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Water in the West

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D. Kennedy: Well, I'm Dave Kennedy --Uh--let's see I graduated from CAL in 1959 and then went back for one more year and in '62, '63 after I got out of the Army. Came to work for the Department of Water Resources in June of '62, worked until the fall of '68 and then resigned from the Department and --Uh--went to work for Metropolitan Water District in Southern California.

R. Sudman: Now, why did you decide to go to work for Metropolitan and leave the Department of Water Resources?

D. Kennedy: Well, there were two things; that was a time when the Department was really cutting back, when Bill Ginelli (Phonetic) came in we had over 4000 on the staff and he made a big point out of "we're going to have very substantial reduction, 1500 – 2000 people", and so they started lists of seniority and bumping lists and it was a time when everybody was on notice. There would be no promotions for quite awhile. So a lot of people left.

R. Sudman: Why, why was that?

D. Kennedy: Well, there just wasn't work. See the project was starting to wind down, the construction of the water project was winding down and much of the employment they had in the '60s was

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for --Uh--building the project, designing and building the project. So Bill kind of faced up to it and they got very organized about seniority. A lot of my colleagues I worked with in the those early 60's had started actually two or three years before I did because they hadn't been in the service, so I looked around and I could tell it was going to be awhile, but then I got acquainted with some people at Metropolitan and one of the guys offered me a job down there. We enjoyed living in Southern California so we thought that would be interesting.

R. Sudman:

Now, when you say the water project with the Department of Water Resources, you're talking about the State water project and the department had nothing to do with the Colorado River. Is that correct?

D. Kennedy:

It had almost nothing to do with the Colorado River right. The Director of Water Resources was on the committee of 14 which is a seven state liaison group with the Secretary of Interior so, the director, whoever it was, whether or under Bill Ginelli (Phonetic), they were involved in the Colorado River to the extent they were 1 of 14 and --Uh--actually back in, when I

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was there in the 60's --Uh--Wes Steiner, who was Deputy Director under Bill Warren, spent a great deal of time working with Pat Brown and --Uh--Bill Warren on the Colorado River issues. During the period from '64 to '68 there was Federal Legislation pending. Arizona was trying to get their project authorized. California was very concerned about how it would all come together so, Wes Steiner, I think spend a lot of his time on Colorado River Legislation and Wes was the Deputy that I was under in the Department and he would give presentations from time to time. I was helping putting together (Unintelligible) 160 in those days that was one of his favorite projects, so I knew Wes real well.

R. Sudman: So, so from your vantage point of the Colorado River as a young guy at DNVR it was mainly California's concern that they might use some water?

D. Kennedy: That was the main thing, you may recall that when the Arizona, California case came down, there was a big flurry to replace the water that California was going to lose and there were probably ten or twenty different interstate water plant. Everything from taking water from Idaho to taking it from --

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Uh--from the Yukon. There were lots of plans and a lot of activity those days. And the planning group that I was involved in at the Department in the mid 60's --Uh--helped review those kinds of things for the Department. So I was aware of it.

R. Sudman: I found, I was going through some old newspapers, and it was the day that President Kennedy died so we found that we had these newspapers and it had -- you know -- front page was "Kennedy Killed" and then the next part was, next page, "Water Meeting in San Diego to Talk About Plan to Bring Water From Great Lakes" and that posed a problem meeting that was held, that was the same day.

D. Kennedy: Right, see I remember quite a number of big meetings in California to try to come to grips with this Arizona case. Of course, they had won the legal battle but they didn't have it authorized so for four years, Arizona pushed to get authorization and they finally got that --

R. Sudman: Authorization of?

D. Kennedy: Of a project to actually put the water to use. And California dragged its' feet, for the most part. I think that --Uh--well Wes

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Steiner was very involved. It's kind of interesting that I left to go down to Metropolitan Water District in the Fall of '68 and before I left, Wes --Uh--I stayed and got pretty well acquainted with him, gave me kind of a pitch about maybe I ought to stay at the department because there would be opportunities. Well what I didn't know was within three months he was in Arizona and I joked with him after that about --Wes did you happen to know that you were going down there? But --Uh--he'd been a Deputy Director under Bill Warren and then when Bill Gianella (Phonetic) came in, Wes dropped back to being Chief of Planning.

R. Sudman: So was the thinking at the time --Uh--that California losing this water, meaning really urban Southern California's losing the water, that they would have to make it up by building more projects in California or bringing water from Alaska or truly from the Great Lakes. This was serious.

D. Kennedy: Oh it was and, and --Uh--I think California had different, several limited approaches, depending on who was working on it. There was thought about going to the Eel River and expanding the amount of water that the State Water Project

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would provide to Southern California. I think, if I recall right, and I haven't thought this in a long time, that the entitlement of the State Water Project was increased by half a million acre feet back in that period from 1.5 million to two million to help offset the water that was going to be lost to Arizona.

R. Sudman: So, those plans were in serious earnest when you down to Metropolitan and you thought you may be working on something like that?

D. Kennedy: --Uh--Yes to some extent, but there was also a lot of activity starting. Once the Arizona Project was authorized, there was a question about how it would actually be operated. So the Department Interior Bureau of Reclamation put together a seven state working group of, well, probably 30 or 40 people including the various water contractors like Metropolitan and I started attending all of those meetings. They were in the various states, usually in either Nevada or Utah because those were kind of neutral states.

