

An Interview with  
Edward C. Farrell  
Retired Chief Assistant  
City Attorney for Water and Power

May 19, 1998  
at  
Capistrano Beach, California

The Interviewer is Dick Nelson

**NELSON:** Ed, can you fill us in on your early years, education, etc?

**FARRELL:** I was born in Los Angeles at Cedars of Lebanon Hospital. Interestingly, I drove by there a couple of years ago when my wife was having heart surgery, the old hospital building had been painted pink and it is now the home of Scientology. I grew up during the not-so Great Depression and my parents moved around quite a bit in Los Angeles. I attended Cathay Circle and Rosewood Elementary schools.

My parents then purchased a home in Altadena and we moved there in 1939. There I attended Edison Elementary School, Eliot Junior High School and John Muir, which in those days was a combined high school and Junior College. John Muir is unfortunately known for its two crime involved students, Sirhan Sirhan and Rodney King. I couldn't afford to go straight to college after high school so I completed the first two years of college at John Muir. After John Muir, I finished college at

USC with a BA and went to its law school where I graduated with a LLB in 1955.

I joined the Los Angeles City Attorney's office in March of 1958. The first two years I served in the Criminal Division where we tried similar misdemeanor criminal cases over and over again; drunk drivers, misdemeanor manslaughters, petty thefts, indecent exposures and a lot of traffic-kinds of cases.

**NELSON:** For a young attorney, that would seem to provide a lot of trial experience real quick.

**FARRELL:** Yes. In those days we would report for work at City Hall, our offices were on the Temple Street level, and then go directly to our assigned court rooms where we worked the rest of the day. At the end of the day we went back to the City Hall office and filled out a form that told our supervisors what we had done, i.e., People v Jones, the number of the case, and the disposition. If a not guilty, why? We'd finish the form, drop it off and go home.

Over the two years I probably tried several hundreds of cases, both jury and non-jury. Often there would be two jury trials a week. There was a lot of fast-track work. The only problem with the Criminal Division was that if you were to work there twenty years, you would have accumulated two years experience, repeated ten times. After two years, you would have learned about everything you could.

From the Criminal Division I went to the Civil Division to work and spent the next three years doing primarily contract and property work. This included litigation involving quiet titles, inverse condemnations, breach of contracts and nuisances. I worked on some of the matters that had been left over from the Dodgers, during which I authored a City

Attorney's opinion that made Walter O'Malley mad.

Much of the work there involved the Department of Recreation and Parks. The Zoo and Rose Avenue parking lot cases are a couple of cases that I tried and won that went to the Appellate Courts.

I then was transferred to the Department of Airports and worked there for three years. That was almost entirely contract-related work. In those days the "new airport," as we called it, or LAX now, was still being constructed. The construction was in the finish-up stages when I got there. Our offices were in the Control Tower building and there were only three lawyers on the staff at that time. We had to pick up all the loose ends from the construction projects. There were a lot of problems, Robert E. McKee Company was the principal constructor and it was a very litigious firm. There was a joint-venture with the architects, led by Charles Luckman, who did the design work. They were also litigious because the job was so big it got away from them. LAX was laid out like the military airfields Luckman had designed for the Strategic Air Command for B-52 bombers.

There was a number of contract problems with other contractors too. Some of the work was sub-contracted to a mechanical engineering firm, other work to an electrical engineering firm. There was a lot of pressure to get LAX constructed. Some of the work was slopped through and we were left with a mess to clean up.

About that time the noise litigation with LAX was starting and I handled the first part of the cases.

In 1966, the chief attorney at the Harbor Department, Arthur Nordstrom, who was about 63, and who had previously indicated that he planned to retire at 65, marched in one day to see City Attorney, Roger Arnebergh, and announced that he was going to retire immediately

because some people at Harbor Department were crooked and he didn't want to be associated with them.

There were three lawyers at the Harbor Department at that time, Mr. Nordstrom and two others. Mr. Arnebergh asked Mr. Nordstrom who he would recommend as his replacement. Arthur is said to have answered, "Neither of those two who are working for me." This was all unknown to me at the time. I learned this later.

Anyway, I was called into the City Attorney's office and told that I was going to the Harbor Department. So, at that point I was promoted to Assistant City Attorney and put in charge of that Division.

There was a lot of ruckus going on. What I inherited there was what led to a County Grand Jury investigation. Three Harbor commissioners were ultimately indicted for felonies and I testified as a prosecution witness in all three of their trials. Nick Starr and Karl Runbergh were indicted as co-conspirators. Runbergh was a former L.A. City Councilman from the Westside. He was an interesting fellow.

He and Nick Starr were indicted, tried, and convicted. While the case was pending on appeal, Runbergh died and the convictions were reversed. The District Attorney then decided not to retry Starr because the complaint alleged they had done everything jointly.

I mention Nick Starr because about a month ago when there was the big, \$120 million or so, state lottery payoff, Mr. Starr was one of the winners. Starr was sort of the quasi-adopted son of Eleanor Chambers, who was a Deputy Mayor under Sam Yorty. Mr. Starr was quoted as saying that after taxes, he and his wife would be receiving something like \$16 million, but that wouldn't change his lifestyle because they were already multi-millionaires.

The other city commissioner who was convicted was George Watson. His

case went all the way to the U.S. Supreme Court with the conviction being affirmed. Mr. Watson, as part of his sentence, was forever bared from holding public office again.

The President of the Harbor Commission, Pietro DiCarlo, of DiCarlo Bakeries, was killed and his body was found floating in the main channel of the Harbor. LAPD later recorded the death as a suicide, although I don't believe most believed that. An interesting thing is that the day after the suicide, DiCarlo and his lawyer were scheduled to meet with the District Attorney's Office to discuss corruption at the Harbor Department.

Another city commissioner, Housing Commissioner Keith Smith, was involved with the Harbor Department. He was given a huge contract to develop a world trade center on Terminal Island. Mr. Smith could never get financing for the project so the whole thing went belly up. He was also indicted and tried for a variety of felonies. The case was transferred on a change of venue to San Francisco where it was tried and he was acquitted. I was right in the middle of all this and it was very challenging.

