

Don Cox

2002 - 2003

JAY MALINOWSKI

Here's what I'd like to do for the purposes of the tape, and I'll explain to you what we're doing. We take this tape and we have it transcribed so it's all written out. Then I will send you a copy of that transcription, and you can look it over and make sure that it's okay. Make any edits that you want to make and send it back to me. We will finalize it and it will become part of the permanent record at the Colorado River Board.

This way they'll have your thoughts. So I'm just interested in kind of free thinking. I'm not a part of this. I mean, I'll ask a question just to get you going, and some of my questions may sound kind of silly, because you know I've been around the Colorado River for a long, long time . . .

DON COX

Right.

JM

. . . but I have to ask them for the purposes of getting it on tape and making sure that, again, 40 or 50 years from now whoever is watching this or reading it understands what the question was. So if I ask a silly question from time to time, forgive me.

DC

Where do you want to start?

JM

Let's try to do it chronologically as best we can and just talk about when you came to the Imperial Valley and how you got your start. I mean, none of us, when we were in grammar school or high school decided we wanted to be water guys or farmers or whatever the case was. But at some point, that came to you and that's what you decided to do. So that's where I'd like to go. How did you get here, for what, when are we talking about and we'll just work up to your time on the board and your time on the Salton Sea Authority and whatever else comes to mind.

The basic interest, and kind of keep this in the back of your mind, the basic interest is, how has California gotten to this point with regard to the Colorado River? How important is the Colorado River? What were some of the important decisions made by you or by others regarding the use of Colorado River water then and now, and things like that. Now, we can go back to the break in the levee . . .

DC

Yes.

JM

I mean, you weren't here, but certainly you're very familiar with IID's history and all that kind of stuff. So let's go back to the beginning when you found yourself involved in water . . .

DC

Okay, I think we'll probably start when I was in high school. I had an uncle who was farming in Tustin, and he was leasing some farm land from Irvine and I'd go down there in the summertime and work for him. So I kind of developed an interest in agriculture and then when I got out of high school I went into the Navy.

JM

What year was this?

DC

I graduated in '45 from Hoover High in Glendale. My dad was an airline pilot.

JM

Oh, is that right?

DC

Yes. I majored in Agricultural Economics at Berkeley, went to Davis for one year to take some courses in agriculture that I couldn't get at Berkeley and when I got out of Berkeley, my uncle was ready to retire. He was farming at Lakewood, east of the Long Beach Airport on the San Gabriel River. My dad, during the war, had an opportunity to buy 160 acres, so I started farming that 160 acres and my uncle had about 400 or 500

acres. I picked that up, so I started farming lima beans and alfalfa.

JM

In Lakewood/Long Beach?

DC

Yes. That only lasted about a year and a half. A subdivider came in and wanted the land for houses. So we started looking around for a place to go, and this looked like it had the best water and cheap land and, . . .

JM

You mean here in Imperial Valley?

DC

In Imperial Valley, yes. So, Barbara and I moved down here in 1952, January of '52, and I started farming. Stayed pretty much out of water politics until, oh, it must have been about the late '70s or early '80s. I was so busy trying to make a living and raising kids and all of that, you know, didn't have much time for water politics. But anyway, we were getting a lot of pressure from the bureau (of Reclamation) to become more efficient. Then the Elmores (a farming family near the Salton Sea) were getting flooded so they went to the State Water Resources Control Board and alleged that we were wasting water.

JM

Okay, you're talking about the Elmore suit with regard to the rising of the Salton Sea?

DC

Right. They were getting flooded, and so when we went to court the district didn't

do a very good job. All the Elmores wanted was for the IID to take care of the levees and provide drainage so that the sea coming up wouldn't bother (their farming operation). The district told them to get lost and we ended up at the state board. They had some hearings and came up with Decision 1600, which said that we could save some water. They came up with Order 8820, which told us to save 100,000 acre feet of water. 1988 is the year that that order came out.

JM

Okay.

DC

This all was preceded by four or five years of wrangling back and forth and testimonies and trying to get different things done. When they came out with the order, MWD jumped in and said, well, you know, we'll pay the bills if we get the water. That sounded like the best game in town at the time, so that's what we did. And of course, Boronkay (Carl Boronkay, General Manager of MWD at the time) was right in the middle of that.

JM

Right.

DC

So that's when I really got interested in water politics. How were we going to save the water.

JM

Were you on the board at that time, or you ...

DC

No.

JM

Okay.

DC

I think there was only one farmer on the board at that time and four people who weren't farmers and we went to the board and asked them to form a Water Conservation Committee made up just of farmers. Each director appointed three farmers to this conservation committee and I was one of the founders. I think I was the second chairman of the Water Conservation Committee. This happened in the late '70s and the early '80s.

JM

Okay.

DC

After we started the conservation (program) with MWD, we weren't too sure what we were doing. So we put meters out to measure our tail water and delivery water to see what kind of deliveries we had and how we could move the water around. We were complaining about the deliveries going up and down and oscillating, making it very difficult to have a decent run.

DC

We spent about 10 years learning what we were doing. Some of this started before Order 8820 went into effect. The district was charging \$1 an acre foot on the water for conservation. What we were mainly doing at that time was lining the canals and keeping the seepage down. We were also

financing meters to go see what we were doing with our tail water.

JM

When you started farming here in the early '50s—how was water measured? How did you pay for water? How did you know how much to pay for water?

DC

The district is on a pay-as-you-go basis. We're not a for-profit organization, so we're just covering costs.

JM

Right, but as a consumer of water, you were farming. How did you know how much to pay?

DC

Well, it wasn't very much. I think we were paying, like, \$2 an acre foot when I first started farming here, and that's pretty cheap. But they would measure at the gates. All the gates were set up to where they were measured with a yardstick. You would measure the pressure on the opening and you had a book that told you how much water you were delivering.

JM

That doesn't sound . . .

DC

And so they would charge by the acre foot or second foot.

JM

Okay, that doesn't sound very accurate, but . . .

DC

We're still doing that today. But it's very difficult to measure water. You don't do it exactly. Most are within 10 percent even with the new electronic and sonic devices, it's awfully difficult to measure water very close. If you get within 10 percent, you're really doing well. A good zanjero will hit it pretty close. You put meters behind the gates and see how he's doing. The biggest problem is that water is not a stable commodity. It's dynamic and it moves and oscillates. We have some gates that are probably not within 20 to 25 percent of what the farmer orders. But there's some gates that are very stable. Depends on the size of the ditch and the elevation of the water above the field and a whole bunch of things.

JM

Okay.

DC

We spent quite a bit of time just learning. Went and hired a guy named Charles Burt. In fact, that was the first thing I did when I got on board. I had about six months after I was elected before I took office. I spent the six months traveling the state talking to people to find out who knew about farm water and didn't find very many guys. Most of them were engineers and technicians and had a lot of theories, but not a lot of experience in the field. Charles Burt was one of two guys; another one was Blaine Hanson at the University Of California at Davis. Burt was at Cal Poly and they published (with his mentor, a fellow named Merriman) a booklet called Farm Water Conservation. (It was) about 30, 40 pages.

It's still my bible. It's awfully good on how to save water—on-farm water. Burt told us about lateral interceptors, MWD put in three of them and I wish we'd spent all our money on those. They worked really well.

JM

And what do they do on the farm? I mean, tell us how a lateral interceptor functions in terms of conserving water.

DC

Well, the IID is a gravity flow system, and so you put the water in and you divert it. We've got about 1,700 miles of delivery ditches. Water comes in one ditch, down the All-American Canal, and then we start dividing it up, and we may have 600 or 700 different heads running any given day. Summertime, when the weather warms up, naturally, we're running more water than when it's cold. When you run gravity flow, you don't get your water exactly as you want it. You have to run a little operational water. So you're lucky to keep that below five or six percent. That doesn't seem like much water 'til you multiply it by three million acre feet. We were having 150,000 acre feet of canal spill. This was water that was running past the gates and you couldn't dump all of the water at the last gate on the farmer because you'd mess him up. So rather than do that you would let a little bit of water go on out the tail end of the ditch into the rivers and out to the (Salton) sea.

JM

Okay.

DC

And so of the million acre feet of water that

we were running to the sea, about 150,000 of that was canal spill. You'd build these (laterals) and pick the water up instead of letting it go into the river. You run that down to a reservoir and re-divert it someplace or pump it back.

