CAP Oral History

Intro: Today is Monday, June 4, 2007, and we're here in Tempe to do an interview for the Central Arizona Project Oral History Project and I'm Pam Stevenson doing the interview and Manny Garcia is our videographer and I'll let you give us your name.

A. I'm Grady Gammage, Jr. and I was on the Board of the CAP from 1992 until 2005.

Q. I always start with some general background; when were you born, and where were you born?

A. I was born in 1951 in Phoenix, at Good Samaritan Hospital and have basically always have had my permanent address in Arizona. I went away to college and law school and came back here and started practicing law in 1976. I have the same name as the "*big pink building,*" because it was named after my father who was President of Arizona State from 1932 until 1959, and I did not go to ASU in part because I wanted to escape that, in being the son of the building kind of phenomenon.

Q. What brought your father to Arizona?

A. He was told he had tuberculosis, and he grew up in Arkansas. He was graduating from high school in Prescott, Arkansas. He was a very good student and was not well off, relatively modest circumstances, had been raised by an older sister because his parents had died, and was told he had tuberculosis and had to get to a drier climate. So this would have been something like 1913, I came late in his life. He wrote to Governor George W. P. Hunt, who's buried in the little tomb, the pyramid, inquiring as to whether or not there was a university in Arizona that he could come out and attend. Governor Hunt personally wrote him back and said that yes there was. It was in Tucson and if he was admitted he should come on out. So he borrowed money from the richest man in Prescott, Arkansas. Rode the train to Tucson. Enrolled at the U of A. Graduated from the U of A and was chosen to be

the first Rhodes Scholar from Arizona. Turned it down to go back to Arkansas and marry his high school English teacher—a woman named Dixie Deese—and brought her back to Arizona and made his life in Arizona after that. He became a, he took a job as a spokesman for the temperance movement in Arizona, because he was a debater. Then he worked in Winslow as a school teacher, became principal of the high school, became superintendent of the high school. Moved to Flagstaff and took over what was then Arizona Teachers College at Flagstaff and was president there and actually ran that institution and Tempe both for a year. Then he moved to Tempe and took over Tempe. My mother was his second wife who had been a Dean in Flagstaff after my father was there. She came out from Ohio in the late 1940's.

Q. Your father married his high school English teacher? We're hearing more and more about those sorts of relationships today.

A. Well, yeah. I don't know anything more about it than that.

Q. Was she older than him obviously?

A. She was older than him, not by a whole lot, I don't believe. I honestly never knew she existed until I came home one day from school. I went to school on the Arizona State University Campus and lived there. When my father was alive we lived in the middle of campus. I came home one day after my father's death and said to my mom, "Why is there this building named Dixie Gammage Hall? Who's that?" And she said, "Oh, I guess I should tell you that story." So she told me that story.

Q. So how old was your father when you were born?

A. Fifty-nine.

Q. So you didn't get to know him too much?

A. No, he was - when he died, I was only eight years old. So, it hard for me to separate out what I've been told from what I actually remember. I wrote an introduction to a biography that's been written of him about sort of my memories as a little kid, of being around him.

Q. Growing up on the campus must have been interesting.

A. Yes, it was fun. It was fun being the president's kid, the extremely spoiled child of older parents. I was indulged and I reveled in it yeah, (laughing).

Q. So you say you went to school here on campus. How did that work?

A. There was a grade school. It was the Campus Laboratory School. It was called the Ira D. Payne Training School and then called the Campus Laboratory School. That is where the music building is now. There were only twenty-eight kids in each class. It went from nursery school all the way through eighth grade. I went the whole way through there with basically, some people came and went, but pretty much the same kids. The teachers were all also education professors so we had older, much more experienced teachers than would have been typical. Then all the students who were going through teacher training were rotated in and out of the classroom. And every new gimmick in American education got tried out on us. If there was a new desk, if there was a new textbook, if there was a new way of teaching math, if there was a new phonics, whatever it was, it got tried out on us. If you were a smart kid it was wonderful. If on the other hand, you were a little slower, you didn't learn to read real well and stuff. I had some friends who really struggled with being the guinea pigs for every new educational gimmick.