The Harbor Commission Secretary, who had been fired just before I arrived was Bob Wilkinson, who had been a city councilman. Mr. Wilkinson left the council to become the Harbor Commission Board Secretary. Mayor Yorty became worried about him so he had the Harbor commissioners fire Wilkinson, which they could do. Bob then moved back to the San Fernando Valley and got himself re-elected to the Council. But, along the way, Bob sued to get his job back. I handled the case and beat Bob in both the trial court and the Court of Appeal. It always made my future relations with Councilman Bob a little tense.

At Water and Power, my predecessor was an outstanding gentleman by the

name of Gilmore Tillman, who had held the job for twenty-five years. At that time, in the history of the Department, there had only been two other chief lawyers of any consequence, William B. Mathews, who later became General Counsel to the Metropolitan Water District of Southern California, and Stephen B. Robinson, Mr. Tillman's immediate predecessor.

At that time The Department of Water and Power (DWP) had a mandatory age of sixty-five, which made Mr. Tillman's retirement date February 1, 1971. So, I was moved to DWP to replace Mr. Tillman in November 1970.

Timing was important because a city councilman who later became a member of the County Board of Supervisors, Ed Edelman, had proposed a new City charter for Los Angeles which would have really been adverse to the three city business departments. DWP took the role in defeating that Charter Amendment in the November 1970 election. The City Attorney's idea was to transfer me to DWP after the election so I wouldn't be tainted with DWP activities during the pre-election period.

**NELSON:** Did the Department fight that measure pretty strongly?

**FARRELL:** Oh yes! They had people going door to door and defeated the proposed new charter rather handily.

I formally took over February 1, 1971, and a few days later the Sylmar earthquake occurred about six o'clock in the morning. I always thought Mr. Tillman would say, "Ah Ha, I knew the place would come apart after I left."

Mr. Tillman was a great fellow, but he was on a different work schedule from the rest of us. He liked to come into the office about 10:00 or 11:00 in the morning, have a couple cups of coffee and a cigarette or two. About 1:00 p.m., he and Floyd Goss, the head of the DWP Power

System, would go to lunch, opening with a martini or two. By about 9:00 or 10:00 o'clock in the evening, Mr. Tillman would get into full swing and work well past 1:00 or 2:00 a.m. That was just his schedule.

He had never attended law school. He never even attended college. I questioned once whether he had ever graduated from high school and boy did he ever get upset. But, he was a true genius. He had studied law working in a law office in San Diego. While working there he did the annotations for the Codes for the State of Nevada. I remember three or four years ago looking at the annotations for Nevada and there's Gilmore Tillman's name!

He studied law in a law office, which you could do in those days. It was how he qualified to take the bar examination, which he passed. After passing the bar someone woke up to the fact that, "My Lord, this guy is under 21, we can't let him practice law." Mr. Tillman then referred to what happened after this as the indentured time of his life. State Bar representatives went to San Diego and made a deal with Mr. Tillman and his employers to the effect that he would work with that firm under their strict supervision until he turned 21. That was his indenture.

He had an incredible mind. If he had attended college or law school, he probably wouldn't have been any smarter than he already was. He absorbed everything he read and he was an avid reader. However, he developed cataracts. The doctors had to remove the lenses from his eyes so he couldn't really read very well after that, so his assistant, Joe Bosio, became his reader. Joe would read to him all of the cases and statutes - and he retained everything. An amazing fellow!

When the Federal Government built Glen Canyon Dam and created Lake

Powell, there was something like 40 million acre/feet of water that would be impounded behind the dam. Well, that was 40 million acre/feet of water that didn't come down the Colorado River through the Hoover Dam Power Plant turbines. So they had to work out a formula to compensate those who lost generating capacity, like the DWP and Southern California Edison Company.

Howard Allen, a former law professor at Stanford was the long time head of Southern California Edison Company. When Norm Nichols was the DWP General Manager, some of us were invited out to the Edison headquarters on Rosemead for lunch. Mr. Allen regaled everyone with stories about Gilmore Tillman and how he developed the formula used to resolve the problems caused by the 40- million acre/feet of water that was left above the dam in Lake Powell.

**NELSON:** The Department's Board of Water and Power Commissioners was the third municipal board you had dealt with directly. Notwithstanding the Harbor Department Board, were they much different?

**FARRELL:** There was quite a difference at DWP. The first DWP board I dealt with was far superior to the others I had worked with. The Harbor Department Board had gotten out of control and there were some bad people there when I arrived. Mayor Yorty immediately replaced all of the bad commissioners and replaced them with some outstanding citizens. That's one of the problems with the commission form of government. I don't care what form of government you have, if there are a couple of "bad apples" present, and they get their heads together, they're going to corrupt the process.

The current DWP General Manager, David Freeman, wrote an OP-ED piece for the L.A. Times recently, where he complained about all the

layers of government that exist. Well, they exist in part, as overkill, because of the potential for corruption.

Later, I found out that during the depression the DWP had given Sam Yorty a job. So, the DWP had a very special place in Sam's heart and mind when he became Mayor of Los Angeles..

When I got to the DWP Henry Bodkin and Nate Freedman were on the Board. They were really two giants in the legal profession here in L.A. Frank Palmieri, a mortician, was on the Board. At some point, Jack Luhring came aboard. I had known Jack when I was at the Airport. Jack, had been a banker with the Union Bank for many years before he retired. All of them were top notch people. They functioned well as a Board.

The DWP Commissioners were remarkedly above board. Ed Kanouse was the DWP General Manager then, and he kept everything on a high plane. Ed had Floyd Goss and Bob Phillips as his system heads, and Bill Sachau was the Chief Financial Officer. All were very strong, dedicated people.

**NELSON:** You took over a relatively small staff, compared to its size when you retired.

**FARRELL:** There were 15 or 16 attorneys when I got to DWP and 29 when I retired.

One of the first things that happened when I transferred is that I became a DWP employee.

In the 1973 municipal elections Mayor Sam Yorty lost to Tom Bradley. Burt Pines became City Attorney. Mr. Pines did not like the idea of having a group of lawyers on the DWP payroll. So, he started the machinery moving to put us back on the City payroll. So, in the mid-70s, we all became City employees again. That was not as easy as one might

think, as we encountered problems in moving vacation and sick time, pension time and all the other things. It was time-consuming to have to recalculate all that again.