JM

Okay. So that prevents that water, anyway, from getting to the sea?

DC

Yes, and it's really easy water because you're not affecting anybody. It's not like tail water where the farmer has to go out there and put a lot of work and effort and keep the water on the field. That is a lot more difficult and creates a lot more problems.

JM

Right.

DC

So anyway, it's kind of problem-free and everybody wants to do it. It really improves your delivery service. The farmer will get a lot better head, he can shut his water off when he's through, whereas, if you don't have that delivery and the farmer finishes up early it's just going out the end of the field. If he goes up and shuts his gate, then there's no place to put the water. You have to try to back it out and find someplace to go with it.

JM

Right.

DC

But when you have interceptors – (it) gives you a lot more flexibility and you can do a

lot more things with your own farm water.

JM

It sounds like you were somewhat sympathetic with the Elmore's claim or the Elmore's position at the time. Is that a fair statement, or . . .

DC

Several of us went to the Elmores and tried to keep them from doing it (suing the district), saying that we would get the district to come in and treat them a little better. But they'd gone so far at the time they said they had to keep going.

JM

Were you on the board when that was settled?

DC

No.

JM

Okay, When were you elected to the board?

DC

I went on the board in January of '89.

JM

Okay.

DC

The order came out in, somewhere in the middle of '88.

JM

Right.

DC

The first month I was on the board, we

approved the arrangement with MWD to come down and pay for the conservation.

JM

Okay, were you involved with MWD in the negotiations of that agreement or . . .

DC

Yes, somewhat.

JM

And what . . .

DC

They said that they would pay for everything, and so the next couple of years, we decided what to do. We had a lot of meetings with them on how to save the water and how to handle the payments and what have you.

JM

Okay. So in your mind, that was actually a pretty good program for everybody.

DC

Yes, except I didn't get to do what I wanted to do. I wanted to put in more return systems and more interceptors and less lining. I thought our problem with the state was that we were wasting water, they were concentrating on tail water. And we ended up spending very little money on tail water. We spent it on deliveries and we spent it on lining ditches. I don't think that we spent that money very well. I didn't think so at the time, and I still don't think we did.

JM

Let's talk a little bit about—and with an appreciation for the fact that you weren't

politically involved when you first moved to the valley—but how long, well, let me ask you this question, how long did you actively farm? When did you stop farming?

DC

When I got on the board. I had two sons and a son-in-law and they'd been around long enough that they didn't need me. Farming is an operation (where) you need to make instantaneous decisions. You don't need three or four bosses out there arguing about what to do. And so anyway, it looked like there was going to be plenty to do with the district and the kids had been around long enough to know what to do if they were ever going to know what to do, so . . .

JM

Had you expanded your holdings by then, or you still just had the 160 or . . .

DC

No, at that time I was probably farming about 2,000 acres. I got up to 3,500 acres one time. I'm too much of a hands-on guy, and so anyway I cut back to about 2,000 acres. So anyway, we divided the ranch up into some pieces and let the kids go out and lease some ground on their own.

JM

I see.

DC

So they are farming, three, the three boys are farming separately.

JM

Okay.

DC

And they're each farming some of the company, the family ranch and leasing on the outside to make an economical operation.

JM

Okay. So that leads me to my question. If you farmed in this area roughly from 1952 to roughly 19 . . .

DC

Almost '90.

JM

Can you talk a little bit about the changes that occurred, have occurred in the valley? I mean, that's almost 40 years. . . .

DC

Well, you know, the water management part of it has changed quite a bit, when I first came down here they ran a lot of water through the system. Probably 40 percent of the water that came into the valley ended up in the sea. So as time came on, the bureau started putting pressure on us, and then the state came down with 1600 and 8820. We developed a triple charge program, which was a penalty if you had more than 15 percent tail water for more than a certain period of time, and (it) really made life miserable . . .

JM

For the farmer?

DC

For the farmer and the district. The zanjeros ended up with battles and all kinds of things going on out there. I spent quite a bit of my last 10 years of farming trying to

figure out how to save water and not have it be such a hassle, and I came up with the idea that I could probably go to zero tail water if somebody gave me enough money. I needed a reservoir and a pump and some flexibility at the gate and all these kinds of things. This was the argument I was making with the district. We can save water, but it's going to be a heck of an effort and it's going to take some money. Just give me the tools and I'll go ahead and do it. But I think that I should be compensated for doing that. I shouldn't just go out there and have to do all that work and save the water and give it to somebody else without some kind of compensation, and maybe some profit.

JM

Were there others in the valleys thinking the same thing or . . .

DC

Not very many.

JM

Okay, so . . .

DC

So that's why when we worked the deal out with MWD that we basically ended up with lining ditches and the 12-hour program and the lateral interceptors. To me, the only good thing we came out of the deal with MWD was the lateral interceptors.

JM

Okay.

DC

And we're saving probably about 50 percent of our water that's going to MWD.

JM

Okay. Even though you weren't politically involved in the early '50s, what are your thoughts about the relationships among IID, Coachella Valley Water District, Palo Verde Irrigation District, the bureau or maybe you were isolated from that and just didn't even think about it?

DC

It soon became apparent, when I got into the water politics, that Coachella was the thorn in our side. They were our enemy.

JM

Well, again . . .

DC

And we didn't want to have an enemy.

JM

Right. You need to explain that. Why do you say that?

DC

Well, the way the water rights are established, the ag area, California gets its 4.4.

JM

This is one of the stupid questions I have to ask because . . .

DC

The ag area gets the first 3.85 (3.85 million acre-feet from the Colorado River), and Palo Verde gets the number one priority. They diverted their water first, and in water rights, it still holds, I don't know for how much longer, but first come, first served. First guy using the water gets the water right, and so Palo Verde gets all the water

they can use on their 90,000 acres, and then comes the Queshon Indians, and they're number two. When they came down to number three, IID was number three, and when they put that together, which was in the late '20s, they were kind of dividing up the new water that was going to show up when they put Lake Mead in. Coachella wasn't diverting any water. All they had was their ground water, so Coachella applied for river water. Well, we had enough political clout at the time that we weren't going to let Coachella come in and have a right equal to ours.

There was some idea that maybe Coachella and IID would operate as one district, but Coachella, in fact they had a board that voted to do that, and two days later they had a new board. They didn't want that at all.

JM

This was sometime prior to the compact, I ...

DC

This had to be in the late '20s sometime.

JM

Okay.

DC

And when they were trying to get the Boulder Canyon Act together ...

JM

Right.

DC

... and Coachella was going to piggyback

on that . . . the All-American Canal . . . was part of that. They were going to hook onto the All-American Canal and get some rights to Colorado River water because they were very limited and were overdrafting their ground water. That's all the water they had. They were farming about, as close as I can find out, about 10 to 12,000 acres on ground water.

JM

Okay.

DC

So anyway, they applied for surface water for about 45,000 acres, and ...

JM

Right, okay.

DC

... Colorado River water. They weren't able to get the support of the IID to give them an equal right, and so in 1934 they approved what they called The Compromise Agreement. And this gave IID a superior water right for priority three. If there wasn't enough water to take care of Coachella, IID would come first, and that's still in effect. The QSA (Quantification Settlement Agreement) gets into that thing and undoes some of it. I'll explain that a little later if you want.

JM

Yes, I do.

DC

So anyway, Coachella didn't get things put together and divert any water out of the Colorado River until 1949, so there was

quite a few years in there, and that's when Lowell Weeks showed up, and he became the general manager of Coachella. My understanding is that he took the board aside and said, look, we don't have very good water rights. We've got the compromise agreement with IID, and the only thing that can save us is that they have to put their water to reasonable, beneficial use. If we can convince everybody that they're wasting water, he says, we'll never run out of water. My understanding is that he took his board aside and said, look, you've got to go and join every water committee west of the Mississippi, and you need to get on their boards and their committees, and every time you go to a meeting, you talk about the Imperial Wasters. We've got to convince everybody that Imperial is wasting water, and they've done one hell of a job.

JM

As an aside, didn't Lowell work for IID at one point?

DC

Yes, when he was in high school and college he was working for the IID as a surveyor. He was raised in Holtville, and I asked him what would it take to get you to come to work for us? This was when I first got on the board. I've been asked, he said, (but) your politics is too crazy. He said, I don't want to get mixed up with the politics down there. He said, board members are always micro-managing, and he says, they're all helter skelter. Up here, he says, we've got some direction, and we can run an irrigation district. He went out before I got on the board. They brought Tom Levy

in and spent 10 years training him. Did a hell of a job. I wish we had somebody that foxy.

