier years as the assistant. I think they just decided that I understood the district well enough and could address the problems--today's problems. They had always had engineers, but always was when they were building the Colorado River aqueduct, or our distribution system--that was the whole purpose, pipelines, treatment plants, and all kinds of waterworks facilities.

When Evan Griffith was manager--. There's an interesting sidelight I can tell you.

Chall: Oh yes?

Boronkay: Evan followed the only other lawyer in MET's history who became general manager. John Lauten had been general counsel, and when the manager left they made him the general manager. I got to know John professionally only for the last year before he retired. I found him to live up to his reputation as being very firm. Years later this came up in a debate I had with a director in my office. The director said--after I didn't agree with him on something--"Carl, I remember now why we said after John Lauten we'd never have another lawyer as manager."

So we had had several years with an engineer, and to be candid, my personal relationship with Evan Griffith couldn't have been more pleasant. I really liked him, and we had a lot of fun singing together. But he didn't like confrontation. He said so; he simply didn't like confrontation, whether it was a lawsuit over how much we had to pay a contractor or whether it was arguing about legislation in Sacramento or going to Washington. He just didn't like it; he was anxious about controversies; he sent others. So in that period, I don't think we were out in front as aggressively as I think was warranted.

But you know, I'm giving you my view, and I'm a lawyer, and I'm more used to a confrontational situation, or willing to engage in it when necessary. I think the board saw that there were things that we should be doing, and that they had to get someone who would do them. And our problems were more and more

in Washington and with environmental groups and with the state legislature. So I think I was selected on that basis.

Chall: I see. Now you were in the hot seat, as it were, the manager seat. What were some of the chief problems or issues that you confronted when you came into the job? Did any of them surprise you, or did you just look at them and say, "Now I'm here and I can take them on"?

Boronkay: Some surprised me in the sense that they were engineering problems--part engineering, part political/financial--which simply had not been addressed. They were very difficult problems, and they were just put off. They slid. So when I became manager and the other people in responsible positions started telling me what things had to be looked at, I just had to get after them, but I also knew there were staff weaknesses.

#### Major Staff Changes

Boronkay: The top staff was very good, but in certain areas there were pieces missing. It took time, but I hired a lot of the wonderful people. Tim Quinn I hired from the Rand Corporation, and before that Myron Holburt, who had been the chief engineer at the Colorado River Board for most of his whole career, and I plugged in experienced finance people and others. Later I hired Duane Georgeson from the L.A. DWP [Los Angeles Department of Water and Power]. There was a good degree of resentment from people who were used to just matriculating, but I hired people that the staff had to realize in short order were bringing something that wasn't here, otherwise the morale would have been very bad. It would have stayed bad.

Chall: How did you get these persons that you needed, and then how did you relate this change to the staff?

Boronkay: Well, with regard to the staff, there would be openings, and I would explain, certainly at the top level, "Here is what we need: we need people with a total understanding of the Colorado River. That's our only firm water supply, and it's in dispute --it always is--and Holburt is the guy who has lived his life on the Colorado River Board or as their chief engineer." I knew him personally, and he is a brilliant guy. Happily, the other top people knew Myron personally or by reputation and could accept his coming aboard as an assistant general manager although not everyone was pleased.

Later Myron and I were both looking for someone with a strong economics background because we had an economist on board and he was very traditional, not very inventive, in enabling us to make cost comparisons on programs and strategies, not recognizing that the picture was bigger and more complicated than that assumed. So you needed comprehensive economic analysis, not just number crunching. Happily, there was a board member--Marty Goldsmith from Pasadena--who worked for JPL [Jet Propulsion Laboratory], and later worked at Rand. He knew we had been looking for the economics specialist for a year or two, and then he told us about Tim. We interviewed Tim, and we hired him.

There were other people we hired here and there: one from the federal government, from the Bureau of Reclamation--people we would come in contact with that we knew were knowledgeable and wouldn't have to learn on the job. We had important problems that we had to address immediately. We didn't have time to teach someone for two years, assuming we could teach them in two years. So we hired about half a dozen people over a period of time at higher levels, but they all showed in what they did that they brought something that wasn't here. I also upgraded the top staff by some promotions, reorganization, and reassignments.

#### Tackling the Issues: The Need for Future Water Facilities

Boronkay: So I looked at improving the staff--a good staff, but it needed some specialized help--and, at the same time, I took on the issues. One issue was how do we expand our distribution facilities? There are times when the state gets more water than it can handle and has more water than we can handle.

Chall: That's the State Water Project you're talking about?

Boronkay: Yes. The State Water Project.

Chall: This was water that was available that nobody was using at the time?

Boronkay: Yes, but we couldn't take it. We had to build up our facilities, and there was a big debate on the staff, whether you build or, rather, expand the East Branch of the State Water Project up toward Riverside and San Bernardino. Then we could take the water into our system. Or we could build our own line--the larger capacity Middle Reach of the foothill feeder,

to my recollection. And that's our own: we would build it, we would pay for it, and it would be ours. If we did the East Branch, it's still the state's, but they charge us because we're the one benefitting primarily from it. So there was a big dispute on staff between highly qualified engineers on what would be the soundest thing to do.

My god, I had just become manager, and I said to one of the old-timers who had encouraged me, "You see, this is why I didn't feel I should be manager. How am I, a lawyer, going to answer a question like that?" Then someone said, "Well, they can't answer it, and they're all engineers on both sides of it." It came down to judgment. You have to think about what water demands are going to look like twenty-five, fifty years ahead. How much does the East Branch cost versus the Middle Reach? How much water are we going to get from the state? I mean, they're judgment calls, and the engineers were no more able to make that overall determination than anyone else.

Chall: They were economic, too, weren't they?

Boronkay: Oh, yes. They were all tied into economics, but you have to make that overall judgment. You have to decide. There will be enough additional people so that we will need the water and justify one facility over another. You have to first determine that, and it's guessing the future twenty-five and thirty years out. You have to then make a decision: will the state water be there for you. See, you're going to build this large aqueduct to take a certain amount of water, and you will have to spend a lot of money; so you don't need it if the demand isn't there or if the water isn't there. But you can't just ignore it, because if the demand is there, your responsibility is to make sure there's water. There are a lot of difficulties here. The state's East Branch would be a lot cheaper than adding to our own system. Our system would take us maybe seventy-five years in projected demand and the state's maybe fifty years.

So I talked to engineers, and they said, "If there is anything certain about engineering estimates of the future, it's that they're wrong. It doesn't matter how good you are, they are going to be wrong. Things are never the way you think they'll be. So you make your best guess. But now if you want to be conservative, spend less money than more."

That's how we did it. I decided we would take the cheaper of the two. It won't give us as big a supply capacity. Maybe we'll never need it. Maybe the state water won't be there. But what was sure was that we saved a lot of money.

All I'm trying to illustrate is that this is the kind of problem which I was not used to. As a lawyer I was faced with difficult problems but I wasn't used to problems like that. Then there were other similar things, and I got used to them as we went along, and I felt more and more comfortable with engineers, and they felt more comfortable with me.

Engineers are like lawyers in terms of identifying what the problem is: here are alternative solutions; and here's why some solutions are better than others. I was amazed when working with engineers at how close they are to the approach of lawyers, because you don't solve a problem unless you can clearly identify the problem. So I found more and more that I enjoyed working with them and that these major things got resolved.

This was the first big one. There were others: to what extent we should subsidize member agencies' water reuse, reclaimed water, or development of independent supplies; how much money we should put in on a public education program to conserve water, to use less water. Should we stay ahead of the increasingly expensive EPA water quality standards? What could we do about getting water from the Imperial Irrigation District; and what additional facilities should MET build?

The East Side Reservoir, MET's largest project, was decided on after some years of study. But all these other things were being worked at the same time. A lot of them were driven by the 1980s drought. Maybe they would have taken longer to get going, but we didn't have the time. So at one time we were starting to build more facilities, subsidize the reclamation of water, push for a public educational program, and trying to work with agricultural organizations to store water in their groundwater basins in conjunctive use programs. When we had water that we didn't need, we would store it in their basin, and when we needed it they would pump it for their use and we would take their water in by surface delivery. Of course, there had to be the physical setup so that you could do that. So we were looking in a lot of different directions because we were driven by the drought and population growth studies.

#### **The Imperial Irrigation District: MET's Plan to Increase its Water Supply**

Chall: You just mentioned the Imperial Irrigation District. Now, as I understand it, you began to develop one of your early ideas,

concepts, about water transfers, water marketing with IID. Was it with the Environmental Defense Fund?

Boronkay: I could explain the background on all those things, if you like.

Chall: All right.

Boronkay: When I was still assistant counsel, David Kennedy, who is now the director of the state Department of Water Resources, was the assistant general manager of Metropolitan.

Chall: That's right.

Boronkay: I got to know him quite well, and we worked together a lot. The concept of MET using water that seeped away or drained from the IID earthen canals or that was excessive or wasteful water used in Imperial--that was thought about for years. At the time, in the 1970s there was a twenty-year-old study in the Bureau of Reclamation saying they wasted a lot of water, and that was very troubling. But we didn't need it; we had enough water. We knew all that was true, but we were getting enough water from both our sources. As times got tougher and tougher, you had to look five and ten and fifteen years ahead and say, "Well, what could we do about that?"

Under the state constitution you could sue Imperial to stop wasting water. The state constitution actually prohibits the waste of water. There are statutes too. And we are the ones that would benefit because there is a priority system in taking California's share of the water and they're ahead of us, so the water they don't take becomes available to us under our contract with the federal government and their contract.

Chall: This is the Colorado River?

Boronkay: Yes, the Colorado River. So, to the extent that they're more careful in the use of water and take less, we have the savings. Things were going along in those terms--a lot of thinking, discussion, occasionally getting together and talking about it with interested persons. But our idea became this: realistically, we can't press them into spending a lot of money to conserve water--millions of dollars to concrete-line canals, to put in tail water pump-back systems, to put in computerized gate controls. These are things that lots of agencies have, but since they had such a mass of water, why spend the money. They weren't going to do it. The loss was ours--they didn't lack for water.

So we were talking, and it wasn't actually me. I was assistant general counsel, just giving advice. I wasn't up front in the policy-making end; Kennedy was. Kennedy was because he worked for Evan Griffith, and Griffith's strength was in construction. So these kinds of things he was aware of and understood, but he was happy that Kennedy ran with this.

And so our thinking was we would pay Imperial the cost of conserving the water; they lose no water. The water that's lost before it gets to them is now not lost, and so that increment of water becomes available to us. We'll pay the millions of dollars to upgrade their system; we benefit and they benefit. They benefit by efficiency and they benefit by not being sued for wasting water, and there are some other benefits. We get the water saved, and the amount of money we spend, we figured out, would be reasonable compared to alternative costs of a new water supply.

Kennedy was thinking in those terms when Tom Graff came in one day. I was called to that meeting, and Tom said, "EDF [Environmental Defense Fund] has done a study on MET leasing water from Imperial, and I want to explain it and give you an advance copy for your comments." Dave said, "We aren't interested in your advance copy. We're working with IID; we know what we're trying to do and why it's a good idea. We don't need your help." I may not be quoting exactly, but certainly the words were to that effect. And Tom, who I'd met from time to time and didn't know well though I know him well now, said, "Well, not a very friendly reception here," and he left. But he still published his work a week later, and it got a lot of publicity that he was solving problems in the Delta by getting MET to lay off the Delta and lease water from Imperial.<sup>1</sup>

Now, about that time or a little later, he and I were invited to write an article in a bar journal--I think the real estate bar journal. He wrote in favor of water leasing or marketing and I wrote that we have to be very cautious. You lease water, and over the years the public is used to using that much water--do you think the farmer is going to say, "Okay, it's over"? They're going to be reluctant to do it because they know once they start, they're not going to be able to stop giving you that water. I believed that conserving the large amount of water was the better course at the time. And there are a lot of other considerations.

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<sup>1</sup>See interview with Thomas Graff and David Yargas, The Passage of the Central Valley Project Improvement Act, 1991-1992, Regional Oral History Office, University of California, Berkeley, 1994, pp. 12-13.

But basically I felt that he had a good idea in the concept of water transfers or marketing. I'd heard the idea before. Every once in a while you would read a magazine--the Economist or some other serious magazine or even the newspaper--an op-ed piece that says the problem with California water is not the amount but who has it, and that it doesn't make sense for the vast amount of water to be used in one industry--agriculture--where the water is up to a thousand more times valuable in a certain industry. And, you know, those things sink in. I mean, that's troubling. Well, I put it on the back burner--

Chall: Can I interrupt?

Boronkay: Yes.

Chall: What had you planned to do with the water that you were saving in Imperial? How did you get it to MET?

Boronkay: Well, it just goes to our aqueduct when we need it. You see, it's all a matter of Bureau of Reclamation releases from Lake Mead. Suppose IID needs 900,000 acre-feet; they have to order a million, because 100,000 is lost through inefficient distribution and irrigation practices. If you line the canals they get use of 900,000. So all they have to order is 900,000 and 100,000 is left in Lake Mead for MET.

Chall: I see. So you really didn't have to go through a leasing program?

Boronkay: No. We didn't have to pay for water, didn't have to buy water. It was not water marketing. I've explained that, but some people have difficulty with it. We were not doing water marketing with IID, but lots of people in the world think so. You see, to them, on the surface, we're paying lots of money to IID and getting water, so it looks like you've purchased water; but we were very careful not to do that. We don't pay them; we put money into a fund that they administer, and they have to use it to build conservation projects which we both agreed on. We've agreed on how much water is saved by the project; we jointly monitor savings so we know what's in Lake Mead that can be diverted then to MET. So it's a matter of not changing the federal water contracts, not changing the rights of anybody. We're paying them to act in a way that more water is left for us. If it's left in Lake Mead, we can order it. We order it when we need it, that's all, just like any other water we have in Lake Mead.

Chall: So what would Tom Graff's idea have been in Imperial?



Boronkay: I argued with him about this privately. Instead of saving water or conserving water, which an environmentalist should do, his program didn't cause them to use water more efficiently. They didn't have to line any canals or anything like that. They could continue use of the earthen canals. All they had to do is refrain from taking an amount of water--just refrain, order 100,000 less for ten years--and we would pay them so much per year for it. I believe this should be a later program. First, water waste should be curtailed and MET was willing to bear the costs of that program.

Another concern here that we had with water leasing and that was never resolved, even in the CVP [Central Valley Project], is that they're getting water at a nominal cost; it's practically given to them. It's essentially subsidized, and they're going to charge two or three hundred dollars an acre-foot for water that public money produced--federal tax money produced--and suddenly you're enriching them in a big way because southern California urban areas need water. That's a real policy question, and I think it's a problem that George Miller had, although I won't go into that now.

So I had definite reservations about Tom's plan, but, you know, as time goes on you figure, well, we must do what works. In other words, it's nice to hold onto a principle, but only as long as you can hold on. I think someday we will buy or lease water.

Chall: But with IID, you stayed with your original plan?

Boronkay: We stayed with that, although most people don't have the total understanding of it. They know we put up a lot of money and we get a lot of water, but we actually get water through our priority right because they take less, and they take less because we've improved their system so they don't need to take more. They don't need to take the amount they lose on the way. They get what they want, we get what was being lost; we pay for the facilities that create and conserve that amount of water.

Now, once you have that, you have a payment reference point: how much should you pay IID? Well, we pay them for what the facilities actually cost. If you get away from that reference point they say, "Oh, we want \$500 an acre-foot." Where's your reference point? What the traffic will bear, I guess.

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Chall: You touch, then, of what water marketing might be, although you had a different approach to it?

Boronkay: That's right. Tom triggered that. I remembered it vaguely from other sources, but he's the one who pushed it real hard and caused me, certainly, to think more about it. At the time, neither Kennedy nor anyone else were interested in that, and I believe they thought that these other ideas are merely distractions to get you away from fighting for the State Water Project improvement--whether it was the Peripheral Canal or another onstream dam or other facilities. Certainly the culture here at Metropolitan was to finish the state project. When I became manager and I addressed the whole staff at our auditorium, I was asked what my chief goal was. I said, "To complete the State Water Project."

Chall: Oh.

Boronkay: That was the culture. It took nine years or at least seven years before I saw that in a larger context state project improvements really didn't have to get in the way of other approaches, of which water marketing was one.

#### Organizing the California Urban Water Agencies

Boronkay: But before you get to water marketing, I have to go back just a little. When Jerry Gilbert was the general manager of East Bay Municipal Utility District, he and I would clash--a north-south clash--at water conference panels. As an aside, he told me that he was not against the Peripheral Canal, but certainly the community was.

He said, "Carl, we have a lot of problems in common--our urban districts--and we ought to think about what we can work at together."

I said, "Well, that makes sense." Certainly there were EPA standards for water quality, improvement of the state project water quality as well as efficiency, what do you do in managing droughts, how do you react to legislation and which legislation we should introduce.

So we started getting other urban water agency managers together and having meetings. He solicited two or three other agencies in the north and I solicited three or four in the south, and we grew into the California Urban Water Agencies

[CUWA], a voluntary association which later incorporated and has a salaried director. I think that it became an excellent organization--a good arena for debating ideas and for getting support.

We put out a number of good reports. We'd hire engineers to do different studies. Some reports were controversial; others weren't. One early report was how to improve water quality for the state water contractors, and it concluded that you would need some kind of canal to avoid the Delta as the best alternative. Well, the northern guys got hell from their boards. But, you know, this was the conclusion of an engineering firm that was hired; no one told it what to do other than to see what our alternatives were. Well, that was one alternative; it wasn't the only one, but just mentioning it caused them grief. So I admired them very much for putting up with that. They stuck to it, though some were targets in newspapers. So, right along, the organization was growing more and more valuable as the statewide organization looking out for urban interests.

#### Contacts with Representatives of Agriculture

Boronkay: At the same time we were working with these urban agencies, MET also met with the ag [agriculture] people; we had worked with them forever. They were our allies in water project development, particularly the State Water Project. To the ag people I'd say, "You know, we need more water, and you guys have to figure out a way of helping us get more water--conjunctive use or use of water more efficiently--just like we're pushing Imperial. We can help you with the costs of certain things if it will make water available."

They weren't thrilled, but they said, "Yes, we'll go along with that." So then there were some studies as to whether improvements could be done here or transfers made there, to the extent, or with a bottom line that we would get water from agriculture in some manner or another.

That activity was going on--not at a good pace, but it was going on.

Chall: Who would you be dealing with mostly?

Boronkay: We dealt with Tom Clark from Kern County, and the Westlands manager, Jerry Butchert, a number of the other major ag agency

managers, and to some extent [Jason] Peltier, of a CVP farmers' organization, and Steve Hall who now heads ACWA [Association of California Water Agencies]. He then represented a group of San Joaquin ag agencies. We used to meet with all of them and try to do something, but they were really getting nervous that we were also meeting with environmentalist groups. So I said, "Well, let's all three meet," and we did that. We met at the East Bay MUD [Municipal Utility District] facility at Pardee Reservoir on numerous occasions.

### Organizing the Three-Way Process: The Concerns of the Environmental Community

Chall: So that was the beginning of the so-called Three-Way Process?

Boronkay: Yes. We started then discussing what we could do and what the problems were and what solutions there were, and we all put up some money and studies were going to be done. The governor was very cooperative and encouraging.

Chall: Which governor was that?

Boronkay: Pete Wilson. He was very thankful for us to undertake this. Everybody was happy if someone else--

Chall: Sure, because you're all talking.

Boronkay: Right, and because they, the politicians, didn't have to do it. They weren't pressed into a political choice. You know, if you're for anything on the State Water Project, the north comes down on you, but if you don't do anything-- Well, the south doesn't come down on you, they don't know what's going on [laughter] until there's a drought, and then the governor would hear from the south. So the governor and legislators were happy that this progress was made, particularly chairmen Jim Costa and [Ruben] Ayala. We'd be congratulated all the time, and they wanted to be kept up on it because at the very end they knew we would propose legislation and they would get to carry it. So that was good. In the meantime, they weren't involved, and you didn't get into any unnecessary politics. So this went along a long time.

Chall: Did you all get along?

Boronkay: Oh, we got along beautifully. Yes. When you get to know people, they aren't ogres. They have a point of view, and

maybe you think it's extreme, but you know that's their feeling. It isn't that they're evil. They have a certain concern for the environment and they weigh it perhaps more than you do; and you have a concern for water supply and you weigh it perhaps more than they do. But we had gotten over a lot of problems in personal relations and history. Suddenly, we were moving towards some important principles we all agreed to, and I thought we were moving toward a resolution. The concept was to hire outside engineers of great stature that everyone could believe in and give them a series of issues to resolve. One of them would be what to do about more water supply to southern California; one would be how to protect the fish and game in the Delta; one would be how to protect or improve the water quality; one would be how to dispose of the waste from farm drainage. Those were the kind of things contemplated. The approach was to agree on the problems to be studied and consider alternative solutions without a pre-existing bias.

But as we talked more and more, it became evident that most of the environmentalists were so concerned that once anything were done--once you had a physical improvement program--no matter what we said, we would just take all the water. This was very disappointing because we were considering very inventive and elaborate legislation to give them confidence in preventing misuse of the state project.

Chall: I see.

Boronkay: I knew that attitude existed earlier in the Peripheral Canal election debates, because ultimately you always got away in these debates from the soundness of the construction project--was it wise, was it cost effective, what would it accomplish--and you never could get any agreement there, and there should have been, until you realized that their bottom line was--

Chall: No plumbing.

Boronkay: No plumbing, "Because then I know you can't do it. Now, you may mean well, but I don't know how long you'll be around. Maybe in the future someone else won't do it, but I know for sure they can't do it without plumbing."

Well, that attitude came into this process. As we kept going along it became clear that if any study--and we never put out these proposed studies--if the study came back that we needed an improvement in the Delta and such an improvement may be a smaller Peripheral Canal, well, they weren't going to do it. So I said, "Well, why are we doing all this--numerous, lengthy meetings, drafts of position papers and proposed

legislation? We're doing this because we want all together to do something about the Delta, but if before the studies are made you've already written off something, well, then, that's not a fair study, and the original basis for these meetings is undermined."

Chall: Aside from the Environmental Defense Fund, perhaps--who else--?

Boronkay: NRDC [Natural Resources Defense Council]. They seemed even stronger than the Environmental Defense Fund. And I think, oh, Save the Bay, probably, and maybe some others.

But what they did was set the tone. No other environmental group could afford to be more easy than they, you see. They intimidated the others by taking that position. In my opinion the Sierra Club had a representative who was more objective. Perhaps he could have been persuaded. I felt he could have. But once EDF and NRDC made it clear that they were not going for any construction, he couldn't last by saying, "Oh, yeah, we shouldn't rule that out." I mean, the Sierra Club would lose to these spear carriers: the editorials would say that the groups really trying to protect the environment are these groups that are fighting those people from the south with their cigars. I allude to the fact that there was this terrible TV ad by the Chronicle during one of the legislative fights with this guy with a big cigar saying, "We don't care about those little fishies!" [laughter] It's childish.

Chall: That's wonderful. And the octopus. You know the octopus?

Boronkay: Oh yes. All that. So I say the process really ended for that reason.

Also, toward the end, the governor's people indicated that whatever we get together on we had to give to them, and they would consider it along with whatever they were doing. Well, that was a big change and many of the three-way process people were taken aback by that. Up until then, everyone was eager to see what we could agree upon so it could be the basis for a Delta solution which they would support and perhaps to get it into legislation. But now you had the governor's people saying, "We're going to consider it with our own stuff"-- sending it down quite a rung--and that was the signal that we were no longer in charge of what was going to happen.

So all these things were coming together: a change, I think, in the governor's office in its support of this process and the manifestation that whatever happens it isn't going to be construction--at least not at first.

Tom Graff and I talked about this a lot, because I have a great regard for him. He said, "Whatever they come out with, we want to see how the Delta could be operated for eight years without any physical change, just by changes in the operation. We'll see what that does. Before we are convinced that you need any construction, we want to do that."

I said, "Well, that's not why we all sat down together. We sat down because we all wanted to find out what should be done about the Delta problems and if we got an outside, competent report saying that this is what you've got to do, and you've got to do it in two years or yesterday or in five years, that was what would be done. Now you're writing in conditions before we get that report."

Right about that time I faded out. I stopped attending, but I believe Tim Quinn continued.

#### Gearing up for Water Marketing: The Rationale and the Hurdles

Boronkay: At about the same time, we continued our interest in ag water transfers or water marketing. I talked to the ag people about it although their main interest was the SWP. We still had some meetings with them alone and with the other urban people alone.

I said at meetings with the ag group, "You know, we're not getting anywhere with ag water transfers, and we're going to have to do something."

They said, "Well, we're making progress."

So then we met with the whole group.

Chall: The whole group being?

Boronkay: The Three-Way group.

And Tom Clark had-- He was on the committee for water marketing. Tom Clark was manager of the Kern County Water Agency. I believe it was Tom who headed that committee. He wrote up limitations on water marketing: you had to get the approval of this official or that agency; it couldn't be more than that amount from here or there, under different circumstances.

I said, "You know, I thought the whole thing here was to sit down and try to encourage and stimulate support, to promote water marketing as a means of solving urban problems. You've given us eight restrictions, eight hoops to run through. I don't have to have any of this. We're going to go out and do our own thing. I'm not going to buy off on this. All you've done is make it harder for water marketing, harder for water transfers"--we used "water transfers" in those days--"you're making it harder. It's self-protection, and that's fine, but there's no point in my being here, and I'm not going to be a fool and agree to that, make it more difficult than it is now. Heck, I don't have that with IID. I don't have to agree to something like that."

Well, they were taken aback a little, because I did feel strongly that they were unreal about the whole problem.

Chall: So what you had were the environmentalists who you felt were unreal in one direction, and now you had the ag people unreal in the other?

Boronkay: Yes, to the extent that neither seemed willing to face up to increasing urban needs. Actually, the environmentalists weren't unreal; their political situation was just not compatible with resolving anything in the Delta.

Chall: And the ag people?

Boronkay: The ag people--you could say the same thing. Yes, you can say the same thing, use the same terms, whatever you want to use.

Chall: [laughing] Well, I want you to use them. I shouldn't put words in your mouth.

Boronkay: Well, no, those are good descriptions. I say they were unreal in the sense that if the objective was to help us get some water supply from the ag community, they were making it more difficult than it was at present. So why were we having meetings whose purpose was to promote the transfer of water if all they were writing up were restrictions? So I faded out of that.

Chall: It seems that at this point you were at a standstill in obtaining water from the ag agencies?

Boronkay: Yes. And as things went on at MET, with the many millions spent on public educational programs to use less water, putting in homes all kinds of plumbing and water-saving devices, subsidizing all the member agencies to re-use water, doing



substantial research on desalinating ocean water, conjunctive use arrangements--pushing everything we knew of as engineers and otherwise--I just felt that with the population growth and the continuing drought that we were going to suffer severe shortages. So it occurred to me that the time had come for water marketing, that this has been a concept that's rolled around long enough, and you can't dispute the logic of it. The logic of it was there, and I think the time had come.

I remember at about that time writing an article for a publication that Bill Kahrl edited--and I think it's defunct presently--but I wrote that article, and I gave the same point in the speeches I made. I said, "If someone comes from outer space and just looks at California's water resources allocation, they would simply report back that there's no evidence of intelligent life here."

Then I went into the foolishness of continuing the status quo in water allocation. MET had done economic studies of the amount of return you get. On a San Joaquin Valley farm growing low-value row crops, an acre-foot of water will give you a return of \$300, perhaps \$350. An acre-foot in the electronics industry in the Bay Area or southern California will give you about \$300,000; an acre-foot accounts for nine jobs on the farm but 2,600 in industry. Now, how long are you going to go and worry industry about not expanding or even closing down because of water shortages and just continue putting water into low value crops where the water is subsidized to start with? I mean, there is just no economic sense to it.

The next question was: is this the political time to do it? It may make economic sense, but we all grow up in school seeing a farmer behind a plow and something green growing, and the farmer is symbolic of the good guy and you never want to take on the farmer. That's how you think of it, even though many farms are huge corporate farms, particularly in California.

It's as if someone is chopping up wood in the north for firewood and selling it in a little town and he's doing fine, and that same wood would bring a thousand times more for building houses. And someone says, "Gee, I would like to buy those pine trees and have them cut up for houses, and I'll pay X." And someone says, "Oh, you can't do that. You'll put this firewood guy out of work. He's been doing it all these years." You can see that economic realities have to rule. Generally they do eventually, but you have to get a public attitude change.

So water marketing was not something that was going to be an easy sell. I think we came to it because we were in a drought, and if it was going to sell, it was going to sell then.

### Convincing the MET Board

Chall: Well, how did the MET board feel about this?

Boronkay: That was always a potential problem for me--the question to what extent they would support that. For some years I had urged that we should consider water transfers. Mind you, we don't take anyone's water. Everyone was against taking water away from the farmer, and we never proposed that. It was always giving them the right or opportunity to sell water, which I believe they'll do if they can make enough of a profit on it. All we sought was the opportunity to buy water.

Some people said, "Well, that's what L.A. did in the Owens Valley." Well, it wasn't the case at all. They didn't take away anyone's water, they bought up the water rights. And anyway, we weren't going to do that; it was a totally different situation and a different time.

So I had proposed it to the board. I listed all the things we were doing in terms of meeting future water needs, and I had there water transfers. I explained the various possibilities. I don't even think we got into marketing as a full blown program; it was just specific opportunities.

But one day--I think even before I did this listing for the board--one day I was in my office, and an L.A. Times reporter came in.

He says, "I have here a copy of a letter to MET from a farmer in the San Joaquin offering to sell you his water. Are you interested in that?"

I was wary, recognizing that it would be a sensitive matter.

I said, "Yes. I have seen that letter." I mean, I had the original. "And we'll look into it and see what it's about."

He said, "Well, have you ever done that before?"

"No, we haven't done that to my knowledge,"

"What do you think of it?"

"Well, I don't think anything of it at this point. I would have to find out more about it."

"But you're interested in it?"

"Well, yes, we're interested in bolstering our water supply from whatever legal source we can."

So the next day in the Los Angeles Times, on the front page of the second section, there was a headline: "MET to Buy out San Joaquin Valley Water." [laughter]

Chall: Oh, whoops.

Boronkay: Yes. Well, a couple of days later was the board meeting, and the board was furious. When I say the board was furious, it's never the whole board of fifty-one people; you have half a dozen who are furious. That's plenty, because most of the others don't speak.

Chall: Do most of them come, though?

Boronkay: Oh yes. Most of them come. I would say there are often forty-eight. But most have little to say at board meetings. Everything goes through committee meetings where they have more of a chance to talk. So when we had the big board meeting, there were not a lot of people who would say something. But those that are furious speak. We had a lot of people that were very close to farmers and very close to San Joaquin Valley farmers and ACWA and all that, and for some their own businesses were related to farming.

They said, "Now, I want to know who gave you the authority to buy water."

I said, "Well, we're not buying water. I'm going to look at the proposal and if it makes any sense, I would report to you and you would decide whether to do that."

"Well, this says that we're buying out the valley and all of our friends there have phoned and we've been getting lots of calls," and this and that and the other thing.

I said, "There's nothing I can do there. Things happen between board meetings. This reporter walked in; someone had

given him a copy of the letter. I couldn't deny that I had the letter, and I told him just what I'm telling you--that we've gotten this letter and I'm going to find out what it's about."

Some seemed satisfied and the majority of the board just listened. Others just raised the roof. "We don't want to do that. We don't want to take the farmer's water." Take, always take. They likened it to the Owens Valley story and said this will all hurt MET.

I said, "We're not taking anyone's water. Only if they want to sell it would we consider it. And I don't know if it's physically possible, legally possible, or if it's financially desirable. We have a lot to look at."

So after time, most board members were agreeing that it's sensible to look into it, but not all. One member from Burbank, it seemed to me, always wanted to embarrass management. It didn't matter what the issue was.

He stood up and with considerable emotion said, "It's terrible, we don't want anything to do with it. I make a motion that the general manager be restricted and directed not to pursue purchasing water in the San Joaquin Valley or anywhere else." Something worded like that.

So I said, "Well, now, that's not in MET's interest." Now, here's my difficulty. You don't like to be arguing with directors; you're the hired hand. So it's not good, but sometimes you have no alternative. You hope that someone else will take them on, and sometimes they did.

So I said, "You know, that isn't going to look good to the public, that MET, irrespective of its tight water supply, just doesn't even want to consider something." I said, "I think the motion is unduly restrictive, not of me, but of you, because you're not going to get to consider this program. Whatever proposal comes, you won't get it because I won't be able to even think about it. It's always up to you to decide if it's a good proposal. Shouldn't you want to even listen to it?"

Well, they voted down his motion right away, but you see the initial reaction of those who spoke against it.

Ironically, some months later some board members originally opposed to any San Joaquin Valley water transfer were asking how we were doing and were encouraging such efforts.

### The Bradley Bill Surfaces: MET Supports Transfers

Boronkay: So this was the background. I'm searching to increase our water supplies, always receptive to water marketing by this time, and yet there's not a heck of a lot that's out there.

I read in the paper that Senator [Bill] Bradley had a hearing in L.A. on a proposed bill to amend the federal Central Valley Project authorization and is going to have one in Sacramento. So I called his office and spoke to [Tom] Jensen.

I said, "I see you had this hearing, and I'm surprised that you had one of our member agencies testify and you didn't invite MET to testify."

He said, "Well, why do we want you to testify? We know where you stand. We have enough people against the bill; we don't need you to speak against it."

I said, "Well, you know, I never told you I'm against it."

So he said, "Well, how do you feel about our bill?"