Five lawyers were exempt from the move, because they all had over twenty or twenty-five years with the DWP Charley Zinger, Omar "Red" Lloyd, Manny Becker, and Joe Bosio. Joe retired in 1975, I think. They all retired shortly. Steve Powers lasted the longest.

Mr. Pines and his staff decided to shake everything up in the City Attorney's Office, so they went out and interviewed the elected officials and the various city general managers on what was wrong with the City Attorney's Office and how it could be improved. So everybody unloaded on him on how the office would be made to function better.

What they decided, I believe, was to break the staff down into four categories, in twenty-five percent efficient groups. So on average the office would be working at a fifty percent level. Next, they decided the bottom twenty-five percent group would be fired. They would be replaced with new attorneys hired from the Ivy League and other top schools and this would raise the overall performance of the office considerably.

In those days the lawyers served at the pleasure of the City Attorney, so a whole lot of lawyers were fired, none however, here at the DWP. At that time the proprietary departments (Airport, Harbor, Water and Power) paid a higher salary than the other city departments. That tended to bring us better attorneys. I think only one proprietary department attorney, at the Harbor Department, was let go.

Mr. Pines was primarily interested in the criminal matters. If you were a lawyer and running for public office, criminal law issues were where the votes were. A number of lawyers in The City Attorney's Office wanted to transfer back to the Criminal Division so they could ride the

then current wave of interest.

**NELSON:** What was your reporting relationship with the City Attorney?

**FARRELL:** With Mr. Arnebergh, it was more informal. He was a delegator who basically said: "Here's what I want, take care of it. If there's a problem, call me. But, don't pass the buck to me, you're paid to solve the problem." So, I did not have formal, office meetings with him.

That's the way it operated. It was informal but it was very effective.

When Mr. Pines was elected, he inherited a lot of us who had been appointed by Mr. Arnebergh, so naturally, he was a bit wary as to where our loyalties were. Mr. Pines' style went the other way from Mr. Arnebergh's, with numerous meetings with his upper echelon, many more memos on cases and the performance of the attorneys. We became mired in internal minutiae for a long time. It finally settled down when Mr. Pines realized he had a pretty good staff.

Of all those young attorneys who were recruited, I don't think any lasted more than five years. They all got in and found out quickly what municipal government was like and how slow everything moves. A lawyer who wants to get out and be "Mr. Superstar" has no place in the controlled atmosphere of city government.

The City Attorney has to be responsive to the public because he's an elected official to the electorate and he can't turn attorneys loose to go out and do whatever they want. He has to make sure their activities are consistent with the law as well as his political beliefs. He also had to provide representation that satisfies the various boards and the City Council.

**NELSON:** Who followed Mr. Pines?

**FARRELL:** Mr. Ira Reiner. Ira was a lot like Mr. Arnebergh, but, had a political agenda and wanted to move on up the political ladder. He was a very fine lawyer. I met with him very early on. He had a number of issues that he was really interested in. They were primarily criminal, not exclusively, but primarily. None of them involved the DWP. So, basically, it was, "Go do your job. Call me if there are problems." I had a good relationship with Ira and respected him greatly. He was more mature than Mr. Pines, I would say. He had a better sense for taking control of things.

Mr. Reiner had been City Controller and knew L.A. and how it worked. He later was elected District Attorney. He then ran for Attorney General, but he wouldn't campaign in Northern California so he lost. Ira was married to a Superior Court Judge, Diane Wayne. Anyway, Ira is a good man.

Mr. Reiner was elected District Attorney in the November election. So the City Council appointed Gary Netzer, a career attorney in the office, to serve as City Attorney on an interim basis until the next municipal election. Gary served for about seven months or so, then Jim Hahn was elected. Gary appointed me as the Acting City Attorney to serve when he was out of town.

**NELSON:** Did Jim Hahn fit the mold?

**FARRELL:** As you know, Mr. Hahn came from a political family. His father was the long-time L.A. Supervisor, Kenny Hahn. His agenda was more with the political view toward the issues.

**NELSON:** Ed, you said earlier that you had taken over the job just a few days before the Sylmar earthquake. What impact did that have on

your office?

**FARRELL:** Immediately we scurried to the law books to find out what recourse DWP would have to recover money from the Federal Government. The immediate issue was what to do about the Van Norman dam.

Let me go back a bit. The Baldwin Hills Reservoir failed on a Saturday in December 1963. The day before, I was coming back from court with a witness named Bill Schoenfeld who worked for Charles Luckman at the time. He later became Assistant General Manager at the LAX. Schoenfeld was a witness in one of my airport cases. As we were driving, Schoenfeld asked me to drive up to a house he owned and had rented, so he could collect the rent. We pulled off on La Brea and went up the hill to the end of a cul de sac and I said, "What the heck is that?" He said, "That's the Baldwin Hills Dam." His house was the second or third down from the dam.

The next afternoon I heard the Baldwin Hills Dam was in trouble. When it failed Schoenfeld's house was destroyed along with others. But, I can say I did see the dam before it failed.

What I understood to be the story about the Baldwin Hill Reservoir is that the reservoir keeper, or whatever his title, reported some unusual leakage or flows. DWP personnel went out to check it out and some engineers came into the office to study the problem from reports fed to them at the scene. LAPD was notified and officers were dispatched.

At some point LAPD Chief William Parker got involved. Some sergeant was at the reservoir looking around. The sergeant and Chief Parker had a conversation in which the sergeant expressed his concerns about the situation and said he thought the dam might go. Upon hearing that

Chief Parker ordered all the residents out of the area.

When it was all over, there were questions as to Chief Parker's authority to order an evacuation. Chief Parker said his officers did not like the situation, so he ordered the residents out.

The City later went to the State Legislature and got a bill passed basically giving the police limited authority to evacuate an area in the case of an impending disaster. No one really questioned Chief Parker's judgement in the Baldwin Hills matter because the dam did collapse.

As a result of that legislation, when the Van Norman Reservoir Dam got in trouble in 1971, the question was what to do. Over at Parker Center, the police pulled out their dam failure procedure book and called the DWP to say they couldn't evacuate people living downstream unless the DWP advised them the dam and reservoir were in trouble.