JM

So as you neared the end of your career on the board, did your thoughts about Coachella soften any or, . . .

DC

I respect them, and they're doing what they have to do and they're doing it well. I don't necessarily agree with what they're doing. I think that they've really taken advantage of us, which is our fault. I just think that we've been outfoxed.

JM

I want to go back to that. You said you think they've taken advantage of IID and yet Coachella continues to cry poor. . . .

DC

Well, sure. They would like more water. It depends on how you want to look at it. If you look at their demand area, which is the area that's piped and they can get Colorado River water to, (it) is about 45,000, let's say it's a little over 40,000 acres. And then there's another 15,000 that they're growing crops on that (they) don't have any surface water (for), that's just on ground water. And so they're over-drafting more than 100,000 acre-feet on say a little over 50,000 acres, and so they're over-drafting at a foot and a half to two feet per acre, of their ground water. But what they've done is that they've allowed people to come in, they've got grapes growing way up the hills and clear down to travertine rock. They haven't

had any control on their growth. I'm not sure what they're strategy was, but I guess one could say that we'll just grow and somebody will bring the water to us, we weren't smart enough to go in there and try to control that. I don't know if we could have, but we just kind of kept our head in the sand and let these people develop. Now they've said that they're in terrible shape. They need 500,000 acre-feet of water . . .

JM

Right.

DC

If you take the ground water that's going to the cities and the golf courses, there's probably only 50,000 feet of ground water that's available for ag with a normal recharge.

JM

50,000 acre-feet a year?

DC

50,000 acre-feet a year, and then they say 300,000 that's river water. So here's 350,000 acre-feet of water Basically that is all the ag water they've got. The 300,000 acre-feet is subject to the compromise agreement. It says that if we need the water we get it and they don't. The QSA starts changing all this. We would be capping our usage at 3.1 million acre-feet.

JM

The QSA, by the way, stands for . . .

DC

The Quantification Settlement Agreement includes guaranteeing MWD a full aqueduct for 15 years.

I was for capping the QSA. Capping our usage at 3.1. I thought that was fair and reasonable. But when the QSA started talking about selling water to Coachella for \$50, I didn't want to support that. I ended up going along with it because I always felt that the Salton Sea was going to come in and kill everything. John Carter and David Osias had pretty much convinced the board that we were really going to be in big trouble if we didn't go ahead with the QSA. The other thing the QSA does, it gets in and tampers with the Compromise Agreement.

It says that if there's a shortage for priority three; for Colorado River water, that instead of Coachella taking all the hit, Coachella will only take 25 percent of the hit and IID will take 75 percent, and this really changes things. And they said, well, this is just a temporary solution until this thing is adjudicated in court. They never really convinced me that what they were doing was good for IID, and I still think it's bad.

JM

The QSA?

DC

The reason they said they had to go ahead with the QSA was that they were worried about our reasonable and beneficial use, and that this was going to buy us peace. Coachella said that they would, if we'd do all of this, they would leave us alone and the other entities basically said they would go along with that for 20 years. I think it's a bum deal, and I don't know what's going to happen. It wouldn't make me unhappy if

the whole thing died. I think the one thing that the EIR does, besides spend a lot of money, (it) let's everybody know that we can't just go out and conserve water without worrying about other things.

JM

Like?

DC

Like the Salton Sea. What it's going to do to the Salton Sea. Is this okay to go into this just a little bit?

JM

Oh, sure. Absolutely.

DC

There's about 450 million tons of salt out in the sea. At the level it is now you have a certain concentration—so if you start reducing the flow, you start doing conservation and sending that water off someplace else, it's going to reduce the flow of water to the sea.

JM

Correct.

DC

It'll shrink the sea. It'll lower the elevation and make it smaller. What's it do to the salt? The same amount of salt is still there.

JM

Right.

DC

Plus, we're putting four million tons of new salt in . . .

JM

A year.

DC

. . . a year, so if you're going to try to save the sea, and it costs so much a ton to remove the salt, and you can only get it up to a certain concentration so if you do something to reduce the flow to the sea, it's going to make it a lot more expensive because you have to take a lot more salt out. If you were to shrink the volume in half from where it is now, you have to take out 225 million tons of old salt. Say there's 450 million tons there. You cut it down to half. You want to keep the same concentration. Now you have to remove and handle and process 225 million tons of salt. Well, if that costs \$4 a ton, let's see, that's a billion dollars. If you leave the elevation the same and you can live with that, then all you have to do is handle the new salt, four million tons at \$4, that's about \$18 million a year. If you're going to (spend) a billion dollars over 20 years. What is that, \$50 million a year?

So you go from a cost of say \$18 million to \$50 million because you cut 300,000 (acre) feet of water out of the sea. Is that economical? Is it good? I don't know. I'm saying that we should have these discussions, and this whole EIR is set up where it does not look at any of the plans to restore the sea. They say right up front that this thing has nothing to do with the restoration of the sea. All it does is mitigate the damages to the sea.

JM

Well, how do you feel about the restoration or repair or rejuvenation of the Salton Sea, whatever word you want to use, being tied to the QSA and interim surplus criteria and all that. Should they be . . .

DC

I think the whole thing is all integrated. I don't think you can do one piece without the other piece in today's society. Personally, I'm not a big fan of the Salton Sea. That thing's a big train coming down the tracks. I don't want to be laying on the tracks when it gets close to me. And I think (having been on) the Regional Water Quality Control Board for a while, I got a pretty good idea of how these regulators work. . . the dynamics of some of these things, and a lot of this doesn't make sense to me, but it happens. We know what's happening at the (Sacramento-San Joaquin) Bay Delta. When the smelt count gets up to a certain point you have to shut your pumps down and . . .

JM

On the State Water Project?

DC

And Mono Lake, and Owens Lake, and there's a lot of things happening that I'm not too sure about. The only thing is, I know that they're happening, and the environmentalists in this society today have a lot of power and the courts often will support them. I kind of think that that's probably what's going to happen at the sea. The State Water Resources Control Board is trying to avoid making a decision on whether the sea should be saved or not.

So if the SWRCB, whose main purpose in life is two things, water rights and water quality -- if they don't want to determine the fate of the largest body of water in the state, who's going to do it? Well, I think it's going to be some environmental group and a judge and how are they going to rule? I think we're foolish in setting ourselves up for some potential lawsuits by killing any program to save the sea. And that's basically what's going to happen if we do the conservation here. We will have given the restoration plan a death warrant.

So to me, if we're going to be saving water and trying to transfer it here you got that big body of water out there that's got all this wildlife and supports all these birds and fish and things and the property owners . . . is it worth it? What are we trying to do?

JM

Was the Salton Sea an issue back when you moved into the valley? I mean, was it a big deal or . . .

DC

Yes, it'd hit the paper every once in a while. It was rising and there would be some flooding suits . . .

JM

Back in the '50s?

DC

Yes.

JM

Was it used by people? Was it a recreation spot?

DC

Yes, it was. They introduced fish some time in the '50s and it really took off. And when my boys were growing up, we used to fish a half a dozen times a year and catch those 25-pound corbina. You didn't even need bait on the hook.

JM

What did you do with the fish when you caught them? Were they edible or . . .

DC

We didn't know about selenium in those days and they tasted pretty good. We didn't eat a lot of it, but they were good fish.

JM

Let's spend a little bit of time on the State Water Resources Control Board. When did you serve on that board and in what region?

DC

It was Regional Water Quality Control Board, region seven. It's up in the Palm Desert (area) and I spent about 10 years on that board,.....

JM

Between when and when?

DC

I went on that board when I went on the (IID) district board, and then right after that they formed the Salton Sea JPA (Joint Powers Authority) and I went on that. I was on the Colorado River Board about that time, too.

JM

Right.

DC

And when the Bass Brothers came down here, I got tangled up with them. I resigned from the Colorado River Board.

JM

Because of the Bass Brothers or just because of the politics that was going on or . . .

DC

Mostly. Well, I was going one way and my board was going the other way. I didn't think that the Bass Brothers should come down here and buy up ground and sell it for the water . . .

JM

Okay, since . . .

DC

. . .and then take the profits.

