NEWSLETTER

WATER AND POWER ASSOCIATES, INC.
320 Cambridge Drive -- Arcadia, CA. 91007 -- (626) 445-7376

Water and Power Associates, Inc. is a nonprofit, independent, private organization incorporated in 1971 for informing and educating its members, public officials and the general public on critical water and energy issues affecting the citizens of Los Angeles, of Southern California, and of the State of California.

OCTOBER 2005

PRESIDENT'S MESSAGE

Nancy I. Day

Summer 2005 is now history. We skated through the cooling season with only one load shedding event (blackout) necessitated in Southern California. I am not counting the outage on the DWP system attributed to "human errors". In September the California Energy Commission (CEC) staff published its Draft 2005 Integrated Energy Policy Report. This Staff report will be the subject of hearings and the final report scheduled for adoption by the Commission in November.

I encourage all of you to download the report off the CEC's website (http://www.energy.ca.gov/2005_energypolicy/index.html) and read it. Here are some of the highlights:

➢ California's electricity prices are still among the highest in the nation, forcing business to struggle to maintain profit margins as the cost of doing business in the State increases.

➢ Natural gas prices have more than doubled since 2000, which will keep electricity rates high.

➢ California's rapidly growing population and growing business sector continue to increase the demand for energy. Weather-adjusted electricity consumption increased an average of 2 percent over the last two years and is continuing to rise.

➢ The development of new energy supplies has not kept pace with the State's increasing demands (not enough new power plants, slower than desired development of renewable resources, refineries unable to keep up with the growing need for petroleum fuels, and increased natural gas imports as domestic production declines).

➢ California's electricity transmission system is suffering from congestion and reliability problems said to cost consumers over $1 billion per year.

Pursuant to State law, the CEC is required to submit its energy assessment to the Governor and Legislature. Let's all work together to make sure that in 2006 they do more than talk about the problems.

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Meet New Board Member, Thomas J. McCarthy

Tom McCarthy retired from DWP in March 2005

Tom went to school at Cal Poly Pomona and graduated with a degree in Electronic Engineering

. On June 24, 1968 he began work as Electrical Engineering Assistant at DWP. He was put in the Transmission section. He loved it because he got to go out into the field, work with crews and also have the inside control in designing. During his first week at work, he climbed 150-foot towers as part of the electrode installations from to Sylmar to Sunset. This was his indoctrination into transmission.

He then worked on the Pacific Intertie DC line (the last 30 miles of the line between Antelope Valley and Sylmar), and was allowed to coordinate the design and construction of the entire project which was built by the DWP.

Following promotion in 1970 to Electrical Engineering Associate, Tom worked in underground transmission; was involved in installing the third River Switching Station to Market Receiving Station P 230-kV underground transmission line; started designing the 275-mile long Navajo Line which went from Boulder City, Nevada to Page, Arizona; put the construction contract together, and worked on the entire design process. When the job started, roads, tower footings and towers went up, and Tom was called upon to do the stringing, wire and conductor inspection (at Knab, Utah, St. George, Utah, Mesquite,Nevada and Las Vegas, Nevada) between Page, AZ. and McCullough, Nevada.

Promoted again (in 1984), to full engineer, Tom was responsible for the second of the Victorville-Rinaldi lines which he described as a challenge because it had 200 crossings over its 84-mile length. "It was amazing we even got the line built", he said.

A Senior Engineer in 1990, he was put in charge of Distribution Engineering. The highlight of this position was working with MTA in putting in the Red Line. DWP earned a bonus from MTA for completing the work months ahead of schedule.

On January 17, 1994, Martin Luther King, Jr. Day, the Northridge earthquake hit Los Angeles. Vern Pruett, head of Power Operating and Maintenance, called Tom at home and asked him to go to Rinaldi and work with dispatchers and linemen to get power back to Granada Hills. Tom worked a full day and created a temporary connect transmission system to the load bank transformers. by midnight, the temporary hookups had restored power to most of the area.