Others can speak to this better than I, but my understanding is that Water System head, Bob Phillips, wanted to salvage as much water as possible. Some of his engineers thought the damage to the dam was superficial, that it was just the roadway that collapsed that was kind of dramatic. The sense was that the dam itself was intact.

After two or three days LAPD was advised to order an evacuation. LAPD then went in and moved the people out. Of course, the dam did not fail and all of the gripes about the police displacing all those people fell on deaf ears and there was no liability to the City because the police chief and the LAPD were acting pursuant to the new state law.

So, returning to February 9, 1791, we dug out that statute and took a look at it to see what should be done. Also, to look at the reimbursement aspects of it. We spent a lot of time on reimbursement.

I guess it was five years or so that Bill Sachau, DWP Chief Financial Officer, and I worked on reimbursement issues. The Feds gave us reimbursement for our hardware losses, for facilities and equipment damaged during the earthquake, but they didn't reimburse us for the higher costs of water and energy that DWP had to purchase and pass on to our customers. We had lost a lot of energy transmission, so we had to purchase the makeup energy from other electric utilities. Makeup water had to be purchased from MET.

We fought with the Feds for years on that. Every time Bill and I would be in Washington D.C., on whatever other subject, we would make it a point to go talk to the, what is now called, FEMA people.

Finally, they gave us \$12 or \$16 million, to fully reimburse DWP. After we received the money, it was returned to our customers. That made me feel pretty good.

The other big fight we had over, the Van Norman Dam and Reservoir was with Judge, Walter Ely, who was on the Ninth Circuit Court of Appeals. Judge Ely, no relation to Mike Ely, was a Texan, and a much decorated WW II U.S. Marine. Judge Ely got involved in this because DWP was reimbursed by the FEDs to rebuilt what would ultimately become Los Angeles Reservoir. The environmental impact movement had started so we were sued by a group of people who lived below the reservoir and who did not want DWP to rebuild the dam. They raised all sorts of environmental complaints about it.

A sort of funny thing happened. We were before a Federal Judge, Andy Hauk who was a former General Counsel for the Union Oil Company and a wild man. Ken Downey and I were arguing in his court one day when an attorney came in wanting an injunction to stop the construction of the dam. Judge Hauk was having problems with the guy's arguments. The guy

would argue, we would argue, he would argue, etc. Pretty soon, Judge Hauk, always a participant, got into it. Soon, we realized that Judge Hauk was arguing with the other attorney, it was really funny. Anyway, the other attorney was arguing on and on and we could see he wasn't getting anywhere. So, finally he tried some other argument. Judge Hauk looked at him and said, "Counsel, that's b---s---!" At that point, we figured we won.

When the transcript of the proceedings came down, the court reporter wisely knowing where her paycheck came from, reported it as, "Counsel, that's balderdash!"

Judge Hauk eventually approved of DWP's Environmental Impact Report so DWP could get the money to build the dam. The homeowner group who opposed us went by the name of, HELP, I think. I can't remember what their acronym represented. Anyway, they appealed to the U.S. Ninth Circuit Court of Appeal.

Well, Walter Ely gets concerned so he issues a Stay Order, that DWP is not to accept any money from the Feds until the Court rules on the appeal.

The problem was that the Court didn't advise us in a timely way about the Stay Order. A few days earlier, DWP had gotten a big check from the Federal Government, which Bill Sachau immediately invested it in some government securities, because DWP was not ready to begin construction of the dam.

So, we had gotten the money and invested it, then a few days later here comes the Stay Order from the Appellate Court in the mail saying DWP can't accept the money. I, and I think Ken Downey, immediately went over to see Judge Ely, because he had signed the Stay Order. I had known of Judge Ely from the past. He was a friend of my father's and had even

recommended me for law school. He just raised hell over DWP's acceptance of the check and said I belonged in jail and a few other choice things.

I explained to him that we didn't get the Stay Order until after DWP had received the money. Anyway, we chased that around for the longest time. DWP couldn't spend the money anyway because Mr. Sachau had purchased a one or two year bond.

There was some snag, maybe in the EIR, but the Ninth Circuit reversed Judge Hauk and remanded the case back for a rehearing. When Judge Hauk got the case back, he looked at the EIR and said something like, "Ah, baloney, it's fine," and approved it again. So, off DWP went with the construction of the Los Angeles Dam and Reservoir.

It was a bumpy time with the dam business. Any time you're at odds with the judiciary, particularly Judge Ely, who was an outstanding jurist and really teed-off at us, you could be in for trouble. But we managed to get off the hook.

**NELSON:** Those early '70s were exciting times. We survived the earthquake; the Second Los Angeles Aqueduct was completed; the California Environmental Quality Act (CEQA) was energized by the Friends of Mammoth lawsuit; Inyo County sues L.A., and the Department began preparation of an EIR on increased groundwater pumping in the Owens Valley. Can you enlighten us on any of this?

**FARRELL:** Assistant City Attorney Ken Downey was closest to most of this. When Inyo County announced they were going to sue we felt we had a good defense, namely that the Second Aqueduct project had been completed prior to CEQA. We resisted the lawsuit and we lost. I think the basis of the ruling was that while the Second Aqueduct had been built before the adoption of CEQA, we couldn't show that it had been

built for the purpose of increasing groundwater pumping from the Owens Valley.

In those days I don't think the DWP made the record that you would need today, with an EIR detailing what you planned to do and why you were doing it. The Court simply laid more emphasis on the pumping than it did on the construction of the aqueduct which took place before CEQA passed.

We lost and the question was what to do. The simple thing was to do an EIR. The question then became who would do the EIR. DWP really hadn't any experience doing EIR's at that point because CEQA was relatively new.

One thought was to bring a consultant aboard to do the work, which was kind of poo-poo'd right off. I don't know who it was in management that didn't want to go to contract for the preparation of an EIR. The feeling was that Water System staff could handle the EIR and so they proceeded to prepare it.

When the EIR came out, one of the strong environmental attorneys in the City Attorney's Office, a woman named Jan Chatton-Brown, said something like, "This thing isn't going to make it."

Mr. Downey and I had a couple of meetings over in Mr. Pines' office because he was riding the environmental movement thing as City Attorney. His question was, "What's wrong with the EIR?" The response was something like, "It's not an environmental document, it's an engineering document. You have all those numbers. They count the bunny rabbits; they count the bushes, everything is numbers."