JM

Since you brought up the Bass Brothers, that was a big deal at the time.

DC

It was huge.

JM

Let's take a little bit of time on that. We'll set aside the Regional Water Quality Control Board, but I want to come back there.

DC

All right.

JM

But let's talk about the Bass Brothers because you were pretty much in the middle of that.

DC

I was. I was probably the only guy that was fighting the Bass Brothers for some time. It wasn't long after Palo Verde (Irrigation District) put their transfer deal together.

JM

With MWD?

DC

With MWD, and that was, I think '90, about '92. So anyway, the first thing I know, I think it was late '94 or early '95, I got a call from Jeff Moore, and he said that Arden Moore, who was with Western Farms, wanted to have breakfast with me. We had breakfast at Ethel's and he was asking about water rights and selling some water. I asked him how much he knew about our water rights and the politics of our water.

He told me that he got involved because of Palo Verde, but we had a lot more land and water over here. So he thought this would be a better place to come. And I said, I don't know who's giving you your information, but I said, I think they're leading you astray. I said, Palo Verde('s Board of Directors) is basically one acre/one vote. At least it's tied to the land. And you have to be a land owner to be on the board of directors. That makes all the difference the world.

I said, here, it's one man/one vote, and we are in the power business (as well). Everybody uses power, so everybody's

interested in power. Not everybody's interested in water. I said, I think you're going to have a lot more difficulty in buying land, taking the water and selling it to somebody. Whoever's giving you advice, I said, I don't think you're getting your money's worth. About six or seven months went by, and then I heard they were starting to buy some ground down there.

I was already on the board. I think that was about my sixth, fifth or sixth year when they showed up, and the next thing I knew, they were coming into closed sessions.

JM

Your board?

DC

With our board. Their attorney . . .

JM

Oh, the Bass Brothers' attorney?

DC

The Bass Brothers' attorney and John Carter, and then I heard that they were meeting with John and our, acting manager, Bob McCullough, and Jesse Silva, and that they were talking almost every morning. So anyway, I ratted on them and made an announcement at one of our board meetings . . . what they were doing, and that I didn't think it was right. I didn't think that they should be coming to, talking to the board in closed sessions and buying up ground and trying to transfer it in secret. This should be open, open to the public.

And so anyway, all hell broke loose, and they tried to find ways to discredit me and

had the other four board members working with them. They asked me to step down from the Colorado River Board, and . . .

JM

Your board asked you to step down?

DC

Yeah.

JM

Okay.

DC

And so anyway, I said, that's fine. I said I don't want to have to be gagged in what's happening around here. I want to be able to talk freely and not interfere with our workings with other people. I said I think this is going to be a full-time job. They bought up about 40,000 acres, about 10 percent of the valley, and it didn't take long for public reaction. The paper picked up on it, different groups of people picked up on the thing, and pretty soon it was pretty much a dead dog for them.

JM

What was the Bass Brothers' money in, oil?

DC

Oil and cattle.

JM

Oil and cattle. Okay.

DC

That and they had gotten some money from their dad, and they had a pretty astute investor, and they then went out bought and sold things and what have you. But

anyway, this guy, in four or five years, doubled and tripled their wealth.

JM

I've never understood, and maybe this is for me more than the tape, why couldn't they understand how water rights in IID worked? What caused them to believe that they could literally own the commodity that is water and have it themselves?

DC

Well, the thing they didn't understand, they saw it happen in Palo Verde and they thought that things were similar enough that it could happen here. I think they felt if they could act quick enough and got the board, if they (had) gotten me, they might have been able to go a little farther than what they did. I don't know how far they could have gotten, but they underestimated the political situation here and they thought all they had to do was get control of the board and they could make things work. But politics down here isn't quite that simple, and the board knew enough that they couldn't actually get it done without really riling up the public and maybe having a recall.

They finally came out in the public and tried to convince the public that it was a good deal for everybody. I think they just plain got some . . . They just got some bad information.

JM

Wasn't the fallowing of land a very big deal at that moment because they were going to take quite a bit of land out of production and . . .

DC

. . .Well, in 1992, I can remember this because the rains came in '93, and I had been on the board and I was trying to get a deal—a test fallowing program set up between IID and MWD and actually went to the Board of Supervisors. I was the chairman of our water committee at the time, and this was before the Bass Brothers came and I was getting along with my board pretty good. So anyway, they gave me approval to go to the Board of Supervisors with a two-year test fallowing program for 100,000 acre-feet of water that was going to be generated with fallowing.

Well, the Board of Supervisors said that if it became apparent after the first year that it was going to do too much damage to the community, that the program be called off.

JM

That would represent, what, 20 to 25,000 acres, something like that?

DC

Something like that. And so anyway, we were all set up to go, and we went up to Sherman Oaks, and we'd gotten on, you know MWD has certain procedures, different colored sheets. I think we were on a pink one or green one or something where it has to go through the different committees?.

JM

I probably need to explain a little bit for the transcription. Metropolitan's board process at the time was that a sheet of paper was color coded as it went to the board. If it was green (for example) they

couldn't act on it, it was only for discussion. And then after it had been discussed for one board meeting, then it could come back to the next board meeting on a white sheet of paper and it could be acted on. There were some other colors as well.

DC

Well, we got to the right color where we could sit down and try to work some terms out. We met with (MWD General Manager Carl) Boronkay and (MWD resources specialist Bob) Schempp and, and.....

JM

(Tim) Quinn maybe? (Debra) Man?

DC

No, Jan....

JM

Oh, (MWD Colorado River specialist Jan) Matusak?

DC

Matusak. This may be a little longer than you'd like.

JM

There's no such thing, just go ahead.

DC

We talked to David Osias (IID consulting attorney) on the phone, our water committee here, and John Carter (IID consulting attorney) and Chuck Shreves (IID general manager). And me and Ralph Mendell. Boronkay had warned us. He said, look, I can't give you anymore than (we gave) Palo Verde. It'd just be politically impossible to give you guys (more). So if that's not

enough, don't even bother me. So anyway, we told David Osias, who's over in San Diego at the time, and we're going to be going to Sherman Oaks the next day, that this is what Carl had said and that we thought for a test program with this, let's just take what Palo Verde got and let's don't try to quibble for anymore because we're running out of time.

It was already October and the rains may come and we may get shot down. We'd had seven years of drought. And so anyway, John Carter drove over to San Diego and he and David flew up and we took a private plane up, Shreves and me and Ralph. We got there a little before David and John. Carl and Bob were already there. So anyway, David and John showed up about 20 minutes late and David started talking and he said, you know, before we go too far I need to let you know that Palo Verde didn't have all the bases covered.

They weren't covered on liability and that we need to be covered on liability. He had about a dozen different things, and the only one I can remember was a situation where you quit farming and the gophers come in and so then two years later you start farming the ground and put water on it, and the gophers go over and eat up to your neighbor and you got a lawsuit. Well, he had a whole bunch of those kind of things.

And so anyway, he talked for about 10 or 15 minutes and Carl said something about, where are you going with this? He said, you know, we told you can't . . . we can't give you any more than we gave Palo Verde. And

David says, well, we've got to have \$50 more (per acre-foot). And so anyway, I got really teed off and I called a time out and went out into the next room over there, and I said, David, you just screwed everything up. I said, you know, we needed to try this thing, and I said, I don't know when it's going to start raining again, but we had this thing all set up where they could take it back and get it approved and get going.

About two months later it started raining and they didn't need our water.

JM

Well, that's true.

DC

Yeah.

JM

So that program never, . . .

DC

Never (got going). It's too bad because the county Board of Supervisors was willing to go along, the paper backed it, and it was just going to be a test program.

JM

Mm hmm.

DC

And I still think that fallowing for four or five years . . . in fact my last year on (the board) when I was running for the office, the last year as a director, I ran on Save Our Water, Save Our Jobs. I was against fallowing, but when I got on the Salton Sea Authority and finally started putting some numbers together to see what it was going

to take. I could realize that we couldn't really conserve the water and save the sea, and that was going to be a big problem . . . that environmental issues were getting big enough that I thought the sea was going to be, I used to call it our black hole, and . . .

JM

Meaning for money?

DC

Well, for money and politics and whatever else you wanted to throw in there. It'd just get eaten up. And I still think that. So anyway, I've completely switched, and I've told everybody, I said, you know, I used to be against fallowing, but to me, if we're going to try to transfer some water and live with the sea and its problems and what have you, and reduce the problems out there, that fallowing is . . . we need to take a look at it and see if there isn't some way to mitigate it.