Q. You were fine with it?

A. Yes, I liked it. It worked really well for me. It was great and then I went to Tempe High, and then I went away to college and law school, as I said earlier.

Q. Being you know, the campus child sort of, I guess you had to be a good student?

A. Yes, and that was part of why I wanted to go away and just be an anonymous kid instead of being, oh, that's the president's kid, kind of stuff. I did feel in a bit of fishbowl.

Q. And you were an only child?

A. Yes.

Q. What was Tempe High like when you went there?

A. When I started it was the only high school in Tempe. McClintock opened part way through the time I was at Tempe. So it was a big high school, everybody went there. It was a pretty broad cross-section demographically, ethnically, and otherwise. I had a good experience there. You know I was a geeky - a geeky smart kid. I was not a jock. It worked fine for me. I did well. I was class president my last two years. I wasn't real social, but I was funny. Being funny can get you a long way in life, I have found. It worked well. It got me through high school.

Q. Did you know what you wanted to do when you got out of high school?

A. No, it's interesting, both of my parents had wanted to be lawyers and I knew that. They both would have been good lawyers. My mother was very accomplished, very polished, very smart. My father was this university president, a big visionary guy, but neither one of them wound up being lawyers and I guess I kind of always knew I was headed toward probably going to law school. Although I flirted with being a college professor, but that's what they had done and that's what I understood, so I kind of knew that's where I was headed.

Q. Your mother being a lawyer; that would have been unusual in her day.

A. Yes, she had an Aunt that wanted her to be a lawyer and my mother was born in 1915, I think, and so there weren't a lot of lawyers, women lawyers in those days and she had been a very good student. She had always wanted to be a Dean of Women, a university administrator and that's what she did.

Q. Well, she was my advisor.

A. Is that right? Yes, you told me once before.

Q. She kept me in school.

A. You know I've had a bunch of people tell me these stories over the years and what a wonderful advisor she was. Her degree was in counseling. She counseled troubled students and smart students and average students and all kinds of students. You know she always wanted to counsel me and I never wanted it. You know, I was her son. I wasn't asking for the help. So, I think it frustrated her that I didn't really need or want very much advice about things. The influence was more subtle.

Q. What was Temple like as you were growing up here?

A. Well, when my dad died in '59, in December of 1959, he and Frank Lloyd Wright died within a few months of each other in '59. We moved to Broadway and Rural. Broadway and Rural were pretty much the edge of Tempe in those days. There had been a little subdivision down there that my parents were investors in. My father was always intrigued by real estate in Arizona and he was always getting together with a bunch of other college professors and buying a little bit of land here or there. He always sold it too early. He never made very much money on it, but he thought it was fun. He had been, with some other people, been an investor in this subdivision. So when we left campus, we lived in the Presidents Home on campus, which is now the Virginia Galvin Piper Writer's House. I am the last living person to have lived in that house. We moved into one of these little subdivision houses that my parents had been investors in. It was a classic 50's ranch house with the white rocks on the

roof and painted concrete block. It was the ubiquitous building block of Phoenix, those ranch houses with carports. They didn't have garages, they had carports, low pitched roofs, steel casement windows and it was right on the edge of town. You could walk a quarter of mile, maybe, and there were open irrigation ditches you could swim in and float around in, and places where you could catch crawdads. There were cottonwood trees. We use to climb the cottonwood trees and peel the bark to catch scorpions, because Dr. Staunky at ASU had the poisonous animal's research lab and would pay you fifty cents for every scorpion. Of course, I never told my mother I was going scorpion hunting. But, we would go out and catch these scorpions, and it was an early lesson in supply and demand because we glutted the market and he had to drop the price. He said, "I'm sorry, I'm only going to pay you ten cents a scorpion from now on." So then, we didn't really want to catch them anymore. Somehow we did it, two or three friends of mine, we never got stung. There were the University's chicken farm and experimental farm was at College and Broadmoor, where the President's Home was subsequently built, but has now been torn down which was the President's Home after we left the campus. We'd go over there and look at the chickens. It was a small Midwestern town in those days, nothing like today.