I may not be very accurate in this, because my memory isn't real good. But, as I recall, the idea of the EIR was that as the water came down the Owens River in the Owens Valley, it was drained off in part and used by communities along the way. Makeup water was then pumped to come to

L.A., so that the definition of the project was something to the effect that DWP was simply doing this pumping to provide water to the towns and farms in the Owens Valley.

Needless to say, the Court did not buy that, and blew the EIR down as inadequate. Our question then was what to do on the second EIR. Again we raised the point of the advantage of contracting with an outside firm for the work. The Inyo people had complained that the first EIR was flawed because it was prepared "in house". By having outsiders do the EIR work would take away that argument and DWP would get an impartial view and assessment of the environmental impacts, not a document that was allegedly slanted and self-serving.

Duane Georgeson was very adamant that Water System should do the EIR, so they did the second EIR. At that time an outside attorney, Don Stark, was doing some work for DWP. Don had worked with George Grover, who was the attorney who won the San Fernando water rights lawsuit for DWP.

When George was doing the Supreme Court brief on the San Fernando case, I would stay around until about 8:00 p.m. and go home. When I came into my office the next morning, more than once, I found George sleeping on my couch. He would wake up and within five minutes would be dictating more of the brief. He was a workaholic and would work around the clock until he dropped.

George had won other cases the same way. His friends thought he would kill himself at an early age so there was a push to get him appointed to the Superior Court. Later, he did get the appointment to the Riverside County bench. He did the same thing on the bench. He couldn't ease up there either and finally suffered a fatal heart attack.

Don Stark worked with Mr. Grover. Don was a very bright guy, and made the legal argument to the third District Court of Appeal on the second

EIR. I wasn't there for it, but almost the very first question from the Court told us that DWP was in deep trouble. So, our second EIR was rejected, or "deep-sixed" by the Court. You told me you had heard about Mr. Stark's accidental death later on while vacationing in Italy so I won't repeat it.

NELSON: Were there any warning signs that the EIR process was going to be difficult?

FARRELL: Yes, the comments of Deputy City Attorney Jan Chattan-Brown, was the first warning sign we had. But, even after The Friends of Mammoth case came down, you had rules and regulations being promogated over several years with court decisions on different points. So, it wasn't like DWP was playing on a level playing field that didn't change. It was evolving all the time.

It wasn't until Jan Chatton-Brown spoke up that we realized there was a problem. Naturally, the DWP personnel were very defensive of their work product. It was resolved by having our Board approve it and move it to the Court, which basically said "No, the EIR is not adequate.".

NELSON: What did you think of the Court? Did they treat the DWP all right?

FARRELL: When you lose a case it's always easy to blame the court. You see a lot of that. The Court did make mention of the fact that you've got this big Goliath Los Angeles and poor little Inyo County. I certainly think the Court could have ruled in our favor had it been predisposed to do so. The Court, I think, was influenced by poor little Inyo County. I think they were influenced by the fact that we had

prepared the document, a self-serving document, not a document prepared by an independent consultant who wasn't beholden to anyone. The fact DWP prepared the EIR raised the question of just how objective was the document. Inyo County pointed out that it wasn't objective at all. Those were all things that mitigated against an approval of the EIR.

A lot of what the Court pointed out were emotional issues, sideline issues. But, in the business about the definition, the Court was probably correct, the first time around anyway.

The second time around, I don't see any reason at all for the Court to have rejected the EIR. As a matter of fact, one of the Judges, in his dissent, wrote that L.A. had done exactly what the Court had asked DWP to do, so, the EIR should be approved. It was a two to one decision against us.

The unfortunate thing about that decision is that at the time there were four Southern Californians on the Supreme Court, so we filed a petition before the Supreme Court, which at the time was all tangled up in legal issues involving capital punishment, crime, etc., so, they didn't give DWP a hearing. I think that if we would have gotten to the Court I would have felt better about the case. If they had said, "No, L.A., you lose," I wouldn't have had a quarrel with it. The fact that we couldn't get a hearing has always left me with a feeling that we got taken the second time.

**NELSON:** Was the Department Board supportive of the effort?

**FARRELL:** We had a difficult Board, in part, because by the time the adverse decision came down, Lou Winnard was the General Manager. He was not one to readily accept responsibility, so, what he did was basically blame the lawyers for losing the case. He had the ear of

DWP Commissioner Patricia Nagle, so she complained too. So, that was a difficult time. The Board had approved the EIR, and when the Court rejected the EIR, it didn't make our Board look good.

**NELSON:** The Department did the EIR. Inyo County objected to certain aspects and the Department went back for more studies to refute Inyo County's contentions. It looks like the Department spent all the money, and did all the work, why?

**FARRELL:** We were under Court Order to prepare an EIR. That Court Order was over our head all the time. It didn't do us any good to basically walk away because as they started to study all those little areas and all of the little projects Inyo County wanted. DWP found itself getting sucked into the EIR process in an expensive manner. If DWP would have stopped and said no, Inyo could have gone back and said all of those little issues they raised needed study or more study. Having started it DWP had to see it through.

DWP basically lost its prerogative, that it would get first call on the water. That was the tough loss.

**NELSON:** How did L.A. and Inyo County finally get together?

**FARRELL:** There was an attempt to gain favor with Inyo County by selling the in-town properties in the Owens Valley owned by the City. Lease periods were also extended. DWP basically gave Inyo County everything it could and they said they wanted more. That's what really irritated all of us. But, it got down to a point where there wasn't anything else to give but our water. So, we gave them our water and in return received little in proportion to what we gave up.

NELSON: Why didn't Inyo County continuing fighting and get more?

FARRELL: I think they got all they wanted. They got an enormous number of concessions from the DWP.

NELSON: When did you become aware of a problem at Mono Lake?

FARRELL: That was during the time Lou Winnard was General Manager. He told me that two lawyers had wanted to visit him to get DWP to do something about Mono Lake. The Mono Lake issue had previously been raised by David Gaines, who was later killed in an automobile accident. The DWP Board had earlier invited Gaines to make a presentation to them on Mono Lake. He came across as being very genuine. His message was that we should stop our diversions. However, it was not a threatening presentation, but an excellent one.