I said, "Well, there's a water sales provision in your bill that I would be eager to support if I am invited to Sacramento."

He said, "Yes, we'll do that."

The MET board has to approve positions MET takes on legislation, so at a board meeting I said, "There's a draft Bradley bill that's circulating that has a lot to do with the CVP and the revision of it, but my interest in it is that it has a clause regarding the secretary of Interior selling water. I know this board has taken a position in favor of water transfers, water marketing, and I intend to go up to the hearing and indicate that." No one raised any question, so I went up there.

Chall: So you went up to Sacramento?<sup>1</sup>

Boronkay: That's right.

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<sup>1</sup>The date of the Sacramento hearing was May 18, 1991.

Chall: By yourself?

Boronkay: By myself. It turned out that the chairman of the [MET] board was sitting in one of the first few rows there. I didn't know she was going to be there.

Chall: Who was that?

Boronkay: Lois Krieger. She had very close relations with agricultural people as MET's chairman and through ACWA activities.

But, in any case, she sat there. I finally was called and given short shrift. Bradley was interested in the environment. His bill was roughly 80 percent environmental and 20 percent revenue changes or financial revision of the farmers' contracts. Perhaps 1 percent said something about the secretary of the Interior being authorized to sell some water, and that was to create a fund to help fish and game. I said, "Here's who we are, here's what we need, we're in trouble, and we would support provisions of any bill that would permit water marketing--that would allow Metropolitan to buy water."

See, I refrained carefully from supporting the environmental part of the bill or the farmers' contracts revisions that were being proposed. I just said, "I'm here to support the idea of water marketing." And that was all, just took two or three minutes, no questions. Bradley was probably talking to one of the senators near him, and that was all.

I walked out of the hearing. Out in the hall it was as if there were a fire storm. The TV people came up and said, "This is a break with agriculture. Is that right?"

"Well, it's not necessarily a break. We take a different position on this point."

"Well, aren't they going to fight you on this?" And another TV cameraman set up, and radio people, and newsmen were writing and also asking questions about a split in the historic urban-agriculture-water alliance. I repeated that we've taken different positions and that water marketing was essential for urban needs.

I knew there would be interest, but then when the media attention died down, I saw ag people were there who I knew, and they were just stunned. They said, "How could you do this?"

I said, "I've been telling you right along that we need water and we want transfers, and we haven't gotten any water from you."

"Well, what do you mean you haven't gotten any water?"

I said, "Nothing we've done in this period that we've tried for two years has gotten us any water."

So then I left. Later I saw Peltier--I think it was Peltier and Butchert near the Capitol. I know it was Butchert, and I think Peltier was with him. It was maybe the same day or the next day. I met them on the street and they said something like: "Gee whiz, we were really shocked that you did that, and we don't understand it."

I said, "Well, I told you no progress on transfers was being made."

Butchert said, "Sure there has been."

I said, "Well, you tell me any."

He said, "IID."

Chall: [laughs]

Boronkay: I said, "Well, you just proved my case. We had the IID deal if you never existed. You haven't been able to show anything coming out of your group, and that's why we are here."

And that was that. They went away, and after that they contacted us and they said, "What if we get together on our own bill?"

I said, "Well, we'll talk about that."

"A bill that would include water marketing."

So I said, "Fine."

#### Helping to Draft the Seymour Bill: Support in Principle

Boronkay: They went ahead and drafted an alternate bill to the Bradley bill. That was the bill which became the [John] Seymour bill. That was the bill that reduced the upfront allocation of water

for the environment, for the fisheries, but had a lot of technical environmental improvements which [David] Schuster and others were involved in drafting and which were very sound. I believe the draft also omitted or reduced substantially the Bradley bill's financial obligations of the farmers. I think it may have had some changes in their renewal contracts, but nothing like what the initial Bradley bill was going to have.

So I dealt with them, and the difficulties we had. Tim will come in on this, because right about now he was involved.

Quinn and I decided that the farmers had to be able to sell water, not the districts. If the districts could sell, you not only reduced competition right off because there are only so many districts instead of hundreds of farmers, but politically they won't want to sell or will sell at an exorbitant price. To them it's political power, and for us to be able to deal with their farmers was something that they weren't putting up with.

That became the major, major fight, and we wouldn't go along with them. We held out on that. We met at one point at a convention in San Diego. Lots of water stuff goes on at conventions because everyone is there. People say, "Oh, that's a boondoggle." Nonsense. Everyone is there. You save ten trips if ten parties are there. So we argued it out. Tim and I stayed firm that it has to be farmers and not the districts who could sell, and they finally gave in.

Chall: Jason Peltier said, "We had hours and hours of gut-wrenching meetings and a lot of conflict, and a lot of tension but finally we got through it and cut a deal with MET and part of that deal for us was, 'Well, this is good, we'll have now an alliance with the Metropolitan Water District to fight the Miller-Bradley bills, and they'll get with us and get behind Congressman Cal Dooley...and Senator Seymour...'"<sup>1</sup>

Boronkay: Oh, that's plain wrong, perhaps a misunderstanding. At no time did we undertake to fight anybody's bills--at no time. We merely agreed to work with them on the Seymour bill. I was not in a position to judge the likelihood of success of that bill and never cut my ties to the Miller-Bradley efforts.

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<sup>1</sup>Jason Peltier, The Passage of the Central Valley Project Improvement Act, 1991-1992, Regional Oral History Office, University of California, Berkeley, 1994, p. 40.



They were going to fight these bills, and did and never called on us to do anything on that front. They knew we never agreed to fight Bradley or Miller or anybody else. In fact I later recommended the MET board support a bill by Senator Bennett Johnston, essentially the Bradley bill.

I can tell you why that's so and why it's so clear in my memory, because I went to Washington and worked with [Stuart] Somach--and maybe [Dave] Schuster, but certainly Somach--and we put together a bill where we finally said, "Yes, we can go with this." But I also said, "Hey, you know, this part isn't clear; we've got to change that. This should be amplified; this is an error. But, as a whole, this looks good." Somach agreed that the draft would be modified to reflect our negotiations. We were going to be allies on the Seymour bill but we never talked about MET fighting the Miller-Bradley bills and were never asked to.

Then the next morning I was advised that Seymour had already introduced our bill the way it was. I was surprised and said to Somach, "We had a bunch of things we had agreed to change. Some of those things aren't right, some are ambiguous, and some are misleading."

"Oh," he said, "Don't worry about that. We'll take care of that by amendments, but it's important that we get moving."

Well, it was done, but I made a big note here [puts finger on head]: "Don't always trust these guys." I had no reason to expect them to get that bill filed before we made those agreed corrections. They didn't tell me they were going to do it. So, now, it's a Seymour bill. Okay, the die is cast there. So I went back to MET and asked the board to support the Seymour bill.

Chall: In principle, I noticed.<sup>1</sup>

Boronkay: In principle, and specifically the water marketing provisions. Yes. I didn't want to get into saying we're for or against environmental or economic changes. So I said, "We support it in principle or we support particularly the provisions for marketing."

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<sup>1</sup>Report to the Board of Directors from the General Manager, re the Central Valley Project Fish and Wildlife Act of 1991, (S. 2016), November 26, 1991.

Chris [Christine] Reed, a now-deceased former member of our board from Santa Monica and very liberal and very much a Democrat, said--

Quinn: She was a Republican.

Boronkay: Oh, was she a Republican?

Quinn: Yes, she was.

Chall: This is Chris Reed?

Boronkay: Chris Reed, former mayor of Santa Monica.

So she says at the Water Problems Committee meeting or Executive Committee meeting, "Well, Carl, this man Seymour is in a race for the Senate, and we don't want MET to get involved in party politics."

I said, "Well, we're not going to do that, but here's a bill that we want to support, and it's his bill."

Then someone else said, "Well, this may not be the only bill that we like and may want to support."

I said, "Indeed, it probably won't be the only bill, and we're not saying we won't support another bill."

So I had in mind very clear sentiment of the board members that we were not married to any particular bill, but we were married to the position that we want to support a bill that comes out the way we want it on water marketing. That's why I say the portion you read to me about Peltier saying we made a deal to fight the Miller and Bradley bills was total imagination if not bad memory--because we never agreed to fight those bills and didn't.

Chall: He said, "We'll have an alliance with MET to fight the Miller-Bradley bills...."

Boronkay: Never. Our only alliance was to support the Seymour bill. He may have thought that if you were supporting the Seymour bill, automatically you're against the others. If so, that's his mistake. I never said that to him or anyone else. I tell you, I rode two horses as long as I could in that legislative fight, and ended up on the winner.

## INTERVIEW WITH TIMOTHY QUINN

## II TIMOTHY QUINN: DEPUTY GENERAL MANAGER, METROPOLITAN WATER DISTRICT, 1993-PRESENT (1998)

Education and Career Path to the Metropolitan Water District ##

Chall: What I want to know from you today is something about your personal background, your education and career path to the Metropolitan Water District, starting with where you were born and when and where you went to school and college. I didn't get a resumé from you, so I don't really know these answers.

Quinn: All the way back then?

Chall: All the way back then.

Quinn: I was born in Scotts Bluff, Nebraska [1951] and grew up in an agricultural area. My father worked for a sugar refining company, and we were bounced from small town to small town.

Chall: Sugar factories?

Quinn: Yes, in Nebraska and eastern Colorado.

Chall: Sugar beets?

Quinn: Sugar beets. The company that my father worked for was the Great Western Sugar Company. Great Western bought the beets from the farmers and refined them.

Like a lot of the people who now live in the urban west, I grew up in the agricultural west. Eventually, I went to Denver and started my studies at the University of Colorado in Boulder.

## Major Field of Study: Economics, 1970-1983

Chall: What time was that?

Quinn: I started college in 1970 and graduated from Boulder in 1974.

Chall: In what field?

Quinn: In economics. Actually, my affinities were for history and philosophy, but I had a conversation with my father who said he once knew a philosopher who starved to death. And I had six hours of economics at that point in my life, and it felt like it was kind of a mix of something you could supposedly make an income at, and yet could keep me alive intellectually.

So I wound up as a major in economics and was awarded a four year fellowship at UCLA to go to graduate school. It was quite astonishing to me--the notion that you could actually get paid to go to school. I had a \$6,500 a year stipend. I had a wife, and we had one small child at the time.

Chall: You started early to have your family. You were still in school.

Quinn: I have four children now. The youngest just graduated from high school this year, and I have a second granddaughter expected in about a week.

At UCLA I really started to develop my professional interests. I received a master's degree in 1976 and a Ph.D. degree--both in economics from UCLA--in 1983.

Chall: You went straight through.

Quinn: Well, sort of. I mean, if you add that all up, I was in graduate school a long time, but then by the time I was done I had four kids, a mortgage, and a couple of pets. I wouldn't recommend this as a way to get your Ph.D. to anyone else.

Chall: Did your wife work?

Quinn: No, she raised the family. When our youngest went to grade school she went back to college. The proudest day of my life--nothing else comes close--was the day that my wife graduated from college. She now teaches.

Chall: Is that right? So you were raising a family on an income from being a teaching fellow?

Quinn: For the first few years that was the bulk of our income, and then I went to work at the Rand Corporation.

Chall: Oh, I see. While you were still at UCLA?

Quinn: While I did my graduate work at UCLA, which is one reason it took so long: I was working full time. Again, it's another thing that explains my particular perspectives on public policy issues. Even back when I was going through my academic life, I was researching and had a foot in the real world as opposed to being totally in academia. In 1976 and 1977 I went to Washington, D.C.

#### The President's Council of Economic Advisors, 1976-1977

Chall: With Rand?

Quinn: No. I left Rand. I took a leave of absence from Rand and from UCLA, and I served on the staff of the President's Council of Economic Advisors [CEA]. I was originally hired by the [Gerald] Ford administration, but the tradition in those days was that the staff of CEA, as it was always called, was that you were there for your analytical expertise, not for your partisan politics. So, by tradition, they kept staff over when an administration changed. When Ford was voted out of office in November of 1976 I retained my position. Actually, I wound up with a better job under the [Jimmy] Carter administration than I had under the Ford administration. I was there for a little over a year, which is the standard appointment.

It was in Washington where I realized that I probably never was going to be a professor, which had been my ambition in life up to that time.

Chall: What made you realize that?

Quinn: Watching real world policy get formulated. Economists can be fairly strong elitists, intellectual elitists. We are taught a very rigorous way of looking at the world and what kind of policy constitutes good policy, and I became quite fascinated by the fact that politicians rarely adopted the solutions that economists said were the perfect answers to social problems.

I've mentioned that my father worked for the sugar industry. One of the things that was going on in the mid-seventies in Washington was legislation to eliminate sugar subsidies, which had been a way of life in the American agricultural economy for some

time. In fact, they did get rid of the sugar subsidies. The economic case for getting rid of sugar subsidies was compelling, but at the same time I had a father in that industry and knew a great many growers in that industry and I could see the implications for them of what seemed to me to be a perfectly rational, economically efficient public policy.

It was the juxtaposition between the sound economic arguments and the real impacts of public policies in the real world that captured my intellectual interest, and I wound up writing my Ph.D. dissertation on water politics in California and why politicians don't do what economists recommend that they should do.

#### The Ph.D. Dissertation on Groundwater Law

Chall: Is that right? And that's at UCLA?

Quinn: Yes, at UCLA. And I made the great mistake of thinking that I was solving the problems of the world in my Ph.D. dissertation. It's 350 pages long.

Chall: That's 1983, right at the--

Quinn: Right at the height of water politics. At the time, there was a fellow at the Rand Corporation. His name was Chuck Phelps. He was the manager of the newly created regulatory program at Rand. Chuck was working on water issues, doing what turned out to be a fairly influential study by Rand on the topic of water marketing. I was not directly involved in those studies, but I had a good relationship with all of the people who were.

Phelps one day approached me when I was looking for a field to apply my dissertation ideas about how the political system operated, and he said, "You should think about water." And that was how I got involved with California water.

My Ph.D. was on the topic of groundwater law in California and how it evolved in different parts of the state where you were essentially solving the same technical problem--overdraft, resulting in seawater intrusion, subsidence, and other problems. The problems are not all that different from one area to another, but there are economically radically different public policies that have been implemented to respond to that problem. So I set about the task of trying to figure out how the political system was balancing its different considerations and why that led to different decisions than what economists would advocate. It

changed me forever. I learned things writing my dissertation that still guide me as a consensus builder and a coalition builder in the world of water resources in the West.

Chall: Meaning that you understand there are reasons for these differences?

Quinn: Very good reasons. It turns out that there's a reason that they don't always do what economists say, which doesn't mean that there aren't powerful reasons to look hard at the economic side of public policy issues. I wrote a dissertation on these water issues, although I could never get any funding to do water. I tried hard, but nobody would pay me to do policy analysis of water resources. Again, water politics was probably never more fierce or more divisive than it was in the early 1980s, and I didn't have the maturity back then to understand the political context that was going on out there. And to have an independent mind from the Rand Corporation come in and say, "I'm going to analyze the politics and economics and help you figure out what good public policy might be"--it wasn't a formula that was going to sell, and it didn't.

My phone rang one day, and it was the assistant general manager, Myron Holburt, who worked with Metropolitan at the time--very close with Carl Boronkay.

Myron was a feisty water engineer, a person that I continue to respect greatly. Carl had brought him over from the Colorado River Board. I'd never met the man, but I was popular on the speaking circuit in those days, and I used to give a speech that said what California needs is to fix the Delta and allow the market to function. I understood the Delta enough to realize that it was an unstable environment and that the transportation system for water was "broken"--the popular phrase these days--I don't think we used it back then. My pitch in those days was that you needed to fix the Delta--I was a supporter of the Peripheral Canal at the time--and you needed a water market. I don't think Carl had ever heard that particular combination of arguments. I had never met him.

#### Metropolitan Water District: Economist, 1985

Quinn: Myron called me and essentially offered me a job over the telephone one day. I was quite astonished. I was quite happy at Rand. I was doing research for EPA on other natural resource topics. I was developing strong expertise at the time in global

warming issues and stratospheric ozone depletion. I was a project leader at a relatively young age and bringing in the better part of a million dollars a year in grants from the federal government. So I had a successful career at Rand. But there was the Washington experience, and I knew I was writing reports, essentially, that most people wouldn't pay much attention to.

I went to lunch with Carl and Myron a couple of days later, and they said they wanted to hire me as an economist at Metropolitan Water District. Frankly, I didn't really understand who or what the Metropolitan Water District was at the time, and my immediate response was no. I said, "I'm not even the slightest bit interested." But I said, "Let me help you search for someone who will fit your organization well." Because I had particular ideas of how an economist could be effective within the political world. I mean, the traditional classroom economist was going to come into this world and fall flat on his face because he didn't understand the political balancing that had to happen, and desirably needed to happen, from a social decision-making perspective. So I offered to help them on a search committee of some sort, but Carl later told me that he became determined at that lunch that he was going to hire me. It took several months. It was about five months before I actually agreed to come to work.

Chall: How did they convince you?

Quinn: Well, I knew I was taking a big risk. At the time, Metropolitan had an actual policy not to hire economists. [laughs] Economists were at the time quite critical of what was going on in the water industry. Metropolitan had hired an economist some years prior, and it had not been a happy experience for them. They had no job description that fit economic talents. So they didn't have a spot for an economist and they didn't want to create one, but they wound up creating a job especially for me when I came to work here.

And you know, back in those days I had a number of strikes against me. I was from Rand, and the Rand reports which advocated water marketing and a different way of managing California water were not well received by Metropolitan at the time. I was a Ph.D. economist, and I was an outsider. Yet Carl Boronkay had decided at the time, I believe--but didn't bother telling me--that he really wanted to head the organization in a fundamentally different direction. He felt that the marketing concepts were powerful and important for Metropolitan, but he knew he didn't have staff resources that could help him do what needed to be done. So, he wanted to hire an economist, and an economist who at least had made an effort to understand how politics work and how you meld political and economic issues.



It was not surprising to me now that Carl found me an attractive potential employee, and I have never looked back or regretted it. My friends at Rand were very perplexed. Rand is world class, and better in those days, I think, than it is today. They couldn't believe I would leave a world-famous research institute and go work for a utility.

Chall: And now this utility has a certain world-class reputation.

Quinn: Yes, and I can remember vividly explaining to them that I wanted to try my hand at having my hands on the policy levers themselves --instead of just writing about them, actually going out and doing it. That's what I've been allowed to do at Metropolitan.

Chall: They give you a free hand here.

Quinn: Well, never a free hand. [laughter] Never a free hand.

#### Analyzing Carl Boronkay's Vision: The Need to Change Historic Water Alliances

Chall: How was Mr. Boronkay as a head officer--I mean to work with?

Quinn: Well, Carl was the general manager. Carl is a very sharp strategist and understood the role of politics in some ways and didn't understand the world of politics in some ways. I now have a lot of the responsibility for making political strategic decisions that rested with Carl when he was here. But I realize what courage he had and the vision that he had and the leadership qualities that he had to try and recognize that we needed to head in another direction. It's like changing the direction of the Queen Mary. It takes a long time, and it doesn't surprise me he didn't tell me.

I'm not sure he knew fully what he was planning on back in 1985 when I walked in the door. Carl had a vision of where he wanted to go, and he was willing to go through hard times and to hang onto the rails of the boat as it rocked to get there. I have tremendous respect for Carl. He was instrumental in changing the direction of California water, not only for the commitment to a new set of management tools--to looking more toward market forces --but towards realigning some of the traditional politics in water.

This played itself out in the CVPIA debates. The extent to which Carl actually enunciated it to himself, I'll never know.

But he understood that the old political axis of southern California and San Joaquin Valley agriculture against everyone else had run its course. It petered out in 1982, that view of north versus south. Carl was one of the leaders in creating the California Urban Water Agencies [CUWA], for example.

When historians write the history books with decades of proper perspective on this time, the creation of CUWA, as we call it, deserves a chapter or two. It was a fundamentally important event, quite apart from all this marketing and important aspects that were going on. The creation of CUWA was a fundamentally important event in California water that created relationships that hadn't existed in the past.

It was the first real outreach between north and south. Always before, provincial differences had separated us. CUWA didn't allow us to be as provincial as we had been. We came to realize it wasn't north versus south, it wasn't that the water was in the north and we needed it in the south; it was the northerners and the southerners relying on the Bay-Delta watershed, relying on the same resource bundle, essentially, and we had common problems, and we had to come up with common solutions together.

Agriculture was very perturbed by that alliance. As we were moving closer to CUWA, as we were establishing working relationships with the environmental community--which we had never had--it was Carl who was thinking through and making decisions. One of the things which he did relatively early was he sent me up to meet Andy Moran and Tom Berliner, who both were with Hetch Hetchy in those days. They are now running the Public Utilities Commission of the city and county of San Francisco. Carl sent me up to meet the people that were running the East Bay Municipal Utility District. I was one of the people that worked on developing those relations under Carl's direction.

I got to meet and know and like Tom Graff and Zach Willey at the Environmental Defense Fund. Those were relationships we had not had prior to Boronkay realizing that we needed to have them. I can remember some pretty tough sessions with representatives of agricultural interests who were bitter about the fact that we were establishing those relationships. They felt betrayed.

In my mind at the time, I was not in a position to understand the politics the way that Carl did. I didn't see it from his broader umbrella perspective. From my perspective, I've always approached everything in my life with openness and saying, "I respect where you're trying to go; I want you to respect where I'm trying to go. Let's try and find common solutions." To do that with the environmentalists, to do that with the Bay Area seemed

very natural to me. I didn't have the history of the old political alliance. I wasn't part of that.

Chall: So did that make it easier for you?

Quinn: It made it easier for me to do it, but it made it harder for me to see the consequences and to understand the reaction that was going on in the agricultural community, because I hadn't shared those old relationships. So establishing the new relationships, which seemed a natural, positive thing to do--I never apologized for it and still don't today, but I didn't appreciate the degree to which that would be viewed in a negative fashion by some of the people that we did have the historical relationships with. All that was sort of setting the stage as we moved into Miller-Bradley, where those old relationships were stressed to the breaking point.

From a bigger picture perspective in the politics of California water, the simple fact is that the system was operated for the benefit of the water users. For decades upon decades the environment was neglected. Again, I wasn't a part of that history, so it was easier for me to disassociate myself from it, and very natural for me to realize that we had to have a new set of rules in the future. I come from a fairly strong environmental ethic in my own family and have passed that on to my children.

The water business from the late-eighties into the mid-nineties was going through a cathartic change. Carl knew it was coming. He knew this change was coming along. One of its peaks--or valleys, depending on your perspective--was in 1992 with the CVPIA. I believe that Carl understood that the water industry had to go through cathartic change as a result of the environmental revolution and the fact that we all needed to have a new set of environmental values.

We didn't get involved in the environmental issues in CVPIA until fairly late in the game. I wanted to. I argued we should, in his office, privately, but he was focused on the water marketing provisions. I can remember, one time Carl took me aside and said that we had to understand that we had more flexibility--things like creating markets, different ways to manage resources--we had more flexibility than the environment does. Carl kind of accepted that, but it was not the kind of thing you could say at a water meeting in the 1980s. It would not have been well received. We went through this adjustment period from 1987-1988. The first real sign of it in our world was the listing of the winter-run salmon in 1989.

Chall: Oh, tell me about that.

Quinn: Well, the Endangered Species Act had been passed years before, but never really affected the operations of our water projects until the winter run was listed in 1989. It's a run of salmon in the Sacramento River; its populations had gone to alarmingly low levels. It was listed. It didn't affect the operations of our projects. You can still argue maybe it should have, maybe it shouldn't have, because the evidence that we actually suck these fish up in the pumps is weak at best, but it was the first real definitive action that the rules were changing.

The Delta smelt got listed in '91 or '92. The Central Valley Project Improvement Act was passed in '92. We're now looking at several other species for listing. This all culminated in our world seemingly slipping through our fingers from a water manager's perspective until 1994 with the Bay-Delta Accord. What was happening over this time period--and CVPIA was the critical step if you ask me--was that we were having to make adjustments, revolutionary adjustments, in how we manage our world and how we think about our world to accommodate the degrading environmental resources that were going on in the system.

CVPIA was a critical part of that, and as that pie was shrinking for water interests, the status quo was being changed fundamentally. A lot of consensus building which has occurred in recent years and has given us the opportunity to solve long-term problems never could have happened without CVPIA. CVPIA was a fundamentally important part of a shift in the status quo, especially for agriculture.

Much to Carl Boronkay's credit, the urbans understood that the status quo was changing, that the old methods were not going to work. You weren't going to go out and get somebody to build a big project and pay for a big chunk of the costs and give you the low cost water. We were entering a very different world where we needed to look at things like water marketing, investments in reclamation and conservation on a scale unfathomable in 1985 when Tim Quinn became an employee for the Metropolitan Water District. Carl could see that. I don't think agriculture could see those changes.

Chall: You think he saw that far ahead? He saw marketing ahead.

Quinn: He saw marketing ahead. Marketing was where he chose to focus his energies, but I think he saw marketing as part of bigger changes that were going on. I mean, earthshaking changes in the world around us and that we needed to break out of the old political relationships, look at new management tools. Part and parcel of that was a great deal of decay and deterioration in our

relationships with the agricultural community, which we have been rebuilding since the passage of CVPIA.

Chall: In the latter part of our interviews, I'd like to get into the whole CALFED process.

Quinn: Oh, so let's save that topic for that time then.

Chall: Yes.

#### First Assignments with MET: Water Transfer Initiatives

Chall: What then were your earlier assignments here? Can you recall them that far back?

Quinn: Well, I'll tell you the first two assignments I got. They were in the first week that I came in. Again, I did not have the maturity to understand quite what was going on in my professional life at the time. Carl made me the chief negotiator for Metropolitan on two major water marketing transactions. One in the Palo Verde Valley on the Colorado River, and the other was the Arvin-Edison Water Storage District in the southern San Joaquin Valley near Bakersfield.

The Palo Verde Irrigation District is one of the oldest irrigation districts in the western United States. They have, I think, the second most senior rights on the Colorado River. Arvin-Edison Water Storage District is a CVP contractor. So Carl was interested in maybe making water transfers, water marketing, real to Metropolitan. We had discussions ongoing at the time with the Imperial Irrigation District, and I was an advisor to that process. These were two new initiatives that were launched as I walked through the door. And this was another strike against me as far as the organization was concerned. I was in my early thirties at the time.

Chall: As far as the Metropolitan Water District staff?

Quinn: Yes. And, again, my attitude was, "I'll be honest and I'll be open with you," but I had never worked in a bureaucracy quite like Metropolitan at the time.

Those were my first two jobs, and it was baptism by fire.

### The Palo Verde Irrigation District

Chall: Tell me about Palo Verde. Tell me about each one of them a little.

Quinn: Well, actually, both of them were extremely positive growth experiences for me, professionally. In the Palo Verde deal I went out and started negotiating with Dana Fisher, who was president of the Palo Verde Irrigation District board of trustees at the time, and Virgil Jones, and several other folks. The general manager was Jerry Davison, who is the general manager today. It was a very interesting experience. I went about my job by looking at how much money I thought these guys were making farming, which as an economist I understood--you know, cost plus, competitive rate of return--that was my target.

Again, I suffered from naiveté in those days that I don't suffer from necessarily today. It was the first place I learned to negotiate, and I discovered I'm not a bad negotiator. My job has evolved where I have been Metropolitan's chief negotiator in, at this point, dozens of very complicated negotiations. Carl mentioned that when CVPIA got to serious negotiating, he let me. I knew Carl trusted me when he allowed me to talk at meetings. For quite a while, when Carl was at a meeting you understood your job was to shut up. [laughter] I started knowing that there was a relationship of trust being built when all of a sudden Carl would look at me and I would realize he wanted me to carry a lot of the discussion at meetings as the CVPIA unfolded.

On Palo Verde I learned to walk away from a negotiating table. This negotiation was occurring in 1986 and 1987--

Chall: Was this a marketing transaction?

Quinn: Yes. We were asking them not to grow as many crops, to fallow a portion of their fields.

Chall: Really? Had they come to you with the suggestion?

Quinn: Actually, we approached them.

Chall: All right.

Quinn: We approached them. More than probably any other place in California, the farmers out in the Palo Verde Irrigation District were willing to look at this as a business transaction. Generally water marketing--and I don't fault others for this--water marketing has got very strong emotional and social issues tied to

it. Those didn't tend to be attached to the issue as far as the Palo Verde Irrigation District was concerned. They were willing to approach it as a business transaction.

We negotiated for a year or so, off and on. We were purchasing water for about a \$135 an acre-foot in the case of the Imperial Irrigation District conservation program. That was the cost we calculated. Actually, it's a fairly high estimated cost for the Imperial Irrigation Conservation Program. I had looked hard at farm economics. My judgment was: If we purchase this water at \$135 an acre-foot, that would be an extraordinarily handsome return, indeed, for a grower in the Palo Verde Valley. That's what we offered.

Eventually there was a complicated negotiating process. At the time we were trying to put together a long-term transaction--thirty-five years, I think is what we were looking for--and price indices and all these sorts of things. But the essence of it was that in the end we were willing to offer about \$135 an acre-foot. The farmers out there thought the water ought to be worth closer to \$300 an acre-foot, and we parted company, friends. At least from my perspective, it was actually amicable. We said, "Well, we're not able to get there now. Let's part friends and come back at some point in the future."

##

Quinn: In 1991, California was facing an extraordinary crisis with a very deep drought. Nineteen ninety-one went off the hydrologic charts. In December, January, and February--that water year--it was truly a scary and extraordinary experience. The governor's Drought Water Bank was created at the time. Myself and Tom Clark had come up with the basic concept and the basic structure of the bank, sold that concept to Dave Kennedy and Bob Potter at the Department of Water Resources, and the bank was launched. I can remember sitting in meetings in February 1991 when people scoffed at the notion of water transfers and water marketing. They said, "You won't be able to buy any water. Maybe you'll get 100,000 acre-feet. This is a very dry year. Nobody's going to be willing to sell you water because it's just too dear. If you buy water it's going to be what we call 'paper water.' That is, not real stuff. It's when Harry sells you Dick's water and gives you a low price because he's not doing anything to make it available."

But, lo and behold, in the water bank, through no particular magic, a price was established at \$125 to the farmer. The next thing you knew, within less than a two-month window, at the price of \$125 an acre-foot, the water bank purchased 800,000 acre-feet of water, gross. It was an extraordinary statement about the

power of market forces, if you ask me. The bank wasn't perfect. It was a highly contrived market experiment, but it undeniably spoke to the power of market forces, and it also said \$125 was not a bad price for water. I think that was one of the factors that caught the attention of the decision makers out at Palo Verde, and \$135 didn't look so bad to them, after all.

Chall: Oh, so that had them hanging on.

Quinn: I had personally been the negotiator during '86 and '87. I did not finish the negotiation, but we did a short-term arrangement with them. We stopped talking long-term. We wound up with what we called a land fallowing test program. So we paid them, essentially, to increase the amount of fallowing in their crop rotations for two years, got everybody to agree how much water that would save, because they weren't growing as many crops.

Chall: What crops were they growing up there?

Quinn: Mostly they fallowed low value field crops. Fallowing has become the f-word in California water marketing; fallowing is just not something that is supposed to be politically correct. In point of fact, we fallow crops for financial reasons all the time in California. Eventually, I think, farmers will be able to make the decision in response to water market forces; how much they want to grow in that year. Right now it's something that the state is not entirely ready for.

But this deal was built around the notion that for two years-- 1992 and 1993--they would increase the amount of fallowing in crop rotation. They fallowed approximately 20,000 acres of land. Virtually every land owner in the valley of any size participated in the program. It created 186,000 acre-feet of water. We secured agreements with the federal government to allow us to bank the conserved water in Lake Mead--the first time that had ever been done.

Chall: Is Palo Verde part of the CVP?

Quinn: No, Palo Verde--they have ancient water rights. It's their water, as they will quickly point out to you. They are beholden to no government for their water.

Chall: Yes, so that's why you were able to deal with them.

Quinn: As a legal matter, good question.

So we were experimenting with this water transfer stuff, and it felt pretty good. I mean, the Palo Verde thing had worked



well, the IID thing had worked well, and here was the largest block of water in California--the Central Valley Project--which was declared by law as being out of bounds. You couldn't go develop mutually agreeable transactions with CVP contractors.

### The Arvin-Edison Water Storage District

Quinn: Let me mention briefly the Arvin-Edison transaction, which was quite a different transaction. We were proposing with Arvin-Edison to pay them for essentially banking storage services. We wanted, at that time, to take state project water that we couldn't use, bank it in Arvin-Edison, and they would give us their water back at a later time during dry periods. So it was: get the water out of the system while it's wet, put it into storage, the storage services would be provided by Arvin-Edison, and then later on Arvin-Edison would transfer their water supplies to us in exchange for the water that we had previously banked underground in their service area. That deal fell apart because of Delta politics.

Just by a huge coincidence, before I came up for this interview, my board of directors today approved a new program with Arvin-Edison which is structured with the same basic concept: paying an agricultural district for storage service and receiving transfer water during later drought years.

There's a lesson here for would-be water marketers. I remember Myron Holburt one day. We worked forever on the first Arvin project which eventually died. About four years into the process, Myron Holburt took me aside and said, "When are you going to get this done?"

I said, "Well, it's very complicated."

He said, "You know, Tim, we fought World War II in less time than it's taken to put this water marketing transaction together." [laughter]

And really, that's not a bad description of my early years at Metropolitan. I was going through this torturous experience where it was not a popular thing to be doing in the first place. We constantly were questioning if this made sense. The rest of the world was up in arms about these transactions.