In 1998 he was promoted to Bulk Power with Leon Kedington. Together, they were able to get the DWP $40 million in FEMA support to replace the Sylmar Converter Station. Tom also started to work on replacement of the SCADA (Supervisory Control And Data Acquisition) System for ECC (Energy Control Center) and reconfigured the transmission line into the Valley Generating Station in conjunction with the combined cycle systems in the Valley.

Finally, after promotion to Director, Tom was put in charge of the Transmission, Distribution and the Station construction and maintenance groups (then the largest largest business Unit of the DWP) of the reorganized Transmission and Distribution Business Unit.

"The highlights of my career were the people", he said, "the wonderful people who work here whom I was able to mentor", and working on the Navajo line from start to finish.

Another highlight was his involvement in the Donors Welfare Program's Combined Charities Campaign, which has always been a source of pride for him. Tom appeared before the Board of Water and Power Commissioners February 15, 2005 to praise the efforts of John Erbacher and more than 60 volunteers who raised $426,000 in 2004, a 6% increase over the previous years' donations. "These are the folks who really make it work," he said.

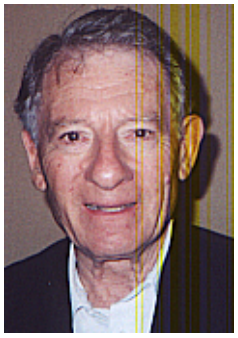
Tom and his wife of 31 years, Jerri, have two sons, a daughter and a granddaughter.

We are pleased to welcome Tom to the Water and Power Associates Board of Directors

IN THIS ISSUE

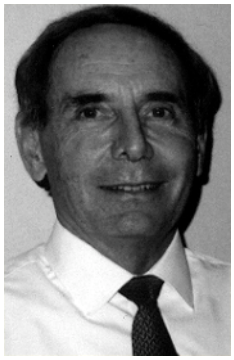
Our Recent Guests

Tom Erb, LADWP Director of Water Resources,



Leon Furgatch, W&PA Member

Ahn Thu Pham, DWP Graphics Manager



John W. Schumann, DWP Director of System Planning and Projects

Hans Sonderling, W&PA Member

and not pictured:

E. Dymally, MWD
Randy S. Howard, P.E., DWP
Executive Assistant to the General Manager/Power System

Commemorating the 150th anniversary of the birth of William Mulholland, the Los Angeles Department of Water and Power dedicated an exhibit in his honor in the lobby of the Jon Ferraro Building.

1855 – 1935 – 2005

On Thursday, September 8th a Ribbon-cutting ceremony in the south Lobby was preceded by remarks to a capacity filled auditorium. Speakers included Ronald Deaton, DWP General Manager; Wes Bannister, MWD Board Chairman; Catherine Mulholland, granddaughter of William Mulholland; master of ceremonies, Stan Chambers of KTLA-TV; City Council persons Tony Cardenas, and Tom LaBonge. Former Council persons Ruth Galanter, Nate Holden, and Joy Picus were joined by a host of notables in the celebration.

The exhibit describes the life of Mulholland from growing up in Ireland, leaving school at an early age and immigrating to the United States and Los Angeles. In Los Angeles he first became a Deputy Zanjero of the private Los Angeles City Water Company and eventually became the Company's Superintendent. The self educated civil engineer was an aqueduct builder because of his work on the Zanja Madre, Crystal Springs Conduit and Main Conduit bringing water from the Los Angeles River to the central part of the city.

After the City took over the private water company and Mulholland became the Superintendent of the City's waterworks system, he continued his Aqueduct building with the Los Angeles Owens River Aqueduct and the Colorado River Aqueduct.

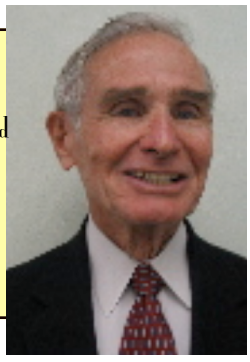
The exhibit also includes the activities of **Ezra Scattergood**, the first head of the City's electrical system, especially as related to the construction of the Hoover Dam and Power Plant supplying hydroelectric energy to Southern California.