And I still think that. With the dairies moving out of L.A.—there used to be 500 dairies up in L.A.—the Chino area, and today it's down to about 250. They've moved up to Visalia and San Joaquin and New Mexico.

JM

But you've seen that transition before because when you were farming in Lakewood, they were . . .

DC

They went from Artesia to Chino.

JM

Right.

DC

Well now they're moving away from us and it looked like for a reasonable amount of money, we don't know exactly what that is, but that you could get a dairy to come down. It costs a little more for them because they have to put in the coolers, the misters . . .

JM

For the animals?

DC

To keep the heat down.

JM

Right.

DC

And spend more money on a water system here because we don't have ground water, so they have to spend some money on cleaning up their surface water. And there's a dairy moving down here now without any subsidies, but to me, if we took some of the transfer money and we'd use that to give incentives for dairies to come down here, that probably a thousand-cow dairy would offset the economic losses on a thousand acres of fallowed ground. So if you fallowed 50,000 acres of ground, you might need 50,000 dairy cows, or maybe even up to 75 or 80,000, but it's not that big a deal. It still makes everything work.

I'm trying to get somebody interested in this darn thing, and I ended up with this health problem I've got, and I can't move like I used to. So anyway, everything's kind of, like, running in molasses. And on the political side of things, you can't get too far

ahead of your politics. But I think everybody who gets close to this, it doesn't take them long to realize that if we're going to try to handle the Salton Sea, fallowing is the best way to go. The biggest problem is to remove the new salts. We're going to be short about 60 or 70,000 acre-feet of water to do that and keep the elevation where it is now.

So it's not a simple solution. But somebody, and I don't know who except I said earlier I thought it'd be some environmental group and a judge. Somebody should be making some decisions out there, and it's not going to be the IID, or it's not going to be San Diego, unless they want to take on the economic risk.

JM

But you don't think that either one of those agencies has the kind of the money necessary, do you?

DC

The only one that has the money is the federal government and the state government. Maybe between the two of them.

JM

Okay.

DC

Well, you change the temperatures and you got the property owners there that are all screwed up. You kill the sports fishery and I don't know, but the only thing I'm saying, I'm not going to be the guy to decide. All I can do is put numbers together and say, hey, this is what we got to work with . . .

JM

Right.

DC

. . . now what do you want to do?

JM

Okay, we left the Bass Brothers hanging because we went off on another . . .

DC

Good, good place for them.

JM

. . . because we went off in another direction. Let's go back, let's wrap up the Bass Brothers.

DC

Don't worry about the Bass Brothers. Except I did hear the other day that they had to sell some of their Disney stock to meet a margin call. When that market went down, I guess they got hit pretty hard, but anyway, the Bass Brothers sold out to U.S. Filter, and they probably . . .

JM

Okay, and when was that?

DC

And that had to be, oh, let's just say three years ago. (Estimating 1999)

JM

Okay, so . . .

DC

Three or four years ago.

JM

Okay, so roughly '98, '99?

DC

Yes.

JM

Okay.

DC

... and they doubled their money.

JM

The value, let me ask you about that now .

..

DC

U.S. Filter came in and bought out Western Farms, and Western Farms evidently had convinced them that this was a money-making deal. They had some little plant that they put together out here to clean up the tail water. Then ...

JM

Right, a reverse osmosis plant, as I recall.

DC

Yes, and it was, to me it never made any sense but anyway, they ended up and this was U.S. Filter that was trying to make this reverse osmosis thing work. I guess they (Bass Brothers) went to U.S. Filter and must have convinced them that they had all of the materials and things to make this thing work. This was a good opportunity for them. So anyway, U.S. Filter bought this thing for two or three years and they sold it out to Vivendi, a big French outfit that's in the water business and electronics and they're into all kinds of things. So then ...

JM

Vivendi bought U.S. Filter?

DC

Vivendi bought U.S. Filter, and the only thing I can tell you is that the key guy that they had down here, Marty Jensen, with U.S. Filter, is gone. Vivendi let him go. Heckman, I think is still on Vivendi's board, and I don't know what's happened. But anyway, Western Farms came out good, U.S. Filter came out good, Vivendi's ended up with it, and they've got a lot of money involved. I don't think they'll ever get it out.

JM

So at this moment in time, which is March of 2002, , Vivendi owns that property that the Bass Brothers once ...

DC

That 40,000 acres.

JM

Right.

DC

Yes, but they have quit. When U.S. Filter had it and Western Farms, they took a bunch of marginal ground. They bought some pretty cruddy ground that nobody else could make a living on, and probably better than half of it, 20, 25, maybe even 30,000 acres was really marginal, and they force fed that ground with water trying to develop a water history. I don't know how successful they were, but they were farming it year round. They were farming pasture and keeping cattle on it and running water and doing all kinds of things.

JM

Okay, let's go back, Don, to, ...

DC

There was something I was going to tell you about. I'll probably think of it later.

JM

Having to do with the Bass situation?

DC

No, I think we're pretty well through that.

JM

Okay.

DC

Go ahead.

JM

I do want to ask you about Sherman Oaks, though. Why this, the meeting you made reference to, in Sherman Oaks? For the benefit . . .

DC

Oh, don't ask me why. There was just some hotel we, I guess because we landed at Van Nuys . . .

JM

Oh.

DC

. . . so it's an airport that's close to Van Nuys.

JM

So it's just, it was just convenient?

DC

I think it was convenience. We flew into Van Nuys and Carl and, Bob and . . .

JM

Okay.

DC

Jan drove on over there. It wasn't too much farther.

JM

Okay.

DC

I mean, instead of going to the downtown office.

JM

Yes, I just . . .

DC

I didn't set up the meeting, so I don't know.

JM

It's like the Oslo Accord. You know. Why Oslo?

DC

Yes.

JM

Let's go back and just pick up a little bit about your experience with the Regional Water Quality Board. You were there for 10 years. Any interesting decisions, developments, controversies come out of that period of time? That's a long time.

DC

The only thing I can tell you, it's a board, but the board doesn't do much. One thing, they only meet like every two or three months. It's very much staff driven. About the only the thing the board gets to do is to

pick out the manager, who is Phil Gruenberg, and he was there the whole time I was there. But it's a political body. When you change from a Republican administration going to Democrats, the board changes.

JM

Okay.

DC

They're four-year appointments, but it's kind of at the will of the governor. About the biggest thing we got into was the land-fill at Eagle Mountain, and they were wanting to make a dump out of it. We must have had 150, 200 people there at one meeting. Most of them were retirees with Kaiser because they were wanting that property to become worth something to help their pension plan.

JM

Right. This was the site of the old Kaiser mine that was . . .

DC

Yes, out there at Eagle Mountain.

JM

.....essentially a pit, and, I mean, it was dug into the ground, and they wanted to begin filling it up with . . .

DC

Yes, part of it was on the sides of the mountain, but there was a pit, too.

JM

Right.

DC

And the one thing I did learn, and I got to know Phil pretty good, was the power of the environmental community. We were mostly into ground water, and, well, I did learn to respect the power that these people have, and it was growing. This is where I got to worrying about the Salton Sea and what it meant to a water transfer because I knew it was going to affect the flow to the sea and the salinity and the elevation and all that stuff.

JM

And speak.....

DC

I talked to some farmers and I went back to the board and I said, you know, the guys I talked to that kind of understand things said that they would take \$50 less from San Diego if we could get them to take over the environmental costs and David said, why do you want to do that? He says, we can give you full protection, and he says, I think that we can hold these costs down to \$15 million. He said, we'll just have an off ramp.

And I said, David, maybe that's true, but it looks to me like we're doing this whole thing backwards and that we should do the environmental work before we go very far down the road of putting this document together and working out all these little details on a transfer agreement. I said I think we're going to be shot down. I don't care what the cost is, I think it's just going to be beyond anybody's means to handle all that.

I said I think I would rather shift the costs

of doing the EIR and the negotiations and what have you with the environmentalists, fish and game, fish and wildlife, over to San Diego. This was when I got to arguing about them, having a conflict of interest. I said, you know, you guys have a conflict of interest because the more complex and the more difficult the negotiations become with San Diego, the more money you guys are going to make.