R. Sudman: And you were with the MWD at that time?

D. Kennedy: Yeah. By that time I had just shifted over to Metropolitan and I was in a group called Hydrographic Engineering which was

an old expression that there were two of us in that group; Lee Hill who was about to retire from Metropolitan when he hired me, he had been the Chief of Water Rights here in California. He's been over here Bureau of Reclamation guy and went to work for MET and then he included me. So a year or so after I went down there, I took over from him. But in the mean time I spent two or three days a week probably working on Colorado River activities. How the, the basic question was How would Lake Mead and Lake Powell be operated to not damage any of the interests?" and there were lots of lots of computer studies done and lots of debate. I got very well acquainted with (inaudible) and the -- in the whole process, he and I became good friends.

R. Sudman:

What was the debate about?

D. Kennedy:

Well, the fear was that Lake Mead would be drawn down too much. See the way that the --Uh--Glen Canyon Dam was going to be operated, it was basically to reserve water and storage so that it could meet future needs and the fear was that water would be taken out prematurely and there wouldn't be any water in storage. So all kinds of scenarios were worked

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out. The Federal Government did a lot of --the Bureau of Reclamation did a lot of those studies but Metropolitan did a lot --Myron's staff did a lot. The other states were doing it. It was a very laborious project or proof of studies that went on for probably eighteen months, something like that.

R. Sudman: Now Lake Mead is huge, 28 million acre feet, so but there was really fear that this water would be all taken somehow.

D. Kennedy: Well, or that it would be drawn down enough that --Uh--the power wouldn't be generated or that in a drought, it would be drawn down too much. There were very legitimate concerns.

R. Sudman: Now what was the tone of the states to California at that time? The other seven, the six other states.

D. Kennedy: It was interesting because this was the first time that I really was exposed to anything like this and what always impressed me was at a working level, professional level, everybody got along real well. Everybody just had a good cordial relationship, but of course California was always looked at as the ones that were the greedy, using too much, the commune is too big, they somehow needed to find a way to cut back, most of which is kind of impossible because economics was driving

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so much of this. But --Uh--so it was really a two level thing. -
-Uh--they didn't want to give California anything they didn't
absolutely have to give. And in those days, one other thing
that was driving things, and I don't know if it is so much, in
those days, Colorado and Utah were hoping to expand
irrigation and they got projects authorized in that authorization
bill. They got, I think, five projects that wouldn't have
expanded irrigation use and -- Uh -- in the lower, I mean in the
upper basin and so they were trying to protect their long range
agriculture. Now today, I'm sure they have different priorities.

R. Sudman: But they still want the water?

D. Kennedy: Nobody ever gives up water willingly.

R. Sudman: Why is that?

D. Kennedy: I think all cultures look at it as they're it's the one essential
thing they've got to have and if they don't need it now, they'll
need it in the future. So I think it's almost a universal thing
throughout the world and --Uh--when I remember a little
incident that happened back in the early 70's. You may
remember the salinity rhubarb with Arizona, excuse me, with
Mexico where --Uh--as the Glen Canyon dam started to fill, it

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stored water that would have flowed down into Mexico and diluted the water they were getting. So in the early 70's there was a real international crisis about the water California and the lower basin was, was delivering to Mexico was too salty for them to use and --Uh--President Nixon appointed an Ambassador, a special Ambassador to handle this and I got involved in meeting with him along with a couple of other people. I mean he went around meeting various people. It was Secretary Brownell. I don't know if you remember him. He was, he had been Attorney General under Eisenhower and he was one of the most respected lawyers in the United States a very fine person. And he met with a couple of us at I remember the airport and hotel down in Los Angeles and his staff had given him a plan that we should all take a cut back in order to, we should basically split the cut back in order to make --Uh--Mexico whole. By that point, I realized that this wasn't going to happen. No state was going to take a cut back and so, I remember the senior staff person who worked for Brownell, started to argue with me when he put his plan out and I, I said "you know this just isn't going to happen, you've got to come

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up with something else like a desalting plant to desalt that water, but no state will give water for this purpose". And what impressed me was the Secretary of Brownell changed his policy. He turned around the staff that he had been assigned to work on this and he realized that this isn't going to happen, so they shouldn't back a plan where they get themselves in a corner.

R. Sudman: So what did they do?

D. Kennedy: Oh they went for a desalting plant which was a very uneconomical thing in one sense, but in another way it was -- Uh--it was the only way to solve a political problem. They substituted money for water basically.

R. Sudman: That's been done before.

D. Kennedy: Oh sure. And I, --Uh--I think there's a lesson people learn over and over with that one.

R. Sudman: Now around that time, did you hear much talk about the Colorado River Compact? Was that --Uh--something that was an issue, a driving force, or was it just an old dusty law that, agreement, that wasn't mentioned too much?

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D. Kennedy:

Well it, it was only in my mind, mentioned in the sense that it was the law and you had to abide by it and nobody was talking about changing anything. I mean the apportionment's that came out of that were very much part of what you dealt with. One of the things I did when I went to Metropolitan was trying to get educated about what the laws were that governed the situation down there. The, the court had, of course decided who got the water in '64, I mean '68, no excuse me '63, '64 but then Congress had to put that together in the statute but there was a whole group of statutes and court decision and that governed the law. In fact if I recall right its call the Law of the River and it was very much a part of what everybody worked around. I remember one of my friends one of the fellows I met at Department of Interior gave me a copy of a book that he had written on summarizing the Law of the River.

R. Sudman:

The Law of the River isn't just some, some book; it's just a series of things strung together that are laws --

D. Kennedy:

That's exactly what it is.