Q. And it wasn't really as close to Phoenix.

A. No, no Phoenix was a drive. You'd either drive in on Broadway going through South Phoenix and then come up into downtown Phoenix or you'd go through McDowell and up through the park or you could take Van Buren all the way in. I remember, after my father's death, going with my mom to downtown Phoenix to go Frank Snell's office because he was the lawyer. We had to go talk to the lawyer about my dad's will and I remember walking out of there and my mother said to me, "You know we were there an hour and that cost me $75." I was just like, wow, okay, I'm going to be a lawyer, this is cool, $75 an hour.

Q. Did you go to downtown Phoenix much?

A. You know, a fair amount, it seems to me, not all the time. We would go down there, the department stores were down there. Sometimes you would have to go down to go to the bank. I remember going down with my mom - to go to the bank. Where the Chase Tower is now, which I still think of the Valley Bank Tower, there was a parking garage. It was the only parking garage in the entire metro area. Unlike the parking garages today, you didn't drive up in it. You pulled your car in and there was a big steel frame structure, and you pulled your car in and you got out, and they put it on an elevator and they ran it up to a floor and then they drove it and parked it somewhere. It was like a vending machine for cars. You'd come back and they'd deliver it, and your car would kind of slide out. I thought it was very cool.

I remember driving to downtown Phoenix when what was then the Guarantee Bank, which was the bank that David K. Murdock started, opened at Central and Osborn, the northwest corner of Central and Osborn. It was nineteen stories tall. We drove down there, so we could go to the top of a nineteen-story building. It was big excitement.

Q. You were probably here when they opened the Valley Bank, the one at Rural and Apache that they just tore down.

A. Oh yeah, and that's a sore spot, and I don't know if I want to talk about that or not. I'm quite annoyed at ASU over what they did there. I kind of remember when it opened, the geodesic dome and all that stuff, was a big deal. It was a very cool building. I was troubled by that, not only did they tear it down, although they're talking about moving the dome somewhere else. They really did it in a disrespectful manner. They tore down on a weekend. They didn't really comply with the process or the state statutes that are supposed to apply to state agencies. It's been one of my recent annoyances at ASU.

Q. I suspect it's more than an annoyance.

A. Yes, yes. I try to stay out of it because I teach at ASU and do a bunch of other stuff and I run into many problems from time to time with the administration.

Q. It was a really unique building.

A. Yes, yes it was. I'm worried now about the one at 44th and Camelback. That's a very hot location for development. I'm currently representing a developer on a different corner. That's a later bank than the geodesic dome was, but a spectacular building, one of the most interesting buildings in Phoenix.

Q. Now a private developer couldn't have done what ASU did, is my understanding?

A. Actually, the building was not designated so a private developer could have done it. The building as a State agency owned building really had in some ways more protection than a building would have had in private hands. The dilemma is when you have a State agency that doesn't care about whether or not it complies with state law. There's not much you can do and that's what happened.

Q. When you went away to college, was that the first time you lived away from this area?

A. Yes, it was.

Q. Tell me about where you went.

A. I went to Occidental College in Los Angeles. I wound up there, sort of process of elimination. I tell people I went east to look at colleges and I could have probably gotten in almost anywhere. I didn't need money to go to school and I had really good grades. We went east and looked at colleges, and I just was astounded that people lived where the weather was as bad as it was on the east coast. I just couldn't imagine. When I went away to college, it had never occurred to me that people planned what they wanted to do around the weather. Literally, that had