Later, the two lawyers showed up in Winnard's office. That was the first time I heard that there might be a legal fight coming. There had been complaints about the level of the lake going down. I don't know that Gaines had been the first one to raise the point. The Gaines presentation I remember quite well, but I don't know if that's when I first heard about the issue.

NELSON: In your recollection, how did the Mono Lake issue proceed?

FARRELL: At some point the Audubon Society became involved. I don't know whether the Audubon Society got the lawyers involved, or the lawyers got the Audubon Society involved. Anyway, the two lawyers brought suit.

In light of the problems with Inyo County and the difficulties with the Court regarding our EIRs, we viewed this suit as a real threat,

but I also think there existed an institutionalized state of denial within the DWP.

It wasn't until those lawyers dug up out of the old transcript, the Public Trust argument, that they really seemed to have something going for themselves. This was a few years into the Mono Lake issue.

I did not get that personally involved in the water matters, because, they tended to drag on forever. And, like with Inyo County, they involved endless trips to the Owens Valley. I just didn't have the time for that. We were trying to get Intermountain Power Project (IPA) underway.

Ken Downey of my staff took the day-to-day lead, and we had Adolph Moskovitz and his able law firm assisting with the briefs and arguments.

**NELSON:** Did you feel that the Department was well represented?

**FARRELL:** Certainly. Messrs. Grover, Stark and Moskovitz were the three most prominent water lawyers in California. As I mentioned, Mr. Grover went on the bench, and then Mr. and Mrs. Stark were killed while vacationing in Italy. So, we were real lucky to get Mr. Moskovitz. He gave us the highest quality representation.

During this same period Mayor Bradley stopped the operating agreement on the Navajo Power Plant, near Page, Arizona, for a long time. So, DWP and the other participants continued on the construction agreement, which resulted in misinterpretations, disagreements, you name it, between the participants. We were also trying to wrap up the earthquake issues. Additionally, we were wrapping up the San Joaquin Nuclear Power Project, which DWP had chosen to abort.

DWP's Power System situation seemed bleak at the time. Power System

head, Floyd Goss had gone out and purchased some small, expensively fueled, gas turbines that were sited at Harbor Generating Station. They were to be used during future peak demand periods in which DWP energy forecasts projected nothing but shortfalls.

Things were desperate. We couldn't build anything ourselves to obtain the economies of scale needed, so we had to resort to joint projects with other utilities. We were in and out of all kinds of joint projects. Some like, Navajo, Mohave, IPA and Palo Verde, worked out. Others fell by the wayside.

**NELSON:** Castaic Power Plant was in there too.

**FARRELL:** Castaic wasn't such a big thing with the lawyers, except for the layoffs. If you remember, we had the earthquake in 1971. In 1972, we had President Nixon's price freeze, which stopped a pending DWP electric rate increase. As a result of that we had to shut down the Castaic project and lay off something like 1,500 workers. That was really disruptive.

A major gaffe occurred when the city's Personnel Department told the DWP to lay off a number of people who shouldn't have been let go. Other's were retained who should have been laid off. It was a mess. We received a lot of claims from people who were mistakenly laid off. Many of our Viet Nam vets in the Power System were laid off because they were junior in Department seniority. We were told by Mayor Bradley that while the Personnel Department had made the mistakes, it didn't have the money to pay the claims, so we should. It was one of those things.

Then in 1973, we had the Arab Oil Embargo, and all the fallout concerning our energy curtailment program and how it should be administered.

We spoke a little earlier about gaffe's. The Department caused a huge one in connection with energy curtailment. The Power System's Conservation Division, nee Business Agent's Unit, came up with a curtailment plan that provided for different area's of the city to be blacked out to conserve energy. When the plan reached Mayor Bradley's office, it was realized that people could be stuck in elevators with full bladders; traffic signals would cease to function; accidents would occur; policing and emergency services would be adversely affected, plus a host of other dire consequences. The reaction to the plan was, "Come on, it won't work!"

For a long time after that the Mayor's Office questioned the Department's credibility. That ill-conceived plan cost the Department dearly over the next few years. It has been mostly forgotten now, but at the time it really hurt us. General Manager Bob Phillips lost credibility as did the DWP.

The "energy crisis" lasted over into 1974, during which time, we had the employee strike, which was terribly disruptive. The strike was primarily against the Power System. It was not too long after the strike that Bob Phillips retired. Bill Sachau and I had talked him out of leaving twice, but the third time he went. He was probably right. He was probably building himself up to a heart attack or stroke with all the pressure he was under.

I forget what happened in 1975, but in 1976-77 we faced the drought and the water curtailment problems and all of that.

In 1978, we had rains and floods. We were sued all over the place. The Power System had all those roads in the mountains to service their transmission lines. The roads would gather water and the water would bring mud down upon people's homes and a lot of lawsuits directed at

DWP.

Then, in 1979, the Shah of Iran was ousted, and the oil markets were again effected. The '70s were tumultuous.

In the '80s, we got the Intermountain Power Project and the Southern California Public Power Authority going and things like that. When the '90s began with the Gulf War, another riot and earthquake, I wondered if we had another '70s before us.

Throughout the '70s, there were all the outside influences coming down upon the DWP. We couldn't control any of them, only react to them.

With the Water System issues, be they Inyo or Mono, we had to have people assigned to them fulltime. They couldn't be distracted by other things.

I was always pleased with Mr. Moskovitz's work and was shocked to hear of his death due to a brain tumor, a year or so ago. I remember he once kiddingly said that he was one of the last Jewish kids to be named Adolph!

**NELSON:** The 1980s saw another issue develop, dust from Owens Lakebed.

**FARRELL:** The Owens Lake issue had been on going for a long time. There was a continuing problem with the navy jets who used the China Lake Naval Weapons Center ordnance ranges. A Navy jet once collided with one of our transmission lines. The jet was damaged, but landed safely. The Navy claimed that dust from Owens Lake sometimes obscured flight visibility and hindered their flight operations. A dust problem was supposed to also exist at Mono Lake.

We had heard about Mono Lake dust a long, long time ago. I went up there once with Bruce Kuebler and DWP Commissioner Mary Nichols. We visited a place where a biologist was trying to grow plants in the

white alkali soil to muffle the dust. It seems like everything he planted died.