R. Sudman:

or rules or agreements.

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D. Kennedy: That's exactly right. That's a good way to put it. It's not one document, it's a whole group of documents that --Uh--that the Feds and the locals have to abide by.

R. Sudman: So you were at Metropolitan when Arizona did get their project authorized. Then was there a change of policy of Met towards Arizona? Or what happened then?

D. Kennedy: Oh I'd say there was --Uh--there was kind of a later intention between the states but of course Wes Steiner was a very capable guy. He was basically hired by Arizona to get that project authorized and funded, well to get it, to get the money authorized. The Bill was passed but another character in this whole drama that is very much, very strong, was Joe Jensen who was the Chairman of Metropolitan Water District for 25 years and Mr. Jensen had been very much opposed to the Arizona project --Uh--he did not want to compromise. It actually became a split in California --Uh--through who was going to control California's delegation. And --Uh--I remember hearing that the last year that the Bill was before the Congress, California had worn out its welcome in the Congress basically and --Uh--California was told "the time has come to

cut the best deal you can because we are going to pass the statute and get this thing behind us". Well, Mr. Jensen didn't really except that, but virtually everybody else did. --Uh--so the Bill got authorized, or the project got authorized, somewhat over Mr. Jensen's objections and then the next thing that happened was the attorney that had handled the Arizona case, Mike --Uh--not Mike Levi, well anyway, he had fought the case, I mean he had -- handled the case before the Supreme Court and we used to joke after I got acquainted with him and he thought they'd won. But he was a very strong, very articulate, smart attorney and he really couldn't accept that he lost. And so --California was kind of -- well Metropolitan was kind of be twitched and between on little bit on this. When I went to Colorado Board Meetings, I actually got acquainted with Mr. Jensen, because he, he was a, was probably 80 at that time and very sharp there till near the end, but after the meetings he would, he and I would wind up over at the Met cafeteria at lunch time and be the only two guys left in the cafeteria so he's have lunch with me. Very interesting man, he

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didn't, he was happy to sit down and talk to some Associate Engineer.

R. Sudman: Well I guess Metropolitan had some clout because they got Arizona in the authorization bill to agree to junior water rights status.

D. Kennedy: Right.

R. Sudman: Did you know about that?

D. Kennedy: Oh, I did at one time. I knew all those details at one time, but Yeah. They did get a priority of sorts. But --Uh--and you know, it was part of where somebody finally said -- you know -- we've to get this thing behind us. But --Uh--Mr. Jensen really couldn't come to grips with the fact that, that Met had lost. And I think within the Met staff there is even kind of a feeling that Mr. Jensen was not facing up to the way things were.

R. Sudman: So, even though they got Arizona to accept a junior water rights status, that wasn't quite enough to solve --Uh--put salve on the wound?

D. Kennedy: I think he, Mr. Jensen sort of felt that he should drag his feet as long as he could and --Uh--on the funding.

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R. Sudman: Now at that time --Uh--Metropolitan, Arizona gets their project, starts going, what other activity was on the river before you left and what year did you leave Metropolitan?

D. Kennedy: Well let's see, I was with Met just almost 15 years and when I'd been there about five years, maybe six, I was made an Assistant General Manager and --Uh--the first General Manager I worked under was John Laughten (Phonetic) who had been Chief Counsel and then he became General Manager in 1973 and, and then I became Assistant General Manager in '74 so he and I worked together real closely. --Uh--the various things that were going on, the salinity control on the Colorado River, --Uh--Myron Holberg (Phonetic) kind of highlighted this issue and Metropolitan and others worked to get Federal Legislation that would authorize a series of salinity control projects in the basin. As you looked out ahead you could see that the salinity, which was already too high, was just going to increase over time, so I think that legislation was passed in '74 or '75 and I think that was the first time I testified before Congress on a project or on anything.

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R. Sudman: Well now I don't really understand what these salinity control projects do. How do they really control the salt?

D. Kennedy: Well there a whole series of different kinds of projects and they basically try to keep the salt from flowing into the river from the natural salt springs that are in the upper, mainly in the upper basin, there's a few of the lower basin if I recall and they --Uh--they had various projects of trying to isolate that water and evaporate it or something. It's a very difficult and expensive thing to do, but you had to do something was the thought. So that was project was authorized in the mid 70's.

R. Sudman: And it can hold the salt back from the main rivers?

D. Kennedy: That's the objective. I, I --Uh--can't recall how much of it has actually been built but I know some of it has.

R. Sudman: And that's federally funded by taxpayers for the good of the --

D. Kennedy: Right, right. One other thing that was going on in those days was --Uh--Mexico started running out of water to meet the Tijuana need. They had --Uh--very little water so there was a thought about building an aqueduct over to the Imperial Valley from Tijuana going through Mexico and in the mean time Metropolitan worked on an exchange where we brought some

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Metropolitan water down through San Diego all the way to the (inaudible) mesa. I remember a pipeline was built. It was kind of an interesting project. Eventually, I think, Bookman Edmonson built an aqueduct for Mexico but that's been so many years I've forgotten --

R. Sudman: But that was ahead of its' time to be thinking about border issues and working together like that.

D. Kennedy: Right, we had quite a few meetings in Tijuana with the Mexican officials about this.

R. Sudman: Now at that time was there any discussion of water transfers or trading or the ideas that came later, were the urbans, when we were thinking about getting Colorado River water, was there any idea of "hey, look at those districts sitting over there at the river, those agricultural districts, why don't we just get some of that water and bring it over to Southern California?". Was that thought out there at all?