Chall: A lot of articles were written opposing it.

Quinn: I now realize that it must have been a weekly occurrence where Carl Boronkay would step in and protect me, and I didn't even know I needed protection. Really. I'm absolutely convinced that there--

Chall: Protecting you against what?

Quinn: Oh, against people that wanted my job because, "What are this guy's crazy ideas? You've got to get rid of him." I mean, change is a hard thing to accomplish. I have much more sophistication about how I approach change today than I did a dozen years ago when I came to work here. I mean, I've got a lot of battle scars from a lot of change that I have been a part of. I realize now that on a regular basis Carl came in and protected me from detractors. Carl was a man who had a vision. I believe that vision was sound, and he carried it out, and he rode out the storms that had to be ridden out to cause change to happen.

I learned a great deal about Colorado River politics, negotiating a water transfer. I learned a great deal about Central Valley water politics by negotiating a transfer. One was eventually successful, and one was not successful until almost twelve years after the first time I sat down with the representative of the Arvin-Edison Water Storage District.<sup>1</sup>

#### Water Marketing: An Accepted Concept Today

Chall: What's changed in the eleven years?

Quinn: Certainly, eleven years ago it was heresy to stand up and say, "Water marketing must be an important part of California's water future." We never believed at Metropolitan that marketing was the only part, just that it was an important component of a long-term water policy for California.

One of the first things I did professionally at Metropolitan was something I had started organizing before I left Rand in late 1985. Myself and Nancy Moore--who was one of the Rand crowd who had an interest in water issues--Nancy and I had developed the concept of a conference on water marketing, which we were doing in cooperation with the UCLA public policy extension program. The whole conference was at UCLA. LeRoy Graymer was very active. That was the first time I got to know LeRoy. We worked with LeRoy

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<sup>1</sup>More on Arvin-Edison on page 132 ff.

Graymer and UCLA to structure a water conference. This conference was a fairly big deal. It was held in February of 1986, and I remember it like it was yesterday. These ideas were just coming in western water that water marketing was something that made sense.

I remember Dave Kennedy spoke. I don't know that anybody knew or realized that Dave was still going to be the director of the Department of Water Resources on December 9, 1997. It's almost twelve years later; he's been there a long time. Dave spoke there. We had what we called "the Daves" at the time: Dave Kennedy, Dave Schuster who was the head of the State Water Contractors, and Dave Houston who was the regional director of the Bureau of Reclamation in those days. Three Daves were on the panel. It was the first time I saw the three Daves together.

And let's just say water marketing didn't get received very well by the water community in those days. That is one of the profound changes. Nobody can argue that water transfer is not an important part of California water policy today. Many of the people fighting it in those days--the CVP contractors, for example--they're now the biggest buyers in the market. I mean, nobody buys more water than the Westlands Water District these days.

Chall: From each other?

Quinn: They're buying from other agricultural entities.

There were three profound changes in California water in the last decade. One is the realignment of relationships. There is much more coalition building going on today. The coalitions are much more sophisticated and they are much bigger. We have broken down north versus south. Within the professional water community, north versus south does not exist. I think that's a strong statement, but I would be prepared to defend it.

The second change has been the rise of the market. We are just at the beginning of that change, but in terms of allocating water supplies, the market is much more important today than it was ever conceived to be twelve years ago.

Chall: Is that so?

Quinn: Oh, absolutely.

Chall: It's really working?

Quinn: Well, again, working is a relative term. It is evolving. We have a lot of history to unfold on this, but nobody thinks they're going to push marketing back into obscurity. CVPIA was a terribly important step along that process. The other change has been the rise in environmental values within water management. I think probably the environmental movement hasn't even begun to recognize the depth to which environmental values have taken seed and rooted themselves in the minds of the people managing California's water.

Those three things make the water industry today a very different place than where it was in 1985.

Chall: I see. So it's been exciting for you.

Quinn: You can tell? [laughter] I like the job, even though I pull out a little more hair every day. If you like challenging public policy and trying to manage change, California water is not a bad place to be.

John Wodraska: Current MET General Manager, 1993 to Present  
[1998]

Chall: Now, what about working with the new general manager? I don't know anything about him.

Quinn: Mr. [John] Wodraska. We call him Woody. Woody is a strong internal manager. I mean, Woody pays attention to what's happening in the organization; to how much it's costing you to push the water through your water treatment plants. On those scores, Woody has very strong capabilities as a public agency manager, but he's less interested in the vision side of the business.

Carl was a visionary who basically delegated the day-to-day operations of the organization to assistant general managers. Dick Balcerzak was the assistant general manager that basically ran the day-to-day operations of Metropolitan. So the treatment plants, and moving water through the system and worrying about what was going to be happening in the operations of the State Water Project next year--all of that was handled by Balcerzak. Carl clearly had an interest in the efficient operation of the organization and provided guidance, but his primary energies were directed at changing the policy direction of Metropolitan, rather than in directing day-to-day decisions.

In those days, Metropolitan was less cost conscious, but we were still relatively cheap up until the environmental revolution started to catch up to us and surpass us. To make enough water available we built these magnificent engineering feats which were things to marvel, but once you got them built, all the costs were fixed costs and we had substantial contributions from property taxes to pay the bills. The system more or less hummed along.

In that environment, we weren't nearly under the competitive pressure that we are today. Nobody ever thought of competing with us, for heavens sake, to go out and get their own water. Nobody was talking about privatizing treatment plants in the water business.

Carl looked to the long-term vision and was less involved in the day-to-day operations of the business. Woody tends to be the reverse. So Woody and Carl have very different styles.

With all respect, if Woody had been the general manager in 1985, I suspect we would have evolved very differently. You had to be willing to take the lumps and sacrifice the old relationships. That's a hard thing to do. Not very many people had the courage or foolishness--again, depending upon your perspective--to follow through and actually do it.

Chall: So, actually these two came at the right time. They were sort of in place at the right time.

Quinn: I would argue that each has attributes that fit their situation relatively well. We needed a person of vision at the time of Carl. We needed to realign politics. A number of times I had conversations with Woody where he recognized that Carl was able to do things that were hard to do and which we are glad were done.

Carl recognized a need for change, but in the world of politics, you need to be a consummate coalition builder and consensus builder if you want sustainable change--change that will last over time. Carl retired when acrimony within the water world was at its peak. Carl retired in early 1993 right after the CVPIA was passed, and that was probably the point of the greatest divisiveness. You've got to go back to 1982 to get to a period where the water community was more at war with itself. It turns out that my own skills tend to head off in the direction of negotiation and consensus building. That's what I think I'm fairly good at.

Assessing the Need for "Revolutionary" Changes Within the  
Urban, Agricultural, and Environmental Communities

Chall: So now we're where we're going to be at the end of next week when I want to talk to you about the plans for the new arrangement with CALFED [California Federal Bay Delta Process].

Quinn: I firmly believe that we had to go through these times. We had to go through revolutionary change. Revolution by nature--well, political revolution by its nature--you are winning something that you can't win by consensus. I have an anecdote that drives this point home. I had a conversation with Jerry Butchert [General Manager of Westlands Water District] in the spring of 1992 while all this CVPIA stuff was going on. We had been through a process we called the Three-Way Process in California at the time. I was one of the people heavily involved in that Three-Way Process. Carl and I were the Metropolitan representatives most of the time.

I believed in my heart of hearts that there were consensual ways to deal with the problem. We were talking about dedicating a million acre-feet of water to the environment. We were talking about other actions that would be required to right some of the wrongs that had been done to the environment. That was part and parcel to the Three-Way Process.

Jerry Butchert was heavily involved in that process as well. I remember pleading with him in the spring of 1992 at an ACWA conference in the Palm Springs area that we needed to do it by consensus in California. Otherwise, if we didn't deal with the forces of change that were upon us, it would happen in Washington and it would be much worse--on them and on us. Jerry said something to me, and it was like it hung in the air. He said, "Tim, you have to understand this. Some things you can give away; some things have to be taken away."

And the CVPIA was part of a process in which the environmentalists were essentially saying, "Okay, we understand that political dynamic; we've got the power to take it away." And in the CVPIA change was happening that was revolutionary. I was working for consensual outcomes at the Three-Way Process. I think Carl understood that we had to go and fight this fight in Washington and wasn't having as negative a reaction as I was. I was disappointed at the time that we couldn't take command of our own destiny and work this out in a stakeholder negotiation. Again, you live, you learn. But what happened in 1992 was that agriculture lost something that they couldn't give away. It was revolutionary change, and the status quo was so dramatically changed that all of the sudden, going into 1993 and certainly by

1994, agriculture realized that they also had to become change advocates. That's a common interest that we now have. We both need change--not just the urban interests--and that has been very powerful stuff in terms of rebuilding relations over time.

Now, in the aftermath of the environmental revolution, California has to decide which direction to go through the CALFED process. Ultimately, revolutions are judged not just by winning the revolution, but by the answer to the question, "Can you govern what you have won?" We went through revolutionary change from '89 to '94 in California water. The CALFED process puts the challenge to us: can we now govern that revolutionary change?

Chall: And that hasn't been easy.

Quinn: And that has not been easy and its success is still to be determined. So I have been at a fascinating place at a fascinating time in California water.

Chall: It certainly is.

I think then that we'll start next week with the writing of the Seymour bill which we've already begun to discuss, and then we'll go into some of these other items about the passage of the CVPIA which are on this chronology. Then I'll talk to you about CALFED.





## INTERVIEW WITH CARL BORONKAY AND TIMOTHY QUINN

III PASSAGE OF THE CENTRAL VALLEY PROJECT IMPROVEMENT ACT: THE  
 METROPOLITAN WATER DISTRICT STAYS FOCUSED ON WATER  
 MARKETING

[Interview 2: December 19, 1997] ##

Drafting and Introducing the Seymour Bill, S. 2016

Chall: Mr. Boronkay, I'm going to quote from your article with Mr. [Warren] Abbott. You said, "A trek through both houses of Congress in achieving this legislation was itself an intriguing, emotional adventure too lengthy and diverting for this article." That's what we want to get into today, the intrigue and the emotion. "In summary, key agricultural representatives invited urban agencies to support a substitute bill... [which] included an acceptable water marking section."<sup>1</sup>

What I wanted to ask you was how did you get invited? I mean, when you say water agencies, who besides you were in on that? I know that David Schuster and [Stuart] Somach had written drafts of several bills before Senator Seymour came into the picture. So, how and when were you invited, and why?

Boronkay: Well, we were invited because I appeared at a hearing of Senator Bradley in Sacramento and said we support the marketing provisions of his bill, or the water transfer provisions of the bill, which were relatively minor. I mean that bill was a mass of economic reform and even more on environmental restoration with a throwaway line that the secretary can sell some water. Well, that was an opening. I had been thinking of water marketing for years, but it really was in the back of my mind. We had projects to build. Then with Tim Quinn coming aboard, I

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<sup>1</sup>Carl Boronkay and Warren J. Abbott. "Water Conflicts in the Western United States," Studies in Conflict and Terrorism 20: 137-166, 1997. p. 144. On deposit in the Water Resources Center Library.

had someone I could talk to occasionally on the soundness of water marketing from a broad policy level, a broad societal level. I would talk to him because he was a brilliant economist and had a very broad outlook.

So, once I appeared there at the Bradley hearing, and I believe I filed a written statement as well, the ag [agricultural] representatives were just shocked. They shouldn't have been; we were working--Tim and I--with them in meetings with agricultural agencies and urban agencies for a long time pursuing means of getting some transfers of water from ag to urban use--direct transfer or conjunctive use, or whatever; he could tell you more on specifics. There were a number of potentials, none of which came to fruition by this time.

So, when I did that, suddenly, I was a player in Washington. I didn't think of it that way. I mean I wasn't seeking to be a personal player, but suddenly the age-old agriculture/urban alliance was shattered, maybe not irreparably, but shattered. People were surprised and identified me as the one to deal with.

Chall: Do you mean it was shattering or shattered at that point?

Boronkay: Well, it was shattered but not necessarily a complete break. It's like an earthquake; it shakes up things and if it keeps shaking, it gets even further apart. So, they started out and they were shocked at this, but that's the way it went. I was convinced that the time had come for other reasons that I've indicated in that article that we at MET had to make some changes in the state's ag water use, as an urban entity, with projections of serious water shortages, but also all urban entities that were subject to growth or in the process of growth.

We hadn't earlier looked to significant transfers of ag water; but now, the huge amount of developed water in this state that's devoted to irrigation had to be considered to some degree as a source for urban supply, and I made that pitch. I had developed this alternative at board meetings in the two years prior to that by saying, "We're trying to work out deals with ag agencies." Tim was out there working with Arvin-Edison, I think, at around this time, and perhaps others that he'll tell you about.

So, the board had gotten used to our idea of a transfer of ag water. That didn't come easily to them. They were very close to the ag community. They didn't distinguish themselves

from the ag community. There were water users, ag and urban together, and on the opposite side were the environmentalists; there were just two sides. By appearing in Sacramento before the Bradley committee, in effect, I created a third side.

I say "I" a lot, and it's rather immodest, but I took the lead in the effort to do that. No one was there pushing me; the board certainly didn't push me. I had to persuade the board and at all times maintain support of the board. It's a large board; they had a lot of people who were influenced by agricultural friends and associates. Also, a lot of people on the board could be influenced by Governor Wilson and the administration, and others who were close to agriculture. So, I had to be very wary.

So, when you said, "How did you get to Seymour?" We very carefully kept our interests in these Miller bills that had been around for years, and now the major Bradley bill, which is a colossal taking of water--I mean seemed colossal--away from ag use to environmental use. I had to restrict carefully everything I said. "We're supporting water marketing. We're supporting water transfers." I'd never go out and say, "Oh, we're for all these other things." We stayed away from that.

I felt that independently of my own views on those things that I was much safer with regard to the board by saying, "Well, here's MET's particular interest." I didn't want to get into an argument with board members that we are supporting the environmental changes here, or the economic changes, and the renewal contracts for the farmers.

Chall: So, did Senator Seymour, himself, or the people who had been writing the previous bills invite you in?

Boronkay: Well, this is where Tim will come in. But what happened first was I was contacted by various ag leaders. I think it was Somach, but it probably, at the initial part, may have been [Jason] Peltier and others, and maybe Steve Hall, all the top ag people. They were saying they want to have their own bill to make some of the environmental changes and improve the situation in the Delta. They said they would put in some marketing or water transfer provisions that were satisfactory to us, "Do we want to talk about them?" I said sure. I mean our policy at MET was that we wanted to advance the cause of water marketing. We weren't going to pick at this point any particular author, if Seymour was to be an author, well, that's fine. So, I went and spoke to them, and eventually we had a meeting with all of them, Tim and I, and he really was the main

one negotiating the specific language for us. This was at San Diego at one of those conventions.

Quinn: It was the climax of several months of activity.

Boronkay: Yes, why don't you explain it?

Chall: Writing S. 2016.

Quinn: Carl was working very closely particularly with Somach in my recollection. He was on the phone with Stu a great deal. At the same time, we were having the so-called three-way discussions, which eventually became a casualty of the Miller-Bradley legislative war. At the time, we were getting together--sometimes ag and urban and other times ag, urban, and environmentalists--fairly frequently. I can remember a key session between ag and urban interests around a swimming pool in some hotel or motel up in the Bay Area. I think it was one of the ones near the Oakland Airport.

It was Jerry Butchert, Jason Peltier, [Stu] Somach, and I think probably [Tom] Clark, and some of the state water contractors, but they were very quiet in this. Why Schuster was so active when he worked for Clark at the time was always a mystery. There were a lot of discussions at that time that led to the negotiations down at the Del Coronado, where we finally got closure on what would be the water transfer provisions of S. 2016.

Boronkay: At San Diego, was it Coronado?

Quinn: It was at the Hotel Del Coronado; I remember which room.

Boronkay: I recall that meeting and Tim was doing the negotiating. I was doing a lot of other things at those conventions; there were lots of other activities that go on. Then, he found me. One thing that Tim and I felt certain about, the line in the sand, was that the farmer had to be permitted to sell water, within certain restrictions, a limited amount in each area. A number of reasonable restrictions, but it had to be the farmer. If it's the district, which was the other argument, the district politically may find that undesirable, the districts being fewer, you don't have as good a competition. For a lot of reasons, and Tim probably will remember more, we just felt we had to have that.

So, he came out and found me and said, "We're pretty close on everything, but they don't want to give us farmer-initiated transfers. They're holding it to the district." So, I talked

to him before we went in, and I said, "Well, we're holding out there." So, I went in and I said, "No, that's something we have to have. We're not interested in pursuing this any further without that."

Chall: Did they give it to you? I've forgotten.

Boronkay: They did.

Chall: They did, and that's why Peltier says that these were gut wrenching sessions? Were they gut wrenching from his perspective or were you all feeling it?

Quinn: Very, very tense. It was very tense. Carl, do you remember kicking me under the table? [laughter] We had developed a relationship by that time. In the early days of one's employment when you're in the room with Carl and Myron [Holburt], staff didn't speak, Carl and Myron spoke. But by this time, we had developed a level of trust that Carl would let me negotiate. But when he thought I was being a little too talkative--. I guess four or five times at that session--your foot and my shin collided.

Boronkay: It was just a matter of tactics there, reading the other fellow.

Quinn: We were very close, and we knew it.

Boronkay: Personally, Tim--whatever he did was okay. However it came out, I know that we couldn't have done better. But to the extent that he used to call me in, I simply could not subordinate [chuckles] my natural lawyer instincts. So, I would judge how they're going and the likelihood of their giving in. But that's all on the side; we worked extremely well together and accomplished what we sought.

After that, I flew to Washington to meet with Somach. Actually we had submitted language, and they had submitted language, and we had gone over it. So, we had what was the last draft, and they wanted my signature or agreement. I think I was there alone with Somach.

Quinn: Yes.

Boronkay: Because I remember this happened. We went over a few things. You and I went over how far we'd could go on this, what we would do here. We argued some more, Somach and I, and pretty much negotiated everything out, but things were unclear, and this or that had to be added. We all came to those conclusions

that this was a good basis and we've got to make these changes. Well, the next morning, the bill was introduced by Seymour with no changes. I called him [Somach] and he said, "Oh, well, those are all going to be made," but they feel that it had to start. Well, one thing it did, from then I didn't completely trust them. Who expected a bill in a form like that to be introduced?

Quinn: They were very keen to get Carl's support, and therefore Metropolitan's support.

Boronkay: And then, they paraded that all over the Hill that Boronkay's gone with us, this is MET's bill. I thought we were taken advantage of at the start, but it was a good learning lesson.

Quinn: But it did start that series of events when we were perceived to be supporting particular politicians, and political views, when all we were supporting was our interests in achieving some sound policy in the form of water transfer provisions in a bill.

I would like to take a minute to clarify things about what S. 2016 was and some conversations that were happening between us and the agricultural interests down at Del Coronado. When Carl agreed to S. 2016, he agreed to support the bill in principle, since we had wanted changes that never got made that were important.

If you stood back and looked at S. 2016, it was a huge breakthrough for the CVP ag interests because they could parade Carl's name around, and they wanted very much to do that. They did it in ways which were not altogether ethical from our perspective, but that was the prize they were seeking. We had the best water transfer language, I think, that could have been worked out at the time, and we had agricultural interests actually saying they supported water transfers. That was a huge step forward at that time. But, it was in the context of S. 2016, which became very controversial and strongly opposed by the environmental community.

But if you look at the provisions that were in S. 2016, on the whole it was not a bad draft bill. It was incomplete. The environmentalists had an all-water, no habitat improvement approach to the environment: S. 2016 was all-habitat and no water for the environment; neither of those polar extremes was going to work. S. 2016 had water transfer language in it that was very desirable from our perspective. It was very rational for us to say that it was a vehicle that looked attractive to us.

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**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

*Daren E. Hoff*  
EXECUTIVE SECRETARY

November 26, 1991

Board of Directors

(Executive Committee--Action)

(Water Problems Committee--Action)

General Manager

The Central Valley Project Fish and Wildlife Act of 1991  
(S. 2016)Report

Recently, federal legislation was introduced by Senator Seymour which proposes far-reaching reforms for the uses of Central Valley Project (CVP) water. The Central Valley Project Fish and Wildlife Act of 1991, S. 2016, would, for the first time, expressly permit the transfer of water outside the CVP service area. The bill also contains substantial provisions to protect, enhance, and restore Central Valley fish and wildlife resources.

The water transfer provisions of S. 2016 would facilitate a variety of different types of water transfers. The bill would encourage projects like the Arvin-Edison/Metropolitan Water Storage and Exchange Program and water conservation programs that could make water available for use outside the CVP service area. In addition, the legislation would permit landowner-initiated transfers involving the short- or long-term fallowing of land. Fallowing-based transfer agreements would be limited to 20 percent of the total water use within a CVP contractor's service area. The bill provides that 80 percent of the water made available by fallowing could be exported for use outside the CVP service area. The remaining 20 percent would be divided equally, 10 percent for use by the local water district and 10 percent for environmental uses.

The fish and wildlife provisions of S. 2016 include an extensive set of proposed projects to protect, enhance, and restore fish, wildlife, and other environmental resources in the Central Valley. The bill requires the implementation of a variety of initial environmental actions, including the installation of fish screens at the Tracy and Contra Costa County delta pumping facilities, a temperature control structure at Shasta Reservoir, and numerous other near-term actions to improve fish and wildlife resources.

Over the longer-term, the bill requires the implementation of 13 specific actions by December 31, 2000, to protect and restore fish and wildlife habitat. These actions

include developing adequate water flows, hatcheries, and other programs and facilities to protect salmon and steelhead fisheries in the Sacramento and San Joaquin rivers; providing water for wildlife refuges; and measures to help improve populations of striped bass. Other provisions of the bill would create the Central Valley Project Fish and Wildlife Task Force to identify and recommend the implementation of additional environmental actions, including the development of additional flows and habitat restoration to protect, enhance, and restore Central Valley fish and wildlife. S. 2016 also calls for federal and, in some cases, state funding to pay for the proposed environmental program. Finally, S. 2016 contains provisions to promote water conservation in agricultural areas.

Nearly identical legislation was simultaneously introduced by Congressmen Dooley, Lehman, and others in the House of Representatives (H.R. 3876). The only difference in the Senate and House versions of the bill is that the House bill contains a provision related to the construction of facilities, such as the Mid Valley Canal, to increase exports from the Delta, if sufficient water is available after considering the needs of the environment, as specified in the Act, and the needs of existing CVP contractors.

We believe that the basic approach in S. 2016 is sound. However, negotiations regarding the bill's specific provisions are expected to continue and amendments may be incorporated to make the bill more effective in encouraging water marketing and improving the environment.

#### Board Committee Assignments

This letter is referred to:

a. Water Problems Committee for action because of its authority to make recommendations regarding water policies, pursuant to Administrative Code Section 2481 (a); and

b. Executive Committee for action because it is in regard to policy and procedures to be considered by the Board, pursuant to Administrative Code Section 2417 (e).

#### Recommendation

It is recommended that your Board support in principle the Central Valley Project Fish and Wildlife Act of 1991; (S. 2016).

  
Carl Boronkay

THQ:kmk

\* ... Act of 1991, and encourage all parties to continue negotiations with all members of Congress and other interests who have been and are making efforts to resolve water issues in California.



I don't remember if you were there, Carl. I had lunch with [Jason] Peltier and [Jerry] Butchert the day after we closed the negotiations. I think you had gone to Washington, and I was trying to work through relationships with the agricultural interests at the Hotel Del Coronado. We had lunch across the street from the hotel. I said, "Do you guys understand we're not done?" I analyzed the situation then just the way I just did now. "The environmentalists have got an all-water, no habitat bill; you've got an all-habitat, no water bill; that's not going to get you to closure.

"You have to be prepared to move." Metropolitan wanted a successful bill to get through that would have to have all of those elements if our transfer provisions were going to get through. I'm not sure if the ag interests agreed with the need to negotiate at the time. I think they were still very much in a state of denial, thinking that somehow the United States Senate never rolls a home-state senator. I don't think they appreciated the power and the brilliance of Miller's strategy of wrapping this thing up in the omnibus bill.

Carl Boronkay's Single Interest in Water Marketing Confuses  
Seymour Bill Proponents

Boronkay: One thing you have to realize about Tim is that he always saw a bigger picture than other parties. Even today, although I don't always agree with him, he has a knack of seeing the interests of the other side. He'll make a legitimate effort to see the agricultural interests and that helps him formulate a bill that should be suitable for them and, of course, he knows our interests. But even though he's able to do that, he's not always able to convince them of what's in their interests.

Chall: Can anybody?

Boronkay: Well, sometimes you can if you try. I certainly make that effort or have made that effort where I think there's an open mind or the potential is there, but sometimes you find that they're not really listening, that they're somewhere else.

I can illustrate that here. After the board supported this Seymour bill, I went to Washington on a number of occasions and attended meetings with Tom Jensen, that's Senator Bradley's aide, and with them were the chief aides on the Republican side. They were bitter, hostile, terrible meetings. You never

realized, if I don't say anything, he'll be misled. So, I said, "Metropolitan is not opposed to those bills." Well, he jumped out of his chair, six-foot-six of him, just jumped, literally shocked.

He just jumped up in the air; he could have dunked a basketball at about that point. He's very nice about it. He said, "Carl, I have to know where you are. I mean there's a lot I can do, but I have to know where all of us are. If you're not with us, I have to know that." I said, "Well, I'm in favor of the Seymour bill, but I cannot say that we're against other bills." Well, the meeting ended. He was cordial and everything but not happy, and I was a little nervous, but that was it. Outside, I looked at Bob Will, and he said, "I guess you had to tell him," and that was that.

But again, you see I was just trying to get a bill through. I didn't know, at that point, whose bill would get through, or if any bill would get through. Then, I'll give you a third example.

#### Analyzing Senator John Seymour's Understanding of the Dynamics of the Debate

Boronkay: I met time and again with Senator Seymour, time and again about how the bill was going. I asked him on one occasion, "Where is the governor on this? I thought he'd be supporting the bill," and he'd say, "No, he's not yet."

Then, another time I saw him and said, "You know, this looks bad. We're supporting a bill for California, and California's governor isn't supporting it. There are even people from the governor's staff that say the governor doesn't feel he needs any bill. Now, that's not exactly opposing a bill, but it's damn close." He said, "Carl, I spent two hours with the governor last week in California and I can't get him to come out for it, but you shouldn't care if we don't have a bill because the governor just said he will be taking over the Central Valley Project."

This really gave me pause because here I am dealing with the senator and it's sensitive, and it's major, and I am realizing that he doesn't understand the importance to MET of such legislation. I said, "Senator, I haven't any good reason to believe that the federal government is going to give that project to Governor Wilson. There are certainly Democrats that

have indicated they're against it." At this time, I didn't say this, but I learned subsequently even the federal farmers didn't want it. They were getting a huge subsidy, which they didn't think they'd get from the state.

So, here is the senator telling me suddenly while I'm working to get his bill passed, "Well, even if it doesn't pass --" Now, that's suddenly a state of mind that I never saw before. He's already able to concede that his bill won't go anywhere and is telling me that it's okay because the governor will get the CVP transferred to state control. I said, "Not only won't he get it, in my opinion, I don't have any reason to think the urban users will be any better off if CVP was in the governor's authority rather than where it is now." He stopped there and he just nodded and we went our ways.

Chall: Well, the environmentalists say that Seymour never came to the table, as it were; he never made any offers of amendments. There are others, Mr. Golb for example, who feel that he did; at times he would offer something, but it was never defined.<sup>1</sup> What was your take on Seymour? Did he think that it wouldn't matter if a bill didn't pass, or that it wouldn't pass, because California ag would always have the other agriculture senators behind them?

Boronkay: Well, Tim is going to contribute more to this, but have in mind that the ag community never did unite behind Seymour's bill. He knew that.

Chall: Or any bill.

Boronkay: Or any bill. In fact, it occurred to me one day that the best thing for ag was not to pass the Seymour bill, but simply to have no bill. I foresaw at one point that they were going to fight to have all those bills defeated, and that's the biggest victory for ag.

Chall: Those bills, meaning which bills?

Boronkay: The Seymour bill and the Bradley-Miller bill. If neither one made it, that's the biggest victory, rather than a Seymour ag bill, because they're better off with what they have. So, I was more and more concerned about identifying totally with the Seymour bill, which I tried never to do, but people were

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<sup>1</sup>Richard K. Golb, "Passage of the Central Valley Project Improvement Act," 1991-1992. Regional Oral History Office, University of California, Berkeley, 1997, pp. 30-32.

thinking that because I heard in Washington that I was strongly behind the Seymour bill. I'd have to tell them, "Well, when another bill comes up with good water marketing provisions I would probably support it," and they hadn't come out yet. I finally did testify before Miller's committee on his bill.

There was another occasion where I met Seymour; the prospect for his bill wasn't looking good anymore. He couldn't get the governor's support, ag was split. I went to the Los Angeles Times and talked to this editorial writer who was the new fellow who replaced [Bill] Burby, I believe. I think he replaced Burby. It was Frank Del Olmo who writes now on a lot of minority, and civil rights, and societal issues, but he started out writing some water editorials for the Times.

I explained Bradley's bill and Seymour's bill, and he wrote an article a day or two later, and it said, "Both of these bills have merit, and they both ought to pass and be settled in a conference committee." I thought I had done Seymour a great service, because the Times might have opposed his bill as being short on environmental concerns.

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Boronkay: So, the Times, in effect, supported what MET was doing; get both bills through and work it out in committee. I saw Seymour after that in Washington--a day or two after that--and he said, "Did you see that article?"

[Richard] Golb was there; Golb was always there. The senator said, "Gee, we were really disappointed in that." I said, "Why would you be disappointed? It supports your bill." "Well, it's supporting the Bradley effort." I said, "To them, they just want the substance. They want the legislation. It's not a political matter, or an election thing." Well, they didn't buy that. They were unhappy with the article. On a number of occasions, they would press me "to come out forthright for Seymour only," and I never would. Golb was always a little disturbed with me.

Chall: Was your relationship with Seymour then unpleasant or hostile?

Boronkay: Oh, no, no, very pleasant, very cordial. His manner was always friendly. When we got down to issues, I just didn't move the way he wanted. He wanted me totally on his side, and he wanted a great effort to defeat the other bills. He really undermined my confidence in him when he said, "We really won't be hurt if there's no bill, because the governor is going to get the CVP."

When he told me that, I realized how important and wise it was that we stayed on both sides of this legislation.

Carl Boronkay Moves to Realign the Politics of Western Water Interests

Chall: All right, now I want to go back just a bit on this matter of the lobbyist, which you brought up, because Robert Will was your lobbyist; he was also a lobbyist for the Westlands Water District. Is that correct?

Quinn: Yes.

Chall: And that's more than a conflict of interests, that's a real conflict. Isn't it? I mean how could he do both?

Quinn: It's an excellent illustration of the dilemma that Carl found himself in. If you stand back and look at the bigger picture of what was going on in those days, the agricultural and the environmental interests were doing what always came natural. The environmentalists were being deeply critical of the water industry, especially agriculture. The agricultural interests were being very defensive, trying to protect the status quo. It was the urbans who were changing their traditional role, although that's a big stretch, because it wasn't the urbans in those days; it was Carl Boronkay pretty much alone.

Chall: Yes, because the urbans were also divided.

Quinn: It was Carl who was trying to redefine some of the relationships and move to a different place. Historically, the fact that Bob Will was comfortable being Westlands' lobbyist and Metropolitan's lobbyist, that was a reflection of the past. If Carl had been willing to go to the comfortable historic place, he would have simply done what everybody was urging him to do, but his instincts told him that he couldn't do that. The urbans at this time were emerging as a force for change, primarily around the water marketing issue, but on other issues as well.

Eventually, I may want to talk about the May testimony that Carl delivered, because it was not just water marketing. It was strategically positioning us--urban interests--much more towards the middle of trying to stand up for a future that had more balance in it, because the status quo was too heavily weighted toward agriculture.

Boronkay: What hearing was that in May?

Quinn: I think it was Miller's bill. [H.R. 5099]

Boronkay: Miller's bill, oh, yes. I agree with you, go ahead, you finish.

Quinn: Carl was breaking all the rules. Nobody had ever seen somebody go to Washington and do what Carl was doing at the time. My impression was Carl was going totally on instinct, and I was getting bits of the story, but most of the weight Carl was carrying on his shoulders.

Boronkay: Don't forget where you are right now [in the story], but you've caused me to remember that Ray Corley, our lobbyist in Sacramento, told me that there was a meeting up there and Doug Wheeler told everybody, "We've got to keep Boronkay out of Washington." [laughter] I just thought that was as funny as can be. How can you do that? He was very serious. He said, "Our problem is we've got to keep Boronkay out of Washington." I guess I was flattered but basically thought it was ridiculous.

Quinn: Eventually, as it turned out--and we'll get to the end of the story later--CVPIA was the first time that the urbans spoke forcefully independently of the agricultural community on a political matter; they didn't like that. It started with Carl. Carl carried the weight of the world on his shoulders for months upon months.

In the end, though, the Western Urban Water Coalition was formed that year and that allowed Carl and Metropolitan to approach it from two angles. We took up positions ourselves, but we were also part of a recently formed Western states urban water coalition. Urban interests had always been stifled within the NWRA [National Water Resources Association], which was an agriculture-dominated organization that spoke for western water in Washington, D.C. I don't know the extent to which Carl was rationalizing or thinking about it in his head, but what he was doing was very forcefully realigning the politics of western water. It started with CVPIA.

Boronkay: WUWC was a continuation of the concept of CUWA in California, and they testified--.