The Water and Power Associates, Inc. assisted Thu Pham, DWP Graphic Manager, in identifying, cataloging and collecting the photos and artifacts for the exhibit. The activities included the historical technical coordination with the photos and artifacts. The members of the Associates who participated in this activity were Victor Murillo, David Oliphant, Le Val Lund and Jim Wickser. Many of the photos and artifacts came from the personal collection of Catherine Mulholland, granddaughter of Mulholland, who is also an active member and former Vice President of the Associates .

The Associates is teaming up with the Department to establish a Department learning center and museum to preserve the history of the Department and to educate the Department's employees and the public on water and electricity and its value to of the City.

The Associates welcome anyone interested in this activity and ask that you call Thu Pham (213) 367-1340 or David Oliphant (818) 363-9601.

DWP press release submitted by Darleen Battle, to Le Val Lund.



The City of Los Angeles Celebrates the 150th Birthdate of "The Father Of Los Angeles"

Water and Power Associates, Inc. Board members joined with members of DWP staff, and management, MWD representatives, civic and political leaders, retirees, and more than 400 others at a reception preceding the ribbon-cutting ceremony at the new exhibit.

Catherine Mulholland remarks
On the occasion of the sesquicentennial
Of
William Mulholland's Birth

Thursday, September 8, 2005 at the Los Angeles Department of Water and Power

On behalf of my family, I would like to thank the LA Department of Water and Power for honoring our grandfather's birthday. As chance would have it, Mulholland and his future adopted city both share September as their birth month, the pueblo of Los Angeles having been just seventy-four years old at the time of Mulholland's birth in Ireland.

Mulholland himself would probably have been astounded at this celebration in his honor and would have repeated what he once told a reporter: that he wanted engraved on his monument that he had helped to build the Aqueduct. He would then go on to applaud all those who understand the history of this city's water as well as those who have worked to provide this precious and indispensable resource to its people

I grew up in a family that regarded wasting water along with the seven deadly sins. We could always expect a scolding for letting a water hose run unnecessarily in the yard, and leaky faucets in the house always received instant attention. As a child on our ranch, I have memories of my father or one of the foreman firing careless irrigators who had let water overrun a furrow and drain out to the road. I knew from earliest childhood that our water came from a long distance and that it came to us in what we called "Grandpa's Aqueduct."

Now William Mulholland seems to have also become one of the city's grandfathers, and as is true of many granddads, some have loved him and some have not, for in our water history, Mulholland has become a subject of both praise and disparagement and many tales have been told – both true and false.

Today, however, I wish to extend birthday greetings to our great city and to my grandfather and to repeat the words of a retired engineering professor from the University at Berkeley, who once said that we Californians should never forget that our two major cities, San Francisco and Los Angeles, owe their success to two great Roman engineers – who happened to be Irishmen: John O'Shaughnessy of the Hetch Hetchy project and William Mulholland of the Los Angeles Aqueduct.

Opened on Friday, Sept. 9, the exhibit is the first installment of a permanent collection about water and power in Los Angeles that will be on view in the LADWP lobby. The free exhibition will be open Monday through Friday from 8 a.m. to 4 p.m. (doors close at 5 p.m.) at 111 N. Hope St., Los Angeles (directly across from the Music Center).

BROAD VISIONS

Panoramic Views of Colorado River Aqueduct Construction

180-Degree Vintage Photographs taken with a Kodak Cirkut Camera

William Mulholland and the Colorado River Aqueduct

were displayed by the Metropolitan Water District

on Monday, September 12, 2005, at 5:30 p.m.

at the District Headquarters building, 700 North Alameda Street (Next to Union Station) .

Ron Deaton, DWP General Manager and Catherine Mulholland, holding a Proclamation presented by MWD are flanked by MWD Directors, (*left to right*) Glen Peterson; James Rez; (*unidentified new Director*), David Farrar, John Morris; Terry Mylne; Master of Ceremony Huell Howser of KCET; Bill Wright; and Wes Bannister, MWD Board Chairman.