I said, you have no incentive to go out there and solve these problems and get them over with or keep them from getting complicated. No, no, no, he said, this certainly isn't a conflict of interest. We're working for you guys to try to keep the costs down. Well, we're up to about \$20 million now, and getting nowhere fast.

JM

You mean in money spent already?

DC

Yes.

JM

Okay. Were you directly or indirectly involved in the discussions with San Diego on what ultimately became the transfer agreement?

DC

By the time I got involved, it was pretty well done.

JM

Okay.

DC

Lloyd and Ted Lyon.

JM

Lloyd Allen?

DC

Lloyd Allen and John Carter had pretty much had the agreement put together. When I became president, I put myself on a committee and it wasn't long after that that I decided that I wasn't doing any good and it was cutting my ability to challenge the Bass Brothers. It was interfering with my ability to do that and I felt it was more important to try to keep the Bass Brothers under control than to try to change the agreement with San Diego.

But, you know, there's some things, and I'm sure you've had things in your life happen that, when I went up to Burbank one day and I was still young and innocent, that I thought maybe I could get some changes in the San Diego agreement, one of them being the environmental deal. But anyway, I got Chris Frahm (San Diego County Water Authority representative to MWD's Board of Directors) and Maureen Stapleton (San Diego County Water Authority general manager) both mad at me.

JM

In one meeting?

DC

In one meeting. Well, they didn't really come back at me 'til the next meeting, and boy, they came back with their fangs sharpened. And what I basically told them at the time (was) that I was worried about Exhibit

E. You know, I was wanting that changed, and that's their repricing deal . . .

. . . that after 10 years we're not sure what the price of the water is going to be.

JM

Right.

DC

And then I was worried about the environmental stuff, and I just said, look, you know there's a lot of people out there really concerned about this, and we'd like to get this thing opened up to where we can feel more comfortable with where we're headed and what we're going to end up with. And boy, they came back and said, look, we've spent two years on this thing and we're not going to go back and reopen it up and let you renegotiate and what have you, and blah, blah, blah. And what I came away from that whole affair (with) was that I think in certain situations, the women have the advantage at the negotiating table.

DC

I never did understand what our lawyers were doing. I think the Bass Brothers talked to John, what's his name, Woody?

JM

Oh, Wodraska (MWD general manager)

DC

Wodraska.

JM

Mm hmm.

DC

And they were asking \$600 an acre-foot for the water I guess, and Woody kicked them out the door.

JM

Right. So this was before they . . .

DC

. . .said they were going to San Diego.

JM

Right. That was before they talked to you. They came to Metropolitan before . . .

DC

No, actually my breakfast was before that. I think this was about the time that they were coming in the board room, when they went to Woody. They were starting to put things together, and they'd bought enough ground that they were ready to make their move.

JM

Okay.

DC

They went on down and met with Maureen, and what the heck's the name of the other guy, the big tall guy?

JM

I don't know.

DC

Mark, . . .

JM

Oh, Mark Watton (one of the Water Authority representative to MWD's Board of Directors).

DC

Watton, and Chris Frahm. They were the three kind of ringleaders. So anyway, I think what came out of that whole deal was that they had the idea that IID had to have a deal, and it put us on the defense because when I got in and was listening to the stuff, if San Diego didn't want it, I mean, it didn't go anywhere. We didn't have any negotiating power, whatsoever. I just thought it was terrible that we were negotiating from weakness, and I think some of it may have been that the lawyers thought that the reasonable beneficial use deal had us on the defense. I'm not sure what the deal was, but to me, if you look at what we've got, there's no up-front money . . .

JM

. . . again, just to make sure we know where we're going, you're talking to me now about the agreement between IID . . .

DC

. . . and San Diego.

JM

. . .to transfer water. Okay.

DC

Right, and no up-front money. And we figure if we do the conservation, put in the interceptors and the return systems and what have you, that somewhere around year eight or nine, we're going to be about 170 million dollars in the hole if we go out and finance this and wait for the transfer money to come in to pay for all this and we keep up with the ramp-up schedule and what have you. I went to the coffee shop one afternoon after talking about all this

stuff down at the district and was telling the guys, and Jim Moiola, I'll never forget, he says, Cox, I really have to compliment you guys. I don't think I've ever heard of anybody having to borrow money to sell something. You guys have finally done it.

Well, I mean, how often do you hear that? And so anyway, we're going to have to go out and borrow, say \$170 million and then hope the deal keeps going so that you got the money to pay off the debt. We're all tangled up in the environmental stuff. I think we end up being the underwriter on all of that and have to make things work.

JM

Well, you've got the unknown future costs, too. I mean . . .

DC

Oh, Exhibit E?

JM

Yes.

DC

Yes, we don't know what the price the water's going to be after 10 years.

JM

Right.

DC

And we spent months on this thing and finally got a floppy disk with a user-friendly format and it looked terrible. But we couldn't talk David and John into believing it was terrible. We had a battle over that thing. Still don't know, except I think that Larry Gilbert and I are on the right track.

Larry is a farmer down here, pretty bright. He's a detail guy and likes to know what the bottom line is, and he's got a son that works with Titan Industries that's really good in computers. So anyway, he helped us set up this program, and it didn't look good.

JM

Mm hmmm.....

DC

That's the main reason I voted no on the San Diego deal when it came up to vote for the board. It was four to one, and I was the one "no" vote.

JM

And not . . .

DC

That Exhibit E and all the other things that went with it.

JM

Are you still comfortable with that "no" vote today?

DC

Yes, more so than ever.

That, and I argued that we got some things here that need to be straightened out. One thing I've learned in 40 years of business is before you ever sign a document getting into a deal, you better get all your little problems ironed out.

JM

Especially knowing what your costs are going to be and . . .

DC

Yes. And so anyway, it did go ahead and there's a few guys over in San Diego that don't like the deal, but see the thing that I, oh, the other thing I told the Bass Brothers was, you know, this thing just doesn't make any sense to me because if you look at the second part of the agreement, San Diego basically gave up their water rights to the Colorado River to MWD when they joined MWD.

JM

Right.

DC

And I said, here we are, we're trying to sell water to somebody that doesn't have an aqueduct and doesn't have any water rights to the river. I don't know how much that had to do with this thing ending up being kind of a bum deal.

JM

Well, I think Metropolitan felt the same way.

DC

No, I was . . .

JM

That you were talking to the wrong people.

DC

Yes, and I think I was the only board member or even anybody on the staff that thought that the way this thing is set up they're exercising AB1011 or Water Code 1011, which is transferring water to somebody that doesn't have a water right.

JM

Mm hmmm...

DC

I think that it added to the complexity of the QSA (Quantification Settlement Agreement). I think if it would have just been selling water to MWD and using their aqueduct and their four and five priority and six or whatever else is going to kick in, that it would have been a lot simpler.

JM

Well, speaking of those . . .

DC

And I don't know if we would have had to give Coachella everything that we gave them.

JM

Yes, that was my next, that was exactly where I was going. You had to accommodate Coachella on this transfer deal?

DC

Yes.

JM

Because of the way the priorities were set up?.

DC

Because of 1011, I think . . .

JM

Right, because you . . .

DC

. . .and the way that we were trying to transfer the water.

JM

Right. Do you recall those discussions or what . . .

DC

I wasn't in on those.

JM

Okay.

DC

In fact, when John (Carter) came back and was talking about the QSA and told me that we were going to be selling 50,000 feet of water to Coachella for \$50, I had the "come apart". I said, John, that is just stupid. And I said is that a done deal, and he says, yeah. It had to be because of this or that or the timing or (David)Hayes (Assistant Secretary of Interior) wanted it or (Bruce) Babbitt (Secretary of Interior) was going to give some speech or some darn thing. He had about 10 reasons why something had to be done without much discussion or thought or taking time to think it through. I haven't done much yet, but after looking at the QSA and looking at the EIR, I'm not too sure that the EIR doesn't change things enough that we need to take another look at the QSA. The EIR, basically, I think I may have said this before, but basically, to me, says that we don't have a reasonable beneficial use problem anymore because of the problems that it creates if we conserve water. So, no, I don't think anybody can come in and order us to conserve water unless they want to underwrite all the problems that we're going to have.

JM

They might have to do an EIR of their own

to gauge the impacts of that conservation, whatever that conservation is.

DC

Well, I think they would.