Quinn: CUWA didn't testify because CUWA was a nonpolitical organization under California law.

Boronkay: No, but the common interests of urbans passed also to the urbans of the western states, and they did testify before Miller. I remember a lot of the ridicule of Western Urban Water Association, when it started from ag people in Washington.

Quinn: WUWU, they called it, W-U-W-U.

Boronkay: They were derisive that these urban people in the West are moving away from these ag states, but they were definitely significant and helpful at that point.

Quinn: The Western Urban Water Coalition was formed in 1992. WUWC hired as its national representative Guy Martin, who had been assistant secretary at a very young age in the Carter administration and was very well connected to the Democrats. He was a long time personal friend of Miller, knew all the Democrats on the Hill. From the perspective of the agricultural community in California, these were very ominous events because they did represent change.

They couldn't count on the great and powerful Metropolitan Water District anymore to line up in their corner. The urbans were voicing an independent view, which we continue to do today. Today, we assert ourselves very much as an independent voice. A lot of the partnering with agriculture is determined by common interests. In '92 we were just breaking away. I think it will go down as one of the most important times in natural resource politics in the West.

Boronkay: Let me mention another thing. Tim may be able to fill in because I was gone when it came to the board.

Quinn: This is when you became "Kenya Carl."

Boronkay: Another trip I made to Washington, always generally at Bob Will's arranging. Bob was in between. I think I had moved ahead of him in seeing Metropolitan as more independent of other water users in the West, particularly agriculture. I think he came to that understanding, but it was a slow process. It's not a reluctance; it's not deliberately saying I don't want to be there; it just takes some maturation, breaking old habits. I think he had to catch up to me, and eventually he did. But Quinn will tell you more there.

Senator Bennett Johnston's Mark Stirs the Water-Agriculture  
Communities

Boronkay: So, on one trip to Washington, Bob arranged a meeting, a very useful meeting, with Senator Bennett Johnston, chairman of the whole energy committee [Committee on Energy and Natural Resources], and a very powerful man in the Senate. At this time, they're having a lot of trouble moving the Bradley bill. Suddenly, that night at dinner, Bob hands me a Bennett Johnston bill, which was like the Bradley bill in favoring the environment, maybe even more. They went definitely into big time reduction in ag water use, and was a very heavily environmentally leaning bill.<sup>1</sup>

Chall: That's the mark-up?

Boronkay: Yes.

Quinn: The chairman's mark.

Chall: Well, how did you think that came about? Did you have any ideas?

Boronkay: Well, I'll just say how it first struck me. I never heard of it; I didn't know anything about it. I'm meeting Bob for dinner. I just got in late, I'm meeting for dinner; we're going to see Bennett Johnston in the morning. He hands me a thick bill, and he says, "Johnston put this bill out there." I said, "What? Why would that be? How would that come about?" He says, "I don't know." We look at that bill and, of course, it's a stronger bill than anything dealing with these issues so far. We knew there was going to be a major fight over it.

I have, on top of that, a morning meeting with Bennett Johnston to support the Bradley bill and support the Seymour bill. I go to that meeting and now I have his own bill. Well, I met him and he says, "What do you think of the bill?" I say, "Well, Metropolitan certainly supports water marketing at this point." [chuckles] He says, "Well, I hope you'll be able to support the bill." Then there's a roll call ring; he's gone. Everyone is out on the Senate floor to stop a filibuster; your time has expired and you don't see him again.

So, now I have to come back to MET. I've supported the Seymour bill. I told them we're in support of Bradley too, though I think I didn't have a [board] vote on the bill, but our whole attitude was we're going to ride whatever horses

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<sup>1</sup>Senator Bennett Johnston distributed his mark February 20, 1992.



there are and do the best we can. A lot of people said, "Well, Bennett Johnston's bill will be the worst thing we could have." I mean everyone is upset. The ag community that we've been dealing with on the Seymour bill was very upset with his bill. Johnston's bill really surprised and upset everyone.

I said, "I don't see logically how we could not support that bill. Our policy is to support any acceptable water marketing bill. That's what the board determined originally when I asked about the Seymour bill." I said, "Let's support the Seymour bill," and board members said, "We don't want to get political. We don't want to just tie ourselves to Seymour. He's in an election and we want to be careful we're not branded as being on one side or the other." I said, "No, we'll support any bill that moves Metropolitan's interests."

So, here comes a bill that upsets the entire California agricultural community and the people we're dealing with on the Seymour bill. I thought hard about it and said to Tim, "There's no way I could fail to support this, as a matter of logic. How would I explain not supporting it?" People were telling me, "You're really going to get in trouble on this one." I said, "People have been telling me I'm going to get in trouble right along." I said, "The logic of it is compelling. I don't have any reason not to."

So, I drafted a board letter to support the Johnston bill.<sup>1</sup> But, as circumstance had it, six months earlier I had paid a big amount of money to go to Cairo and Kenya--my wife, and I, and the Holburts--my assistant general manager, Myron Holburt, and his wife. So, that letter was submitted to the board. But before the board meeting, I left. I asked my very talented assistant general manager, Duane Georgeson, to manage it. Of course, Tim would be the person it was turned over to because he was the one who knew it all. Duane being at a higher level would substitute for me in my absence but didn't know our legislative activities to this extent. So, I'll stop here and let Quinn tell you what happened.

#### Solving the Lobbying Dilemma

Chall: Okay now, but we have to go back because you really didn't finish answering the question that I have about Robert Will,

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<sup>1</sup>Report of February 25, 1992 on deposit in the Water Resources Center Library.

whether it was possible for him to be your lobbyist and the Westlands Water District's lobbyist.

Quinn: We're getting there.

Chall: The reason I ask you that because I wanted to find out about your whole lobbying project. I mean how you lobbied?

Boronkay: Well, it's bill by bill, though. You see, there was no time that he was representing Westlands fighting the Miller bill.

Quinn: Let me jump ahead a little bit in time and then we can come back because it's important. Carl came to the conclusion that Bob could not serve both masters. It was a very hard decision for Carl. This was after you came back from Kenya, Carl.

Boronkay: Right along when we took the position on these bills, firstly on the Seymour Bill, well, that was consistent with Westlands, so it was no problem. But as we got away from that as the only legislation we supported, it became manifest that he's in an impossible position.

Quinn: It really started coming to a head when the chairman's mark came out.

Chall: Right, okay.

Quinn: During that month, when Carl was gone, Duane and I had some pretty serious wrestling matches with our Washington representative. Quite frankly, Duane went back and did the lobbying for Metropolitan during that month because Bob had been pushed to a point where he was really out of sorts. We simply weren't on the same wavelength. We ought to keep in mind, the changes here were tremendous. Bob was being asked to go against everything he had done in his entire career.

When Carl came back, we talked. Carl, as friendly as he could, confronted Bob and made Bob choose. Carl was the one that did it so he needs to talk about it.

Chall: Oh, I see.

Quinn: Bob had been the general counsel, his roots were deep with Metropolitan. I think financially, he probably had more at stake with Metropolitan, and Bob chose Metropolitan and dropped Westlands as a client.

Chall: Oh, is that right?

- Quinn: It's another good illustration of what was going on between the two communities at the time.
- Boronkay: He then dropped all ag people, Arizona too. He felt the appearance, at the very least, was unsatisfactory. Tim is correct, I did give him that option. When we did the Seymour bill, that was okay; Westlands was one of the supporters. Or, it was consistent with Westlands' position. I'm not sure Westlands ever voted to actually support the Seymour bill.
- Quinn: I don't think they did. Westlands wanted to kill anything that moved; they did not want a bill, and we did want a bill, and that was the fundamental difference. I don't think we appreciated it at the Hotel Del Coronado. To Bob Will's credit, he works for Metropolitan today and helps us develop progressive positions. I'll never be able to understand fully what he was going through because it was his experience, but he must have been going through maybe the hardest time of any of us given the changes in relationships that were demanded by what was happening out here in California.
- Chall: Jason Peltier says, "The lobbyists from the west side," this he discusses with respect to the Somach-Graff, which we'll get to. He said, "The lobbyist from the west side opposed any legislation from the start," which is just what you said.<sup>1</sup>
- All right, so now let me see. Westlands, he said, hired their own lobbyist.
- Boronkay: Because they lost Bob.
- Chall: Were you also in touch with the lobbyist from the environmental people like Dave Weiman? Did you all have any contact with them? Or, were you just out there saying, "I support whatever bill supports water marketing"?
- Boronkay: No, there were meetings, and certainly Tim was more involved.
- Quinn: I was in the very earlier stages of developing a relationship with David. Weiman now works for Metropolitan part time.

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<sup>1</sup>Jason Peltier interview, p. 53.

How and Why the Seymour Bill Passed Out of the Senate Energy and Natural Resources Committee onto the Senate Floor

Chall: Well, was it only Senator Seymour who refused to come to the table, as it were? I have a lot of questions here with respect to 2016. The Los Angeles Times said, when the bill came out on November 21, that Seymour dragged the state's urban water agencies and agribusiness over the Rubicon. Although, they claimed they liked the Bradley bill better. I guess a great break had been made at that point.

To go back a bit. Senator Seymour claimed, apparently when he introduced the bill, that it was a beginning, and he was willing to consider any ideas from Californians on how to improve it. It is the product of California's groups: urban, agricultural, conservation interests all working together. It was written for California by Californians.<sup>1</sup>

Boronkay: May I ask you a question, Mrs. Chall?

Chall: Yes.

Boronkay: You say it represents the conservationists, and the urban people, and the ag people?

Chall: That what Seymour said.

Quinn: That's what Seymour said, and he did say that.

Chall: I'm quoting from his November 21 statement.

Boronkay: I'm not sure what conservationists he might have been referring to.

Quinn: Yes, I'm puzzled.

Chall: Well, I think Golb, in his interview, points out all the conservation people Seymour had contact with, so he calls them conservationists.<sup>2</sup>

Boronkay: Okay, and just what the nature of their support was, I don't know. In our dealings, it was with the ag people and us making up the Seymour bill, improving it. I never felt that the

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<sup>1</sup>Congressional Record, Senate, November 21, 1991. pp. S 17465-17466.

<sup>2</sup>Richard Golb interview, pp. 17-20.

environmentalists did other than want to distance themselves from it, and defeat it, move only their own bill. I don't think they were interested in the Seymour bill.

Chall: I think that we have to separate your term environmentalist from his term conservationist.

Quinn: Conservationist, yes. People in the Congress do that even today.

Well, for what it's worth, I can only report the impression that I had at the time, of someone who was close but not in the rooms in Washington at the time. My impression was that Seymour was in fact trying to establish an anchor as a negotiating position and that he was prepared to deal with the issues. Certainly, the rumor flying around at the time was that Governor Wilson was not prepared to engage.

Wilson did not want the federal government passing a bill. He had been persuaded by the west side interests that was the case. They would, from time to time, report somewhat sketchily about sessions that their growers were having with the governor.

I think, actually, one has to feel somewhat sorry for the position that Seymour was in. He had been maneuvered to try and structure a negotiating position, but no one in California was prepared to support him. He made this an important part of his re-election campaign, but he had absolutely no grassroots support, even the guy that appointed him, Governor Wilson, was not willing to support what he was putting on the table. He must have felt like the loneliest man in the United States Senate.

Boronkay: But at the beginning he had some ag support. He raised a lot of money in the valley.

Quinn: At the beginning, Carl, in retrospect, I think it's fair to say the support was fairly disingenuous for the most part.

Boronkay: Oh, okay.

Quinn: He certainly had our support because we were prepared to move forward and use the Seymour bill as a negotiating platform to deal with the environmentalists, and with Miller, and with Bradley. The lunch that I mentioned that I had with Butchert and Peltier. I told them in no uncertain terms, this is the beginning, it's not an end, and these are the major areas that we're going to have to resolve. They were agreeable to some

extent because they so wanted us to be there, but they were certainly not showing us all their cards at the same time. Everything started to come to head with the chairman's mark.

The most important thing about the chairman's mark was when he dropped his bill and moved the Seymour bill out of committee. I didn't understand it at the time but at one level Johnston was saying that there was going to be an omnibus bill; CVP is going to be part of the omnibus bill [H.R. 429]. When Johnston moved Seymour's bill out of his committee, onto the Senate floor, and out of the Senate, he knew very well that Seymour's bill wasn't going to survive any conference committee. What he had done was hitch CVPIA inextricably into the bigger omnibus package, which was part of the Miller-Bradley political strategy from the beginning, and that was huge. That's why Seymour must have been extraordinarily unhappy when he saw his bill moving out in the Senate to be attached to the omnibus bill because that meant he was about to get eaten alive. For a senator to lose something like that, which affects his home state--amazing!<sup>1</sup>

Boronkay: Let me just add this though. I'm not sure everyone saw it at the time, though.

Quinn: I think Miller and Bradley saw it at the time.

Boronkay: Yes, they may have. But at the time that Bennett Johnston just moved Seymour's bill, people were shocked. Environmentalists were shocked.

Chall: That's right.

Quinn: They were.

Boronkay: We were shocked. I think a day or two later, Bob explained much of what you just told me, but at first we were quite concerned.

Quinn: I learned this from Bob Will.

Boronkay: The night it happened Bob was puzzled; he was still puzzled by what was going on there until the Johnston strategy was realized. I don't believe Seymour, at the time, realized that it was negative. He had gotten his bill out of committee! I

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<sup>1</sup>The Seymour bill moved out of the Energy Committee and onto the Senate floor on March 19, 1992. It passed the Senate April 10, 1992.

thought he, at the moment, was flying high, but just for the moment. Does Golb say otherwise?

Chall: Yes, well, Golb feels that Seymour felt that it wasn't a great victory. I guess the question I have is that Golb says that in the committee, as it was being discussed--that they went through all kinds of computations and figures to realize that nothing considered by the bills was going to work well. It was too complicated, or too expensive, that Seymour was willing to make quite a few changes in his own bill that would have come closer, perhaps, to the environmental side, but Senator Johnston would not allow any amendments. Therefore, no matter what Seymour might have wanted to change, he couldn't.<sup>1</sup>

Everybody's bill had to go out exactly as it was. Of course, there was only a mark so that wasn't a bill, so it was only 2016 and Bradley's S. 484. I asked Golb, well, even if he had made the changes, would agriculture have accepted them, and he said he didn't know; Seymour was taking a chance.

Quinn: I strongly suspect that they would not, and everybody knew that, which took the air out of Seymour's sails. With the benefit of five years of hindsight, one strongly suspects that Bennett Johnston, and Bill Bradley, and George Miller had cut a deal. They didn't want to mess with 2016; they wanted to get to the real stuff, which was going to be using Miller-Bradley as a foundation, because you had the House side to deal with. Nothing was going to happen until then.

George Miller had bottled up water projects all across the western states for a decade, however long he had been chairman. Miller had everything bottled up, nothing was going to happen without Miller's stamp. It just seems to me, in retrospect, it's hard to explain it any other way than Miller and Johnston, whatever their differences might have been, got together and said CVPIA was going to be part of the omnibus bill period and it wasn't going to be on the basis of Seymour's bill, it was going to be on the basis of Miller's bill. Normally, Miller could never roll a home state senator. But the planets had lined up and they were not going to line up again for a lot of years, which is one of the reasons why it was so intense.

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<sup>1</sup>Golb interview, pp. 31-33.

- Chall: That's what Dan Beard said, that everything had lined up.<sup>1</sup> When Miller produced his H.R. 5099, which was like the mark, now you had a House bill to argue.
- Quinn: Well, if we might go back to...I'm not sure where you want to go, Malca--.
- Chall: No, you go back to wherever you want.

The Effect of the Johnston Mark on MET's Stance on the Competing Reform Bills: Setting Forth the Principles

- Quinn: Well, to the mark, and what was happening here in California, particularly at Metropolitan. As I look back on it, that month was a critical month of maturing of the Metropolitan with regard to these issues. The mark came out, Carl felt strongly that we couldn't not support the mark. I don't know if you remember it Carl, but I was trying to draft the board letter for you, it was not writing itself well, and you and I spent a lively couple of hours at your home the night before you left for Africa and finally came up with a draft.

When I read the letter preparing for this interview, it seemed a rather schizophrenic letter.

- Boronkay: We were schizophrenic.
- Quinn: The answer was we support both; people weren't used to hearing that you could support guys on two sides of the aisle who are in such opposition. The mark had water marketing language in it; although, it was very poor marketing language. It did not do what we needed it to do, but what it signified was something was going to move and we wanted to be part of the process that moved.
- Boronkay: In addition, a lot of pressure was put on the board including personal calls to influential board members and officers by the ag people and their supporters to withhold support of the mark.
- Quinn: The significant thing that happened while Carl was away was we moved from saying we support this bill or that bill to very

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<sup>1</sup>Daniel Beard, Passage of the Central Valley Project Improvement Act, 1991-1992, Regional Oral History Office, University of California, Berkeley, 1995. pp. 18-20, 47.



clearly saying we support a particular set of principles. We called a special meeting of the board on February 28. I don't remember for sure, Carl, if you were back for that special meeting or not. Instead of saying we support this bill and we support that bill, we said, we support provisions of CVP legislation only where legislation would promote the following. We listed the things that we were looking for in legislation, which allowed us from that point in time to dodge the question of do you support this bill or that bill.

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Quinn: One of the youngest members of our board at the time was Alf Brandt. Alf was extraordinarily valuable that week as a courier between me and the board. He was young but he was a board member, and the board tended to respect any of their fellows. Alf was progressive and was willing to take risks that maybe some other board members weren't. Alf and I were shuttling back and forth between committee rooms and my office trying to get down on paper a set of principles that would put us in good stead for whatever was left in Washington, D.C.

We were also having some problems in Washington. Bob Will was just out of sorts with what was going on. He was very uncomfortable, which was part of the conversation we were having a while ago. The board finally wound up in this February 28, 1992 revised board letter 8-11. I think you have a copy; if you don't, I have one for you.

The list of provisions that we said we would support included the following: water transfers, which was at the top of the list; fish and wildlife improvements, including water for the environment--a big change for Metropolitan; water management reforms, including water metering and changes in water pricing; appropriate federal actions to pursue needed facilities; and other provisions consistent with Metropolitan's objectives. There were a couple of bombshells for the agricultural interests.

What was happening in February, setting the stage for Carl's May testimony, was a broadening of our position to try and create something in the center, a middle ground that represented more balanced policy. Nobody else was doing that at that point in time.

Boronkay: Do you want to explain how that came about, your ability to get you and Alf Brandt working on a board action that adopted a set of broad principles as opposed to voting in favor, or not in favor, of the Bennett Johnston letter, which was before then.

MAR 10 1992

REVISED  
8-11



**MWD**

*Barbara E. Duff*  
EXECUTIVE SECRETARY  
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

February 28, 1992

Board of Directors (Water Problems Committee--Action)

General Manager

Support in Principle for Central Valley Project Reform  
Legislation

Report

At their special meetings on February 28, 1992, the Executive Committee and Special Committee on Legislation revised the recommendation in the General Manager's letter of February 25, 1992, on the above subject to read as shown below.

Recommendation

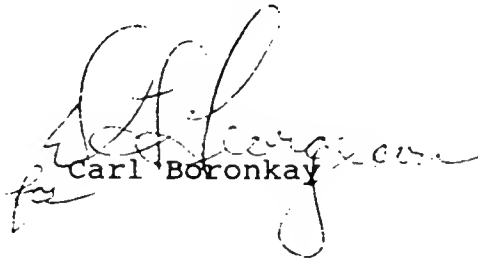
**WATER PROBLEMS COMMITTEE FOR ACTION.**

That the Board:

1. Support efforts of the State of California to transfer the Central Valley Project (CVP) to the State of California;
2. Authorize the General Manager to support provisions of CVP reform legislation that promote: water transfers; fish and wildlife improvements, including water for the environment; water management reforms, including water metering and changes in water pricing; appropriate federal actions to pursue needed facilities; and other provisions consistent with Metropolitan's objectives to increase the quantity, quality, and reliability of Metropolitan's water resources; and
3. Encourage all parties to continue negotiations with all members of the State Legislature, the United States Congress, the Governor of California, and other interests who

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have been and are making efforts to resolve water issues in California, recognizing the need for balance among environmental, agricultural, and urban uses of the State's water supplies.



Carl Boronkay

Quinn: You may be thinking of something particular. By the way, Carl, Duane at the time didn't understand the specific issues as well as I. I was living this day in and day out, but Duane was nothing short of spectacular, couriering back and forth between southern California and Washington, and sitting down and working with board members. At that time, I worked on these bills, Duane had the skills then that I have tried to develop in the five years since. We were afraid we were going to lose it while Carl was in Kenya.

Chall: With whom was Duane working? Your board members?

Quinn: When he went back to Washington it was all staff contact; he was not meeting with the committee members, but he was meeting with various staff people trying to explain what our positions were. In California, Mike Madigan was a member of our board of directors very close to Governor Pete Wilson. There were a number of people very close to Governor Wilson. In the governor's office, a key goal was to keep Boronkay out of Washington and stop Metropolitan from interfering with their strategies to kill this legislation.

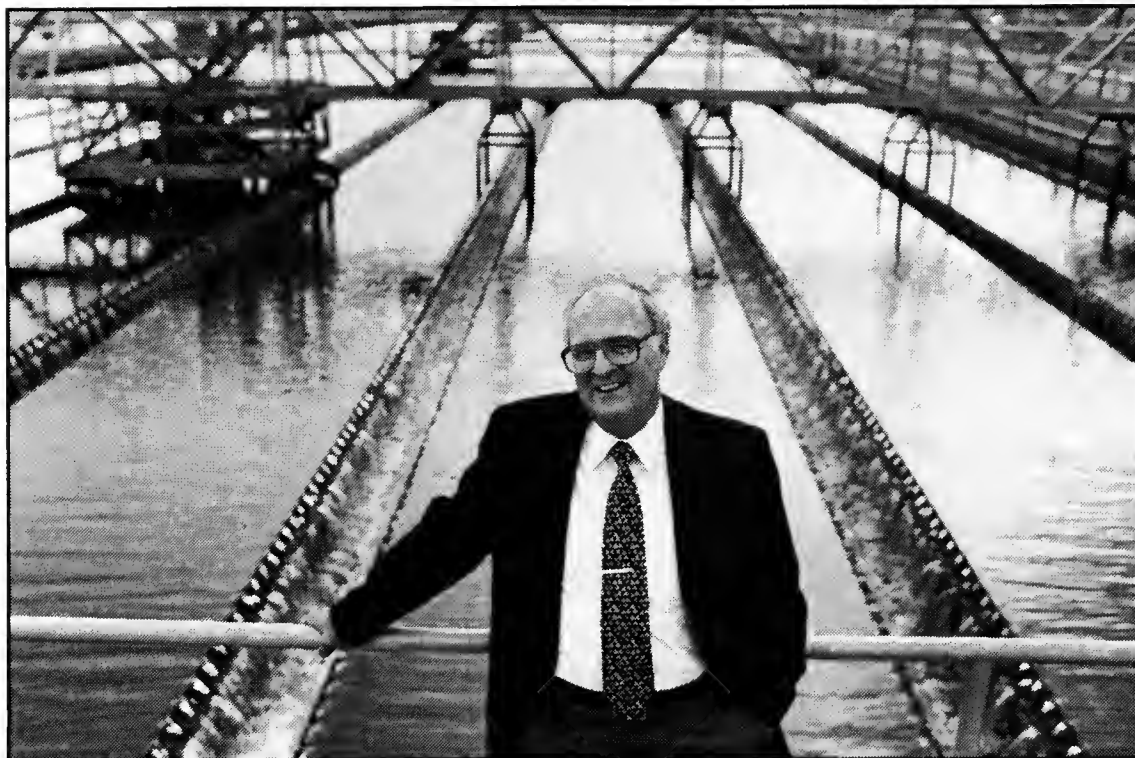
To save the proactive position Metropolitan was trying to create, we switched to supporting a set of principles. Then, some of the environmentally progressive members of our board were very persuasive as to broadening that set of principles that would allow us to play a role in the larger legislation; although we continued to focus 95 percent of our energies on the water marketing provisions, which was what was of primary interest to us.

Boronkay: Let me supplement that, consistent with what Tim said. I believe that after I got back, I had a meeting with Brandt who explained what happened, what you said, but why it came about. By that time, the governor had called people on the MET's board.

Quinn: He was calling our entire executive committee.

Chall: That's what I understood.

Boronkay: And the chair, Lois Krieger, was always questionable on this fight with ag. Mike Madigan was his lead man. Mike had been one of his aides when the governor was mayor of San Diego, so they go back a long ways. Mike is a very capable fellow politically in his own right. Mike lead a charge against the Bennett Johnston bill. The Bennett Johnston bill simply scared everybody, and here I had asked the board to approve it, logically. Brandt said in order to end the fight--that it was



Carl Boronkay, "...The relaxed me (perhaps enjoying the recent Congressional victory)," 1992.



a fight lead by Madigan against it, and Brandt and maybe Mike Gage, who was on the board then, for it--that they should compromise by saying, "Well, we won't take a position on the bill, but we'll pass principles." Principles were even better. When I read that I said, "Well, now I can support any bill."

Chall: You had always been saying, "We support, in principle."

Quinn: He had been saying that, but we hadn't gotten it to where the board was taking a position that gave him the protection.

Boronkay: But when I said that I support in principle, that's kind of vague. Here, the principles were very specific. I could support environmental enhancement. I could support financial changes on the project, other things as well as water marketing. So, this was a find. Even though they didn't support that board letter, it was better than that letter. A neat twist that I can't resist telling.

Quinn: Duane and I were so glad you felt that way when you came back. [laughter]

Boronkay: Oh, you guys were stunning. You did an amazing job there. Frankly, had the letter been rejected, I wouldn't have been surprised because that was a lot to push on the MET board. I think the compromise worked very well and you guys totally get the credit for that.

There's an interesting twist. San Diego has always felt the need for more water, more reliability in water supply. San Diego was, years back, one of the earliest supporters of my efforts for water marketing, for water transfers. I mean years ago, marketing was just a theoretical concept. We were just taking the first steps with ag agencies to develop transfers. Mike was always out front with water marketing. Now, he is put in the position by the governor where he has to oppose the water marketing bill, and that I think kind of took something away from his standing.

In other words, he didn't come in with total credibility because he was a water marketing person, and now he was fighting a bill that would promote marketing. I think that helped in the compromise. I think he saw that he had to compromise. Now, that's all conjecture on my part. I did see the irony of Mike being a real pusher for water marketing suddenly representing the governor who didn't want any marketing bill, or any CVP bill.

Chall: There was another part of this February 28 compromise and that came, of course, after the governor had called all of the members of the executive committee, is that it? Because, in Number One, they support the efforts of the state of California to transfer the Central Valley Project to the state of California. Now, I realize that meant that he got what he wanted in there somewhere, since that's Number One on the list.

Boronkay: But that's apple pie.

Chall: Well, I know but at least it was part of that so-called compromise.

Quinn: Well, it was and that was definitely the hand of Mike Madigan. It was something that we worked out so Mike could take it back to the governor; that was the governor's main initiative. My recollection, at this time, though, while many people thought that buying the CVP was a legitimate position, others felt the governor's primary goal was to defeat the CVP bills--"Don't talk about this legislation, we're only going to talk about the CVP transfer."

By the time you got to February, March of '92, that strategy clearly wasn't going to sell. I think we had Miller-Bradley drafts out on the table, which included provisions to study the transfer of the CVP to the state, so you could look yourself in the mirror and pass a straight face test at principle one, here, and principle two. The first principle was to support the transfer to the CVP; the other principles looked an awful lot like supporting the stuff that was in the chairman's mark because a lot of this stuff was not in Seymour's S. 2016.

Boronkay: You know, when I told Seymour that I didn't think the state would get it [CVP], or if the state got it, I had no assurance it would help urban people, that was true. I also felt politically, we had to support the governor wanting a federal project, wanting to take over a project that's all California water for all California users, we could not in anyway refuse to support that.

If I had been here, I would have supported that as a part of this same board letter, or board action. I would merely have made a great effort to get the commitment of the governor, or get into the congressional legislation for the federal government transferring it, that a certain amount of water has to be left for urban use. I would make the best I could of it.



But, I think Tim is right. When the governor first raised that, it was a red herring. It was just, "We don't need any legislation, we're getting the project; we can take care of our own water problems," as trumpeted by the governor's aides.

Chall: I was under the impression that in one of his meetings in California when the Energy Committee staffs came out, that Johnston said, "Why don't you just take it over?" Was it one of his ideas that suddenly surfaced?

Quinn: I don't know.

Boronkay: I don't know, but doubt it.

#### The MET Board and Its Committee Structure

Chall: You don't know, okay. I want to ask you about your working with the board since you were always having to do that. Your letters always ended with referring the matter to committees because they had certain responsibilities. With a fifty-one member board, you can really divide committees pretty well, but some of those water policy committees and special committees looked as if they had overlapping jurisdictions. Did they always agree with each other?

Boronkay: I'll give you my picture of it.

Quinn: And, then you'll get the picture from the person who is still employed by this board. [laughter]

Boronkay: Most of the time, there was agreement. There always has been overlap, engineering and finance, for example. A lot of it turned on personalities. If someone was on an engineering committee and didn't like a project and it went through, if he was also on the finance committee, he'd try to scuttle it there.

Chall: Oh, so there was overlap of committee membership?

Boronkay: There was board member overlap as well as subject matter. Most of the time, the staff would be convincing enough to get everything through committee, and then the diehards might attack it at the board. But if it got through the committees, the board seldom turned it around. Whether that's still the case, I'll leave to Tim.

Quinn: Personally, I think, then as now, the committee structure, while imperfect, works pretty well for Metropolitan. It's such a large board that it needs to break itself down into some workable manner. At the time, the Water Problems Committee was the one that dealt with this issue almost exclusively so that committee had jurisdiction. Also, it was the most important policy committee that we had at the time. Its successor, the Planning and Resources Committee, the same thing can be said about that today. The Water Problems Committee has always had a strong chairman. I think Ibbey was the chairman of the Water Problems Committee during the Miller-Bradley fight.

Chall: Who was? What's the name of that person?

Quinn: E. Thornton Ibbitson. He's about to retire, Carl, about to leave the board after thirty-eight years.

Boronkay: Is he really, did he announce that?

Quinn: Which is a topic for another conversation, but we will miss him. We call him Ibbey, I-b-b-e-y. Ibbey was arguably the most respected member of the board at the time, and one of the most respected today, a strong chairman. So, we didn't have much of a problem getting the facts out and letting the debate happen.

Another significant thing that was happening at the time was the creation of a Legislative Committee, which we had never had before. I recall Carl being less than thrilled at the prospect of having a Legislative Committee. I think [Mike] Gage was the committee's first chairman.

Gage was one of the stronger personalities on the board. There was a strong view by board members to create a Legislative Committee, which the board did in 1991. While upper management might have had misgivings about it, I'll tell you, that committee was a lifesaver when we got to February and March of 1992 in terms of fashioning those principles, which sort of allowed us to dodge some very large bullets and regain our balance. All of that was happening in the Legislative Committee at that point, so you had some structural change at Metropolitan, where Water Problems and the Legislative Committee both became active at that point in time.

Chall: I see because I know you sent these measures to them. Now, one other thing I wanted to ask you. Number three on the list, you wanted to "Encourage all parties to continue negotiations with all members of the State Legislature, the United States Congress, the Governor of California, and other interests who

have been and are making efforts to resolve water issues in California, recognizing the need for balance among environmental, agricultural, and urban uses of the State's water supplies." Now, when you say encourage all parties, what do you mean by that?

Quinn: There were a lot of relationships going through hard times in those days. We had board members that were very close to the environmental community. We had board members, a large number it's fair to say, were close to the agricultural community. They were getting phone calls. The governor was calling the Executive Committee. Tom Graff had appeared at the Metropolitan board, I think, prior to all of this happening. I think it had been at the January board meeting.

Boronkay: It was after we supported formally the Seymour bill.

Quinn: I remember Seymour came--.

Boronkay: Seymour came and Graff was there the same day; they both spoke.<sup>1</sup>

Quinn: So, there were a lot of relationships out there. Frankly, the commitment to work with others was a way of assuring our board that we were not going to turn our back on any of these interests. It was part of the emerging role that the urbans play still today. Well, it sounds like a lot of fluff, that last recommendation said we're going to be for balance, and we're going deal with all the parties.

So, we were, I think unwittingly, moving ourselves into a mediator role. Frankly, thank goodness because if you left it to the agricultural and the environmental interests, we would still have the California water wars raging without an end in sight. And, this was the beginning of the rise of urban California, and even of the urban West, as a centrist force in national water politics and natural resource politics. Again, when we start to get to the end of the story, the role the Western Urban Water Coalition played in preventing a presidential veto, which I think to this day is undervalued, for the letters that Carl had Lois sending to Secretary [Manuel] Lujan, and I've forgotten the secretary of agriculture's name. [Clayton Yeutter]

I've got it in the files here somewhere. Again, this is part of the urban center rising to say, balance is what we need. We were the only entity acting different than we ever

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<sup>1</sup>Graff-Yardas interview, pp. 65-66.

had before. The aggies were doing what they always had done; the environmentalists were doing what they had always done. It was the urbans that were being forced to change what they had always done, tag along with ag.

The Bradley Bill Changed the Agricultural, Urban, and Environmental Relationships

Boronkay: The major change was the fact that instead of there being two sides to water issues, users and conservationists, or environmentalists if you will, there were now three sides. The break over this bill made it very clear to everyone that there were three sides and should be three sides. In the West, urban interests were politically always an appendage of irrigation districts because the Federal Reclamation Act of 1902 started the water projects for irrigation, and towns were an essential part, but a minor part. Well now, urban interests and the economics of it just compel you to move water to urban areas. It just doesn't make sense to do otherwise.