D. Kennedy: Well, the only way that I remember it being there, and it was a significant thing, was --Uh--in about '72 maybe '73 --Uh--a couple of the power utilities decided to try and put power plants, nuclear power plants out on the river and --Uh--of

course, eventually the one that was called Sun Desert went forward for quite a long time by San Diego Gas and Electric. But in the early 70's, not only San Diego Gas and Electric but also Edison started looking to locate a plant out there and so they needed water, cooling water. They came to Metropolitan and said "we would like to use some of your Colorado River entitlement to cool power plants out on the river". And that was quite an interesting legal issue. We were not authorized to do that --Uh--that was not in our service area so we eventually went to the legislature and got authority to supply those power plants out there with water. Now eventually, Edison dropped their plant and for an even longer time, San Diego Gas and Electric dropped its' plant too after spending a hundred million dollars on it.

R. Sudman: And they bought the water from the--?

D. Kennedy: They were going to buy it. If I recall, the initial thought was they were going to buy it from --Uh--us. I think eventually they, San Diego, or they cut a deal, didn't they cut a deal with Palo Verde and were going to get some water there but it became very complicated.

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R. Sudman: So at the time, were, you were closing in on your time at Metropolitan was there any other activity on the Colorado River?

D. Kennedy: Oh --

R. Sudman: Major things that involved the politics or, anything that you may remember?

D. Kennedy: Yeah. One thing that took quite a bit of time, probably began '78 or '79 was renewing the Hoover power contracts and it turned out that Metropolitan and Los Angeles have different points of view about how the renewal should take place or what their respective rights were. So Los Angeles and Metropolitan had quite a disagreement about that and --Uh--so a lot of the time a lot of the meetings were spent trying to figure all that out.

R. Sudman: Why did they have disagreements?

D. Kennedy: Because of the words that were in the contracts dating from '31 when those contracts were done. See we were trying to get ahead of the curve and get them renewed before we ran out of time so we started, I think in the late 70's and it turned out the Edison and Los Angeles had the same attorney who had at one

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point, Mike Eely, who advised them and by that time we, we had used Mike at one time but had not for quite a number of years so we found ourselves in disagreement with our brethren and the other agencies and -- Uh --

R. Sudman: So how'd you solve it?

D. Kennedy: You know at this point I can't quite recall whether it was resolved by the time I left. I know they eventually renewed the contracts.

R. Sudman: So --Uh--then you leave Metropolitan to take the job as Director of the Department which you held from what years?

D. Kennedy: Oh I came in June of '83 and then I retired 15 and one half years later.

R. Sudman: And what --Uh--precipitated your accepting this offer in the Deukmejian Administration to be head of the Department of Water Resources?

D. Kennedy: --Uh--Well, the simple answer is, when the governor asked you to do something like that, particularly if you're a water engineer who started life at the department, I mean there's a great honor to do that, but the fact that I wasn't appointed till June, is because they couldn't find anybody for a long time, I

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mean literally it was a very difficult time. Right after the (inaudible) Canal was defeated and --Uh--I guess I can say it now but Doug Watts, who had led the, he and Sal Russo had led the campaign against the (inaudible) Canal, but in the process I'd gotten pretty well acquainted with them. We had one of those relationships that you have that you agree to disagree about certain things but we had a very cordial relationship. Anyway, Doug called me oh sometime in late April and said he wanted to have me come up and talk to the Governor about the job.

R. Sudman: So it's a bit of a political hot potato accepting the head of the department after a first time defeat of a huge California proposed water project.

D. Kennedy: Well, in particularly we're, the villain in that drama was Metropolitan and there's Gordon Van Vlek (Phonetic) who, -- you know -- became, well he was Resources Secretary at that point, and was just a wonderful human being, passed on now, but --Uh--he made it clear he was not on board this one. He didn't agree with the suggestion that I become Director. But -- Uh--we eventually became very close.

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R. Sudman: But it must have been a very difficult time to step into that role?

D. Kennedy: Well, it was a very interesting time, I mean, I -- you know -- I knew the issue pretty well and I knew pretty much what was practical and what wasn't but I, I mean, --Uh--the (inaudible) Canal was not practical to go forward. The election had been so overwhelming and against it that there wasn't any way in the world that somebody could come in and say "well let's give it another try". So that's when we came up with alternatives which --Uh--had their own problems.

R. Sudman: But that started the whole diversification of water resources?

D. Kennedy: In some ways, you know by that time it was pretty clear though that it was going to be pretty difficult to build water projects in the way that had been envisioned in the 60's when the Arizona project was authorized. I think most water people thought you could just build more reservoirs somewhere and develop more water and, but then the Federal and the State City River's Acts came into place during the 70's and it was pretty clear there was a change taking place in what people wanted to do in that they just didn't want the dams you know all over the place. So

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I think it gradually dawned on people that something was going to have to be done to distribute the water differently. Of course that debate is still going on to some extent.

R. Sudman: Now then when you had become the head of the Department of Water Resources, how important is the Colorado River at that time since your describing a time where the focus really seems to be on the State Water Project.

D. Kennedy: Well they had their own issues and --Uh--but my personal approach to it was I did not want to get involved. I thought it would be confusing and probably just a bad idea for me to even get involved anyway in the Colorado River issues down there. So I had one of the deputies, each time, been the deputy, I had one of the deputies go to Colorado River Board meetings. And --Uh--I kind of followed it but I didn't get involved in any way.