never dawned on me that that would be a factor in deciding what you do the next day. I didn't understand why they did the weather on TV. It doesn't vary very much. The question is how many more degrees hot will it be tomorrow than it was today? When you're a kid, you don't care. I just couldn't imagine going east and it seemed too far away. But, I did want to go away, as I said earlier to sort of escape the "*big pink building*", which I had broken ground for. (After my father died the building was built.) So it colored my world. So I decided California was the right thing to do. We went and visited the good, private schools of California. I applied at most of them and I got in all of them and decided Occidental seemed like a really cool place. Los Angeles seemed interesting to me. I had a friend who was going to Occidental. I met some of the administrators from there. It's a small very high-quality liberal arts school. I got a great education there, really loved it. But I tell people even then, when I first got to college in L.A. I thought it rained all the time. I just couldn't believe how much it rained. The two things that shocked me about Los Angeles were it rained all the time and the roads were not all at right angles. I also had assumed that all cities were laid out in a grid and you know what direction you were going and where you wanted to go. One day I got so fascinated by this when I was in L.A.—and I'm sort of a student of cities at this point in my life—I drove Figueroa from one end to another. Well, it's east-west, it's north-south, it goes in circles, it's just wherever. It was an interesting experience. There is no such street in Phoenix. Wilshire is pretty straight. I came to love Los Angeles after four years there. I did an independent study on Los Angeles. I helped a professor who wrote a guidebook to architectural history in Los Angeles. I thought it was a thoroughly fascinating place. But this was in the late 60's, early 70's and the smog was worse than it is now. It was before cars really had smog control devices. There would be days… The Occidental College campus is this little jewel that's on TV all the time, Beverly Hills 90210 is filmed there, Clueless was filmed there. It's just a beautiful place but there would be days when you'd get up and you couldn't see across the quad, which is 500 feet because the smog was so bad. When it would clear off, when I was there in college, the days it would clear off, you'd sort of come out of the dorm and just stare and think no wonder everyone in the 1920's thought this was the Garden of Eden. It's beautiful.

Q. So you went to Occidental, what was your major there?

A. American Studies, which is some American History, some Political Science, some American Literature all blended together. It was a great major. I really loved it.

Q. All that time were you planning to go on to law school?

A. Yes, it was either law school or it would be a college professor. I applied to both law schools and graduate programs in American studies.

Q. What made up your mind?

A. I did really well on the LSAT, the exam that gets you into law school. So I got into every law school I applied to, including Yale, which is the hardest law school in the U.S. to get in, and Stanford. Yale had the foremost American Studies program in the United States at the time and my professor at Occidental had been a Yale American Studies graduate. So I applied for the American Studies program at Yale as well some other American Studies programs, and I didn't get into the one at Yale. It's the first time I got turned down for anything getting into school. Had I done that, I probably would have gone and tried to do a joint thing with law and American Studies, but since I didn't and New Haven, Connecticut, was just drizzly, cold, ugly, scary. Didn't like it. Palo Alto is idyllic, perfect, rolling mountains, Stanford seemed like the right place to be. So I was California educated.

Q. But you came back.

A. I would come back in the summer. As a high school student, I had summer jobs at the First National Bank of Arizona, which became First Interstate, which became Securities Pacific, which became Wells Fargo. Then I got summer jobs at the Salt River Project which is like the pinnacle of summer jobs when you are a high school student. There's nothing better than working for the Salt River Project. I'd get to

drive around and look at the dams. That was sort of my first exposure to western water issues a little bit.

Q. What were you doing for Salt River Project?

A. Oh, I was file clerk. I was the Xerox machine fix-it guy. I worked one summer inventorying the vehicles owned by Salt River Project. We actually discovered that they had bought a fleet of trucks several years before, parked them on a piece of property and forgot they bought them. This was in the really plush days. There was a lot of money flowing around. So there was just a variety of weird little odd jobs. My first summer after law school, I wrote a book on historic preservation in California that was funded by several foundations. My second summer, second… law school is three years, and after your second year of law school is when you get a clerkship at a law firm where you think you might want to work and so I thought I probably would want to come home to Arizona. So I interviewed with a whole bunch of different law firms and I wound up doing a summer clerkship at Jennings, Strouss and Salmon, which is an old line, Phoenix firm, still here, still in business. Wonderful place to work. That was the Salt River Project's law firm. I liked it there and it was pretty interesting. There were two guys working there at the time that I particularly liked and wanted to work for.