Bradley's legislation allowed the distinctions to be drawn. They were in the heads of a number of people who thought about it, but not in the heads of agricultural people, and not in the heads of most urban people. It was just some of the urban leaders who could see that we really didn't have the same interests uniformly, and at all times, with agriculture.

Now, why weren't we being recognized and treated separately? The governor didn't have to deal with Metropolitan, and didn't to a great extent, as he did with the ag community. Over the years, it was the ag community that came out on top when there was a dispute. It was the urban people that gave up the compromise, usually financial, but that's the way it went. Now, there's more of a separate identity. We're able to do more to look out for urban interests.

Agriculture's Strength in Congress and the Need for Equity Among the Sectors

Chall: You talked about three sides, is that an equilateral triangle?

Boronkay: I think it varies. The ag people are the most organized, politically. They have lots of money that they raise in politics. Their organization in California is very thorough and comprehensive, and it extends throughout the country. You get bills in Washington and you get senators from Alabama and Minnesota; it didn't matter which party they were in, they were on the ag side, and lots of money is raised in that way.

So, they still are the strongest. I think, in large part, from history, in large part from the ability to raise and donate money, and in large part because they're damned smart. The committees that matter for water are run by ag senators, ag representatives. The city folk in Congress are on education committees, and welfare committees, and the post office, and all the things that you think are urban problems, and they don't regard water as an urban problem because water has always been there.

When you go back to Washington to get somewhere with legislation for lining the All-American Canal, to conserve water that drains away, to get a bill through, a bill that made all the sense in the world but the Imperial Irrigation District opposed it, who did you get to be your fighter? It was [George] Miller, from northern California, a strong opponent of transferring water south. Miller was chairman of that subcommittee, and he was doing southern California's bidding.

We had one southern Californian on that committee, another guy in our favor and that was [Mel] Levine, and he got briefed and was helpful for the moment, but to tell you frankly, that's not where his interest was. He was into foreign policy. It was Miller who knew water. You look around in California. Who's chairman or active members of these water committees? It's generally ag people, Westland's people, Fresno, Bakersfield.

So, you get a bill where you line up southern California legislators because there's a lot of them, and watch them fade away when votes are traded. See, they're okay when you talk about a water bill, but that bill really isn't an emotional, strong, political bill to them so they're with you. But then watch when the Fresno people want to trade to win their water bill; your guys are gone. I don't know, maybe I feel too strongly about this, but that was my experience.

Quinn: You asked does it have to be an equilateral triangle. The fact is, to sustain change, it does. I think, these days, as the urban community matures it needs to figure out how to handle a position of its own and overcome some of the natural deficits

that we face in the world of water politics, where water is not the number one issue for the businesses that count politically in the urban community.

It is the number one thing, politically, on many of the businesses that count in the ag community. Over time we're learning that unless it's an equilateral triangle, unless all three entities and their interests are represented and are being dealt with, you can't sustain change. We're learning that in the implementation of this act today. And not all the corners of the triangle fully appreciate and understand that, I might add. Back in '92, there was to some degree a ganging up of two other sides of the triangle against the third. We joined league with the northern urbans, and with the environmentalists; the agricultural interests by and large refused. I mean, they were denying that change was necessary. We felt change was absolutely essential, so did the environmental community so we fought for change against those that wanted to retain the status quo and we won.

We won, and that was fundamentally important because it changed the whole status quo in agriculture, something we mentioned in our session together a week ago, that has given agriculture today an incentive to desire change. We would not be making the progress today that we are, if Miller-Bradley hadn't happened, if we hadn't gone through that terrible conflict that took place in those days. We needed to restructure the status quo to recognize the imbalance of the old regime, and the immediacy of establishing balance between the sectors. Miller-Bradley took you a big step towards that, although certainly not the perfect bill, but it took you a huge step in that direction of creating the equilateral triangle.

Chall: The governor was not in the loop? He was out of it, I guess.

Quinn: Of his own choice.

Chall: Of his own choice. What about the Department of Water Resources? Now that's the state water people--David Kennedy and [Douglas] Wheeler. They wanted you out of it.

Boronkay: There is no distinction to be drawn between the governor and the department, and that includes Wheeler, who's cabinet, not just the department, but of a larger authority [State Resources Agency].

Chall: And, you say, basically, that there was a denial among the staff that this would ever go through?

Quinn: There was certainly denial that change needed to be made. Once again, I'll mention the conversation that I had with Jerry Butchert. I think it was May, it was about the same time you were delivering your testimony before Miller's committee, which again shook them up because it really put Metropolitan much more towards the type of change that was being contemplated in the bills that they didn't like.

Jerry said something that has always stuck with me, he said, "Some things you can give up in negotiations, some things have to be taken away." In that statement he wasn't denying that something was going to be taken away. He wasn't denying that the change was going to happen. He was just saying, "As the general manager of Westlands Water District, I can't give this up at a negotiating table and go back to my board of directors and tell them what a great deal I just cut for them."

If the environmentalists want this kind of change, pricing reforms, reallocation of water away from ag to urbans, they were going to have to fight ag to get it. Butchert made it very clear, "Stop talking about compromise to us. We're not going to compromise. We're going to go to war." Since that was their perspective, change required the war. Although the agricultural interests had agreed to user-initiated transfers in S. 2016, I question what we really got at the time because it's one thing to have it written down in the bill, it's another thing to have the district cooperating in the passage and implementation of that law.

Boronkay: Let me give you an earlier part of the same story with Butchert. To begin with, although MET is a large board, generally they are together and have a lot of confidence in their management. They raise a lot of questions but ultimately, you're the manager, and they meet once a month, they are from all walks of life, and rarely, except a few, have anything to do with water. So, they ultimately get to size up management and develop confidence in it. Now, contrast that with agricultural districts, where the farmers know all about water.

They know the history of it. They know the need. They know every dollar it costs. They know what the market is. They're heavily involved in the politics of it. So, now, you take management of those districts and they're at a disadvantage as opposed to Metropolitan because their five-person board, or seven-person board will second guess them on anything. It's not a matter of merely their deciding they have confidence in management; they may feel they know better than management, at least as much and probably more.

So, when young managers--they're younger than the board members--Butchert and many others I talked to--sometimes wanted to come along with us, their boards often wouldn't let them. Butchert was particularly able and I'm told did propose compromise on the Seymour bill. I think it was Borba on his board that--.

Quinn: Mike Borba.

Boronkay: Yes, before a vote on the Seymour bill--what I was told is just coming vaguely now--a vote on the Seymour bill which management was proposing, at least informally, to negotiate and support, Borba called the governor, and he came back to the meeting and said in effect, "The governor says they can kill any bill."

Quinn: That was particularly the case, we were seeing--.

Boronkay: Am I wrong in that recollection?

Quinn: We were seeing signs of that in 2016. It was very prominent when Somach and Graff tried to negotiate.

Chall: Yes, yes, and we do want to take that up, that's when the whole thing fell apart.

Quinn: We want to talk about Somach-Graff, too.

Boronkay: But, I wanted to leave you with the idea that a lot of younger people who were managers of these agricultural districts, I think, personally leaned toward getting along, negotiating, compromising, but they'd also be fired. Their board members hadn't ever lost; they didn't lose any big bill in Congress.

Quinn: Never had, never had happened before 1992.

Boronkay: So, they couldn't accept the idea that they may not win.

Chall: If it hadn't been for H.R. 429 having been bottled up for so many years that all the other western senators wanted, maybe the CVPIA wouldn't have passed?

Quinn: Unquestionably, it would not have passed.

Chall: It was a Miller ploy that worked.

Quinn: A brilliant stroke of strategy. It truly was.

Boronkay: Yes, and one that he'd been using a rather long time. He didn't just invent this.



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Quinn: The plan was well conceived, and it was being exceptionally well executed.

Boronkay: Yes, it was a good textbook examples of how to accomplish things. You mentioned Somach and Graff, and perhaps you want to get into that now?

Carl Boronkay Testifies at Hearing on H.R. 5099: Suggests Modifications to S. 2016

Chall: Yes, well, we were just finishing up with 5099, so we should discuss your testimony in Washington on May 14, 1992.<sup>1</sup>

Quinn: It was actually before Miller's committee. [Subcommittee on Water, Power, and Offshore Energy Resources of the House Interior Committee]

Chall: You said here as you had in other places, that, "On balance, we prefer the more specific provisions of Senator Seymour's bill..." So you never negated your position on Senator Seymour's bill, but you always said that it needed to be modified. Then you went on in your testimony to itemize what changes needed to be made, and said that you hoped that 5099 "would join S. 2016 in the form of Title XXXIV..." Of course 2016 was already in the conference.

Quinn: The May testimony indicated that we were certainly amenable to 2016 moving forward; but if you read the heart of the testimony, it says to Congress: "Move something forward." This is what Carl was referring to earlier about the strategy we were promoting was move something to the conference committee to force it to the next stage, and we could get a bill out of it.

Chall: Although, you did suggest certain revisions. I mean, you had requests for certain revisions.

Quinn: We listed, I don't know, six or eight things, but they were not focused on any particular bill. They were focused on the policy that needed to be established from our perspective.

Chall: Just get it in, any bill.

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<sup>1</sup>On deposit in the Water Resources Center Library.

- Boronkay: And Tim drafted those. When I went to Washington to speak in support of the Miller bill, that was an exciting meeting. I was there with Bob Will. There were whole rows of people there. Firstly, I am there the night before alone in my room, and at eleven at night I got a call--. And I won't identify the caller.
- Quinn: Oh, you should.
- Boronkay: It's not fair. But I got a call that night from a rather grand person of intimidating stature.
- Chall: On your board?
- Boronkay: No, in Congress. He said, "We expect you to do the right thing tomorrow." I said, "Well, yes, I'm going to testify." "No, we expect you to come out four square on the side of the Miller-Bradley bill." I said, "Well, we're going to support those bills, but basically our interest is going to be marketing, though, we're going to support the rest." Then, I was left with this: "If this fails, everyone is going to know who's responsible." Hang up. [laughter]

So, I'm a little intimidated. Even that night, I'm looking again at my statement that I drafted. I don't plan to read it; I knew what I would say. I'm wondering what I could change to make something a little stronger or a little weaker, and then I said, "You know, Quinn and I went over this. We know what we want to say; I can't pay attention to that call." So I didn't.

So, I went to the hearing the next day and the rows are set. First, Miller calls up Bradley. He gave a nice, strong statement, very pro-environmental statement. Then there are rows of environmentalists, probably two rows worth. Then some urban people, and last, ag. Well, there's a lot of ag people in the room. It's a big crowded room there; I believe there were media people, too.

After Senator Bradley spoke for ten or fifteen minutes very, very strong, a lot of applause. I'm sitting two rows back, and he starts to leave. He walks over to me, puts his hand over two rows and shakes my hand. Throughout the room, you heard, "Ahhhhhhh." [laughter] I mean really like that. It was like a wave, you know, the wave at football games. People looked away and started murmuring, and others got up to talk to each other in the back or outside.

I don't know what they thought I was going to do differently than I'd been doing, but it seemed to shock people.

I guess an impression was intended that I'm not independent any longer; that I'm completely over with environmentalists. Eventually I spoke, and there were a lot of questions from some of the valley people on the committee--[Richard] Lehman, Cal Dooley. They asked me questions, but they were easily handled. I said, "We don't want a lot of water, very little. You are going to be paid more than you get through growing certain crops. And it's voluntary; no one has to do it."

I mean, they had no questions that put us on the spot. And then, the water district manager, a woman from Las Vegas, Pat Mulroy, was called.

Quinn: Pat Mulroy. She testified on behalf of the Western Urban Water Coalition.

Boronkay: She just said in a broader sense, "This is a key bill. It's the beginning of what all of us urban areas are going to need in the West. We're all for this marketing, and that's what we're going to need in all these other states." She was very impressive. The environmentalists had already spoken, and by then, in reality it was all over. I mean I guess some ag people spoke, but the tenor of that meeting was all one way.

Quinn: Mulroy was the founding chair of the Western Urban Water Coalition. She was appearing, as I recall, at the hearing as a representative of the Western Urban Water Coalition, of which we were one vote out of seventeen or eighteen member agencies. I don't remember if it happened in May, but eventually the Western Urban Water Coalition was unabashedly pushing for the passage of the Miller-Bradley bill. On the one hand, it was desirable; on the other hand, it created an even more complicated situation for us here in California where we were trying to stay on this tight rope.

Carl, go back to the February board letter. I mean, we do take seriously what parameters our board gives us. Carl couldn't go out and pick a bill. That had been the deal that he cut with his board. He couldn't go out and say, "I support this bill. Vote yes on this bill; vote no on that bill." We were supporting a set of principles.

But if you looked at those principles, it was a clear signal that Metropolitan was going to support a pro-environment bill that came out of the conference committee. We were going to support a bill that had water for the environment. We were going to support a bill that restructured financial arrangements. So, I don't know what Bradley and others were

thinking, because they had pressed Carl unmercifully on the issue of picking sides.

At the time I remember thinking, politicians are odd people indeed. I mean, they were given a statement that made it very clear they were going to have Metropolitan where they needed Metropolitan when it came time to get a bill out. Why were they so insistent that we play the personality politics? Pick this guy not that guy, when both of them had elements in their bills that were consistent with where we wanted to go as a matter of principle. Frankly, this organization still has that problem when we deal with politicians.

Chall: I guess they wanted the Democrats to win, is that true?

Quinn: Sure, of course, there's always partisan politics in Washington.

Boronkay: Can I just say, during this whole legislative battle, I'd meet with Miller a lot, all along. I have mentioned meetings with Seymour, but I'd see Miller whenever I could when I was there, whenever he had time. We had an excellent relationship. He never was demanding. He had suggestions on helping to move the bill along. He never said he was against water marketing. I read that somewhere, but it never came up at the time I worked with him or his staff.

Chall: But he was.

#### The Interest of the Business Community in Water Marketing

Boronkay: I know, I read that, but he never told me that because he was satisfied that was necessary for MET to support his bill. So, he got over that. I mean, I've read statements of others that said he was against marketing, including, maybe, Dan Beard.<sup>1</sup>

Sometime after the hearing I met Miller in his office. Apart from just general conversation, I asked him, "Well, what else could we be doing." He said, "Get some support from other entities, from businesses, things like that." A lot of the things that Tim eventually accomplished, including getting major businesses in California to sign a letter in support, was really the result of our wanting to continue an active role,

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<sup>1</sup>Dan Beard interview, pp. 21-23.

not merely await the outcome. At this point, we've already had all the hearings and everything else. So when he said, "Bring in some support from others, other agencies, businesses, other cities," that's where Tim went to town.

Quinn: That's right. At that time, I established a relationship with Mike McGill; it was early in 1992. Mike, at the time, was the executive director of the Bay Area Economic Forum. Mike had become fascinated with water issues. Today he's Senator [Dianne] Feinstein's chief of staff. He's fascinated even today with water issues. We started working very closely with Mike generating North-South business support.

It turned out, not all that surprisingly, that the business support would rally around the water marketing provisions of the bill, but not necessarily the other stuff. I mean, today the environmental community talks like the business community supported the environmental reforms. I tell you, I was pretty close to it and that's not true. At least, it's not true from my perspective. They were supporting water marketing. They were choking pretty hard on what looked like a pretty heavy hand from the federal government coming in and taking resources away from businesses in California.

Boronkay: Not only businesses, but those businesses like banks were all close to the ag people. I mean, they made them all their loans.

Chall: Right, Bank of America.

Boronkay: So, it was a big thing, but let me add an anecdote here. There was a fellow at the [L.A.] Times, who has since retired, he was a vice chairman. His name was Phil Williams. I encouraged Phil in terms of outreach to the business community. I would speak at chambers of commerce, trade organizations, and unions. One person that showed a lot of continuing interest was Phil Williams. He had a lot to do with bringing the [Business] Roundtable, or business people together in support of this bill. He'd backed this right along, but he was on the business end, not the newspaper end. He was a corporate officer.

What he told me once, and that's what really helped, "You know, when Rosenberg--." Is that Dick Rosenberg?

Quinn: Yes, he was at the time chairman, CEO of the Bank of America.

Boronkay: He said, "You know, I was having a meeting up in San Francisco," and Dick Rosenberg was the chairman of the Roundtable, and he had just got back from New York and he said,

"You know they're constantly asking me what about California's water drought. What about California's water supply?" He said, "Dick is definitely going to support us, because he feels the finance community back there have a concern about water reliability in southern California, indeed of the urban areas of the state."

So, I think that concern of the Bank of America, or that issue raised there, helped with Rosenberg, and he helped get a slew of others on board. Eventually, that helped kill any veto, but it also helped get the bill through. Was that while the bill was still being voted on that you got that letter of support?

Quinn: I don't have a copy of the letter. My recollection is it was in the summer, so the bill was still active.

Boronkay: Yes, I think you're right. The letter was pushed again on the veto effort of the governor.

Quinn: And, again, Mike McGill was probably the central player in the business community because of his situation. He had a lot of businesses that were part of his organization. And Mike actively engaged issues going back and forth over important details and questions. Mike would ask, "What about this, what about that?"

Chall: That's right, that's what Graff and Yardas stated.<sup>1</sup>

#### The Environmental Community and Water Marketing

Boronkay: I'm going to intrude here with a comment, because I don't want to forget it. All the years past, it was EDF, particularly Tom Graff, pushing water marketing--that was the future, that would get MET and other users off the Delta. When this whole concept came along, the Bradley bill and everything else, they said nothing.

They spoke only on the environment. They left water marketing to Metropolitan. I talked to Tom about that. I said, "You know, I got this idea from you fifteen years ago." Then he said, "You're doing fine." They never got out front on water marketing, and they take a lot of the credit for it.

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<sup>1</sup>Graff-Yardas interview, pp. 56-57b, 81, 98.

They never pushed water marketing. They limited themselves. Just as we limited ourselves, they limited themselves to environmental matters.

I just thought that was interesting, because I thought, "Hey, you know, I'd like you to say something in support to the board, or something like that." He said, well, he'll do that, but he took no lead. None of the environmentalists took a lead on marketing. Of course, environmentalists, themselves, were split, not down the middle by any means. The Sierra Club always had questions about whether marketing was a sound thing for an environment. The other thing--perhaps you will get there now--was the Tom and Somach later effort, and we could speak to that.

#### The Somach-Graff Negotiations

Chall: Well, yes. I would like to talk about that because it looked, apparently, as if even H.R. 5099 wasn't going to go anywhere. Is that why they finally decided to bring Somach and Graff together to see if something could be worked out on both sides?

Boronkay: Who brought them together?

Chall: Well, that's a good question.

Quinn: We, frankly, didn't know at the time, and I don't know today, but we know they came together. We were like everyone else when the Somach-Graff--or the Graff-Somach draft, depending upon what the perspective is--came out, we were as surprised as anybody was.

Chall: Jason Peltier says G4 brought it up. His side worked with a group called G4. That was Somach, and Mark Atlas, Gary Sawyers, Diane Rothmann, and Peltier.<sup>1</sup>

Quinn: They were representing the four units of the Central Valley Project Water Association.

Chall: And then, there were sometimes, Kim Schnoor, and Greg--I don't know whether it's Wang or Wong. I think they were their lobbyists.

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<sup>1</sup>Peltier interview pp. 54-59.

- Quinn: Wang. Greg is the technician here in California; Kim was the lobbyist.
- Chall: Okay. Now, he said that G4 decided that they should get Somach and Graff together, that, apparently, they or no one was going to be satisfied with 5099 and 2016, and maybe nothing was going to pass. I don't know what they were thinking about at that point. Tom Graff claims that he was called by Joe Raeder of Dooley's staff. Cal Dooley, is that it? Graff claims they got together, they met four times, and they completed their draft on June 15, as you all know. They worked by themselves, primarily. Once in a while, Dave Yardas would come in, and once in a while, somebody would come in on Somach's side. Most of the time, it was just the two of them alone in a room.
- Boronkay: The cabin, at Somach's cabin.
- Chall: Oh, really?
- Boronkay: Yes. Not necessarily all meetings took place there, but some did.
- Chall: At least, they were alone most of the time. They had decided, and they had made arrangements that they would present their draft to the committee on June 16, but on the night of June 15, apparently, Mike Borba got to Wilson and Somach was pulled out. So, it was Graff who went alone and presented the draft to, I guess, Miller's committee. There it is. [Shows draft of Somach-Graff report] Now you can talk about it because that created a lot of flack in and of itself, right?
- Boronkay: Let me first give my experience on it, and then Tim you may do that. Is that all right to go in that order?
- Quinn: Sure.
- Boronkay: My speculation is that the ag people thought they were going to lose. Peltier and those people who were used to never losing didn't call Tom in to make a deal because they wanted a bill. You know, you said that they may have thought that no bill would go through; that's exactly where they wanted to end. They felt a little nervous. I think Tom misjudged the situation.

I think we had them beaten, and that Tom had a few other things that he liked. I'm speculating he thought it would be a wonderful thing if, suddenly, the ag people and the environmentalists could write a bill, and he assumed, perhaps,



that we'd be dragged along kicking and screaming. I regarded it as a betrayal, a knife in the back.

I remember, at the time, being extremely exercised by it, feeling that we'd have to explain to the board that all this effort with the environmentalists has been for nought, and the board would go back to earlier thinking that we simply can't trust those people. I really thought that Tom was undoing a lot of what we had done in the last couple of years of showing that environmentalists can be responsible, and we can work with them.

So, I was simply shocked at what I saw in their draft and by the whole secret process. What I saw just confirmed that they just simply added another billion dollars that southern California was going to have to pay for water by inserting an access fee. Well, why was there an access fee? Someone asked, "Why shouldn't Metropolitan pay a big amount for this?" The answer was because Metropolitan wasn't being made part of the Central Valley Project.

If we were part of the Central Valley Project, or made so in that bill, we could have debated what share of anything we should have borne. Rather than that, farmers were going to be able to make a lot of money on cheap, subsidized, federal water, and we'd have to pay for it. On top of that, Tom and Somach were willing to put a huge added cost on purchasers that would simply discourage the water marketing. The water marketing provisions would have been meaningless if we had to pay that.

So, it was all negative. It was a lack of trust. It was betrayal. It was undoing the success of the water marketing support, and it was very upsetting. I called Miller, and I got Dan Beard on the phone. I said how troubled we are with that. Indeed, as far as we're concerned, we'll probably have to withdraw from the support, and he laughed. He said, "Don't pay any attention to this. Miller saw it and has just laughed at it and threw it out. Don't worry about it."

By that time, I had talked to a few board members who I thought were politically connected well or adept, including Mike Gage. Well, Mike got red. Mike, if you know him--he worked for [Tom] Bradley as deputy mayor--when he gets mad, his neck gets red.<sup>1</sup> I keep reading stories of people like that. I've heard of it, but I've never seen anyone's neck get red. [laughter]

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<sup>1</sup>Thomas Bradley, mayor of Los Angeles.

Well, I saw Mike's neck redden. He's a big guy, and he just held his hands, and he said, "I'll take care of this." He was a board member, and he was on some important committees. He just started calling. He had good credentials in the environmental community; he called environmental groups and probably others. Before you knew it, that draft was dead, and you had to get over a very unhappy, and unpleasant relationship with the authors.

Well, at that time, I was called to meet with Somach and Tom about some modification of the Miller bill. I went up to Sacramento; I think it was Somach's office. Were you with me? I think Corley was.

Quinn: I don't think I went.

Boronkay: Yes, well, I got there and I just told Tom and Somach what I thought about this, just as I've told you. I told them and they just looked, and looked, and said nothing, Tom in particular. He just took it. Then, when I stopped, he said, "Nothing you've said has come near to the flack that I took from the environmental organizations, the coalition that I'm speaking for." So, he was chastened by this. I don't know what provisions that he had wanted eventually found themselves in. He feels they did.

Chall: They did.

Boronkay: But the manner that it occurred was detrimental to the process, frankly. I still have the highest regard for him and from time to time discuss things, but one flaw I find in him is his fundamental belief that southern California can afford anything.

Quinn: And should have to pay.

Boronkay: If there's a problem that has to do with money, and he could shunt it to southern California, he does so without hesitancy, and without any regard to equity, fairness, responsibility. You're seeing it from my view, but I'm not sure he'd deny it.

Chall: That's right. I want to see it from everybody's point of view.

Boronkay: He's an extraordinarily effective person and should be very proud of the success in his career. I have high regard for him in that, but in particulars, I've been very much on the other side. I'm done.

Chall: And how about you and Somach-Graff?

Quinn: It was an eye-opening experience. The politics of Somach-Graff seemed pretty clear. The chairman's mark was out, Seymour's bill had gone out of the Senate, and the linkage between CVPIA reform, and the omnibus bill, all those water projects that western senators wanted had been established, so--.

Chall: H.R. 5099 was out.<sup>1</sup>

Quinn: Earlier in the year, the CVP guys could believe that they could beat this thing. At that point in time, it's really hard to figure out how they thought they were going to beat this thing just by continuing the strategy of denial. It was logical to me that they would put themselves together with the environmentalists to try and come up with a negotiated solution.

While much of Somach-Graff wound up in the final bill, Tom gave a great deal. There was a quote in a Bill Kahrl editorial in the Sacramento Bee. I think the exact quote was, "Stuart ate Graff's shorts."<sup>2</sup> Kahrl was quoting from a Dave Schuster memo that had analyzed the Somach-Graff proposal. The way I read it, no wonder Tom had gotten so much flack from the environmental community. He had given up an awful lot of ground with Somach on the environmental provisions of the bill. Of course, the only thing that we focused on was this, quite frankly, ridiculous economic strategy of the fifty bucks a head.

Boronkay: And the way it happened.

Quinn: And the way it happened, which was revealing on a couple of accounts to me then, and continues, quite frankly, to create lack of trust today. I don't mean particular provisions of the draft, but what it generally reflected: this attitude that MET must pay. Here was Carl Boronkay, doing what I regard, then and now, as a courageous thing with his May testimony, breaking from the entire water community.

I mean, you can get away with it if you're a small agency. A small agency can break away from the water community, nobody pays attention. This was Carl Boronkay, the general manager of the great Metropolitan Water District, going out there saying,

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<sup>1</sup>H.R. 5099 passed the House on June 18, 1992, two days after Somach-Graff surfaced.

<sup>2</sup>William Kahrl, "California's Biggest Water Swindle," McClatchy News Service, Sacramento, in the Oakland Tribune, July 27, 1992.

"We are for water for the environment. We're for taking away water from existing users and dedicating it to the environment. We're for pricing reforms that make rational sense." That was a courageous thing for Carl and for Metropolitan to do.

We were taking great risks with relationships that we had taken strength from for decades. Later on in '94, we were doing it as a strong force working for more dedicated water for the environment as part of the Bay-Delta Accord, and in the back of your mind you were thinking the environmental community ought to be doing something to provide a little bit of protection for you, at least understand the enormity of the change that you're willing to embrace.

Most of the stuff that was in Carl's May testimony was not narrowly defined in our interests. Taking water away from existing users was not in our interests. Letting the Congress define pricing reforms was not in our narrow interests. We were doing that out of a vision that you had to have your equilateral triangle, and we didn't have that under the status quo.

Can we take a short break? Here are the sandwiches.

Boronkay: Do you want him to finish with his thought here?

Chall: Yes.

Quinn: So, the feeling of betrayal was enormous on our end. What it told you about the attitude, at least of EDF, in the environmental community was disturbing. I read your interview with Tom where he admits that Somach-Graff was not the smartest thing that he ever did. When you pressed about why, his answer is that he thought it would provide incentive to break up Metropolitan, and that we ought to pay.<sup>1</sup>

Chall: That's right.

Quinn: In an ominous close to that portion of your interview, Tom said, "We thought that we should make them pay," and Dave Yardas said, "And we will." Then you moved on to a new topic.

[Interview ceases for lunch break]

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<sup>1</sup>Graff-Yardas interview, pp. 88-90.

The CVPIA: Interpretation and Implementation ##

Quinn: In some sense, in my heart of hearts, I believe the future of California water is at stake here. There has been a remarkable shift in the agricultural community from when Carl was general manager. I mean agriculture was absolutely glued to the old status quo. They refused change. I earlier used the phrase that they were in denial for the need for change. Their attitude about change changed a whole lot when the status quo was upended on them.

Since the passage of CVPIA, with the listing of the winter-run salmon, the Delta smelt, the prospective listings of the spring run, and even the fall run of Chinook salmon, our world has been turned upside down as water users. Now, I happen to believe that's not inappropriate because we had to make adjustments for the environmental degradation of the past. Affirmative action for fish, if you will.

The agricultural community, in the late eighties, was king of the hill--king of the mountain; they didn't need any change. The system was biased heavily toward their objectives. That changed with CVPIA, and they have, in the intervening years, become advocates of change.

Chall: Well, then, what, within the last month, in late November, caused [Dan] Nelson, the executive director of the San Luis and Delta-Mendota Water Authority, to file suit in the U.S. District Court in Fresno? I think it's against implementation of the CVPIA.

Quinn: Mr. [John] Garamendi mainly, and the Department of Interior for their announced plan to establish guidelines for the CVPIA.

Chall: Right, it's against the Garamendi plan.

Quinn: Yes.

Chall: All right, so now we've got the agriculturalists fighting for their water. I mean they're not accepting the Garamendi opinion at all, are they?

Quinn: Not in those legal documents, they're not.

Chall: We are now getting ahead into implementing the CVPIA which I want to discuss later. So, before we do that is there anything else you want to say about the passage of the bill? I don't know if you have said everything you want to say about aspects

of the passage of the CVPIA before we go on. Did you make notes about that history that you want be sure get covered?

Quinn: I do. Let me just make one sort of summary overview of what CVPIA did. It was part of that realignment of the politics of water, the creation of the equilateral triangle. Again, it was truly something that was an absolutely essential stepping stone for the future of California.

Now with that said, a lot of people today are transitioning to CVPIA implementation. Many who worked on the bill believed that CVPIA is the framework for the future of California water. In point of fact, while it was a critical stepping stone, it was only a stepping stone. The [Bay-Delta] Accord, in 1994, was a larger framework than CVPIA was, if you ask my opinion. The CALFED process that Californians are going through as we're going through this interview here today, it is truly the comprehensive framework of which CVPIA implementation is a part.<sup>1</sup>

Part of what California water professionals wrestle with each and every day is that a lot of people in the environmental community believe CVPIA is the framework and everything else must be hammered into the CVPIA mold. At the same time the rest of us are trying to make the CVPIA work and implement the law the best you can because there is a great deal of ambiguity and uncertainty in the words that actually got put down on paper and signed by the president. To get CVPIA implemented we have then to move on to the bigger picture, which is CALFED.

#### Reviewing the Bumpy Ride to Passage of the CVPIA from MET's Perspective

Boronkay: In answer to the same question, is there anything more to say about the passage of the Miller-Bradley bill, I hope I didn't give the impression that it was a smooth effort. From day-to-day, from month-to-month, from hearing-to-hearing, from speech-to-speech, from board meeting to board meeting, there was

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<sup>1</sup>CALFED. Acronym for California-Federal (The California Water Policy Council and Federal Ecosystem Directorate), a group of state and federal water and environmental agencies whose aim is to reach final decisions on improving the San Francisco-San Joaquin Bay/Delta system, within parameters established by the interim 1994 Bay-Delta Accord, the CVPIA, the EPA, and other regulations and concerns of the stakeholders. Its alternative solutions were being debated during 1998.

uncertainty--whether the Seymour bill is going to go anywhere, whether the Bradley bill will go anywhere.

I thought I found less willingness in the Bradley people to modify their demand for big up-front water for the environment; that was an anathema to the ag people. That was something I was staying out of at that time, and that's why I think Jensen was unhappy with us. I didn't know where the Bradley thing would go. Then there seemed to be a problem in the Senate committee, and there's a surprise Bennett Johnston bill. I didn't know what that was going to do to our strategy. And all the while the governor's people are saying in California and Washington, we don't want any bill.

We're all sitting back today and saying, "Gee, that was a brilliant move." At the time moving the Seymour bill to the full Senate, everyone thought they lost. No one knew what the heck was going on. You say the probability was that even Seymour was in doubt, but I'm not even sure about it at that time. He may have been in doubt, but he didn't think he'd lost. I mean, on the face of it, his bill made it. So, I think it was a heck of a rough ride. You'd hear from Tim. You'd hear from these other guys. You'd have another meeting--Schuster, Somach--other proposals, other modifications right down to the Miller hearing. [May 14, 1992]

By then, we thought we were okay, and I don't know when the Somach-Tom Graff effort occurred along that line. But the fact that it even could occur, even that late, and with such close working together for so long, I was never quite confident with either side after that.

I want to tell you one last thing that I withheld from everybody because, personally, it's a little embarrassing.

Quinn: Do you know who Deep Throat is? [laughter]

Boronkay: I don't think there is any. Bob Will, or someone, told me the vote on the conference committee bill coming back to the Senate--I guess it's the vote on the conference committee report--will be on TV at a certain time that night. I tuned in, and I'm late, and I hear one senator and another arguing. Each senator says, "I feel this way. I think it's terrible, but I'm going to vote for it." Then, the next guy would speak and say, "This is an outrage, and I'm against it," and he'd go back. I'm counting and counting and the damn bill loses. I go to bed, and I say, "We'll have to do it all again. We'll try again next year, but how disappointing."