R. Sudman: Well it sounds like if you didn't get involved, it must have been a fairly quiet time on the river in about 1983 '84?

D. Kennedy: Oh, I'm not sure I can place what was going on then, eventually, and I can't quite remember when this all started, but San Diego began to get a notion about, a thought in there, in their approach of where they wanted to buy some water

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themselves and wheel it through the Met aqueduct. I think that was a little bit later, well actually preceding that. You may recall there was a --Uh--can't remember the man's name but he was from --Uh--Colorado and he bought some water and tried to sell it out of state --

R. Sudman: The Galloway Proposal.

D. Kennedy: Yeah. The Galloway Proposal. Yeah. And --Uh--he never really had control of that water it was against several statutes and compacts to do what he was trying to do but he was very glim guy and he kind of stirred the nest and my impression from a distance was that he kind of encourages San Diego in the approach that they eventually took.

R. Sudman: So what your describing is the time in the early 80's and mid 80's we suddenly have a discussion of water transfers that didn't exist before and also Metropolitan involved by saying they are going to align canals and save water and they don't want you to call it a water transfer but it's (inaudible)?

D. Kennedy: Right. Oh, that's probably fair. You know if I gave it a lot of thought I'd probably make some distinctions about this or that but it, my sense of it is, it all came about gradually,

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incrementally, people began to realize that things had to change. I think one of the people at Met who certainly had an influence on us was Tim Quinn. Because Tim went over there and --Uh--I think right after I left, in fact he might have taken the position I took in that time frame and he was always you strong water marketing person and he's a very capable guy so he started thinking about things differently. And the directors changed, staff changed, -- you know -- things looked differently. So I don't think of it as any one thing changed it but I think a number of factors over a period of time to where it was very different than it had been.

R. Sudman:

So was this internal water transferring idea pretty much contained within the state and other states that they didn't care about that as long as it didn't affect them?

D. Kennedy:

That's probably true the other states were almost always cautious, nervous about what --Uh--what Southern California and or the state might do. During all of this time I was Director like Bill Gianelli (Phonetic) and Ron Robey (Phonetic) before us, I was active in Western States Water Council where we'd go four times a year to meet with the other

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states and one of the other states would host it and that was a very valuable forum to just communicate with the other states about what's going on and maybe dispel some fears or explain some things that were happening. And of course, you'd find out interesting things in other states. I thought it was just a really interesting group of folks. People kept it on a very cordial level --Uh--so I really enjoyed that Western States Water Council. But as a group, they I think, never lost their caution about California.

R. Sudman: I'm sure, --Uh--so you get a different person heading Metropolitan when Woody Wadrasko (Phonetic) a guy from Florida becomes head of Metropolitan and he had some different ideas. How did that --Uh--set within the State of California?

D. Kennedy: Well, Woody's a very energetic and bright guy and he came in with a lot of ideas, not just about water but about management, how to approach things and -- Uh --

R. Sudman: And this was about late '80's early '90's?

D. Kennedy: No it would have been in the early '90's because Carl Beronchi (Phonetic) was there as Manager for about 10 years. Carl and

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I had been very close and we both were on the staff of Metropolitan when he'd been assistant. Well he was first Assistant Chief Council to Bob Will (Phonetic) and then Bob left Met and so Carl moved up to Chief Council and then when Evan Griffith left as General Manager after I'd already left, then Carl was asked by the Board to become General Manager and I think he was there about 10 years. He's a, one of the things I miss about not working is being around people like that because Carl was so bright, had a great sense of humor and you could disagree and argue but it just, he was, he is a very capable public servant.

R. Sudman: Did he have a strong philosophy about the Colorado issues and he was a California water person?

D. Kennedy: Well, then he was also a lawyer who was very capable. He'd been actually a trial attorney with Attorney General's Office and he approached things in a pretty head on manner lots of times but he always approached them with a sense of humor and so yeah, he wanted to make changes. He had new senior staff like Tim Quinn who --Uh--he relied on a lot but he and I would talk from time to time. He would come up and once and

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awhile. I don't remember if I ever went down to see him in his office but --Uh--we tried to stay in touch and try not to get into unnecessary conflicts.

R. Sudman: So I mean, was his philosophy on the Colorado River was to -- Uh--protect California or Metropolitan interests?

D. Kennedy: --Uh--very much so. Yes, he was very, he knew the Law of the River real well and he didn't want to try anything that wasn't going to work. You know, when Woody came in Woody was much more open to things that had not been done or maybe even on the face might be illegally, but that he thought that you could work around them. And I remember the deal he cut with Nevada to share some of the salvage from the canals and they announced, I remember, I wasn't involved at all, Doug Wheeler had been involved the Resource Secretary, but I had just stayed out of it. I felt, I didn't have a role in that.

R. Sudman: But what you observed, this unique deal cut with Nevada for Nevada to get some water that dribbled through and wasn't that pretty radical?