JM

Yes

DC

Yes, but we get enough, even though this doesn't take, this EIR doesn't take into account what this does to the restoration program at the sea. It does get into enough of the sea to know that it's very damaging and very expensive and, not even talking about the problems that are drains. I don't know if you looked at the EIR at all, but it basically comes down to two ways to mitigate the damage to the sea, and one of them is to build a fish hatchery.

JM

Right.

DC

And then build, when it gets salty enough, the fish can't live in the sea anymore, then you build a lake and put the hatchery fish in the lake for the fish-eating birds and nobody knows how much that's going to cost. I first heard it was going to.... there's going to be 80 million pounds of fish a year, and then they've changed that to 12. I called up one of my friends that's got a fish hatchery and I asked him, if we're going to be raising talafia, and we need 12 million pounds, about how much a pound do you think that would cost?

And he said, well, we're using warm geot-

hermal water up here. I don't know if you can raise talafia down there unless you heat the water. He says, they don't like the temperature when it gets below 50 degrees. Well, I don't think they know that yet. I think they're going to find out at these, the EIR hearings and what have you, but the thing is, it's one of these things that just keeps going and going and getting worse and at someplace, you've got to holler uncle.

JM

Well, or stop and try to restart.

DC

Well, looking at the agreement between IID and San Diego, it basically says that we can do, if we look, after we study the EIR, the final document, that it's at our sole discretion whether we continue on or not, and so we haven't got that far yet. We're just in the draft document. But once we get the final document, then it's up to IID to make the decision whether they continue on or not.

JM

That's right.

DC

And, ...

JM

Well ...

DC

I think there's going to be a lot of pressure to, unless somebody steps in and underwrites everything. I think there could be some hellacious lawsuits on killing the sports fishery out there.

JM

Because of the increased salinity, killing the sport fishing?

DC

Yes, because you're shrinking the sea and hastening the demise of it, and killing any program to save the sports fishery. That's what worries me as much as anything. I don't think they're ever going to want to admit they made a mistake.

JM

Made a mistake when they agreed to the principles in the agreement?

DC

That is where they've gotten us . . . it's a bad place.

JM

Okay.

DC

I don't think they're ever going to admit that, and so I don't know how you, you'd almost have to bring a new team in to redo things 'cause I don't think they're going to. I don't think they'll ever admit that what they've done is bad. Does that make sense?

JM

Yes. Yes, it does. How did you, what were your thoughts when MWD, Metropolitan Water District, cut a deal with PVID (Palo Verde Irrigation District)? It was called the Test Following Program . . .

DC

Yes.

JM

. . . and you're familiar with that, and it was kind of a pilot. What were your . . .

DC

That's the one that I was trying to, in '92, that I was trying to, or you're talking about the current one?

JM

No, no, not the new one.

DC

The old one.

JM

The original one. I just, I'm curious . . .

DC

Well, the one thing I thought, MWD did something incredibly stupid. They stored the water on top. (note of explanation: MWD agreed to store the conserved water from PVID in Lake Mead. The Bureau of Reclamation allowed that storage, but only if MWD agreed that in the event Lake Mead required flood control releases later that year, MWD's stored water would be the first water released and it would be lost to MWD. As events turned out, that is exactly what happened.)

Well, I developed a program when I was on the Colorado River Board at that time, and I came in and I said, hey, don't store that water on top. Store it down in the middle or bottom someplace

JM

Well, the bureau . . .

DC

and...

JM

The bureau wouldn't let them do it, but for the purposes . . .

DC

Well, I think you underestimate the bureau. I don't. There's some of these things that, if they want to get them done, that they're going to have to bend a little bit.

JM

That may be true. I need you, though, for the purposes of the tape here, I need you to explain that comment, store it on top 'cause no one will know what that means.

DC

Well, basically, there's 200,000 feet that they saved over there.

JM

In PVID?

DC

They had to store it someplace, and they got permission to store it in Lake Mead, but it had to be stored on top, so if a flood came, it went over the spillway and down to the Sea Of Cortez, and that's exactly what happened in '93.

JM

Right.

DC

So they didn't keep to water very long.

JM

Other than that, Imperial looked at that as a pretty good deal at the time and wished they could have done something like that?

DC

Yeah, that's where Sherman Oaks came in, and we were trying to get that program done.

JM

Okay.

DC

It was going to be a two-year program.

JM

Right.

DC

And Boronkay just wanted one (year) and the supervisors wanted one, but we talked both of them into going for two years if it looked like everything was going okay. But it never materialized because it started raining and we had some floods.

JM

Okay, so, now we fast forward to 2002, and Metropolitan has made another deal with PVID. Indeed, Metropolitan has purchased land in PVID, a little unusual. What are your thoughts about that, those events in the context of the IID?

DC

I'm surprised that there wasn't more noise made about MWD buying land. I can see them leasing and renting and even those 30-year contracts. But I don't think it's very healthy for a community to let some outside entity like MWD to come in and buy

up land. I'm sure jealous of those guys over there to (have) put the deal together, and I wish we could. We'll never ever be able to put a deal together that good because of third-party impacts and influences and politics and what have you. We may get to fallow some ground, but it's going to be a completely different deal.

In fact, I'm thinking that if this thing falls apart, the deal we've got now between San Diego and IID, that because of the Salton Sea and the environmental problems, that it might not be a bad idea to go back and start building. You might start with a one- or two-year fallowing program or maybe even three years for 100,000, 150,000 acre-feet of water and see how that reacts to your community and if you can mitigate it and what have you. Just start building some confidence with your public, that they're not going to get ripped off. I think right now they think any fallowing is all going to go to the land owners and the farmers, and the public's going to get ripped off.

JM

Mm hmm.

DC

And they know that they have enough control over the politics that they're not going to let that happen.

JM

They, the people, you mean?

DC

Yes. This includes the paper and the Board Of Supervisors and the Rotary Clubs and Kiwanis and, you know, everybody.

JM

Has the Imperial County Board Of Supervisors had substantial impact on water decisions with the IID Board?

DC

Some, but they're wanting to have more.

JM

Okay.

DC

And when the Bass Brothers came in and all this stuff came to the surface, they felt that the community was going to be sold down the river, and they lost their trust in the IID Board protecting the community's interests.

JM

Okay, we were finishing up with the most recent MWD/Palo Verde deal. Talk a little bit about MWD purchasing land, which is separate from the . . .

DC

Yes, they bought the ground where they were going to put the nuclear plant. (Sun Desert)

JM

I don't know that you spent a lot of time on the power side with Imperial. I mean, certainly that's where the money is . . .

DC

That was, yes. I learned quite a bit about the power business, and it was actually more fun than water. I got to know enough about it. It's been kind of a big secret down

at the district. We bought a power plant over in San Juan, New Mexico, and it became a hot issue. There's a fellow named A.J. Guha, a civil engineer, he had a PhD. He said it's a bad deal, so anyway . . .

JM

The purchase of the plant, you mean?

DC

Yes. I decided to try to break the barrier and go in and talk to him, and learned a lot. In fact, it was really interesting when the state got doing what they were doing on the energy deal. It looked to me like they were doing everything backwards.

JM

You mean in this most recent so called energy crisis, is that what you're talking about?

DC

Yes, but they should've gone and (made) some two- or three-year contracts. You know, they were buying it by the minute, this spot (market), and then they ended up going out 10 years, which was way too long. It was kind of frustrating watching them, but at least I talked our guys into not going into deregulation and opening up our markets to other people . . .

JM

They . . .

DC

. . . and keep it a monopoly.

JM

IID is in pretty good shape, is it not, from a

power standpoint, or no?

DC

I'm kind of worried they put a long term deal together with the geothermal, and I'm not sure that's a good deal, but as long as we can keep a monopoly, they don't have to worry about customers. All you have to do is worry about your cost and expenses and what have you. It's kind of complicated, it gets into what they call a load duration curve. About a third of our generators are used for 10 percent of the time.

So if you have generators used when it turns 110 or 115, 120, and turn them on for a few hours and then shut them off they have to be sitting there or otherwise you're going to, you know, not have enough energy to go around. I never did understand how deregulation would work for short term energy. Who's going to go out and build a plant to run 10 percent of the time, maybe 30 days out of the year.

Nobody in their right mind would do it, so who's going to do it? I can understand the monopoly part of the thing good enough to know that you almost have to have it and then try to control the prices some other way.

JM

So your thought is that a municipality having a monopoly on power, for the consumer anyway, is probably cheaper than going to market.