Bob calls me in the morning. He said, "Well, pretty good." I said, "What do you mean?" He said, "Well, it passed." I said, "No, I listened to it." He said, "Oh, no, that was the vote on motion made before the vote to do something else, and that was defeated." I had turned it off, so when the vote came I wasn't listening. [laughter] I went to bed feeling terrible.

Quinn: I never knew that, Carl.

Boronkay: I went to bed feeling terrible, but I didn't want to let everyone know, but now they'll all know.

Quinn: That's just like Pat Brown in 1960.

Boronkay: Tim is referring to the governor's belief on the night of the November election that JFK had carried California but the SWP bond authorization had lost. The opposite was the case.

Quinn: As we transition to the post CVPIA era, I know that I will always remember this fight with agriculture. I wasn't a young kid at the time, but certainly had a lot less political mileage on me than I have today. I had gotten wrapped up in a bigger fight than I could have imagined. But, if you're going to be in a fight, you had better be committed to win the fight. Carl retired not long after. You retired in March of '93?

Boronkay: Yes, in fact, April 1, '93.

MET Sees Need to Maintain Relationships with Agricultural and Environmental Interests: Accords May Vary

Quinn: Carl took me aside and gave me some advice as he was leaving. One of the pieces of advice he gave me--I remember, at the time, it surprised me, but when I thought about it, of course, it made a lot of sense--was that we had to immediately start rebuilding our bridges with agriculture. It never made sense to pick one side and then be two against one. You had to protect your interests, but you had to protect your relationships.

He understood that the relationships had taken a real beating. His parting advice to me, as he was leaving Metropolitan, and of course leaving us to deal with the relationships that he had changed. His parting advice to me as he left Metropolitan Water District professionally was that we



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

October 8, 1992

All Directors

General Manager

Passage of The Central Valley Project Improvement Act

In an historic action, on October 8, 1992, the United States Senate overwhelmingly approved H.R.429, which includes as Title XXXIV the Central Valley Project Improvement Act (Act). This legislation had been previously approved by the House of Representatives on October 5, and is now before the President for signature. The Act addresses three main issues: fish and wildlife restoration, including water for the environment; CVP water contract renewals and reform; and voluntary water marketing. A substantial summary of the Act is attached.

The passage of the Act represents a major breakthrough in California water policy. It will create the opportunity for voluntary water transfers to Metropolitan and others from a potential market of supply totaling 7 million acre-feet. This legislation was passed after a threatened filibuster and considerable debate. Based on the debate in both houses, the water marketing provisions of the Act were noncontroversial and widely supported. However, the fish and wildlife provisions and contract renewal and reform provisions were highly controversial.

The compromise bill before the President for signature is consistent with all of the legislative criteria established by your Board. Staff will continue to work with others to assure that the bill is signed into law.



Carl Boronkay

THQ:ajs

Attachment

1110

**SUMMARY OF CVP REFORM LEGISLATION  
APPROVED BY THE CONGRESS**

On October 8, 1992, the United States Senate overwhelmingly approved H.R.429, which includes as Title XXXIV the Central Valley Project Improvement Act (Act). This legislation had been previously approved by the House of Representatives. The compromise bill now before the President provides a technically sound approach to CVP reform that is consistent with all of the legislative criteria established by the Metropolitan Board. Following is a brief summary of the compromise legislation, highlighting changes relative to the September 15 House proposal.

**WATER TRANSFER PROVISIONS**

Like the House proposal, the compromise bill contains strong provisions to promote the voluntary transfer of CVP water.

**Transferrable Water.** The compromise bill for the first time incorporates language which specifically authorizes the voluntary transfer of all CVP water, including water delivered to CVP contractors and "prior rights" water delivered under water rights settlement and exchange contracts. This broadened provision will promote a potential water market that includes all 7 million acre feet (AF) of water normally delivered by the CVP and not just the nearly 4 million AF of CVP contract water.

**Approvals.** All transfers of CVP water would be subject to approval by the Secretary of Interior based on specific conditions identified in the bill. District approval would be required for transfers that affect more than 20 percent of a district's CVP supply, but approval would be required if the transfer met the specific conditions identified in the Act. The compromise bill requires a final decision by the Secretary or district within 90 days of receipt of a written transfer proposal. If the Secretary or district fails to act within 90 days, then the transfer is deemed approved.

**Transfer Surcharges.** The compromise bill eliminates the 15 percent environmental surcharge on water transfers contained in the House proposal, as well as the "unreasonable profit" tax. In place of these provisions, the bill requires a \$25 per acre-foot (adjusted for inflation) environmental surcharge on transfers of water to a nonCVP contractor.

**Area of Origin Provision.** Like the House proposal, transfers of water outside the legally defined area of origin are subject to a "real water" test. Within the area of origin, however, the bill essentially allows "paper water" transfers, which under some circumstances could be harmful to other water interests.

**Environmental Protections.** The bill retains a provision requiring that no transfer may significantly reduce the quantity or quality of water supplies currently used for fish and wildlife purposes, unless other offsetting benefits occur.

**Other Transfer Conditions.** The compromise bill also retains several conditions on transfers from earlier drafts. These include the requirement that transferred water be repaid to the federal government at full cost, first-right-of-refusal conditions, groundwater and water rights protections, and protections for the finances, operations, and water supplies of involved districts.

**Sunset.** Selected conditions governing the approval of transfers would be sunsetted effective September 30, 1999. Notably, the \$25 environmental surcharge and the area of origin provision noted above remain in effect after that date.

## **FISH AND WILDLIFE PROVISIONS**

The fish and wildlife provisions of the compromise bill incorporate many of the changes suggested by Congressman Vic Fazio. These changes are intended to help assure that the bill accomplishes its environmental objectives with minimum impacts on existing water users.

**Reauthorization.** The bill retains language that reauthorizes the CVP to make the "mitigation, protection, restoration, and enhancement of fish and wildlife" an explicit purpose of the project. However, the bill contains numerous protections to assure that this reauthorization does not unduly reduce supplies available to existing CVP water users.

**Dedicated Environmental Water.** The compromise bill reduces the amount of CVP yield dedicated primarily for environmental purposes from 1 million acre feet in the House proposal to 800,000 acre feet annually. The bill further incorporates protective language clarifying that this quantity of water is the maximum that may be lost for fish and wildlife purposes under the Act. The bill retains language under which the CVP will receive full credits against this environmental water for any requirements imposed by the State of California or by actions taken under the Endangered Species Act. Because of these provisions, the amount of water involuntarily reallocated as a result of the Act itself is expected to be minimal. The primary means of making water available for environmental purposes under the Act will be through the development of conjunctive use programs, voluntary water transfers, and other means designed to minimize impacts on CVP water users.

**Habitat Restoration.** The compromise bill requires more than 20 habitat improvement measures, based largely on the actions

originally included in S 2016. Like the House proposal, the compromise bill generally requires the State to pay for at least 25 percent of the costs of habitat restoration.

**San Joaquin River.** The compromise bill requires the development of a plan to reestablish adequate fishery flows on the San Joaquin River, but only to the extent "reasonable, prudent, and feasible". The bill further protects the Friant water users against any releases of water from Friant Dam for fishery flows unless Congress specifically acts in the future to do otherwise. Until a plan, if any, is implemented, the bill requires annual payments from the Friant contractors, but these payments are reduced from a maximum of \$12 per acre-foot plus adjustments for inflation in the House proposal to a maximum of \$7 per acre foot with no inflation adjustment in the compromise bill.

**Restoration Fund.** The Act creates an environmental Restoration Fund with total payments of up to \$50 million annually, adjusted for inflation. The new provisions reduce the contributions by CVP water and power users from \$50 million annually to \$30 million annually. The water transfer environmental surcharge and other payments required by the Act would also be covered to the Fund. At least two-thirds of the Fund is to be used for activities related to the development of additional environmental water. No more than one-third of the Fund may be used to finance physical habitat improvements.

#### OTHER REFORM PROVISIONS

**Contract Renewal.** The compromise bill would allow the renewal of CVP contracts for a term of 25 years (increased from 20 years) following completion within 3 years of a programmatic environmental impact statement analyzing the direct and indirect environmental impacts of implementation of the Act. Significantly, the Secretary may renew such contracts for successive periods of up to 25 years each.

**Economic Reforms.** With relatively minor modifications, the compromise bill requires implementation of several economic reforms upon contract renewal. These reforms include: (1) metering of all surface water delivery systems within CVP contractor boundaries; (2) implementing increasing block rate prices for CVP water such that price equals the full cost of delivery for quantities above 90 percent of the contract amount (previously 80 percent in the House proposal); and (3) establishing water conservation best management practices.

**New Urban Contracts.** The compromise bill strikes a provision authorizing new contracts for municipal and industrial water in the amount of 100,000 AF annually to be made available to the highest bidder.

had to be mindful to start rebuilding those relationships. We did start a process.

Gage was the chairman by that time, and we were going through a blue ribbon panel. The blue ribbon panel was going out everywhere to talk to people about what they liked and didn't like about the Metropolitan Water District. Let's just say, when you got into the Central Valley, the list of names on our fan club was exceedingly short. The feelings were not only negative, they were extraordinarily negative.

When the people who had been doing the survey on behalf of the blue ribbon panel came back, we were looking at an inventory of just how people felt now that we had been through the fight and won the fight. Mind you, I believe that was a fundamentally important realignment of the political relationships, but it became apparent that we had a lot of work to do to get back to the concept of an equilateral triangle where all three parts could be getting their objectives met and could work together. We started earnestly working towards that path, and we have gone a substantial way down it.

Today, if you could get the opinions of the agricultural committee, we're probably in better shape now with those relationships. The environmentalists are going to be the ones that are unhappy with us, and largely around, oddly enough, CVPIA implementation issues. We helped pass the bill. We felt in our heart of hearts, and still do, that it was fundamentally important reform, important for California, important for water resource management, but you have to transition to a situation where everybody can live with what you're trying to do.

You can't sustain the situation if every time there is a new Congress, the CVP contractors want to go back and pass a bill to get rid of the Central Valley Project Improvement Act. The urban community is once again trying to define a workable and sustainable solution. We have been trying to develop implementation strategies on CVPIA that can be supported by CVP agriculture. That's what will be required to maintain the integrity of the bill over the long run.

Little of this has to do with water marketing provisions because, as a matter of law, they're not controversial. We might want to talk a little bit about our efforts to try and use the water transfer provisions after the passage of the act. It turns out getting the bill passed and using it are two different things, but the urban community has been working hard. This is December, 1997, and I'm spending easily half plus of my time trying to work out centrist compromise

positions for the implementation of the Central Valley Project Improvement Act.

Both the agricultural and the environmental interests, from time to time, are unhappy with us but the urbans are trying hard to create a centrist position; that is, good policy and supportable.

Boronkay: May I add one thing. I understand the desirability, the ultimate goal, is to get three parties working together to compromise positions, but what I see that has happened at least for the present, or the immediate period following the Central Valley Project Improvement Act, is that there are three players instead of two.

There are times when we'll be with the ag people, say, on the new facility in the Delta. There will be times where we're with the environmentalists, say, on fisheries restoration, because we're an urban area and so we're concerned with the environment, and our board is concerned with it. Our constituents to a great extent are environmentalists--they're the ones that voted environmental protection. I think East Bay Municipal Utility District became independent of its constituencies, so that board was voted away.


So, I think Tim works always toward the right goal--a suitable compromise, but of three parties. But there are times when a compromise can't be attained, and then you can't allow the third party to simply veto any action. So there are times it will be two against one. But the major change that has happened is that instead of assuming urban water people are always with ag water people, and the fight is with the environmentalists, or conservationists, no longer can that assumption be made. There are now three independent parties at the table. With that, I'm going to ask to be excused.

Chall: Thank you very much for your time and interest.

[Mr. Boronkay leaves]

**SPECIAL**

PUBLIC AFFAIRS CLIPSHEET

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**MWD**  
 METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

# Guiding the MWD in modern times

*Carl Boronkay, general manager since 1984, retires this week*

By Douglas E. Beeman  
 The Press-Enterprise

Carl Boronkay, a former trial attorney, has spent the last nine years arguing his case before some of the toughest juries around: 51 water board directors, a handful of environmental groups and 15 million Southern Californians.

Boronkay is retiring this week as general manager of the Metropolitan Water District. His original objective — the controversial Peripheral Canal to divert more Northern California water around the Sacramento-San Joaquin delta — still is unrealized.

But the agency Boronkay is leaving behind is remarkably different from the one he inherited in 1984.

Back then, Metropolitan was hide-bound, still stunned that voters two years earlier rejected the Peripheral Canal, still certain that the only way to slake Southern California's thirst was to build more dams and canals in far-off regions.

Back then, environmentalists were The Enemy — they killed the Peripheral Canal, didn't they? And if you wanted to burst a few veins, suggest Metropolitan do something really wild, like buy water from farmers.

Continued...

These days, Metropolitan is working with environmental groups on a number of issues, including water marketing. It is paying Palo Verde Valley farmers to fallow fields in exchange for the water. It has lined Imperial Valley canals to prevent seepage, also in exchange for the water saved. It has set up nature preserves in Riverside County for endangered and threatened species.

Although opinions vary, nearly everyone agrees that Boronkay deserves at least some of the credit for this turnaround.

Boronkay "certainly brought us into the modern century," said Francesca Krauel, one of San Diego County's representatives on Metropolitan's board.

A more skeptical observer agreed. "I think he moved Metropolitan Water District — not by himself, but with others — a substantial distance from where they were when he began," said Thomas Graff, a senior attorney with the Environmental Defense Fund.

Boronkay, who earns \$189,000 a year, navigated the district through one of the worst droughts in the modern era. He presided at a time when the district began expanding its water storage capability with the Domenigoni Valley Reservoir near Hemet, and when his own board was becoming more contentious and more likely to challenge the staff.



At 63, Boronkay looks like the tired man he says he is. His face is lined and his slight stoop and mannerisms suggest a man in search of an easy chair. Boronkay says that after nine years as general manager, he's ready to do something else. Just what, he says, he doesn't know.

"I feel that if I did something else, it would be invigorating," he said.

It was his search for something invigorating that led Boronkay from the state attorney general's office to Metropolitan as assistant general counsel in 1976. Four years later, he was named the district's top lawyer. Four years after that, he became head of the district.

He took over Metropolitan at a difficult time in its history.

For years, Metropolitan's prima-

ry goals were to pour more concrete for canals and aqueducts and other facilities to import and distribute water from the Colorado River and Northern California. The agency now supplies about 60 percent of the water used by some 15 million Southern Californians.

But in 1982, California voters decisively rejected a key element of the State Water Project — a plan to build a canal around the periphery of the Sacramento-San Joaquin river delta to move more water south. Large numbers of voters accepted environmentalist concerns about potential environmental harm. It became clear that similar proposals weren't going anywhere, either.

Boronkay said that when he was interviewed for the general manager's job, he told Metropolitan board members his primary goal would be to push for completion of the State Water Project.

"I was a traditionalist. My view was, we were defeated on the State Project, particularly the Peripheral Canal, but our cause was just and we just have to do better fighting for the cause," Boronkay said.

Gradually, though, he began to realize that his goal was an elusive one. With Southern California growing rapidly, and no new water projects foreseeable, the agency had to try something else.

"We were driven to be more imaginative," he said.

The agency began talking to the Imperial Irrigation District about a previously unheard of idea: Metropolitan would line with concrete Imperial's leaky earthen canals in exchange for the water saved. It took years of wrangling. At several points, the deal appeared to unravel. But it didn't. Metropolitan expects eventually to obtain enough water to supply about 200,000 households.

Metropolitan began exploring other ideas, as well. It expanded programs to clean up contaminated groundwater basins in Southern California, figuring that the more local water Southern Californians used, the less imported water they would need.

It expanded conservation programs, much as electric and gas utilities did in the 1970s. It supported programs to recycle water for non-drinking purposes. It developed programs to bank water in underground basins in wet years to meet demand in dry years.

It began purchasing water from

farmers through water marketing programs. It was a concept long supported by environmentalists, but one Metropolitan resisted.

And Metropolitan began talking about water problems with environmental groups.

Boronkay said the turnaround came in part because the arguments of environmentalists "seeped through."

"The environmentalists were no longer the enemy and their arguments could not be dismissed out of hand. Just as the arguments appealed to the public, they appealed to me."

Graff of the Environmental De-

fense Fund said the Peripheral Canal rejection was the "first substantial defeat" of Metropolitan and the old way of doing business. "The old way just didn't work," he said. "They were up against it. They had to try some new things."



Those new things did not always come about smoothly. The board that hired Boronkay was mostly older and accustomed to Met's old way of doing business with concrete and dams. They sometimes were reluctant cohorts.

"He didn't really bring the board along with him," contends Robert Gottlieb, a former board member and critic. "His role was to humor the board." Gottlieb said the board members didn't really understand where Boronkay was taking them.

Gottlieb's view is not universally held, but some board members said Boronkay did strike out ahead of the board at times.

"Carl tends to advocate positions rather than approaching things strictly as a manager (who did as the board directed)," said Krauel, the San Diego board member.

Boronkay said he may have interpreted his ability to act more broadly than some board members would have liked. But he said all of his actions were rooted in govern-

Continued...



ing board policy.

"Of course, I never do anything without (board) approval. But it's at a broad level," he said.

At the same time, Boronkay admits to some missteps. One time a reporter asked Boronkay about one Kern County farmer's offer to sell his land and water rights to Metropolitan. Boronkay's answer — that he was interested in any deal to secure water for the district — ignited a contentious debate among board members who feared the district was being tarred as another Los Angeles, out to strip whole regions of their land and water.

Board members wanted to pass a measure restricting MWD from ever buying land for the property's water rights. Boronkay argued with board members that such a move would unnecessarily tie the district's hands. Although there was much support among board members, he won his case.

"Because of his convictions — because of his forcefulness — . . . he can come across very, very strong," said Burton Jones, another former director. Boronkay, he added, "definitely is a vigorous general manager."

And bright, arbitrary, witty, arrogant, a visionary, and very creative. These are the words used by people outside the district to describe Boronkay.

Inside the district, a few other words are used.

He is known as a tough inquisitor, always asking questions, always pushing his staff.

"I have seen people crumble under a Boronkay questioning," said Richard Clemmer, an associate division director at Metropolitan. "He acts like a trial attorney. He wants answers."

At the same time, Clemmer and others believe Boronkay has done much for the agency, steering it toward a greater appreciation for

conservation, a willingness to try innovative ways of getting water, and an increased sensitivity to the environment. Boronkay also changed the face of the district's management, promoting more women and minorities than in the past.

Boronkay's leadership extended beyond the district's confines.

"He's not universally liked, but he's respected for his abilities," said Steve Hall of the Association of California Water Agencies. He added: "Frankly, I think he's done a lot to move California water more in the direction it needs to be in the future."

One of his biggest successes, by most accounts, was the reform of the Central Valley Project, a federal water project built in the Depression years mainly to supply farms.

Boronkay was one of the key players in promoting water marketing provisions in the reform bill that will permit cities to buy federal water from Central Valley farmers willing to sell.

His and Metropolitan's support for water marketing further alienated the agency's traditional ally, agriculture. Farmers there were opposed to reforms that would take water from them and give it over to the environment and urban users.

"He definitely has got some adversaries, if not enemies, in the (San Joaquin) valley," said Graff, the Environmental Defense Fund attorney.

"There have been, particularly in the last two years, a lot of hard feelings," said Tom Clark, general manager of the Kern County Water Agency.

Clark said, however, that although he has differences with Boronkay, they have been able to work cooperatively on other projects, such as a plan to store excess Northern California water in Kern County's groundwater table.

Farmers haven't been the only contentious players in the world of water. Metropolitan's own board has changed, as veteran directors leave and younger, more activist directors take their places.

This was underscored by the election last year of Mike Gage as chairman. Gage, an aggressive, savvy former assemblyman, former deputy mayor of Los Angeles and a newcomer to the board, outmaneuvered Riverside's Lois Krieger for the chairmanship.

Former board member Burton Jones said he believes the change-over has strained relations between Boronkay and the board in recent years.

Boronkay said having a more activist board, and particularly a more activist chairman, was "no bother whatsoever, but it is something you adapt to. It's new."

He said Gage is much more involved in overseeing the district than previous chairmen have been, much more likely to suggest ideas and directions. Boronkay said Gage's election as chairman was not a factor in his own decision to retire.

Gage, while praising Boronkay, acknowledged that relations between the manager and the board were strained at times in recent years.

"I think it is fair to say the board of directors wanted — and wants — a stronger role in setting directions," Gage said.

Christine Reed, Santa Monica's outspoken representative on Metropolitan's board, said she wished the agency's staff had been less cautious and less resistant to change. But despite her differences with Boronkay, she praised his tenure:

"He dealt with the big problems in a way that, when you look back, you can say, 'We did a good job'"

Conclusion



## INTERVIEW WITH TIMOTHY QUINN

IV IMPLEMENTING THE CENTRAL VALLEY PROJECT IMPROVEMENT ACT AND  
ATTEMPTS TO LINK THE BAY DELTA ACCORD AND THE CALFED PROCESS"We Want to Get Better Together" ##

Chall: Let me ask you a question. Why is the San Luis and Delta-Mendota Water Authority now taking the lead against implementation? I don't see too many others involved. First, it was Westlands Water District and their suit, and that was dismissed. Then, there was Congressman Doolittle's reform bill that lost.<sup>1</sup> Now, we've got this suit. Are agriculture/water users trying various ways to negate the CVPIA?

Quinn: I think the only fair answer to that is no, not at this time. Let me give you some background information on this lawsuit. This is an uneasy partnership going on between the ags and urbans on this particular score. Would agriculture like to get rid of Miller-Bradley? Of course, they would. But do they think they can? No, they're past that; they know that they're never going to be rid of the Miller-Bradley bill.

I think at some level they know that. Here I'm stretching considerably, but I think a lot of them know that at its core, it's not bad policy, that we had to do more by the environment than we were doing before. In essence, Miller-Bradley was a re-balancing of the objectives of the project. When the Republicans took the Congress and came into office in '95, they went after the bill, and they found out they couldn't get rid of the bill. Even with a strong Republican majority in Congress, they couldn't get rid of the bill.

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<sup>1</sup>H.R. 2738, introduced by Representative John Doolittle, 1995.

In no small measure, because the urbans were absolutely not going to cooperate in the strategies they were trying to implement. Over time, these were people that delivered water to farms. They run businesses. They have got bottom lines to meet. They can't afford to rest on their laurels and do a lot of mindless position negotiating. Agricultural interests are out to solve some problems here because they have to.

The key to CVPIA implementation is to implement the CVPIA within a broader policy framework, such as CALFED, so that as we improve habitat and the fisheries, we are able to improve the situation for water users as well. The essential strategy which the urbans have promoted is to support additional environmental protections under CVPIA as well as actions--we call them "tool box" measures--to increase the capacity of the system in the near term so that all the interest groups can improve their situation. Typical tool box measures include actions to increase pumping flexibility in the Delta and to increase groundwater storage capacity south of the Delta. In other words, CVPIA can be implemented with far less controversy, if we also invest in system capacity and flexibility.

In recent years, the fish are getting better, but the additional flexibility allows us to make water available for the fisheries for enhancement relative to the '94 Bay-Delta Accord baseline. In addition, a modest amount of water needs to be left over so that the water users can go back and say for the first time, "We've started to recover from where we were in '92 and '94; we're on the road to recovery just like the fish." Our mantra in the water community has become, "We want to get better together." You have probably read that quote in some of these newspaper articles that you're referring to.

"Better together" means to support a packaged policy approach that implements CVPIA within a broader framework that constitutes more of early phased implementation of CALFED so that not only is the environment improving its situation, but the water users are sharing in some of the gains as well. The CVP contractors are, privately anyway, quite supportive of that concept. They are not opposed to environmental enhancement. Quite the contrary, they see it as the only way they will realize any improvement in their situation. They are deeply mistrustful that if they don't really protect their strategic legal position that we will wind up with an outcome in which the environment takes another step forward while they take another large hit. They can't sell that at home.

Now, [Department of] Interior has also been endorsing as a policy outcome that we all "Get better together." Here is some background future historians may find interesting--a small anecdote: Last year, Interior proposed a set of eight new Delta actions to be implemented under CVPIA. These actions were expected to cost a fair amount of water. Nonetheless, the water users were coming very close to an agreement with Interior on October 30, 1997, to support a package that would implement the actions, even though it was going to be really hard to sell many in the ag community.

We were meeting with Mike Spear and Roger Patterson. John Garamendi came in, felt that he couldn't defend it with the environmentalists, was worried about it politically, and scuttled the deal. The next day, on Halloween, there was a big public unveiling of a draft proposal for implementing CVPIA, which even from a centrist urban perspective was very bad for water users.

Even the urbans could not support what John put on the table, and we told him so. Unfortunately, the episode reintroduced some mistrust into the system. I mean, we were close to a deal; the guy from Washington comes and upsets the apple cart. I wish that John hadn't done that, quite frankly. You know I have a very good relationship with him and high regard for John.

Then, on November 20, they came out with a new plan, which was substantially revised from the old Halloween plan. In no small respect, it was revised in response to a lot of comments coming from the water community. The environmentalists were about to file suit. They didn't like it. It's a hard world for everyone to be absolutely happy in. It's quite clear to me that strategically the CVP contractors had decided they were going to file a suit no matter what happened on November 20.

I called Dan Nelson and Dave Orth. Dave Orth is the general manager of Westlands Water District.

Chall: Dave?

Quinn: Orth, O-r-t-h. I, frankly, wasn't thrilled that they decided to file suit. I would have preferred them to wait and give this thing a chance to come to more closure and see if they needed to take legal action. Strategically, they felt they needed to protect their legal position. So, my words to both of them, in a nutshell, were, "Go to court, but don't go to war." We still need an amicable, equitable, equilateral triangle solution to this stage of CVPIA implementation.

The More Things Change the More They Stay the Same?

Quinn: The environmentalists, of course, were outraged that CVP contractors would file a suit against the implementation of CVPIA. They're playing it that these guys are once again trying to get rid of the whole act. I can tell you, as somebody who works with them on almost a daily basis right now, that is a grossly inaccurate characterization of where they are coming from. Indeed, right now we have the agricultural interests wanting to talk settlement along the lines of a policy that would allow the environmental actions to be implemented as long as it's part of this package we've been talking about for six or nine months.

I will spend much of the coming months with the other urban representatives and ag interests to try and develop a balanced settlement agreement with the Feds. I'm not sure exactly where the environmentalists will come from. The environmentalists right now are the wild card in California water politics from an urban perspective. It's very strange. This may launch us into sort of a new topic. What the Miller-Bradley bill did was it stole the old status quo away from the agricultural interests, giving them a reason for change. They no longer like the status quo.

All change happens in the middle; no sustainable change happens out in the radical extreme. So, agriculture, out of necessity, has been moving to more centrist positions. Oddly enough, as the agricultural entities have been moving to more centrist positions, the environmentalists are alarmed that the ags and urbans are getting together, and they're moving out to more extremes.

I've never seen the environmental rhetoric sharper. I've never seen the rhetoric more irrational. Right now, that is causing me great concern. If you look back at the historical trends, agriculture is embracing environmental objectives, realizing that it has to. Rather than having the environmentalists say, "Wow, that is good. Now, let's get some real meaningful stuff done," they're afraid of the urbans and ags together in the middle and seem to be trying to counterbalance us by being way out on an extreme on a lot of these issues.

Chall: So, nobody really trusts each other.

Quinn: Not yet.

Chall: There's a three-way balance of mistrust.

Quinn: Well, you know, a lot of relationships are that way. Some of our interests are in conflict; we are trying to find ways to make our interests more compatible. I do think some of the things that have happened since Carl left, as general manager, are very powerful lessons about the power of successful coalition politics. The accord was the first example. We were all then, and we still are, enormously proud of what we did under the accord.

#### Senate Bill 900 Becomes Proposition 204<sup>1</sup>

Quinn: In the old world you would never have had the politics of S.B. 900, Senator [Jim] Costa's bill in 1996, which provided funding for the environment. Senator Jim Costa is the chairman of California's Senate Water Committee. This is worth a little time.

Chall: I don't know about that one.

Quinn: Well, as part of the CALFED process, the water community accepts without any equivocation that CALFED must incorporate a massive ecosystem restoration project. It has been in the newspapers recently that a \$100 million appropriation for environmental restoration was just announced by Governor Wilson. Well, you might ask where that money came from. Well, that money came from the power of coalition politics within the water and the environmental community.

Costa conceived the notion of a water bond that he wanted to move in 1996. He started really talking about it seriously in early 1995. In its early manifestations it looked a lot like a 1982 Peripheral Canal bond. In that form, it would have been born dead. To Jim's credit, he showed himself through this process to be a statesman of considerable skill. He was previously thought of as a Central Valley legislator with fairly narrow agricultural perspectives.

In the S.B. 900 experience, he demonstrated he could be a statesman with a very broad perspective on what needs to be

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<sup>1</sup>Proposition 204, The Safe, Clean, Reliable Water Supply Act. Would generate nearly one billion dollars to finance key water quality and environmental improvements, especially in the Delta. November 1996.

# \$100 Million to Begin Bay-Delta Restoration

By FRANK CLIFFORD  
TIMES ENVIRONMENTAL WRITER

Officials of the Clinton and Wilson administrations on Wednesday announced the first major funding—a \$100-million down payment—for the long-promised environmental restoration of the San Francisco Bay-Delta estuary and the rivers that feed it.

Billed as the largest ecological restoration yet undertaken in the United States, the project, with an ultimate price tag of \$2 billion, is designed to repair 100 years of damage—caused by man-made erosion, pollution, dams and diversions—in the watersheds that provide 60% of California's fresh water.

The project came about as part of the 1994 Bay Delta Accord, which was supposed to end the Bay-Delta water wars that had raged for years among agricultural, urban and environmental interests. But those groups are still at odds over key issues—including how much water will be permanently available for environmental needs in the delta—and, until Wednesday, little money had been allocated for the restoration work.

The \$100 million will pay for a first phase including the rehabilitation of marshes and wetlands, the replanting of riverside forests, the construction of fish ladders to help migrating salmon and the installation of screens to prevent fish from being drawn into irrigation canals.

Through a proposition, Congress and California voters have earmarked an additional \$720 million to be spent on the restoration over the next 25 years. The remainder of the funding still must be found.

The boundaries of the project extend from Fresno 350 miles north to Redding, and from the headwaters of the San Joaquin River in the Sierra Nevada to the origins of the Sacramento River in California's Cascade Range.

The ultimate goal is to repair the damage, including a dramatic decline of fish and wildlife, caused by

the diversion of massive amounts of water for agriculture and urban use. The hope is that a restored delta will mean cleaner drinking water, a healthier habitat for fish and wildlife and better flood control.

The \$100 million in federal and state funding, which will pay for 50 separate projects, was announced by U.S. Interior Secretary Bruce Babbitt, Commerce Secretary William Daley, Environmental Protection Agency Administrator Carol Browner and Gov. Pete Wilson. At the same time, the officials granted a one-year extension of the 1994 agreement, which was to expire this week.

"The extension of the historic accord gives us the chance to craft a long-term plan that works for everyone, including business interests, farmers, environmentalists and communities," Browner said in a statement.

The optimistic pronouncements, however, masked official concern over the continuing discord between environmentalists and the other interest groups over how to divide the water that flows into the delta from the Sacramento and San Joaquin river systems.

Many government officials, along with representatives of agribusiness and cities, believe environmental conflicts could be best avoided by building a 60-mile long diversionary canal that would capture most of the water for Central Valley agriculture and Southern California cities before it flows through the delta.

Environmental groups, however, see the canal, which could cost \$3 billion or more, as an opportunity for rival users to take even more water from the rivers without having to justify the increased diversions, as they must do now.

"The environmental community still supports the principles of the accord, but we think there has been serious backsliding on the deal," said Ann Notthoff of the Natural Resources Defense Council.

"Over the past year," Notthoff said, "the Wilson administration and Central Valley water users undermined the agreement by relaxing water-quality standards agreed to in the accord, by trying to authorize massive new agricultural diversions and by continuing to attack the federal legislation that underpins the accord."

The intent of the accord was to lay the groundwork for a long-term, equitable apportionment of the state's largest fresh water supply. With the agreement, urban and agricultural interests for the first time acknowledged that the environment was an equal partner in negotiations over delta water allocation.

It was also an acknowledgment of the delta's value as the largest wetland habitat in the Western

United States, the home of nearly 120 species of birds, mammals, reptiles, amphibians and fish. By the time the accord was signed, more than 20 other species of native plants and animals once found there had become extinct. Nine more were endangered.

According to environmentalists, up to two-thirds of the delta's natural flow was being diverted for farming and other uses in some years. The reduced flows, in turn, were allowing salt water to move upstream from the ocean, ruining freshwater habitat. The reduced amount of water also cost the delta some of its ability to dilute chemical pollutants, they said.

Meanwhile, higher up in the river systems, erosion from deforestation and development filled streams with sediment that destroyed salmon spawning grounds.

Leading up to the 1994 accord, environmental groups forced a showdown by invoking the Endangered Species Act in a series of lawsuits that disrupted diversions of water out of the delta. The interruptions led business leaders to warn that California's economy would suffer if the state could no longer count on reliable deliveries of delta water.

That is still the case, according to Timothy H. Quinn, deputy general manager of the Metropolitan Water District, the primary supplier of water to Southern California communities. "The ominous warnings are as relevant today as they were three years ago," he said.

The water district gets one-third of its water from the delta—the rest comes from the Colorado River—and can ill afford disruptions in the delivery systems. The city of Los Angeles receives most of its water from the eastern Sierra Nevada, but in dry years has turned to the water district for 50% of its supply.





The future course of the environmental restoration hinges on an amicable division of the delta's freshwater supply.