D. Kennedy: Well it was and I kind of wondered about it and I was starting to get some feedback from friends in Western States Water

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Council who were calling me and saying “do you know what’s going on?” and so they’d tell me and --Uh--eventually the Governor got involved and so he got me involved and so then I started getting involved and -- Uh --

R. Sudman: Why did it go up to that level? What were the concerns that brought it to the Governor’s attention?

D. Kennedy: Well you may remember Rita Pearson who was the, she was the Water Director in Arizona and she felt that a deal between Metropolitan and Nevada was probably illegal and was in any event, against Arizona’s interest and she is an exceptionally capable attorney. She’s been on staff council, one of the legislators and --Uh--she was a person who knew her law and knew the numbers and didn’t back away from anything and I just thought the world of her once I got acquainted with her. And Pat (inaudible) who was from, who is from Arizona, I mean Nevada was --

R. Sudman: Who, what was her role?

D. Kennedy: She was head of the Nevada Area Water System and she was, she is also very direct and she thought she was cutting a deal with Nevada, I mean with Metropolitan and so it was all kind

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of set up for a real confrontation and --Uh--the reason it went to the governor is because Rita Pearson went to her governor who she was close to and she said “these people are trying to do something that’s against the Law of the River and why don’t you call Pete Wilson?” who he knew real well, they were friends. And so that’s when I got involved because the Governor called me and --Uh--

R. Sudman: What happened?

D. Kennedy: --Uh--It all got stopped. I --Uh--my view was this can’t go anywhere. The other states aren’t going to permit this to happen. The Metropolitan was kidding itself, taking bad advice.

R. Sudman: Was it an idea that was just too early, because now we have banking, the Arizona ground water bank and deals cut with Nevada and --

D. Kennedy: No I think the difference was, what they were trying to do at that point was u/ leave Nevada, excuse me, Arizona out of the deal. I don’t know they quite realized how strongly Arizona felt about this. But they were basically setting up Nevada and Met verses everybody else and I remember one of the Nevada

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people called me and said “is this going to be approved in your state?” and I said “I don’t think so. I don’t think the Governor will approve this because he is not going to want to get in a contest with these other states.”.

R. Sudman: So if Arizona was going to get some water out of the deal, do you think their attitude would’ve been different about the Law of the River?

D. Kennedy: It could have been different if it was done in a cooperative manner. There’s lots of things that could be done cooperatively and have been done that go beyond or interpret the Law of the River in creative ways that were not thought of years ago. And there’s always room for that if you don’t try to push it down somebody’s throat.

R. Sudman: Because it does seem like when deals are made and everybody’s happy it’s okay with the Law of the River but when somebody is not happy then it is not okay with the Law of the River.

D. Kennedy: Oh I think that’s true, that’s true of lots of legal things. What you can negotiate out is often much broader than what you can force on people. And I think that’s kind of where Met was at

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that point is they were learning that lesson. And --Uh--they had thought that they would have all of California, well in any event, it was an interest in error and from that point on I started getting involved again after having been out of it for at least 10 years.

R. Sudman: There was the drought in California and then droughts in the West, in the early mid 90's, did that increase the pressure on looking, to look at the river in a different way?

D. Kennedy: I'm sure it did and I think another thing is, as the Arizona project became a reality and there was growth in Arizona became what it has become, --Uh--this was no longer a theoretical issue. People that were facing facts on the ground that they had to deal with. It was no longer just somebody building a pipeline to Arizona that would eventually get to Phoenix. You could go over there and see the aqueduct. So, and then the droughts here in California, -- you know -- the one in the late 70's was a real wakeup call when I was still at Met, but then when Governor Wilson became Governor, he was right in the middle. He became governor as the drought was -- Uh--getting pretty intense in '91. The first meetings I had with

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him, that actually before he asked me to stay on, I was still Director and we were briefing him. I mean, he was governor elect but we were briefing him to let him know what was happening. So I had several meetings beforehand with him before he actually became governor.

R. Sudman:

So --Uh--the drought is increasing and states are growing, water transfers are becoming more of a reality, and the Administration in Washington changes and you have a Democratic Administration, so can you describe some of the interaction you had through the years and then into this time with the Secretary of the Interior because the Secretary is the water master of the lower Colorado basin? So he or she would be in a unique position.

D. Kennedy:

Right. And that was something in all candor I don't know the folks in Sacramento. Over the years, initially or in some cases ever really appreciated the unique role of the Secretary of Interior on the Colorado River. Having come from Metropolitan and one of my mentors at Met actually before I went down to Met, was Don Mong (Phonetic) who had been a staff person for the Colorado River Board. He came to the

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department when I was still there and we were on the same floor and we talked a lot and he gave me kind of his version of the short course that went for a year or two about the Colorado River which was tremendously helpful because Don really knew the river. And --Uh--so when, when the new Administration came, well we were in the middle of various things and one of the things that I think is, I'm not sure this is completely true, but the river is treated almost as a profession thing, or the people that work on it, --Uh--the seven states don't talk party politics, they work together. Whoever is the Secretary and the people that they assign, they may have some new ideas they want to try out but it's done in a pretty cooperative manner. That's my, I mean you could look back and see, how it has happened, but the --

R. Sudman: It's not a Democratic Republican thing --

D. Kennedy: That's the way I remember it for the most part. Is that you have a good relationship with -- Uh -- I think Betsy Rikki (Phonetic) was the Assistant Secretary. She's come out of Colorado I guess hadn't she? Anyway, she was very involved and so we --

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R. Sudman: Arizona.

D. Kennedy: Arizona, sure, that's right. She eventually wound up --Uh-- well she was also working over for Roger Patterson at one point but she is an exceptionally capable person and you know it was interesting working with people like that because they're trying to do the best they can. The laws are not always real clear, people interpret them differently --

R. Sudman: But did the Clinton Administration have a real different tack on this because you had an interior secretary who seemed more involved in the river being governor of Arizona than some previous secretaries? Or was that your impression?