The Owens Lake situation is interesting because the State owns the Owens Lake bed under the jurisdiction of the Land Commission. As a matter of fact there is an Injunction that prevents the Department from putting water on the lake bed.

We were sued in the 1970s by a company who was mining trona on the lake because DWP had flooded their operation when aqueduct water spilled onto the lake surface. If you recall, this was the record runoff from the 1969-70 snowpack in the Eastern Sierras.

Anyway, the mining company sued and had a pretty good lawyer, Richard Richards, the old state senator, and his firm. Sometime in '73 or '74 the case finally got to trial out in San Bernardino County where it had been sent on a change of venue. DWP won the case. Our defense was pretty simple. The storms were so enormous that even though we had previously diverted the flow of the Owens River into the aqueduct, the aqueduct system couldn't handle those monstrous flows.

The man who used to talk the most about the blowing dust on Owens Lake was our General Manager, Paul Lane, who had lived at Keeler for, I think, a short period, when he was a kid. He liked to talk about the days at Keeler and he would mention the blowing dust over there. I have driven past Owens Lake many times and I don't recall experiencing or seeing a large amount of dust blowing up from the lakebed.

I guess the City became the sponsor for SB 270 which was supposed to take care of everything. "Peace in our time," if you will. It didn't take Great Basin Air Quality Control Board long to discover there were deep pockets down in Los Angeles. It ordered cars and equipment, and hired people, all of which they wanted DWP to pay for. That became a

large taffy-pulling contest. Like Dr. Frankenstein, I think we kind of created a monster there that escaped from our control. But, at the time SB 270 was heralded as bringing peace. It did not, it just caused another war.

**NELSON:** You mentioned earlier about the Edelman charter revision. Was that just the beginnings of the whittling away of DWP power?

**FARRELL:** The proposed Edelman Charter was really a power grab by the City Council. There is that unfortunate phrase in the Charter that says the Council is the "governing body" of the City. It is, to the extent that power isn't specifically assigned somewhere else. In other words the residual governing power is in the Council. Well, a lot of the councilpeople read those words and said, "Gee, I want the whole ball of wax."

While I was assigned at the Harbor, we testified on the Edelman charter pointing out its shortcomings, particularly as it pertained to the Harbor Department. DWP was doing the same thing. But, Mr. Edelman and his committee were oblivious. They put out a proposed charter and called for comments on it. They took the comments, a number of which were really good, and then ignored them in the final draft charter. Their proposed charter was defeated.

Later, Proposition 13 was authored by Councilwoman Joan Flores. It was unfortunate because she was just upset with the Harbor Department. The entire operation of the Harbor Department is within the Fifteenth Councilmanic District. So you have one councilperson who is always at odds with Harbor Department. The Harbor operations makes noise, causes traffic congestion, blah, blah.

It's the same with the Airports Department. There, you have two

Council members who are adversely affected by what's going on in their districts. So, Joan Flores sponsored that Charter Amendment. And, it passed.

Proposition 13 allowed the City Council to exert jurisdiction over actions taken by all City Boards. This was a terrible thing that undercut the authority of the DWP and its Board of Water and Power Commissioners. It has got to make it hard for people who want to serve on a Board. A private person takes a big chunk of time out of their life to devote to one of the proprietary departments. You give it your best in making decisions, only to be undercut by 15 municipal politicians. It's got to make one feel worthless or useless, or something like that.

**NELSON:** Do you think the overall quality of the boards has been adversely affected by this?

**FARRELL:** Well, it can't be helped. The DWP at times had just marvelous Commissioners. Rick Caruso is there now, and I think highly of him. The others I don't know and so can't speak to them.

Another blow was single salary setting. That was passed during Lou Winnard's stint as General Manager. He wouldn't allow anyone to go out and work against the charter amendment.

**NELSON:** Going back to the Board, who stood out during your career working with, and advising them on legal issues?

**FARRELL:** Henry Bodkin, Nate Freedman, Jack Luhring, Mike Hollander, Jack Maloney, Sara Stivelman, George Kennedy. Rick Caruso, certainly. We had other Commissioners, William McAdam for example, who was outstanding, but who served only a very short time. We had a number of people who were in there for short periods. I'm sure I've done a

disservice by omitting someone, but this is "top-of-the-head, so to speak, without looking at a list.

**NELSON:** What about General Managers. Who stands out in your mind?

**FARRELL:** I think I was there for nine General Managers. Ed Kanouse did very well with a gentlemanly Board, before the environmental and civil rights issues exploded which took up so much of my personal time in the '70s and '80s.

Bob Phillips was outstanding. When I look back, Carl Tamaki was pretty outstanding too. Carl tended to do things by committee. Bill Sachau was a close personal friend, but, kind of an autocrat and would fuss about some of the many meetings Carl would call. But, that's what we were there for. Carl liked to get a strong concensus of everybody involved before he made a decision. In my thinking, that's what a general manager really should do. Carl suffered a heart attack and that basically led to his retirement.

I think Norm Nichols was right up there. Norm was very smart, but got ground up in the political process, as did Jim Malloy before him. Jim left too early I think. The political scene, with its many layers, and trying to just get along with everyone and still do what you know is right is very demanding. Along the way you are required to make so many compromises that you never get exactly where you want to be. You're always forced to compromise, and that gives the DWP less than is needed. Or, it costs too much, because you had to agree to do extra things along the way to win support for your project.

I wish I had kept a list of things the DWP did over the years to curry favor. Curry favor is not the right term. It was where elected officials came to the DWP saying, to the affect, "Please help me with

something, I want you to do this." It might have been to landscape something, or paint something.

I remember when the CAO, Dr. Piper, a very talented man, came to see our General Manager, (It may have been Jim Malloy), to talk about the things the City wanted the DWP to do, such as, "Could the Department do these upgrades to the Mayor's home." The DWP was always asked to do this, do that. We would most often do it and what did DWP receive in return? Not much.

I felt a deep personal loss when Norm Nichols retired. Norm was a visionary. But, he got caught up in the political thing, primarily with Tuttle, the City Controller, over expenditures. It wore Norm out.