Quinn is among those who say the best way to do that is to build the diversionary canal, which would bypass most of the delta and link up with the aqueducts that move water south.

The canal, which would be funded separately from the environmental project, would increase the reliability of water deliveries, he said, and improve the quality of water shipped south, because water taken from above the delta is less polluted.

But Quinn said that any proposed fix will fail if any one of the interest groups does not endorse it.

"In this case, environmentalists have to have the assurance that the facility would be operated in an equitable fashion. The challenge is to incorporate environmental values as part of the day-to-day governance of water in California."

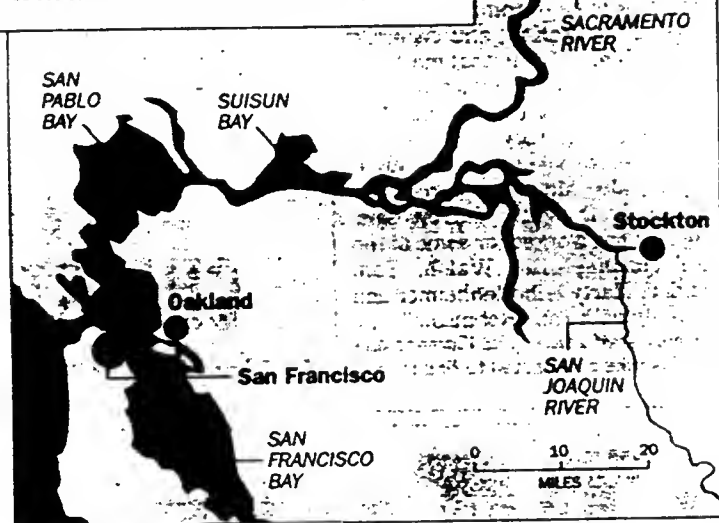
Environmentalists see the issue in mathematical terms. The accord guaranteed an additional 1.1 million acre-feet of water to improve water quality in the delta. But it left open the question of how much more water would be needed to revive declining fish species, such as Chinook salmon, steelhead and delta smelt.

For the extra water, environmental groups now look to the 1992 Central Valley Project Improvement Act, which redirected 800,000 acre feet of delta water from agriculture to fish.

But one of the largest Central Valley water authorities last month filed a lawsuit to stop the federal government from allocating any more water to the environment.

## Restoring the Delta

An initial \$100 million from state and federal sources will start restoration of the San Francisco Bay-San Joaquin Delta, the heart of which is shown here. The project eventually will be the largest of its kind in the United States.



### Key points of the plan:

- Estimated total cost: \$2 billion for the purchase and rehabilitation of thousands of acres of wetlands, marshes, islands and other wildlife habitat.
- Construction of fish ladders to help migrating salmon make their way past dams.
- Installation of screens to prevent fish from being sucked into the giant pumps that divert water out of the delta for agricultural and urban uses.
- Replanting of trees along streams to help prevent erosion.
- The goal: To restore conditions that fish and wildlife need to again thrive in the delta and the rivers that flow into it.

Los Angeles Times

John Garamendi, the deputy secretary of the Interior Department who tried unsuccessfully to broker a compromise over the contested water, said that dispute

could imperil the delta accord.

"If the federal government should lose the suit over that 800,000 acre-feet, I think the accord is in serious jeopardy," he said.

happening. The concept emerged that S.B. 900 should become a major financing bill for ecosystem restoration through CALFED. The bill had been languishing in the legislature, no meaningful money for the ecosystem in the Bay-Delta watershed, no reclamation money.

It was a pork bill, primarily, for urban water districts. Small reclamation projects would then get funded, and water treatment problems would then get taken care of. But nothing meaningful for CALFED or the bigger picture Bay-Delta situation.

The urbans strongly felt that it needed to be transformed into a vehicle to provide major funding for ecosystem restoration. We weren't getting very far. I think it was May, or so, of 1996, I went to visit Tom Clark and Tom Hurlbutt. We became referred to, in this process, as the Tim and the Toms. The Tim and the Toms spent two and a half hours in Kern County Water Agency's offices in Bakersfield. Tom Clark is the general manager of the Kern County Agency, and Tom Hurlbutt is with Boswell Corporation, major water player in California water.

At that meeting, I was working to convince the agricultural interests that their most important legislative objective that year should be money for the environment--not money for them, not money for water, not money for a facility--money for the environment. It took maybe six minutes for Clark to realize this was a good strategy. Clark is a very savvy guy, and also a very strong leader in California water. It was the oddest thing. It tells you something, though, about water politics in California today, that that became the top legislative priority at the Kern County Water Agency--getting money for the environment.

Tom Clark became the champion of that bill. I mean, that needed to happen because Tom and the aggies were much more influential with the water leadership in the legislature than the urbans were. It was crazy beyond imagination when we approached the environmentalists and said, "Work with us. We want to get a billion dollars for the environment." At first they said no. We had long, frustrating conversations with Tom Graff and Dave Yardas, and others. They simply refused to participate initially. I think, in part, because they were afraid of some of the changes that this could be a part of.

Chall: Undo the restoration?

Quinn: Absolutely, they may have been concerned about undoing the progress of the past. But, S.B. 900 never could have done that. They may have also been concerned that we were taking CVPIA and making it look small. But, S.B. 900 was legitimate money for the environment; there were no games being played. From our perspective, we wanted to do this because we thought it needed to be done as part of an overall comprehensive package that solves our problems too. The pain mentality in some places in the environmental community is so powerful that I think their reaction was, "Wait a minute, if we partner with you and get a billion dollars that might be part of a package in which you guys don't have as much pain anymore, we don't know if we want to do that."

Chall: So, Peltier is probably right when he said that they wanted to cause pain? I mean the objective of the CVPIA was to cause pain?

Quinn: I think that is an element in the environmental community, but it's too easy to dismiss the whole thing that way. No, I don't agree with that.

Chall: I see, but you think there still is that aspect?

Quinn: There is that aspect that you measure environmental gain by water user pain. Quite frankly, we need to defeat that mind set if we're ever going to move forward. It is the enemy of your equilateral triangle.

#### Building the Coalition for Proposition 204

Chall: Oh my. Well, Proposition 204 seemed to provide an avenue for everybody to come together.

Quinn: Eventually, we did. One of the morals of the story here is we did come together on Prop. 204. Although, it took several months for us to convince the environmentalists that they wanted to join us. Eventually, they did join us in Prop. 204. This was a major initiative in the Delta.

Chall: Yes, it is.

Quinn: Every other legislative effort related to the Delta has been World War III in the California legislature. But, S.B. 900 sailed through. I think it had a total of a half of a dozen no-votes in both houses combined. It overwhelmingly passed.

The voters passed it 65 percent to 35 percent; it was nearly a two to one margin of voter approval. One of the main reasons for that success was that the list of supporters was incredible. The coalition that had been built to support S.B. 900, which was before the voters in November of 1996 as Proposition 204, was simply unprecedented.

We went to Washington, D.C. with that coalition. We created a thing we now call the California Bay-Delta Water Coalition. Twenty-five organizations which jointly fund lobbying activities in Washington, D.C. related to getting funding for the Bay-Delta. It includes environmental organizations, urban, and agricultural organizations. Everybody pays money into a fund to finance joint lobbying activities.

We went to the Congress in '96. It was an election year, so election politics was a big player here, but this was something where the Republicans in the Congress could look green and not get a negative counterlash because the agricultural interests were supporting this green initiative. So, much to our surprise, the Speaker of the House, Mr. [Newt] Gingrich, picked this up and within less than a month, we had a \$430 million authorization bill for the Bay-Delta.

We got forty-nine out of fifty-two California congressional representatives to sign a letter supporting this money for the Bay-Delta. Our congressional delegation doesn't get along about anything, let alone the most contentious issues that there are in California water. All of this was the power of coalition politics. That was an authorization bill, hard to get, but a heck of a lot easier to get than an appropriations bill, that's when you really get the money in your pocket.

Chall: Did you get it?

Quinn: We got \$85 million appropriated through activities of the California Bay-Delta Water Coalition for the Bay-Delta. We got it by telling a story of better government where all three sides were willing to try and manage their differences and come up with consensual solutions.

Chall: You think we're not ever going to go back before CVPIA to true water wars?

Quinn: Oh, I think there's real risk of that.

Chall: You do think that?

Quinn: If I thought it was easy, I wouldn't spend so many hours worrying about it. There is so much more to be gained through consensus. The rewards of consensus are extraordinary. The cost of conflict are no less extraordinary, but it's hard to bury some of these hatchets. I gave a speech not long ago to the environmental community, and I ought to give the corollary speech to the agricultural community. The theme of the speech was to the environmentalists, "You've won the revolution."

Truly, I believe the environmental revolution is a lasting legacy. Any day now, I'm going to be a grandfather for the second time. I mean, the environmental revolution is one of the lasting wonderful legacies that the last half of the twentieth century is going to pass on to future generations. The revolution has been fought and won. Now, the question is can we turn to governance? It's a hard thing, though, because right now the environmental movement is peopled largely with revolutionaries.

The true test of CVPIA is not did you win the revolutionary war. They won it, and the product that was produced, we were all discovering, was far from perfect. It certainly was an astonishing victory of the revolutionaries, but the question now is: You won it, now can you govern it? Can you actually make it turn out and produce ecosystem restoration? Unless we do that together, it is not going to happen.

Chall: So, it's still up in the air?

Quinn: It is still up in the air. Success is not assured, but I am optimistic that the powerful lessons of what consensus politics can deliver that we've learned in the last few years will, in the end, overwhelm some of our instincts to keep fighting the revolution after it has already been won.

#### The Metropolitan Water District, the CVPIA, and Water Marketing

Chall: I want to ask you now about the report you sent to me about Central Valley Water Marketing Strategies, April 27, 1993.<sup>1</sup> You were apparently concerned about some of interim guidelines for water transfers, which did not appeal to you, or to the

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<sup>1</sup>Report from John R. Wodraska, to the MWD Board of Directors and relevant committees, April 27, 1993, re implementation of the CVPIA and water marketing. On deposit in the Water Resources Center Library.

Metropolitan Water District. So, this is a problem you have with implementing the CVPIA. Do you want to talk to me about that?

### The Failed Areias Dairy Farm Transaction

Quinn: Well, I think, probably the most useful tack is to talk about the Areias Dairy Farm transaction, because that was the first time when we really tried to go out and do it. You have a board letter, I think, on that as well.<sup>1</sup>

Chall: I do, that's the Areias, right?

Quinn: Yes. I will try and be brief here. Not long after the act was passed, I was approached by Rusty Areias, who was, amazingly enough, the chairman of the California Agricultural Committee in the California Assembly. I had memories of Areias drilling me on water marketing when I was known as a promoter of water marketing, and he was an arch foe of water marketing back in some of the legislative hearings that occurred in the early nineties. Here was Rusty Areias offering to sell water under the user-initiated transfer provisions of the Central Valley Project Improvement Act.

We negotiated the deal. It was a pretty attractive deal for both sides. Then, we went about learning the hard lesson that passing a bill is one thing and then actually using it is another. It's part of those bitter feelings that you've picked up when talking to agricultural interests, to some degree. I don't know how much forethought there was, but it certainly looks a great deal as though the agricultural entities were saying, "Well, okay, we'll give Boronkay his water marketing provisions, but by God we're going to shoot everything dead that he tries to do actually using those water marketing provisions."

Chall: Oh, is that so? You think so?

Quinn: Again, I'm going to be careful here. I don't have the evidence to make a conspiracy case. I'm not sure if there was forethought, but there was plenty of afterthought. There was bitterness about these things, user-initiated transfers in particular were bitterly fought by agricultural interests in

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<sup>1</sup>Report to the Board, John R. Wodraska, October 20, 1993. On deposit in the Water Resources Center Library.

the state legislature. We were able to get it on the federal act only because they were in such a desperate situation given that the planets were lining up for Miller, and they felt desperate.

When we went out with the Areias transaction, which, quite frankly, could have been handled a lot better with the benefit of hindsight. I wish we would have done a better job of rolling the transaction out. There were meetings in Los Banos where the agricultural interests were able to turn out about 2,000 concerned citizens. In Los Banos, I mean, that's half the town.

Chall: Right.

Quinn: That really gave us pause. I mean, we sat there, knowing we wanted to make water marketing work and looking at this overwhelming grassroots political opposition. As I sat down with Rusty at the time, we said, "Look, we can get there, or we can be dead." So, we agreed that we would try and reformat the proposed program. One of the desirable things about the act was it had forced the contractors, which had the water--the guys that supplied Rusty his water--to develop a water marketing policy.

It wasn't designed to be terribly friendly to water marketing, but it was something that would pass the straight-face test. They never would have done that without CVPIA. They were sending out very strong signals that they would go down to the last man. The last man would fall on his sword on the barricades to stop this individual from transferring water around the control of the district. So, we went about the task of trying to renegotiate the deal so it would conform to the district's policies.

Quite frankly, I think, to this day, Graff and others think that we're selling out the water marketing provisions of the CVPIA. I certainly don't feel that way. The fundamental thing the bill did was allow the water to be moved, because legally, you couldn't move it before. One of the lessons I have learned is I don't care what the bill says, you can't roll over the agricultural districts like a steam roller and expect to get away with it, even if you're the great and powerful Metropolitan Water District of Southern California.

With the Areias transactions, we started to work very hard to maintain benefits but try and make it comply with the policies of the agricultural districts. By law, we did not have to have their permission. But, the local politics were

clear that we had to develop better relationships with the agricultural districts, which, as I noted earlier, was one of Carl's parting recommendations to me as he left Metropolitan.

Unfortunately before we could get that job done, the dairy economy had turned very sour. The Areias ran a dairy farm, and they ran into serious financial problems. In the end, the Bank of America decided they were more valuable to the bank dead than alive. My assessment at the time was the attorneys working on this were Central Valley attorneys that worked for the Bank of America.

I think they could reach out and touch the politics, and they felt that the deal could never be approved even if revised. I still don't believe that to this day. You can make it happen if you engage the other side, understand their interests, and try to structure your objectives in ways that promote theirs. Bank of America wound up, basically, killing the deal even though, to this day, Rusty blames us. I think even the environmental movement blames us.

Chall: So, they took the land. In other words, there's no water?

Quinn: Yes, so Areias lost control of his operation, and the bank wasn't going to wait around for the approval of this transfer. They wanted to liquidate assets now, and poor Rusty is still going through that several years later.

A happier story is that at long last this afternoon my boss, [John R.] Wodraska, will execute an agreement with the Arvin-Edison Water Storage District.

#### The Successful Arvin-Edison Partnership Plan

Quinn: This is CVP water. We're investing money in a partnership with a CVP contractor to invest in additional water-management capabilities. They can get more water into underground storage, start to pull it up during dry times, and both Arvin and Metropolitan will share the benefits of that investment. That gives us a very economically attractive 75,000 acre-foot dry-year supply that is independent of the Delta politics.

The Areias transaction had the possibility of fallowing some land to make the water available. The Arvin program was not built around the notion of fallowing. It was built around the notion of Metropolitan becoming a partner investing in



infrastructure in a local area, expanding the pie and then we get a share of what we have invested in.<sup>1</sup>

Continuing Analysis of the CVPIA: Problems with Implementation ##

Chall: Do you think that Douglas Noll's analysis of the Central Valley Project Improvement Act and what's going to be involved with implementation is pretty much on the mark?<sup>2</sup>

Quinn: It's been a while since I've read the article, but on the whole, I remember thinking it was a pretty objective overall assessment of what's in the bill and the enormity of the task of actually implementing it.

Chall: Now, you're trying to implement it. There seems to be so much involved with this. The secretary of the Interior; there was a commissioner of reclamation, Dan Beard, and there's now another commissioner of reclamation who is? I don't know.

Quinn: The new commissioner of reclamation has virtually nothing to do with implementation of CVPIA. Beard was very hands-on, and now CVPIA implementation is handled through the chain of command in Interior that doesn't tend to involve the commissioner of reclamation. One of the key players involved is Roger Patterson, who's the regional director of the Bureau of Reclamation mid-Pacific region; heavily involved. Right now, Roger generally reports directly to John Garamendi, who's the deputy secretary of the Interior.

The bill was hugely controversial, but the Clinton administration embraced it right away. They could have treated it like the Bush administration's dead cat, but they didn't.

The Clinton administration immediately embraced the objectives of the Central Valley Project Improvement Act even though they had had little to do with its passage. The demonstration of that is that the responsibility for

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<sup>1</sup>More on Arvin-Edison, p. 132.

<sup>2</sup>Douglas E. Noll, "Analysis of Central Valley Project Improvement Act," San Joaquin Agricultural Law Review, Number 1, Volume 3, 1993, pp. 3-34. Other articles in the "Symposium" devoted to critical analyses of the CVPIA are by Barry Nelson, Daniel M. Dooley, Carl Boronkay, and Timothy Quinn. On deposit in the Water Resources Center Library.

implementing the act is at the very highest levels of Interior with the deputy secretary John Garamendi.

Other major players include Mike Spear, the regional director of the Fish and Wildlife Service on the West Coast. CVPIA implementation is one of the most important things for the Department of the Interior in California today. Increasingly, Interior has what I regard to be the very healthy attitude that the CALFED program is the overall solution, but CVPIA is a necessary prerequisite to implement the act in a reasonable way as you're moving towards the broad implementation of CALFED.

Garamendi is high-level Interior, and Lester Snow, the executive director of CALFED, has two bosses: the state and the fed.

Chall: I see. So, where are you all now? We have discussed earlier that the process is having great difficulties.

Quinn: With CVPIA implementation, it's probably a sign of the difficulty of implementing the act that we fought World War II in less time than it has taken to implement this act that Congress passed in 1992. With that said, I do not mean to be that critical of the Clinton administration who I think is doing what they can.

There's a popular myth in the environmental community that the CVP agricultural community works against the implementation of the act. From my experience working very closely with CVP agriculture, that is an unfair charge. There was a great deal of contention around the act's implementation.

#### Dealing with the 800,000 Acre-Foot Promise/Premise

Quinn: There's no surprise here. The provision of the act that is the hardest to implement is section 3406(b)(2). The notorious B-2 water issue, where the act dedicated 800,000 acre-feet of CVP yield. The concept was that we're not going to deliver that yield for agricultural and urban purposes anymore; it's going to be dedicated to environmental purposes.

Nineteen ninety-seven has been marked primarily, in California water, by this great and difficult task of trying to find a way to implement that provision of the law. The way it's unfolding: history will tell, but from where I sit here

today, Interior has made a very smart strategic decision to try and implement that portion of the act by implementing what are called AFRP, Anadromous Fish Restoration Program, actions. The AFRP is a program mandated by the CVPIA to double anadromous fish populations.

The environmental community, many of them still are focused on pain in the water community as a measure of success for the environment--water for the environment must be taken away from the water users.

The approach that Interior is developing for implementation focuses not on the level of pain that the water users feel but on biological actions that need to be taken to help the fisheries. Interior was focusing not on how do we take 800,000 acre-feet away from water users, but rather on how do we use additional amounts of water for the environment based on the science we've got, imperfect though it may be? The focus of the implementation of the 800,000 acre-foot provision of the bill is now on implementing these AFRP actions. They're all flow related. The argument is that the water is B-2 water that will be used to implement these actions.

Chall: B-2 water being?

Quinn: B-2 water being the water that was dedicated to the environment under the CVPIA, in Section 3406(b)(2).

Chall: And that water is to come from?

Quinn: That water comes from the CVP. For example, some of the actions that are being recommended require greater flows from the Sacramento River at certain times of the year. You'll use the CVP reservoir storage and release that water. You don't keep it to deliver to contractors; you let the water go for fishery purposes. A lot of the actions deal with curtailing pumping at the big pumping plants in the south Delta primarily during the spring months when the fisheries are particularly vulnerable.

The argument that the environmentalists use is that you can reduce that pumping and not deliver that water because you have this B-2 water available to you. There are huge fights right now over just how much B-2 water there is in the system. It turns out that coming up with an accounting mechanism for the 800,000 acre-feet is exceptionally difficult. What Interior is trying to do in their decision that they announced just last month on November 20, 1997, is to accomplish CVPIA objectives by promoting the implementation of these fish protective

actions. They're specified: eight of them in the Delta, another four actions upstream of the Delta. I think that's a fundamentally sound change in policy, focusing on what do the fish need instead of on what should the water users lose. It turns out that a lot of years, you don't need the whole 800,000 acre-feet according to what the biologists are recommending with these actions.

The law says you don't have to use 800,000 acre-feet if you don't think that you need it. The environmentalists don't particularly like that part of the Interior decision. At the same time, there are many in the water community, including myself, that think during extended dry periods, the application of those eight actions in the Delta requires more water than the law gives you to manage.

Instead of saying, "Well then we're not going to do the environmental protections," the water community, primarily pushed by the urbans, but with pretty strong cooperation from even the CVP agricultural community, is looking in the direction that while you're implementing the eight actions, let's implement what we've come to call the "tool box."

Chall: Yes, I've seen that phrase.

Quinn: The tool box contains innovative water management programs: basically, we've got to try and make the pie bigger, so that we can allocate some more water to the fisheries but still wind up with an acceptable water supply situation for water users.

Chall: Is that by fallowing land?

Quinn: No. There are several types of tools that are in the proposed tool box that Interior came out with on November 20: purchases of water upstream, primarily on non-CVP controlled streams where you can't get it through the force of regulation.

Another tool we call joint point of diversion. Very simply, there are two big pumping plants in the Delta that move the water through the federal and the state project. If you operate those as a coordinated unit, you can still accomplish environmental objectives, but get more water out of the system. It adds to flexibility.

We currently constrain the two pumping plants each individually, but when you allow some flexible operations between the two pumping plants, you can get more out of the system.

One of the tools that the urban community believes is most powerful is to have environmental resources invest in environmental storage in groundwater basins south of the Delta, potentially a very powerful environmental management tool.

So, if you want to change the flow pattern in the Delta, turn the pumps down, and to avoid a fight with the farmers or with the cities that rely on that water supply, give them an alternative source of water from the groundwater basin where you had previously stored some wet period water, and operate that as a real time management tool to control flows without conflict, for the benefit of the fisheries. There are a variety of other tools.

Again, this is something that the urban community has been promoting strongly for six or nine months. From time-to-time, we have the agricultural interests being very critical of us, and right now the environmentalists are up in arms.

Chall: I've seen some letters of Tom Graff and others going to Washington.<sup>1</sup>

Quinn: As people in the future read those letters and look back on what was going on in California, it's important, in my mind, that they realize we're not arguing about the level of environmental protection; that's key. The urban strategy has been to pull agriculture into supporting the implementation of those eight actions, which requires additional environmental water above and beyond what we dedicated under the 1994 accord. It clearly involves betterment for the environment.

Some of the agriculturalists have argued there is no science, and you don't know that the environment is going to get better. I don't put much weight in that argument. Again, the key point here is we're not arguing over what actions should be taken. The biologists have looked at the situation, and they've come up with these recommended actions. So, the urban strategy has been to facilitate the implementation of those actions; that's where the environmental protection is happening. The complaints from the environmental community are not environmentally based. They are based around this notion of how much pain the CVP contractors should be experiencing.

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<sup>1</sup>Letter from Thomas Graff, David Yardas, Spreck Rosenkrans to Roger Patterson and Mike Spear re Department of Interior's Draft Proposal, November 14, 1997. Letter and appendices will be deposited in the Water Resources Center Archives with this volume.

Chall: They want an absolute assurance that they're going to have 800,000 acre-feet--is that about it?

Quinn: They want to know that each and every year there's going to be 800,000 acre-feet of water taken away. The simple fact is, the biologists don't know what to do with that amount of water during many years. If the biologists can't figure out a scientifically sound way to promote ecosystem restoration, it's not very good policy to take that water away from economic uses in California.

Recently, the solicitor general of Interior--I'm not sure if I got the title right--his name is John Leshy. Leshy has come out with an opinion that is very compelling reading. Both of the extreme sides in the debate need to focus on Mr. Leshy's opinion and on the logic that's in Mr. Leshy's opinion. What he's doing, basically, is rejecting both of the extremists' interpretations of the law.

The opinion is very unfriendly to the environmentalists' interpretation that you must take 800,000 acre-feet every year. That interpretation is found to be woefully out of touch with what the Congress actually passed. By the same token, Leshy rejects the notion of the CVP contractors who argue that there is no more B-2 water left, that once you were done with the 1994 accord, you had used it all up. Interior is looking for a centrist outcome, which right now doesn't have a lot of support outside of the urban community.

Chall: When you talk about the 1994 accord, is that the major Bay-Delta accord?

Quinn: Yes.

Chall: Yes, okay, I just wanted to be sure.

Quinn: The one in which all stakeholder interests in the state and federal government for the first time agreed on how we're going to operate the Delta.

Chall: The CALFED process has to deal with the Bay-Delta accord. You can't separate them?

Quinn: I don't think that you can. I don't think you can separate the CVPIA from the accord. Many in the environmental community believe that the CVPIA is distinct and separate from the accord, which is strongly disputed in the water community, ag and urban alike. On some of these issues, we find ourselves in strong agreement with the environmental community. On some of

these issues, the urbans find themselves in strong agreement with the agricultural community. On this one, we think the spirit of the accord must prevail, because as difficult as Carl was pointing out it is to keep all three parties together that's the only way you're going to get sustainable change.

Chall: I thought that somewhere in the final bill there, H.R. 429, that there is mention of the Delta, that you'd have to deal with the Delta.

Quinn: The bill is actually explicit requiring Interior to cooperate with the state in resolving problems in the Delta, and there is very explicit language. Sometimes it's hard to figure out what the environmentalists are reading when they read the bill that they worked so hard to pass. The bill requires the federal government to cooperate in protections for the Delta and instructs the secretary of Interior that any water that's required is to be credited against the 800,000 acre-foot obligation. It's very clearly in the bill. The environmentalists have argued that crediting is illegal. Their attitude is to reach for as much as they could possibly get, which I guess makes them a lot like everyone else.

More on Finalizing the Arvin-Edison Partnership: The Concerns of the Friant Water Users and the Environmental Community ##

Chall: Let's go on to Arvin-Edison.

Quinn: In any event, when the Arvin program was announced, the Friant contractors went up in arms, somewhat to my surprise. Again, no matter how old you get, you've got lessons to learn. This is not fallowing, this is investment in local infrastructure, this is clearly a win-win in our minds. In fact, we were leaving water behind. We were going to generate more water through the investments, et cetera. So, we were going to be increasing water supplies for them and for us. Again, some of the old mistrust factors, largely driven by mistrust and what had happened with the passage of CVPIA. Friant didn't lose nearly as much as any of the other CVP units.

Chall: No, they didn't.

Quinn: Even so, they had an arguably harsher attitude about the CVPIA, which I think was driven by their feeling that this pest was upon them because of those big corporate guys on the west side of the valley. Here they were small family farmers just trying

to earn an honest living, and if it wasn't for Westlands and those big guys on the westside, they wouldn't have this political problem in the first place. They didn't lose a drop of water to the CVPIA, and their west side neighbors got hammered pretty hard on the water side of the equation.

Certainly, in the last six months, we learned some lessons about the strength of feelings in the Friant. They created a new entity because the Friant Water Authority, by its charter, really couldn't get in and work against the interest of one of its member agencies. Arvin-Edison was the largest member unit of the Friant Water Authority. So, they created the Central Valley Water Coalition, which wasn't constrained by this rule that you couldn't fight one of your own. They created the Central Valley Water Coalition with the sole purpose of destroying the Met-Arvin transaction.

Things were coming to a head. The Friant water users went to Washington to talk to their Washington representatives. Their strategy was to try and force public meetings like we had in Los Banos with the Areias transaction. Subsequently, they told us they thought they could get 3,500 people to these meetings to stop the "L.A. water grab." That's the situation we were living with in April, May of this year. The people they went to in Congress--.

Chall: Who was that?

Quinn: Well, they went to Congressman [George] Radanovich and Congressman Dooley, primarily. Personally, going back to my involvement with the Miller-Bradley legislation, that's when I first met and started to develop enormous respect for Congressman Dooley. We had pretty good working relationships, even though we were on opposite sides of the issue.

Dooley is Arvin's congressman, and Congressman Radanovich had been a major player working for us in this broad coalition based effort to get CALFED funding. They both thought that it would not be the best idea to trigger a war between Metropolitan and the Friant Water Authority. The general manager of the Friant Water Authority is an extraordinarily gifted man named Dick Moss, just like it sounds.

Chall: Dick Moss?

Quinn: M-o-s-s, yes. Dick knew that it wasn't in our interests to be going to war with each other. Instead of laying the ground work for a large public meeting, which would have created a lot of trouble for all of us, Dick was able to report that these



congressional representatives had forced Metropolitan to come to the negotiating table to deal with Friant's problems, which I had been offering to do for about three months at that point in time.

Instead of supporting their efforts to kill this partnership to better manage water in the San Joaquin River, their congressional representatives, in fact, forced everybody to sit down to a negotiating table. We went through a fascinating negotiation that I think is, again, one of the promising elements that we would have a better future in California water than we've had in the last twenty years or so.

Their concerns were twofold. They were deeply concerned about the watermonger in southern California, that the trickle would turn into a torrent, the camel's nose under the tent, et cetera. The second concern was about the environmentalists, that if we went through an approval process and went to the State Water Resources Control Board that the environmentalists would come out and attack their core water rights. So, this innovative water transfer program would, in fact, give the environmentalists an opening to come in and devastate the water rights of the Friant, and they were very afraid of that.

Chall: Could the environmentalists do anything like that?

Quinn: Well, let me take that one first then we'll get back to these southern California fears. I had dinner with Tom Graff and Hal Candee. Hal is with the NRDC [Natural Resources Defense Council]. I told them I really wanted this transfer to work. It's not the ideal transfer from their prospective. Their ideal transfer is we put a farmer out of business on the west side and take his water supply. On a large scale, that is not going to be happening politically in California for sometime to come.

I'm more of an incrementalist--let's get the job done. This program would, in fact, allow Metropolitan to benefit from transfers only if in a wet period there would be water from the San Joaquin River. I thought they ought to be giving it a serious look and think about supporting it. Hal--who's also a good friend; I've known him for all the years I've known Graff --said, "You know, Tim, I've been going after these people for twenty years. If you give me an opportunity to go after their water rights, why shouldn't I."

My response was, "If you do, you are creating a totally dysfunctional water transfer system." How can I ever go to a seller, if dealing with me in a water marketing mode is going

to place the seller's water rights at risk? I said, "Don't expect urban California to continue supporting a marketing approach if the environmental community is going to take positions that basically make it impossible for us to consummate trades."

Clearly, this was making sense to Graff. He took me aside after the dinner meeting and said that he would talk to Hal; I presume that they did. I still have a dialogue going on with the environmental community on the program. Hal made it very clear that his thinking was, "By God, the Friant guys were right. Open up that door a crack, and I'm going through it like a torrent."

Again, I think he was convinced that he ought to think about that before he does it, because it would have very deleterious effects on transfers in general. What he would have done in the end, I don't know for sure. I was convinced before that but that certainly nailed it down--that the Friant contractors, in my judgment, had a very legitimate concern on that score and that we had to do something that would allow this transfer to move forward and not put their water rights at risk through one means or another. It's simply not in my interests as a buyer to have my deal undermine their core water rights. I'm counting on those water rights to deliver water to me.

Chall: How would this be done?

Quinn: If we went through the state board. The real avenue here was in what the Friant unit did not want. They didn't want to have to go to the state board to open up their water rights--to change their water rights to allow the water to be delivered to Metropolitan.

Chall: And that is a possibility?

Quinn: Yes, it would be required under a CVP transfer.

So, we structured something that looks like a duck, quacks like a duck, but it's not a duck by changing the approach in the program to an exchange mechanism. It's a bona fide exchange where there are additional benefits being created--I won't go into the details. We can now implement it without having to go to the state board.

That was fundamentally important to the CVP contractors. I think, quite frankly, I took them by surprise when I walked in that first day in Visalia to deal with their concerns. I don't

normally do the water transfer negotiations around here anymore. I used to, it was a fun job. As the deputy general manager, I have other things that I'm responsible for. This one was so important. We had just gone through '92, and we watched the relationships get, to use Carl's phrase, shattered.

I had no desire for shattered ag-urban relations again, so I personally took over the negotiation. I think I surprised them. When I walked in, I agreed with every concern they had. I said, "I couldn't agree with you more. I'm not doing this to be nice to you. It's bad for me if these things happen to you, so let's find a way to make this thing work where you don't have those risks." Ultimately, we did.

On the fear of southern California, that's not quite so easily taken care of. I think what you'll see a lot more of, if I have my way, are exchange visits. We invited a lot of the Friant community leaders to come down to southern California to see what we're doing. We took them to the West Basin Reclamation Plant. Southern California is spending money like crazy on reclamation and conservation. We are, by far and away, doing more than the north ever dreamt of.

We have changed our ways in terms of managing water, spending hundreds of millions of dollars on reclamation, conservation down here to reduce our demands on the system. We took them down and showed them, and let them kick the tires-- see that we weren't just talking. We were spending money to try and change their image of southern California as a water waster, to come out to the East Side Reservoir that we have under construction, to drive home the point that we're not just trying to solve our problem by taking water away from you. We believe in investing in infrastructure and storage.

Then, they invited some of my directors to go up and we did a tour of some family farms in the Friant service area. So, we tackled the southern California fear factor by just trying to start an education process. In the end, even the Friant unit now is recognizing the incredible value of positive relations with former enemies. I am hopeful they'll be permanent. We wound up having a very successful negotiation.