D. Kennedy: --Uh--I think that is fair, that is fair to say. Rich Babette (Phonetic) was pretty involved, very capable guy, had -- Uh -- he had his own ideas about these things. He probably had unique background to get involved and he didn't mind stepping out in front, you know, remember when he got involved in the (inaudible) Canal? Which was interesting. But --Uh--I remember meetings with Secretary Babette (Phonetic) and -- Uh--and Governor Wilson (Phonetic) that were actually very cordial about some water issues and -- you know -- those two

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guys were on very different pages politically and on many things but they certainly --

R. Sudman: They certainly came together on the Sacramento, San Joaquin Delta but was it similar on the Colorado River?

D. Kennedy: You know the Governor didn't get that involved, Governor Wilson didn't get that involved in the Colorado River once he helped kind of steer that Metropolitan proposal another direction. He made it clear he wasn't going to along with what Metropolitan was proposing and then he sort of turned it, I mean he gave a sense of direction but he backed away from the very much direct involvement. But it was interesting to watch how he handled that.

R. Sudman: So, --Uh--at this time a number of the states were pushing California again, to live within its 4.4 allotment?

D. Kennedy: Yeah.

R. Sudman: What brought that up again, that seems to be a recurring theme through the years?

D. Kennedy: I, I think over the years, and the later years, the two things that probably came together were the water use in the other states, but particularly Arizona. Where this became a reality, water

was increasing in use --Uh--it was going to happen and Metropolitan was going to be cut back at some point. The reality was on the horizon.

R. Sudman: Even Met was using the so-called surplus?

D. Kennedy: Right.

R. Sudman: We didn't talk about that and we probably should have.

D. Kennedy: Yeah. That's a good point Rita, that under Woody's staff, they developed some interpretations of hydrology that had them not cutting back their use of Colorado River water as soon as the other states wanted them to. And I, as I started to get involved I could see that the Met staff and the Colorado River Board staff, to some extent, were coming up with interpretations that basically this is to simplify, but they would basically, they'd do the point where you wouldn't cut back till the reservoirs were way down. Because statistically you knew they were going to come right back.

R. Sudman: So Woody was putting a scenario out there that was different than what the states and the general agreement had been, that California was going to cut back faster?

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D. Kennedy: That's correct. They wanted MET to start cutting back sooner than later and Woody's staff was giving him a bunch of statistical numbers that said "that's not necessary". And I think gradually, in the other six states, there became a real fear that Metropolitan wasn't serious about ever cutting back.

R. Sudman: Did they involve then, the Secretary of the Interior, because he became a proponent of California's cut back?

D. Kennedy: Yes, I don't recall the sequence of what happened, but I remember probably a year or two before I retired when I was then getting quite involved in this, Jerry Zimmer and I worked on a plan for cutting back and how it would be done and how water would be shared and one thing and another and we, I remember we had a meeting in San Diego with all of the other six states, if I recall, where we put out a draft plan.

R. Sudman: And I think you even did a little bit of that of our seminar in Santa Fe --

D. Kennedy: Oh I think your right.

R. Sudman: Did some back of the envelope discussion and said "we think we get the 4.4". I remember that.

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D. Kennedy: I remember that, I'd forgotten that context, but I remember that conference real well and that we were discussing those kinds of things and the other states were suspicious --Uh--Met, I think -- Uh -- , well Met had one other things going on. They had the skirmish with San Diego going on which --

R. Sudman: Which was over?

D. Kennedy: It was over the, San Diego had decided that it would like to buy some water from, --Uh--Imperial Valley and wheel it through MET's aqueduct and the question was "what would they have to pay Met to use the aqueduct?" and Met, I think, almost uniformly, everybody at MET's, all the member agencies, were very concerned about this and felt it was going to cost -- Uh --it was going to cost Metropolitan money because they didn't think San Diego was going to be paying enough to do it. And I got involved, I guess you could say, trying to mediate that dispute.

R. Sudman: Met pretty much lost that one?

D. Kennedy: You know, it was not settled when I left and I said "God bless you all, goodbye".

R. Sudman: Well the San Diego IID transfer did become a reality?

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D. Kennedy: Well, is their water being transferred?

R. Sudman: Yeah. They just started this year fifty thousand acres, feet or something. Small amount but it, it is happening. Your thinking that maybe somehow it might not be as big as it was thought to be?

D. Kennedy: You know, I really don't know. It's been so many years since I thought about it. When I was deeply involved and this really took a lot more time that I had planned on doing, I was sometimes spending three or four days a week on this going to meetings, --Uh--meetings in other places, --Uh--I gave then a proposal San Diego and MET a year or two before I left. At one point it was being used as kind of a framework to help to settle their dispute. But I, and then at some point, the Governor's Chief of Staff, George --Uh--it's been too long, anyway, his Chief of Staff got quite involved in the issue and --Uh--I was delighted to do other things and so he started attending some meetings and calling people together.

R. Sudman: Well, so but to get back to the, that fight with San Diego and Met was going on while the states were trying to negotiate this
4.4 --

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D. Kennedy: That's correct.

R. Sudman: Because, didn't, wasn't that a key thing and later quantification of those agricultural water rights, that was all key to making transfers work?

D. Kennedy: Right. That's the way I remember, if correct.

R. Sudman: So --Uh--was the Interior Department then involved in putting pressure on you in California and DWR Director to make this 4.4 plan work?