We can go back to one of the things that got to Bob Phillips so much. That was the strike in 1974. Basically, the Mayor caused the strike. We had separate salary setting authorities then. The Mayor sent the word over to his appointed DWP Board to the affect, "Don't give them more than -- percent." The Board followed orders and held the DWP offer at -- percent. The Local 18, IBEW, walked out. After umpteen days of striking and the mass of lawsuits that followed that lasted for a long time, the Mayor caved and told the Board to pay --- percent, which was a lot more than the salary dispute could have been settled for in the first place.

Basically, it was a situation where the Mayor caused the strike, the Mayor settled the strike and DWP was kinda caught in the middle. Norm Nichols found himself in, not quite that dramatic a situation, but sort of the same thing. Several DWP personnel were out running up expenses on things.

Mr. Tuttle would pick at those things, because, I think, he aspired to become mayor. Mr. Tuttle has a PH d., I believe. He likes to be called

Rick, but, out at U.C.L.A., he's called Dr. Tuttle. Dr. Tuttle doesn't look good on a ballot, I think. Anyway, he was riding Mr. Nichols and all he did was help push Mr. Nichols into retirement, which didn't help the DWP one iota. Mr. Nichols was a very talented guy.

**NELSON:** Mike Gage came over to the Board from City Hall. Did his supposed connections there help the Department?

**FARRELL:** I don't think so. At one point the situation got so bad with the Board that they were in an awful quandary. I was not privy to a lot of that, so I am not violating any confidences, but I know that at some point Mary Nichols and another Commissioner went over to talk to the Mayor. As I heard it, they told the Mayor that he had to get rid of Mr. Gage. The Mayor responded by letting Ms. Nichols and the other Commissioner go.

**NELSON:** Ken Miyoshi served as General Manager for awhile.

**FARRELL:** They called him "acting," but there is no such thing as acting in the City Charter. He was like Carl Tamaki, you're either General Manager or not. Mr. Miyoshi was very devoted to the Department. You mentioned that he is rumored to be writing a book about the DWP. Ken was such a straight-shooter that he was far removed from the things that sell books these days, like sex, violence, liquor and drugs.

**NELSON:** Bill McCarley was, I guess, the first "outsider", so to speak, since Lou Winnard, to become Department General Manager.

**FARRELL:** I had known Bill for a long time. Bill had gone through thirty years of heart problems. The way he explained is that electrically he was not wired correctly. He would get into town at 6 a.m., ride bicycles

and do other exercises until 8 a.m., when he would come to work. That made for a very long, tough day for him. At one time he was married to a lady in the City Attorney's office.

**NELSON:** McCarley was the Department's first General Manager who was not an engineer. How did that work?

**FARRELL:** It wasn't a real problem. The City Charter doesn't provide that the General Manager be an engineer. The Charter simply requires him to have engineering and utility financial experience.

**NELSON:** Would Bill Sachau have qualified?

**FARRELL:** I think he could have. My first boss at the Department, Gilmore Tillman, who never went to college, much less law school, always maintained that he would qualify to be General Manager. William Mulholland, the "George Washington" of DWP was not formally educated.

As an aside, my assistant Joe Bosio, knew Mulholland. After Mulholland's death, one of Joe's jobs was to clean out Mulholland's desk, where he found several payroll checks that Mulholland had not cashed.

Mulholland came to my elementary school, probably Rosewood to speak. I don't remember it, but my mother did.

In McCarley's case we had our DWP Board make the finding in a resolution that the General Manager meant the qualifications established by the City Charter. We paraphrased the Charter language to show by McCarley's background how we believed he met those qualifications.

**NELSON:** What about "Chief Engineer?"

**FARRELL:** Chief Engineer was the problem. When it became obvious there

was going to be a lawsuit, Mr. McCarley, on his own, decided that he would sign as "General Manager," leaving off the "And Chief Engineer." Our engineers had complained that only an engineer could use the term engineer, and McCarley was not a licensed engineer. The Engineers and Architects Association (EAA), did sue on that. DWP won hands down that Mr. McCarley was qualified. He had three decades-plus of experience dealing with government and bureaucracy in both the Legislative Analyst's Office and the City Administrative Office. He had reviewed work of the DWP.

At that General Manager level an engineering proficiency was not as important as being a good manager. In the early days when the DWP was small, the Chief Engineer signed off on all the plans. As the DWP grew, that practice was abandoned.

**NELSON:** How long did you spend with the Department?

**FARRELL:** Twenty four + years, with a total city service of thirty-seven + years. Basically, Mr. Tillman and I held the Chief Attorney job for forty nine years with Messrs. Robinson and Mathews before that. There was one period during the Great Depression when several people served for very short periods of time, like weeks. But, in terms of tenure, there were really only four of us in the history of DWP up until the time I retired.

**NELSON:** You worked in three City departments. They were probably each unique in some ways.

**FARRELL:** They were all different with different functions. Airports and Harbor department's were much smaller than DWP. When I was with the Harbor Department there were probably four hundred employees. Airports

was probably only a little more than that. At Airports you had a lot of building maintenance people and a lot of field maintenance people. The number of so-called "white collar" workers were relatively small. We all fit very neatly in the first seven floors of the control tower at LAX. I think there were five of us on the fourth floor, so, we were not crowded.

DWP was huge by comparison. The Power System was particularly large and because of that, sometimes the right hand didn't know what the left hand was doing. The Water System was smaller, tighter, more in control.

**NELSON:** What did you think about the Focused Separation?

**FARRELL:** Some of it was certainly needed. Norm Nichols tried to get that ball rolling before the new General Manager came along. He didn't have much success. It takes a big club to force things in DWP. Some of it is good, some of it is bad. DWP will be losing a lot of very talented, very skilled people. I don't know how they are going to be replaced.

In the City Attorney's Office, the secretaries and investigators are Department employees. We will be losing the office manager, the person responsible for computer operations, and at least the four most senior legal secretaries. A number of personnel in Claims Section also will be leaving. I don't know how they will be replaced. The idea is they are not to be replaced, but come on, you have to replace most of them. You must have an office manager. You have to have someone responsible for running the computers. You have to have the secretaries. Circumstances at some point are going to turn around and require you to replace those people. So, you kick out your good, experienced people and hire

unknowns. Some may be very good and some may not be very good.

NELSON: Okay Ed, thanks for your time.

FARRELL: You're welcome.