CATHERINE MULHOLLAND REMARKS

ON THE OCCASION OF WILLIAM MULHOLLAND'S 150TH BIRTHDAY

MONDAY, SEPTEMBER 13, 2005 AT THE METROPOLITAN WATER DISTRICT, LOS ANGELES

On behalf of my family, I would like to thank the Metropolitan Water District for this recognition of our grandfather. As I have said before, he has in a sense become a grandfather to all of us who live in this water-scarce part of the world and has accordingly enjoyed both praise and recognition along with criticism and blame.

Mulholland once called Los Angeles "a city of surprises." The time was 1921, eight years after the completion of the Owens River Aqueduct, by which time he and his associates, anticipating water and power needs for the city, had begun to warn of a future need for water from the Colorado River and to urge the construction of Boulder, i.e., Hoover Dam.

"Rapid growth from calculable causes and unanticipated developments have kept Los Angeles in a perpetual state of worry. It has made it almost impossible to keep up with our school needs. We are always outgrowing our public buildings. We get something nicely settled and all provided for, only to find that it has become inadequate."

"Los Angeles," he concluded, "is like a boy who grows so fast that you no sooner get him properly outfitted than you find he has outgrown his clothes and you have to get him a new lot."

And so today, as well as back in 1921, the Metropolitan Water District continues the work of Mulholland and his associates, the good parents who tried to keep their children in clothes.

They were the forerunners who laid down an admirable example of civic concern and responsibility and so it is fitting to remember them as you have done with this exhibit and celebration.

Thank you.

From The Book Shelf

WATER AND AMERICAN GOVERNMENT: The Reclamation Bureau, National Water Policy, and the West

1902-1935, by Donald J. Pisani. Berkeley: University of California Press, 2002. 395 pp. Maps, Illustrations, Notes, Index. Cloth, $49.95. Order from University of California Press, 2120 Berkeley Way, Berkeley, CA 94704; (510) 643-5036; www.ucpress.edu.

By Abraham Hoffman

Donald J. Pisani has earned the reputation of being one of the foremost scholars of water resource development in the United States. His previous studies include *From Family Farm to Agribusiness* (1984) and *To Reclaim a Divided West: Water, Law, and Public Policy*, 1848-1902 (1992), works noted for their outstanding scholarship and readability. The book under review is a sequel to *To Reclaim a Divided West*, covering federal water policy from passage of the Newlands Act in 1902 to the completion of Hoover Dam in 1935. It focuses on the overly ambitious goals of the Reclamation Service (later Bureau of Reclamation), and how it failed to meet those goals. Pisani indicts the Reclamation Service, and with it federal water policy, for promoting unrealistic projects that cost far more than the original budget and for the insistence that farmers repay their debts long before the farmers were able to do so.

Pisani offers several case studies that demonstrated the problems the Reclamation Service encountered. One of the main goals of the irrigation crusade of the late 19th century spearheaded by William Ellsworth Smythe was the transformation of the desert through irrigation, thereby enabling people living in overcrowded eastern cities to seize the opportunity to establish a family farm on federally irrigated land. Few at the time questioned whether converting marginal lands into arable land was something the nation really needed, given the exodus of people from farms to cities as America became industrialized and urban. The communities of Twin Falls and Rupert, Idaho, exemplified the risks in establishing agricultural communities. While Twin Falls grew, Rupert (based on a Reclamation Service irrigation project) languished, lacking connections to markets, and it took years to establish cooperatives and water users' associations. By then many of the original settlers had long departed and defaulted.

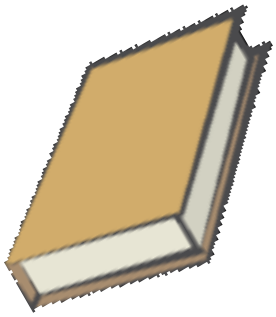
Federal water policy had to deal with a wide range of issues that compounded the difficulties of implementing a consistent program that would gain public acceptance. Western states established prior appropriation laws in contrast with the east's riparian laws (and California did a little of both). Different regions had distinct experiences in land speculation, privately financed projects, and other issues. Pisani devotes a chapter to conflicts between the Reclamation Service and the Bureau of Indian Affairs, both of them agencies in the Department of the Interior but with markedly different agendas.