D. Kennedy: Well, in a sense. I don't remember the pressure so much as they really would like to get it done and --Uh--then Regional Director, who I guess is now the, Bob -- Uh --

R. Sudman: Bob Johnson?

D. Kennedy: Yeah. Bob Johnson who was a very helpful, capable guy, worked with him a lot and felt glad when he became Commissioner because he's very constructive and trying to get the job done whatever it is. --Uh--but yeah they wanted to get something done but this is one of those cases where public agencies just don't give up their water rights or some interpretation of water rights and --Uh--

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R. Sudman: Well, how did you, how did you, get, -- you know -- it was really Met that was at 5.2, having to get down like that. How did you guys work that out?

D. Kennedy: Oh they had different, through water salvages and various things, they had a list of things that would make up --

R. Sudman: Conservation?

D. Kennedy: Conservation differences and haven't thought about it is this many years, and -- Uh -- tell you again, but -- Uh --

R. Sudman: But is -- was necessary to get there or there would have been no progress in these other areas?

D. Kennedy: And I think the Secretary was under increasing pressure to cut Met back by the other states. Even in a way that you could say was unnecessary or not necessary (inaudible) but they --Uh-- the other states, I think, developed a pretty strong belief that Met needed to face up to all this and they were really pushing the Secretary.

R. Sudman: So, how long did that take? And it sounds like that became increasingly involving your time?

D. Kennedy: The part I remember time wise was the last couple of years or two or three years before I retired I just spent a lot of time on

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this issues and --Uh--it was, it wasn't something I could really delegate to anybody else in the Department. I occasionally had somebody help or come to a meeting, but -- Uh --

R. Sudman: But by the time you left, you had accomplished it for --

D. Kennedy: No, no , no, well we were making some progress. I'm not sure that, I'm not sure I could characterize where it really stood.

R. Sudman: But from the time that you became the head of the DWR and to the time you left, do you see Colorado River issues as being much more important for the Director than when you started them?

D. Kennedy: Well that's probably fair yeah. I don't know the extent to which the current directors, the ones since I retired, have been involved, --Uh--I think Tom Hannigan (Phonetic) was involved because he told me he was going to some meetings. I assume Lester is to some extent, but --Uh---- you know -- one fact in all of this that was always in my thought it the other --Uh--the urban and Ag Agencies in Southern California were nervous about a State Administration trying to tell them, trying to interject the state between them and their own contracts with the Department of Interior. You said awhile again, this is a

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very unique thing, these six agencies in Southern California have contracts themselves with the Department of Interior under statute that do not go through the State. And so, you've always had a kind of a bifurcation of authority or responsibility between the state, which has responsibilities, for water rights, some overall coordination and those six agencies whose contracts do not go through the State. They go directly to the Secretary.

R. Sudman: So as DWR Director, you didn't have any real rights over Imperial and Palo Verde irrigation district?

D. Kennedy: I didn't think so. You know you can make a legal case as do you have something there, --Uh--but it had been so contentious at times that I felt, having come from Metropolitan, I felt I was just going to stay out of this and not get any ambiguity about what we might be trying to do.

R. Sudman: So, trades and transfers from agriculture to urban areas are definitely a way to make up what water Metropolitan lost going back to the Supreme Court '64 decision. Do you see that as positive for the future in by the time you leave the

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department, do you see water transfers as a big way to solve the problem?

D. Kennedy: I think that water transfers acceptance have moved a long way from when I came to the department and when I left. I think one of the big factors in that acceptance was the drought of '91 and went on over to what, '93? --Uh--where we put together the water bank and bought water from farmers in a willing basis and kind of demonstrated this could be done and I always felt that the second year, when the farmers came to us and said very eagerly "are you going to buy water again this year?", was a real --

R. Sudman: Big change?

D. Kennedy: Yeah. A real change. Now, -- you know -- you could start arguing the abstract. There's a market for almost anything if there's enough money on the table, but --Uh--it all has to fit together and you can't do it in a heavy handed way and the Owens Valley syndrome, -- you know -- was very real and the conscientious of Californians, probably a lot of folklore there but nevertheless, people act on what they think they know and

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so --Uh--I think, we've come a long ways towards the acceptance of marketing having a legitimate role.

R. Sudman: Is there anything else you want to say about your observations on the Colorado River through the years you were a young junior at DWR and then Senior Executive at Met and then Head of the Department of Water Resources? Any other thoughts about the river?

D. Kennedy: Well, I would just say it was just fascinating to be involved, I mean for somebody to be as involved and I was in the Colorado River, and also in the State Water Project, --Uh---- you know – for a Water Engineer, nobody could look for a more interesting thing to do. So I just thoroughly enjoyed -- Uh--being involved.

R. Sudman: And the flexibility and the change has generally, as you see it, as positive?

D. Kennedy: Oh I do. Yeah. I'm sure there are things that need to be adjusted but no, I think that people are more in acceptance of the way things are and what the ground rules are and how you have to treat people. I --Uh---- you know – you think back to lots of things that happened that you might do differently or

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that the agency might do differently but I think generally speaking, we have made a lot of progress, the little I follow today looks like they're still making some progress.

R. Sudman: Thank you.

D. Kennedy: Thank you.

R. Sudman: I thought it was good.

D. Kennedy: Well, I said I'm not Bob, and you're going to run across Doug probably in the Lobby and he's going to want to know what you're doing, so I just said if you want to buy me lunch out at the airport, let's just --

R. Sudman: (inaudible) you're just, your just doing, now what about when he talks with his hands -- is that?

[END TAPE]