One was named Jay Stuckey, who was the king of zoning in those days. He would represent all the property owners around Phoenix seeking rezoning. I was interested in urban issues and urban growth and so that appealed to me. The other guy I wanted to work for a lot was Jon Kyl, the senator, who was a water guy and was the Salt River Project's main lawyer in those days. So I had a good experience clerking. I went back and finished my third year and flirted with going to D.C. I had an offer from what's called the honors program in the Justice Department to work in the Lands and Resources Division. I thought I wanted to be an environmental lawyer, in fact, my final year in law school I did an internship at the Natural Resources Defense Council which is an environmentally oriented, save-the-world kind of place, and I thought that was what I wanted to do. John Leshy, who was

subsequently an ASU law professor and then became Solicitor of the Interior under Babbitt, was at National Resources Defense Council in Palo Alto and I had worked for him. I loved him and I loved the people there, but I didn't like the work very much because you didn't have a client. You didn't feel like you were accomplishing anything. I felt like I was eating paper. It was just paper. It was just producing these huge records of decisions on major environmental issues. It wasn't immediate enough for me. So then I got this offer from Lands and Resources Division of Justice where I could have gone and done environmental law or water law for the Department of Interior represented by this Division of the Justice Department when they go to court. But they wanted a three-year commitment to go back there and I didn't want to go to D.C. for three years. I wanted to come home to Phoenix. I probably would have done it, if it would have been two years, or one year, but that just seemed too long. So I came back and went to work for Jennings, Strouss and Salmon and worked primarily for Stuckey doing zoning work and for Kyl doing lobbying work in the State Legislature.

Q. What were the big issues at that time when you were doing lobbying?

A. Oh gosh, you know I tell people that I worked a little bit on the Groundwater Management Act. I didn't really do much. But it was going on and Kyl was the Salt River Project's principal negotiator on the Groundwater Management Act. I had started in 1976 and the negotiations leading up to the Groundwater Management Act had begun in the late 70's. That was going on to some degree. I spent more time working on the Urban Lands Act in 1981, which was the attempt to get the State Land Department to where it could release land for development. So all these recent sales of tens of millions of dollars that the State Land Department has done was done under the Urban Lands Act and I was real involved in helping craft that and it has since been a specialty that I've continued to do a lot of work in.

Q. Prior to that they couldn't sell the land?

A. Not really, no. They could, but it was very difficult and they could only sell it just raw. They couldn't do any zoning or planning on it which increases its value enormously. And the other big burning issue when I was doing lobbying work that I worked a lot on was the AHCCCS Program. I was really never a health care lawyer but because I was a lobbyist when Arizona decided they didn't want Medicaid and they were going to go down a route and create this giant pre-paid HMO for the indigent poor of Arizona. I was doing a lot of legislative work and St. Joseph's Hospital was a big client of Jennings, Strouss' and so I did a lot of work on that. That's where Dick Burnham who had clerked with me at Jennings, a health care lawyer, he had really kind of precipitated the need for the AHCCCS Program by filing a bunch of lawsuits on behalf of hospitals throughout Arizona. So he and I got very involved in that and that led to our forming Gammage and Burnham in 1983 when we left. So how long have we spent and we haven't even talked about the Central Arizona Project yet? You're right, I talk too much.

Q. We're getting there. What made you decide to start your own law firm?

A. Challenge. I loved Jennings, Strouss. It was a wonderful place to work. Fabulous people. I was exposed to some of the best lawyers in the United States and learned a lot of good habits. But when you're in a firm like that and there is letterhead that's this long and you're about here, you can kind of see your future laid out before you. People die and you shift up, people die and you shift up and finally when you're about to die you're at the top, and then you die. It just seemed like an insufficient challenge. I just thought I needed to try something else. Burnham did it because he thought he would make more money and he was right and he has. He made me more money, too, and really that was not my motivation. It seemed like it would be fun.