DC

To me it's a pretty good way to go because

you can't believe how interested the board is in keeping the rates down and protecting the public. I don't think you see that on a corporate type arrangement.

JM

Well, not where there's a, probably where there's a profit motive involved.

DC

Where there's a profit, yes.

JM

Let me finish up here with just a..... I'm interested in your thoughts about any interesting folks, especially as they might relate to the Colorado River, that you've run across over the term of your water career either as a farmer, coming out here in '52, or once you became politically active. I'd like a sentence or two about..I'll just spout out some names, and you'll think of some yourself I'm sure.....

DC

I have met many fascinating people. There are too many to list. However, let me say a few words about some of the ones I was around the most and admired the most. Carl Boronkay (MWD manager), smart, articulate, fair, and could see the big picture; Lowell Weeks (CVWD manager) water fox one; Tom Levy (CVWD manager) water fox two; Dennis Underwood (BOR & MWD), he is a good man. The IID should have hired him when he left the Bureau; Tom Kirk, gifted master of the Salton Sea; Charles Burt (Cal Poly) best on-farm man I know.

JM

You're talking about the Salton Sea, or a resolution?

DC

The question is what are they going to do- are they going to put domestic water first, or are they going to put a 250,000 acre lake first? I don't think it's going to be settled in a matter of months. I think there are at least six interveners that are going to challenge a transfer that damages the sea. Have you seen that list?

JM

I have.

DC

Sierra Club and Audubon, Friends of the river, or friends of wildlife, I'm, I don't . . .

JM

Defenders Of Wildlife.

DC

Yes, there's quite a group of them.

Do you know Dan Taylor?

JM

No.

DC

He's the state president of Audubon for California and he gave a little talk at the Salton Sea symposium in January. He said that they weren't going to oppose the transfer. They'd kind of changed their mind, if the water (was transferred) properly..... which meant fallowing and not taking water out of the sea. But he said, if they don't do it properly, they're going to be in

here. So with all our effort, I don't think the environmentalists are going to go hide on this deal, but I don't know.

JM

What are your thoughts on the Bureau Of Reclamations, just a thought or two. Good, bad, could be better? I guess we could all do better . . .

DC

Well, I think they've been unfair with us, you know, and I was part of the problem. They were wanting to form a partnership between IID, Coachella and the Bureau on saving water. I was chairman of our water committee, and when I was on the board, and we hired Charles Burt, he had a team of four on-farm water experts that came in and analyzed things.

After a year of Burt's team studying the two districts, the Bureau wanted to form a partnership with the two districts. This sounds good, but the Bureau had already shown signs that they were biased towards Coachella. They were threatening us and patting CVWD on the back while we were shown to be the most efficient. The partnership was going to open the door to Tom Levy and his group to come onto our farms. They could come down on a witch hunt and take pictures of our canal spill and tail water and make life miserable for us. They don't have much canal spill and tail water because of their pipelines and sandy soils. They do have a lot of excessive deep percolation of which we could not take pictures. We have a fraction of the deep percolation that they do. Over all we run about 10% more efficiently than they

do, but this doesn't seem to matter to the Bureau. I think that it has something to do with CVWD being much smaller, and the fact that you can't see their deep percolation. We got into the Burt study to see which district had the best efficiency and no more. The Bureau started out saying that anyone over 75% efficiency would be left alone. When they saw that IID was better than that they changed their mind but never set a new number as a goal. The Bureau then got upset with the IID over not joining the partnership and hired a water engineer to run a study on us. He didn't do us any favors, but his study showed the IID close to 80% efficiency.

JM

Efficiency, 80 percent efficiency?

DC

It was 77 percent, but they screwed up on enough things that is should have been 80%. In Wellton Mohawk the Bureau has spent tens of millions of dollars. That is a Bureau project and their efficiency is about 10% less than ours. It is about 70%. What do you think Coachella's is?

JM

Well, like . . .

DC

They won't tell you, will they? What we did when I was first got on the board, I said there's something wrong here. Everybody knows what our efficiency is, but nobody knows what Coachella's efficiency is. I asked Charles Burt, who is kind of our number one guy. He was (from) Cal Poly. He took a kind of sabbatical and spent

about a year trying to get us straightened out.

We hired Boyle Engineering to do a study on Coachella's efficiency, and they wouldn't give us the records.

We knew they were using the 300,000 acre-feet of Colorado River water. They wouldn't tell us how much ground water they were using. They came out with something like 40,000 feet. Burt said, you guys are furnishing electricity up there. We can figure out their lift (and) pretty much tell what the efficiency of pumps are.

He said pumps usually run around 65 percent efficiency, and if they were less than that, they go in and fix them up because it costs them too much for the electricity. So anyway, we went and got the power records, because we've been selling them the power, and it came out that they were using almost 120,000 acre-feet of ground water, and they'd been saying 40. I've got the report over there.

We found out that they were using over seven acre-feet of water (per acre), and they said they didn't have enough. We came out with this report and the first thing (General Manager Tom) Levy said was, well, that was done by some junior engineer and it's no good. And then they came back about a month later and said, well, all that proves is that we're overdrafting that ground water and that we need more water.

That's when they came out and turned it from a defensive position to an offensive position, and said, we need 500,000 feet of

water. Their efficiency at that time was 58 percent and here they were, they're getting all these things done and we were the big wasters. We're at 77 percent. But that shows you what a good aggressive manager can do in a situation.

JM

How about the other two states in the lower basin, Arizona and Nevada? Have you ever had the opportunity to have any dealings with any of those folks?

DC

Sat in with Rita Pierson in a couple of meetings.

JM

Rita was director of the . . .

DC

She was the Director of Water Resources.

JM

For Arizona?

DC

For Arizona, yes. Pretty sharp person. That's when they were looking at storing some ground water over there. We wanted to go over and kind of see what the program was and what it might cost. The gal up at Las Vegas (Southern Nevada Water Authority), Pat Mulroy, she's tough. Pat is an extremely bright person and I think that they're in good hands. They got a tough situation.

JM

Yes they do.

DC

But I bet you they don't run out of water.

JM

Not until they run out of money.

DC

Yeah, but that's not going to happen.

JM

Right.

DC

Nine eleven didn't knock them (tourism in Las Vegas) out.

JM

I'm agreeing with you, that's true, they'll never run out of water.

DC

I don't know how it's all going to end up, but the Virgin River, you know, it's pretty brackish water, and I don't know if they're going to get much help out of that or not. But I think up and down the state, I think that they can go and buy some water from some of those farming areas and get away with it.

JM

You mean within Nevada (and Utah)?

DC

Yes. (There is some water in Nevada and in some of their smaller farming areas as well as) up at Ely and Cedar City.

Thinking of the same north-south disagreements that California gets into, north, south, water's here and they need it there and whatnot, it's real interesting to read

some of the stories (about similar disagreements in Nevada).

DC

Has (SNWA) gotten to be the real power base of Nevada?

JM

Right, you would think, except the capital (of Nevada) is like California, the capital is up north.

DC

Yeah, that's right, that's right too.

JM

But in terms of population and tax dollars and, you're right, it's all . . .

DC

Money, jobs and growth, so.

JM

Well . . .

DC

The San Diego (general manager) Maureen does a pretty darn good job, and I think people may underestimate her abilities. I think she's pretty talented, and I think there's some board members over there that are pretty good too. I think they're learning a lot.

JM

On the water authority board in San Diego?

DC

Yes. I think MWD.... I thought there was a real drop down when you lost Carl (Boronkay), but I guess I didn't understand

all the problems he brought to the situation. I think he just wasn't including the board enough on that part of the deal. Yeah. I think they got a hell of a man in Dennis. I think Dennis is about as good as you get.

JM

Dennis Underwood?

DC

Yes. And, I was surprised to see you leave, 'cause I thought you were doing a good job.

JM

Oh, well, I appreciate that. Like I say, it was time.

DC

I don't feel good about our situation. We have long known that even though we are very efficient, we could become more efficient with tail water return systems and a better delivery system that would allow a farmer to shut his water off when a field is wet enough. The problem is that this is not affordable for us to do, and it looks like the regulators may not let us sell water to the coast to pay for the improvements. If the Bureau is successful in getting the tail water declared waste water, it will devastate us, but it will get water to the coast for free.

End of Interview

INTERVIEWEE: Don Cox

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