The federal bureaucrats who headed the Reclamation Service come in for their share of criticism. Frederick Haynes Newell, who headed the Reclamation Service when it was first established, lacked hydraulic engineering experience, and ran into trouble when he promised far more than his agency could deliver. The policy of making the Reclamation Service a pay-as-you-go operation almost immediately encountered resistance from farmers who argued the policy was not realistic or practical. Many of the first farmers on a project abandoned their farms, giving up on the isolation and the hardship. However, federal bureaucrats saw this as a winnowing process, Social Darwinism in action, never noticing that this view contradicted the hope of irrigation crusaders that the irrigation projects offered opportunities to poor city dwellers. Newell's successors, Arthur Powell Davis and Elwood Mead, had their own political problems. Supporters of public water did not necessarily favor public power. The Corps of Engineers fought the Bureau of Reclamation in turf wars.

Pisani's discussion of these issues is thoroughly researched, with solid backing for his criticism of federal water policy. One issue he omitted, however, was the Reclamation Service's initial survey for a project in Owens Valley. Presumably Pisani did not want to get into this can of worms, especially since the proposed project there was a non-starter. There has been enough recent scholarship on the famous Owens Valley-Los Angeles water dispute anyway, but he might have noted the project as one of many the Bureau did not carry out. Pisani's book is nonetheless an extraordinarily authoritative, masterful study that is indispensable reading for anyone interested in federal water policy in the early 20th century.

Book Review

by Richard Dickinson



Beyond *Chinatown*: The Metropolitan Water District, Growth, and the Environment in Southern California, by Stephen P. Erie

CHINATOWN REVISITED

Water is arguably the lifeblood of any region, and this is particularly so in the semi-arid climate of Southern California where the average L.A. County rainfall of 14.8 inches more nearly resembles Kabul, Afghanistan (13.6 inches) than New York City (47.3 inches). As it has done in the past, Southern California in the twenty-first century will face a growing gap between its water requirements and its assured supplies.

But, according to **U.C. San Diego Professor of Political Science, Steven P. Erie**, the same policies and mechanisms that worked over the last century will be hard pressed to satisfy the needs of the community over the next one hundred years. By 2025, Erie asserts, Southern California will have to find water for population growth equal to another City of Los Angeles and San Diego. Further challenging local water agencies are such issues as adverse climate change, a lengthy drought, mounting water-quality challenges, new post 9/11 security concerns, and increasing competition for a finite supply.

With the help of a $49,728 grant from the Haynes Foundation, Erie has written **Beyond *Chinatown*: The Metropolitan Water District, Growth, and the Environment in Southern California** (Stanford University Press, Spring 2006). The book focuses on the complex and contentious politics of water, growth and the environment in Southern California, and upon the 75-year plus public record and legacy of the Metropolitan Water District of Southern California. Also known as MWD or MET, the organization stands as the state's and nation's largest public water agency. Erie's book frames the organization in the context of regional, national, and international issues confronting today's water purveyors.

Drawing on the 1974 fictional film Chinatown, Professor Erie starts out by using public accounts of the Southern California water story to debunk the film's noir legend. Along the way, he also deflates old provincial gripes about MWD's so-called regional imperialism. Erie says MWD actually taxed the older developed central areas for water provision in order to subsidize the periphery's accelerated development. "Without such subsidization, growth south of Los Angeles and north of Tiajuana would have been stunted if not stillborn," states Erie.

To understand the original MWD governance and financing arrangement, Professor Erie examines the 1928 state enabling legislation. Then, tracing the progress of MWD, he looks at annexation policies for later arrivals to the District, such as the San Diego County Water Authority (SDCWA), preferential water rights for member agencies during periods of scarcity, the State Water Project (1960), the capital financing shift from property taxes to water charges, and water transfers and wheeling (or conveyance) charges for member agency transfers.