Just a week ago today, the Friant Water Authority voted overwhelmingly, only one dissenting vote, to approve the Arvin-Metropolitan program. So, here you have the Friant Water Authority approving water moving from the San Joaquin River basin into southern California. A remarkable event that reflects, again, the power of consensus building and respect for the objectives and interests of the people that you're

dealing with. It's not the pure form of marketing that I think one day we will continue to move forward, but it's a step in the right direction.

Now, I'm waiting to see if the environmentalists will oppose the revised program. My bet is that they will.

Chall: They'll oppose it?

Quinn: They'll oppose it, then we'll have to work something out.

Chall: You mean the Arvin-Edison isn't a done deal yet?

Quinn: Parts of it are done. Actually, the program has two components and when we execute this agreement at four o'clock this afternoon, we have everything we need to start construction activities in Arvin to start the program moving. We do not have everything in place for the CVP Friant Water Authority piece of the puzzle. There we will probably be dealing with environmentalists as we go for final approvals on that element of the program, which the bureau has to approve.

Chall: Then that goes up to the Bureau of Reclamation?

Quinn: It has to go to the bureau, and it does require their approval. We don't have to go to the state board, but we do have to go to the bureau.

Chall: And that, from what I gathered from your material in here, is you're not so sure about the bureau--.

Quinn: Well, the document that you're referring to is an October '93 piece. Many, if not all of the issues, that we were identifying as serious concerns have been worked out between ourselves, other stakeholders and the bureau, between then and now.

#### Trying To Set Policy in Partisan Legislative Settings

Chall: All right, good, then we've got that. There's one last thing I want you to talk about and that was what you brought up at lunch about politics. I don't mean just politics, I mean the politics that you and Mr. Boronkay were talking about in terms of dealing with the Democrats and the Republicans. I guess you were really talking about that kind of partisan politics in the

Congress and maybe with the state legislature, and the problems of developing policies in that atmosphere.

Quinn: Well actually, we have to deal on a policy basis, and that's our dilemma because both Washington and Sacramento are such partisan places. As I said at lunch, when Carl was there taking the positions he was taking, I'm sure people thought he had to be crazy. You just didn't do the game that way, but Carl was representing a large public agency. He was looking at the public interests, what does his public need in the way of policy.

One of the serious challenges we have is how do you force the policy considerations in a highly partisan world. At times we are miserably unsuccessful in Washington and Sacramento because we don't do a good job of playing the partisan politics. For my money, I don't ever want to get good at playing the partisan politics because I think our niche in this world is to focus people on appropriate policy, but you can't get anywhere if you don't eventually get the partisan politicians to support you.

Tom Jensen was mad as a hatter at Carl Boronkay. It had little to do with substance; it had everything to do with, "I want you to support my guy, and I want you to join me in opposition to the other guy." As a public agency, we can't afford that. We have to try and work with both sides of the aisle focusing them not on the politics but on sound policy. One of the ways we deal with that is by forming some of these large coalitions.

The Western Urban Water Coalition, for example, is bipartisan. Guy Martin, the national representative, certainly has strong connections with Democrats in the Congress and in the administration. But, in the end, the Western Urban Water Coalition is hard to ignore because it includes twenty public agencies that provide water to 35 million people.

If you can put together a stakeholder coalition that includes the urbans, the ags, the environmentalists, you don't have to be partisan to be successful. When you look at the success of Prop. 204, when you look at the success of the accord--I do not believe the accord would have been possible if you had left it up to the Wilson and the Clinton administrations. The partisan politics was too antagonistic between the two of them. Plus, Clinton was a CVPIA supporter, and we've talked about the depth of Governor Wilson's dislike for the legislation.

What made it happen in '94 was stakeholder politics; it was the ags, the urbans, and the environmentalists agreeing on what they could support. The same thing happened with S.B. 900. Any opposition based on partisan politics wilted away against the strength of that enormous coalition. Right now, within the water world, we're building unprecedented coalitions to support CALFED solutions.

If you go back to 1982, the last time we made a major decision about infrastructure in California, it was overwhelmingly voted down--the Peripheral Canal. The water world was fractured into 20,000 different pieces. Even the state water contractors. Carl took a terrible beating [in 1992] for turning his back on San Joaquin Valley agriculture, while in 1982, it was San Joaquin Valley agriculture that turned their back on southern California when Boswell and Salyer decided they would oppose the Peripheral Canal, and then work with Tom Graff and others. The Sacramento River interests were bitterly opposed to what southern California needed. The San Joaquin River interests the same, the Bay Area, everybody was in a different place.

The CVPIA was not a coalition building experience, it was the last great battle of the war. Since then, we have been working on consensus building. I now go to meetings where if you have stake in the Delta as a water user anywhere from the Oregon border down to the Mexican border, you are involved in this consensus building process. Within the water community, I have no doubt that we will deliver a consensus of every major element of the water community around a single CALFED solution.

Chall: Well, that's a wonderful place to end on.

Quinn: We're not there until we can reach out to the environmental community and say the same about that water community and the environmental community. Right now the environmental community is terribly concerned. They don't know what to think. They're very afraid of this, the breadth of solidarity in the water community. They think they're going to get rolled. They won't because the only way that breadth is held together is by going to the centrist positions that can solve problems for a lot of different people, including the environmental community. If we are successful in '98, in my view, it will be because of the success of centrist coalition building politics. If we fail, it will be because we haven't quite got it right yet.

Chall: And if you fail, you don't think you're going to be back to square one prior to 1992? Do you think you'll ever go back that far?

Quinn: No.

Chall: No, so we'll start with 1992.

Quinn: Actually, not wanting to extend the interview, we'll start with 1994, which never could have been possible without 1992.

Chall: Do you think solutions will have to come through the courts and/or consensus building, and not with changes in Congress?

Quinn: The courts may have to answer issues related to specific pieces of the puzzle, but adversarial processes in the courts, legislature, or Congress will never resolve the bigger problems. For that, we will have to develop skills at consensus building and craft solutions that can secure broad support. Remember, the revolution is won. Now the issue is: can we govern that which we have won?

Chall: Well, thank you very much for all your time.

Quinn: You're welcome.





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**CARL BORONKAY**  
**4220 Gayle Drive**  
**Tarzana, CA 91356**  
**(818) 342-5249**

**CURRENT STATUS:**

Effective April 1, 1993, retired as General Manager of The Metropolitan Water District of Southern California

**EDUCATION:**

University of Southern California, Law Center  
LL.M. 1964

University of California at Los Angeles, School of Law  
LL.B. 1954  
Member of Law Review Board

University of California at Los Angeles  
Bachelor of Arts in Sociology 1951

**MILITARY SERVICE:**

U.S. Army, 1954-1956  
Enlisted man: Infantry; Intelligence Specialist.

**PROFESSIONAL EXPERIENCE:**

**The Metropolitan Water District of Southern California** 1976 - 4/1/93

**General Manager (1984 - April 1, 1993)**

Responsible for the management of the largest wholesale water agency in the United States delivering half the water used by 15 million residents of urban Southern California, with a budget approaching one billion dollars and a work force of some 2,000 employees; responsibilities included various activities of water acquisition, facilities construction, financing district operations, human resources and affirmative action, public affairs, relations with public officials and agencies in Sacramento and Washington, D.C. and at the local political level; relations with other water districts, relations with Colorado River basin states, proposing programs and policies to the Board of Directors.

**The Metropolitan Water District of Southern California (Continued)****General Counsel (1980 - 1984)**

Responsible for services of legal staff of 12 attorneys and periodic retention of outside counsel for the Board of Directors. Oversaw all advice and formal opinions presented to the Board and to management. Participated in legal proceedings affecting Metropolitan. Reviewed and gave advice on proposed legislation. Drafted legislation advocated by Metropolitan. Represented the Board in numerous meetings and conferences, often participating as a speaker. Participated in policy development and implementation.

**Assistant General Counsel (1976 - 1980)**

Managed the legal staff of 10 attorneys under direction of the General Counsel; work was generally as described for General Counsel, above.

**California Department of Justice****1957 - 1976****Senior Assistant Attorney General (1971 - 1976)**

Managed Public (Natural) Resources section. Supervised some 35 deputies located in 4 offices in the major cities of the state; included advice to and representation of numerous boards, commissions, departments and agencies concerned with water supply and quality, waste disposal, forestry, parks and recreation, fish and game, dam safety, energy standards and conservation, coastal zone development, agriculture marketing orders and regulations, California's interest in the Colorado River, and California's interest in Lake Tahoe.

**Senior Assistant Attorney General (1969 - 1971)**

Supervisor, charitable trust enforcement and nonprofit corporation regulations, state property claims and constitutional rights protection.

**Deputy Attorney General (1957 - 1969)**

Criminal appeals, business regulations and proceedings; professional license administrative proceedings; various state agencies advice and court appearance; charitable trust and non-profit corporation enforcement.

Focus, No. 2, 1993

# MWD's general manager retires after nine years of innovation

As the leader of Metropolitan Water District, Carl Boronkay guided the nation's largest water agency through one of the most difficult times in its 50-year history, including a six-year drought. And his tenure as general manager also resulted in the formation of an innovative north/south alliance. Both attempts to solve urban water allocation shortages.

Boronkay has faced a variety of problems since being named general manager in March 1984: dealing with Southern California's urban coastal growth of more than 3 million people, record demands for imported water, increasing stringent water quality and environmental regulations to name a few.

The 1980s brought change. Technology improvements disclosed potential water quality problems, and overstretched incomplete State Water Project underscored the state's supply dilemma. Metropolitan had to look for a new approach. It would require bearing growing pains, but would result in a new identity for MWD.

"We still are faced with making certain Southern California has a reliable, high-quality water supply," says Boronkay. "But while the challenge in the past was engineering, it's now more technical and environmental."

Known for his keen intellect and quick wit, Boronkay reveled in the challenges.

Among Metropolitan's key accomplishments during Boronkay's nine-year tenure:

After six years of negotiations, Metropolitan and Imperial Irrigation District launched an innovative water conservation program through which MWD funds improvements in IID's



Photo: Francisco Boronkay

irrigation system that will save enough water to provide more than 100,000 acre-feet a year for Southern California cities.

- A land fallowing program was established that allows farmers in the Palo Verde Valley of southeastern California to economically fallow a portion of their land making the water available to Southland cities.
- The district launched a \$6 billion expansion project, the cornerstone being the 800,000-acre-foot Domenigoni Valley reservoir in southwestern Riverside County. When completed near the turn of the century, the reservoir will nearly double Southern California's surface water storage capacity.
- Under a one-of-a-kind program, Metropolitan will begin storing water in central Arizona groundwater basins to help insulate both states from future shortages. MWD also signed storage agreements with two San Joaquin Valley water agencies.

He also takes great pride in the district's commitment to conservation, reclamation, groundwater recovery and further research on desalination.

Boronkay's only major disappointment lies in the incomplete State Water Project. "The project is little changed and still delivers only about half its contract obligation. Had needed Sacramento-San Joaquin Delta improvements taken place, both environmental and user concerns could have been remedied."

Boronkay joined the district in June 1976 as assistant general counsel and was promoted in

1980 to general counsel. Prior to joining Metropolitan, he served 19 years with the state attorney general's office where he was responsible for public resource matters. As MWD's general counsel, he argued — and won — a case before the U.S. Supreme Court, involving an attempt by five Indian tribes to take more Colorado River water, one of Southern California's main supplies. •

# Water marketing: a prerequisite for California's economic future

By Carl Boronkay

The challenges in leading Metropolitan Water District as its general manager have been exciting. They have been that of change, of the sensitivities of limited water supply coupled with a burgeoning environmental awareness, and of the necessity for innovation.

It is difficult to select a single accomplishment of which I am most proud. But if I were to narrow that to the most recent, I would have to say the part I played in the lengthy process of making water marketing a reality for California.

When the president signed the western water omnibus legislation last fall, California entered a new era of water policy. The legislation, which included revisions in Central Valley Project (CVP) operations, fundamentally changed the rules controlling California's largest water project. The CVP delivers about one-fifth of the state's developed supply overwhelmingly for agricultural uses. Now, for the first time, water-short cities and others outside the project's service area may purchase water from willing farmers. Economic reforms have been implemented to defray project costs and encourage on-farm water conservation. And fish and wildlife benefits have been established as a statutory purpose of the project, requiring changes in its operations to help restore declining species and habitat.

The development of this legislation pitted long-time political allies against each other. Concerned about its uncertain impacts on agricultural areas, many agricultural interests staunchly opposed the reform effort. In contrast, the legislation was supported by environmentalists fighting hard to establish the principle that the largest water project in the state should provide fish and wildlife restoration and protection, and by prominent business and industry leaders in many urban areas statewide, which during six years of drought had experienced shortages that threatened economies.

While strong emotions were

expressed — which is not surprising when a fundamental change is proposed in a major policy — common sense ultimately prevailed. California can no longer afford an outdated set of water rules that ignore the economic realities of a modern, highly urbanized economy. The same amount of water that supports nine jobs and production valued at less than \$450 in the Central Valley agricultural economy, supports 2,500 jobs and \$400,000 worth of production in the urban economy. It makes little sense to continue to lock up vast amounts of water in low value agricultural uses.

Negotiations regarding the bill were complex and arduous. However, the resulting legislation was approved overwhelmingly by a bipartisan coalition in Congress.

For urban users, it provides, in effect, a new "reservoir" of water made possi-

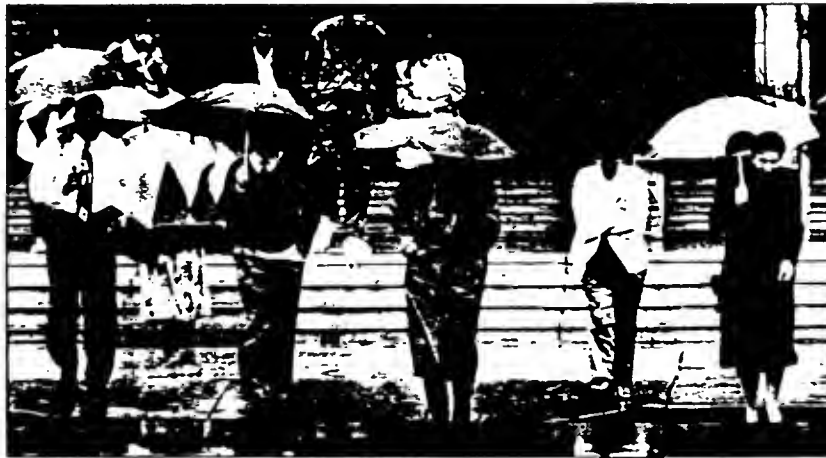
ble through voluntary sales by farmers of a portion of their supplies.

For the environment, it dedicates water for fish and wildlife purposes, establishes a restoration fund and requires implementation of an ambitious program that will help restore depleted fisheries and wildlife refuges.

For CVP farmers, it provides for the assurance of continued water supplies, creates a lucrative new business opportunity through its water marketing provisions and requires that federal resources be devoted to solving serious CVP-related environmental problems.

Change of this magnitude rarely comes easily and this historic legislation was no exception. But, reform of California's outdated water policies is a prerequisite for the state's economic future.

I am proud to have represented Metropolitan in achieving this reform.



## Wet winter refills reservoirs

An exceptionally wet winter has washed away California's six-year struggle to stretch water supplies during the most severe drought in its history. However, Gov. Pete Wilson cautioned that the need to conserve still exists as the same water supply must be shared by a growing population, farms and the environment.

Numbers that signaled the drought's end:

- Sierra snowpack is 150 percent of average for this time of year, assuring above-normal runoff.

- Statewide precipitation is 150 percent of normal.
- Storage in the state's major reservoirs reached 92 percent of average.
- Rainfall at the Los Angeles Civic Center is 190 percent of normal.
- Snowpack water content on Eastern Sierra slopes that feed the city of Los Angeles is 168 percent of the April 1 average.
- Colorado River storage at Lake Mead is 80 percent of capacity.



204

## Safe, Clean, Reliable Water Supply Act.

### Official Title and Summary Prepared by the Attorney General

#### SAFE, CLEAN, RELIABLE WATER SUPPLY ACT.

- This act provides for a bond issue of nine hundred ninety-five million dollars (\$995,000,000) to provide funds to ensure safe drinking water, increase water supplies, clean up pollution in rivers, streams, lakes, bays, and coastal areas, protect life and property from flooding, and protect fish and wildlife and makes changes in the Water Conservation and Water Quality Bond Law of 1986 and the Clean Water and Water Reclamation Bond Law of 1988 to further these goals.
- Appropriates money from state General Fund to pay off bonds.

#### Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- General Fund cost of up to \$1.8 billion to pay off both the principal (\$995 million) and interest (\$776 million).
- The average payment for principal and interest over 25 years would be up to \$71 million per year.

### Final Votes Cast by the Legislature on SB 900 (Proposition 204)

Assembly: Ayes 74	Senate: Ayes 33
Noes 4	Noes 4

### Analysis by the Legislative Analyst

#### BACKGROUND

**Water Quality and Supply.** In past years, the state has provided funds for projects that improve water quality and supply. For example, the state has provided loans and grants to local agencies for the construction and implementation of wastewater treatment, water supply, and water conservation projects and facilities. The state has sold general obligation bonds to raise the money for these purposes. As of June 1996, all but about \$79 million of the \$2 billion authorized by previous bond acts had been spent or committed to specific projects. Project applications have been received for most of the remaining uncommitted funds.

**Bay-Delta.** The state also has funded the restoration and improvement of fish and wildlife habitat in the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (the Bay-Delta) and other areas, using various fund sources including general obligation bonds and the state General Fund. The Bay-Delta supplies a substantial portion of the water used in the state for domestic, industrial, agricultural, and environmental purposes. For example, water flowing through the Bay-Delta provides drinking water for about 22 million people in California and irrigates 45 percent of the fruits and vegetables produced in the United States. In addition to supplying water, the Bay-Delta provides habitat for fish and wildlife, including several endangered species, and an estimated 80 percent of the state's commercial fishery species live in or migrate through the Bay-Delta.

Increased demand for water from the Bay-Delta, combined with other factors such as pollution, degradation of fish and wildlife habitat, and deterioration of delta levees and flood control facilities, has reduced the Bay-Delta's capacity to provide reliable supplies of water and sustain fish and wildlife species.

The CALFED Bay-Delta Program is a joint state and federal effort to develop a long-term approach to restoring ecological health and improving water management in the Bay-Delta. Total capital costs for the various alternatives under consideration range from \$4 billion to \$8 billion over the next 20 to 40 years. It is anticipated that funding would come from a variety of federal, state, local, and private sources.

**Flood Control.** The state also provides funds to local agencies for flood control projects. The state has not previously sold general obligation bonds to fund the construction of local flood control projects or facilities. Rather, these projects have primarily been funded from the state General Fund. However, due to the state's fiscal condition in recent years, the state has been unable to pay its share of the costs of these projects. As of June 1996, the unpaid amount of the state's share of costs for local flood control was about \$158 million.

#### PROPOSAL

This measure authorizes the state to sell \$995 million of general obligation bonds for the purposes of restoration and improvement of the Bay-Delta;

wastewater treatment and water supply and conservation; and local flood control and prevention. General obligation bonds are backed by the state, meaning that the state is required to pay the principal and interest costs on these bonds. General Fund revenues would be used to pay these costs. General Fund revenues come primarily from the state personal and corporate income taxes and sales tax.

Figure 1 lists the purposes for which the bond money would be used. The bond money will be available for expenditure by various state agencies and for loans and grants to local agencies. The measure specifies the conditions under which the funds are available for loans, including the terms for interest and repayment of the loans.

In some instances, the measure makes the expenditure of bond funds contingent on actions by the state or federal government. For example, under the measure, funds for projects to restore the Bay-Delta ecosystem may not be spent until the state and federal governments have completed their environmental review of the projects and have entered into a cost-sharing agreement for funding those projects.

In addition to authorizing the sale of bonds, the measure requires that the repayment of loans funded under the 1988 Clean Water and Water Reclamation Bond (Proposition 83) be used to provide additional loans and grants for local water recycling projects.

#### FISCAL EFFECT

**Costs of Paying Off the Bonds.** For these types of bonds, the state typically makes principal and interest payments from the state's General Fund over a period of about 25 years. If all of the bonds authorized by this measure are sold at an interest rate of 6 percent, the cost would be about \$1.8 billion to pay off both the principal (\$995 million) and interest (\$776 million). The average payment for the principal and interest would be about \$71 million per year.

However, total debt repayment costs to the state will be somewhat less than the \$1.8 billion. First, bonds used to fund revolving loan programs (\$175 million) may have to be financed over a shorter period than is typically used for most state bonds in order to comply with federal law. Consequently, total interest costs on these bonds would be less than if the payments were made over 25 years. Second, the measure requires that loans made for construction of drainage water management and local water projects be repaid to the state General Fund. The repayments of these loans could reduce the state General Fund cost by about \$70 million over the life of the bonds.

**Use of Repayments of Past Loans.** The 1988 Clean Water and Water Reclamation Bond (Proposition 83) authorized up to \$40 million in loans to local agencies. Currently, repayments of these loans are used to pay off the bonds. This measure requires, instead, that the repayments be used to provide additional loans and grants for local water recycling projects. As a result, this will result in a General Fund cost of at least \$60 million to pay off the principal and interest of these bonds.

Figure 1

### Proposition 204 Safe, Clean, Reliable Water Supply Act Uses of Bond Funds

(in Millions)	Amount
<b>Bay-Delta Improvement</b>	<b>\$193</b>
• Central Valley Project Improvement—fish and wildlife restoration	93
• Bay-Delta non-flow-related projects	60
• Delta levee rehabilitation and maintenance and flood protection	25
• South Delta environmental enhancement and mitigation	10
• CALFED state's share of administration	3
• Delta recreation	2
<b>CALFED Bay-Delta Ecosystem Restoration</b>	<b>\$390</b>
• Existing habitat protection and enhancement	— <sup>a</sup>
• Tidal, riparian, wetlands, and other habitat restoration	— <sup>a</sup>
• Instream flow improvements	— <sup>a</sup>
• Fish protection and management	— <sup>a</sup>
<b>Clean Water and Water Recycling</b>	<b>\$235</b>
• Wastewater treatment	110
• Water recycling and reclamation	60
• Treatment and management of agricultural drainage water	30
• Delta tributary watershed rehabilitation	15
• Seawater intrusion control	10
• Lake Tahoe water quality	10
<b>Water Supply Reliability</b>	<b>\$17</b>
• Water conservation and groundwater recharge	30
• River parkway acquisition and riparian habitat restoration	27
• Local water supply development and environmental mitigation	25
• Sacramento Valley water management and habitat protection	25
• Feasibility investigations for off-stream storage, water recycling, water transfer facilities, and desalination	10
<b>Local Flood Control and Prevention</b>	
• Claims submitted by 6/30/96 for projects in specified counties	60
• Amounts not specified.	

For text of Proposition 204 see page 79

204

## Safe, Clean, Reliable Water Supply Act.

### Argument in Favor of Proposition 204

Safe drinking water is something most of us take for granted. But the truth is, unless we act now, California's residents, businesses and farms face a future of chronic water shortages and potentially unsafe supplies. According to the California Department of Water Resources, our water problems will only get worse, due to increasing population and a water supply system that has not kept up with our needs.

Proposition 204, the **SAFE, CLEAN, RELIABLE WATER SUPPLY ACT**, provides the foundation for a comprehensive and lasting solution to the state's water supply needs. Proposition 204 is a truly **BALANCED WATER SOLUTION THAT IS GOOD FOR OUR ECONOMY AND JOBS, GOOD FOR OUR ENVIRONMENT AND GOOD FOR ALL CALIFORNIANS.**

**PROPOSITION 204 WILL BENEFIT ALL CALIFORNIANS BY:**

**ENSURING SAFE DRINKING WATER.** Proposition 204 helps meet safe drinking water standards to protect public health.

**INCREASING WATER SUPPLIES.** Proposition 204 makes more water available to meet the state's growing needs through conservation, recycling and potential off-stream reservoirs and delivery systems to capture water in wet years for use during droughts.

**PREVENTING WATER POLLUTION.** Our streams, rivers, lakes, bays and coastal waters are threatened by pollution. Proposition 204 provides for cleanup of our precious waterways.

**PROTECTING AGAINST FLOODS.** Flooding threatens lives and has caused billions of dollars in property damage. Proposition 204 allows long-overdue flood protection projects to be completed.

**HELPING OUR ECONOMY AND JOBS.** Water is the lifeblood of California's economy. Reliable water supplies will protect existing jobs, encourage new businesses and create new jobs.

**ENCOURAGING WATER CONSERVATION AND RECYCLING.** Proposition 204 ensures we get the most out of our existing water supplies by encouraging conservation and recycling.

**PROTECTING FISH AND WILDLIFE.** Proposition 204 helps protect critical fisheries, wildlife, wetlands and other natural habitats, including the San Francisco Bay/Sacramento-San Joaquin Delta. The Bay-Delta is one of

the state's most important environmental resources and the source of drinking water for over 22 million Californians.

**PROTECTING AGAINST EARTHQUAKE DAMAGE.** Seismic experts believe our water delivery system is in danger from major earthquakes, which could leave residents, businesses and farms without water. Proposition 204 provides necessary repairs and improvements to the delivery system to help prevent catastrophic failures.

**WE CANNOT AFFORD TO WAIT.** We must invest in our water supply system to ensure safe drinking water and avoid chronic water shortages. If we do not act NOW, the cost will be far higher in the future. The last major investment in our water supply system occurred 36 years ago, in 1960.

Join a diverse group of Californians in support of Proposition 204, including:

ASSOCIATION OF CALIFORNIA WATER AGENCIES  
CALIFORNIA CHAMBER OF COMMERCE  
ENVIRONMENTAL DEFENSE FUND  
CALIFORNIA FARM BUREAU FEDERATION  
STATE BUILDING & CONSTRUCTION TRADES COUNCIL  
AFL-CIO

BAY AREA ECONOMIC FORUM  
SOUTHERN CALIFORNIA WATER COMMITTEE  
NORTHERN CALIFORNIA WATER ASSOCIATION  
CALIFORNIA BUSINESS ROUNDTABLE  
COUNCIL FOR A GREEN ENVIRONMENT  
PACIFIC WATER QUALITY ASSOCIATION  
DELTA RESTORATION COALITION

**VOTE YES FOR SAFE DRINKING WATER, YES FOR RELIABLE WATER SUPPLIES, YES FOR JOBS, YES FOR THE ENVIRONMENT AND YES FOR CALIFORNIA'S FUTURE.**

**YES ON PROPOSITION 204!**

**JIM COSTA**

*Chairman, Senate Agriculture and Water Resources Committee*

**STEPHEN HALL**

*Executive Director, Association of California Water Agencies*

**GERALD H. MERAL, Ph.D.**

*Scientist, Planning and Conservation League*

### Rebuttal to Argument in Favor of Proposition 204

We weren't aware of any water crisis until we read the proponents' argument. We suspect that these scare tactics are meant to convince you to support yet another big government public works boondoggle. Remember, using bond financing almost doubles the cost of any government project. Taxpayers can't afford Proposition 204. Let's look at the issues:

**INCREASE WATER SUPPLIES**—Residential customers use only 15% of California's water, but have to subsidize the agricultural and commercial customers who use 85%. If big water users had to pay the real cost of their water, prices would fluctuate according to supply and lead to conservation, as cost-effectiveness would become a major concern.

**PREVENTING WATER POLLUTION**—Those who pollute our rivers and lakes should be held fully responsible for the damage they do. Taxpayers should not be put on the hook for damages caused by private businesses and individuals. In cases where government officials are responsible for the pollution, we

don't need to give them a blank check to clean it up.

**HELPING OUR ECONOMY AND JOBS**—Reliable water supplies alone won't create jobs. We need to cut the size and scope of government, slash taxes and repeal regulations so that businesses can create new jobs.

Many of Proposition 204's provisions could cause serious damage to private property rights. Armies of bureaucrats will march through the Sacramento Delta to impose rules and regulations. Then taxpayers will have to pay \$1.7 BILLION in principal and interest over 25 years. Please vote NO.

**JON PETERSEN**

*Treasurer, Libertarian Party of California*

**DENNIS SCHLUMPF**

*Director, Tahoe City Public Utility District*

**TED BROWN**

*Insurance Adjuster/Investigator, Pasadena*

# Safe, Clean, Reliable Water Supply Act.

# 204

## Argument Against Proposition 204

California's bond debt now approaches \$25 BILLION. Taxpayers must pay \$3 billion EVERY YEAR. Now Sacramento politicians want to add another billion. Proposition 204 is too expensive! \$995 million in bonds means a total of \$1.7 BILLION in principal and interest over 25 years. As usual, taxpayers have to pay . . . and pay . . . with no end in sight.

And just what are we paying for? Proponents claim this measure will "ensure safe drinking water . . . clean up pollution in rivers . . . protect fish and wildlife," etc. When has the government ever succeeded in doing any of these things? You are more likely to hear about government policies CAUSING unsafe water, CAUSING pollution and INJURING fish and wildlife.

When the government diverted water from Northern to Southern California, it created problems with saltwater intrusion into freshwaters. As a result, the Sacramento Delta became degraded. This new measure seeks to "protect" the very same delta. As usual, the remedy for government mistakes is to spend more of our money to correct them. These flawed government water development policies caused the selenium intrusions into the Kesterson Wildlife Refuge and Reservoir near Merced and the resulting environmental nightmare.

Proposition 204 contains a laundry list of water projects, mostly in the Sacramento Delta area. How do we know if any of these projects are worthwhile, or if they are "make-work" projects to fill the wallets of politicians and their big-money contributors? These projects should be voted on and funded at the LOCAL level, where voters have first-hand knowledge about their necessity. The rest of us lack enough information to decide intelligently.

There's also the issue of whether taxpayers all over California should have to pay for projects in one small area. Proponents

claim there is a "water crisis" and that this measure has state and national importance. They sure haven't demonstrated why. It smells like a big boondoggle to us.

The most curious part of Proposition 204 is \$390 million designated for a "Calfed Bay-Delta Ecosystem Restoration Program." A consortium of five state agencies and five federal agencies wants to create habitats, protect wetlands, introduce species management, and protect fish. We are suspicious of this program, as we are of any program that would bring together armies of bureaucrats from ten different agencies. By its very nature, the program would likely violate private property rights. Why impose strict, mostly unnecessary environmental regulations on private citizens? "Wetlands" can mean anything that bureaucrats decide it means. Homeowners have run afoul of such regulations for minor acts like filling in puddles in their backyards. Some have even gone to jail. Proposition 204's loosely defined provisions are steps toward even more bureaucratic tyranny.

We favor protecting the environment—that's why we want government bureaucrats far away from our rivers, streams and wildlife. Look at the fine print. Proposition 204 means more bureaucracy, less protection of our natural environment, and \$1.7 BILLION of our hard-earned dollars for 25 years. Please vote NO.

**GAIL LIGHTFOOT**

*Chair, Libertarian Party of California*

**DENNIS SCHLUMPF**

*Director, Tahoe City Public Utility District*

**TED BROWN**

*Insurance Adjuster/Investigator, Pasadena*

## Rebuttal to Argument Against Proposition 204

Our economy, jobs and quality of life are dependent upon a safe, reliable and sufficient water supply. Proposition 204 balances the needs of the state's economy and environment to provide the foundation for a comprehensive solution to our state's water problems.

**SOUND INVESTMENT.** According to California State Treasurer Matt Fong, "Proposition 204's \$995 million investment in the state's water supply and delivery system is a very prudent investment to sustain and expand California's \$750 BILLION economy. This is a vital investment in our state's future."

**NO TAX INCREASE.** Proposition 204 does not increase taxes, it simply uses existing revenues to improve our water supply system.

**STATEWIDE PROBLEM, STATEWIDE SOLUTION, STATEWIDE BENEFITS.** California's water problems affect the entire state. Proposition 204 focuses on resolving critical water quality and environmental problems that impact our ability to provide safe drinking water for all Californians.

**BROAD AND DIVERSE SUPPORT.** Contrary to what some would have you believe, Proposition 204 is not about more government intervention. Proposition 204 was developed by a broad and diverse coalition of businesses, farmers, environmentalists and local water officials from all regions of the state concerned about SOLVING problems, not creating them.

**COST EFFECTIVE.** Proposition 204 is also cost effective because it generates federal matching dollars to help solve high-priority state and local water problems.

An investment in a SAFE WATER SUPPLY is an investment in our FUTURE.

**VOTE YES ON PROPOSITION 204!**

**THOMAS S. MADDOCK**

*Chairman, California Chamber of Commerce Water Committee*

**DAVID N. KENNEDY**

*Director, California Department of Water Resources*

**SUNNE WRIGHT McPEAK**

*President, Bay Area Economic Forum*

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Malca Chall

Graduated from Reed College in 1942 with a B.A. degree, and from the State University of Iowa in 1943 with an M.A. degree in Political Science.

Wage Rate Analyst with the Twelfth Regional War Labor Board, 1943-1945, specializing in agriculture and services. Research and writing in the New York public relations firm of Edward L. Bernays, 1946-1947, and research and statistics for the Oakland Area Community Chest and Council of Social Agencies 1948-1951.

Active in community affairs as a director and past president of the League of Women Voters of the Hayward Area specializing in state and local government; on county-wide committees in the field of mental health; on election campaign committees for school tax and bond measures, and candidates for school board and state legislature.

Employed in 1967 by the Regional Oral History Office interviewing in fields of agriculture and water resources. Project director, Suffragists Project, California Women Political Leaders Project, and Land-Use Planning Project, and the Kaiser Permanente Medical Care Program Project.









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