Beyond Chinatown also examines the complex array of forces shaping water policy. The author notes that in the future, water officials and public policy makers will have to take into account regional issues, fights over Colorado River water, and the fragile Bay-Delta ecosystem as well as the global rise of water markets and privatization. Erie says some economists consider that "[w]ater and its market potential rank among the ten cutting edge issues for the 21st century."

Speaking about demographic trends, Professor Erie says that a "future traction point in regional water politics may not be between Los Angeles and San Diego but between the 'old' (San Diego and Orange) and 'new' (Riverside and San Bernardino) regional growth peripheries."

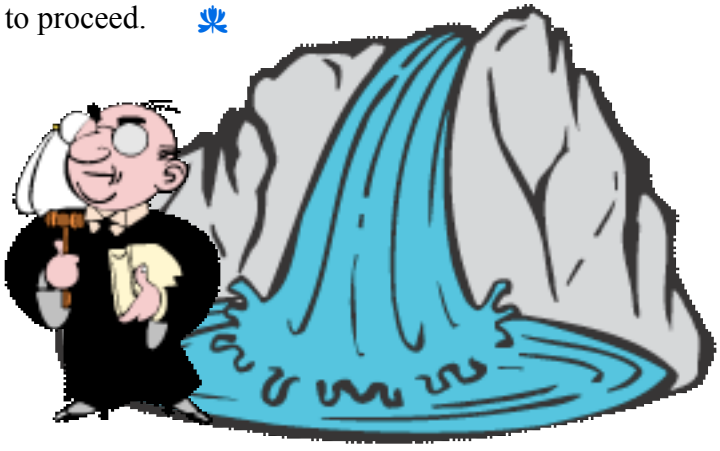
Erie says that among the tensions shaping future water policy will be those of urban water districts, which are concerned about reliability, agribusiness and its interest in water storage capacity, and environmental organizations with their concern for habitat and endangered species.

Guest Speaker

by Tom Erb

Thomas M. Erb, LADWP Director of Water Resources, provided a brief report on the recent California Superior Court order regarding the Lower Owens River Project (LORP). The Court has jurisdiction over continuing litigation on implementation of the LORP, originally conceived as part of the Los Angeles/Inyo Long-Term Agreement that was designed to resolve disputes over groundwater pumping in the Owens Valley. The LORP will rewater the 62 miles of the Lower Owens River that became dry following the operation of the Los Angeles Aqueduct.

LADWP has been stymied in moving forward with the LORP due to disputes over increasing demands to allocate more water for environmental enhancements. On July 25, the Court stated that Los Angeles has not met required deadlines and imposed sanctions, consisting of a $5,000 per day fine, restrictions on groundwater pumping, and required water spreading. The sanctions will not be lifted until target flows are achieved in the river. LADWP estimates that will not occur until February 2007 at the earliest. LADWP is taking steps to remove a requirement for preparation of an Environmental Impact Statement by the Environmental Protection Agency to allow the project to proceed.



Mulholland/Scattergood Museum & Learning Center

by David J. Oliphant, Historic Committee Chair

Though much of the Associates' time and energies have focused on assisting the DWP prepare exhibits for the Mulholland Sesquicentennial, we have continued working toward the creation of a water and power museum and learning center. We did, however; temporarily suspend regular meeting, but members have continued exploring options, developing strategies, and making plans (committee meetings by e-mail --- what a time saver!)

We plan to give a more definitive report on the status of the Learning Center in the next Newsletter. Meantime, if you have documents, artifacts, photographs, you wish to donate/loan, **please contact Thu Pham at 213 367-1340 or Dave Oliphant at 818 363-9601.**

WEBSITE

If you would like to receive your Newsletters *only* on line, send your e-mail address to: vinmar@altrionet.com

EDITOR'S NOTES

The next quarterly Newsletter will be published in January 2006. Information on the Annual Membership Meeting will be featured. If you are not a member, but wish to join us, contact W&P Associates, Inc. at 320 Cambridge Drive, Arcadia, CA 91007 or at 626. 445-7376.

Your Board of Directors extends to each of you Best Wishes for a Joyful and Safe Holiday Season.