Q. Starting that law firm, what were you going to specialize in?

A. I had kind of decided even as I was leaving Jennings and Senator Kyl was still there when I was still at Jennings—he didn't run for Congress until after we had

left—I had kind of decided that I would do mostly the zoning sorts of stuff. I tried to do both zoning and lobbying for a while. It's interesting I came to two realizations about the lobbying work. One is if you do that, the people who do lobbying very successfully, at least the Arizona State Legislature level, work like crazy when the Legislature's in session and then they take a vacation. So the work is divided up oddly and if you have clients for whom you are doing non- lobbying work when the Legislature's in session they can never get a hold of you. This was pre-cell phone days, too, so it was even worse. So it didn't work well. That didn't work well with having another kind of practice. The other realization that I came to about lobbying was, I'm trying to find a less pejorative way of saying this, a lot of lobbyists are not very substantive. They just kind of trade on contacts and donations, and do me a favor and I'll do you a favor. And I didn't like that. I don't particularly like partisan politics. I'm a Democrat. Arizona in those days was a Republican State and still is. I didn't like the connections. I like the substance. I liked explaining why my client was right and trying to convince you that my client's right and trying to get you to vote for them because they're right and if I can't do that, I'll make up another argument why they're right until I finally do convince you. And that really wasn't mostly what it was about. Whereas at the local electoral level, what I do in zoning cases is lobbying too, but it's non-partisan. It's much, each case is much cleaner. In the State Legislature, every issue is connected to every other issue. Because I need your vote on this issue and you need my vote on that issue, so I will trade you immigration for drunk driving this year and we'll work out deals. And there are all these other cross issue deals. I don't like that. I'd rather just take my shot, explain my case and get a vote. I also like the substance of real estate and urban growth. I'm a frustrated architect probably because of the "*big pink building*". I toyed with thinking I might be an architect but I can't draw, I don't like math and architects don't make very much money. What I do is I explain architecture to politicians and that's been a good niche for me.

Q. You do represent a lot of the developers and people like that?

A. Yes, yes.

Q. Sometimes that's become kind of a dirty word around here.

A. Yes, it has, it has and that's okay. I mean I understand that and I will defend that much of the time. In '99 I wrote a book on Phoenix and some of that book is an attempt to explain and defend the way a city has grown against people who criticize it in my view, from a fairly limited knowledge base about what Phoenix is about.

Q. When did you really get more involved with water issues?

A. You know, representing land development you have to worry a little about water issues, but frankly not all that much. One of my raps is that we've disconnected water and land too much in Arizona. But I had always sort of been on the edges of some water issues, as I mentioned before at Jennings because they represented SRP. Then when you represent developers, particularly in the '80s, developers always needed golf courses. You just had to have a golf course. You couldn't develop without a golf course. A golf course was the payment that drove the development. There's still people who think that's the deal, although increasingly the evidence is…

Q. Some of them have lakes too.

A. Yes, some of them did have lakes. I got involved in actually the Lakes Bill in lobbying on what was called the Lakes Bill, which [was] when Wes Steiner was head of DWR [and] he wanted to shut down the use of groundwater in lakes. And I'd get involved in golf course issues in the Legislature on behalf of developers and so on. So that was a little bit of exposure to it. But then I really had not done a lot of water stuff and it's a misperception that I am a water lawyer. I am not a water lawyer. I am a dirt lawyer. I deal with land and development issues, but I do not do water issues as a legal specialty. I got recruited to run for the CAP Board by the City of Phoenix for two reasons: one was they thought there needed to be somebody on there that knew more about urban development kinds of things, and two was I

had the same name as the "*big pink building*" so I could probably get elected. So that's how I got on the CAP Board.

Q. When did you get elected to the Board?

A. I would have got elected in the '92 election, I think. Yes, '92 election. I'm very bad on dates.

Q. Was that the period we had ex-governors and congressmen?

A. Yes, yes there was a history of, because the CAP Board is sort of dead last on the ballot after you vote for the State Mine Inspector, after you vote for the local school district, you come to this thing, it doesn't even say CAP, it says Central Arizona Water Conservation District. Nobody knows what it is. Nobody knew who they were voting on and it's vote for five at any given election point in Maricopa County. It's vote for five and it's non-partisan, so it's just names. You throw the lever on names you recognize. So the history had been that former governors, former congressmen, people who had names that [had been] on the ballot before were recruited to run. When I was on there, Sam Goddard was the Chair, when I first got on. Governor Williams, Jack Williams was on there at the same time as well. Eldon Rudd was no longer on when I got on. So it was a kind of name recognition game. In the first election I was in, Virginia Korte was on the ballot. She was actually the highest vote getter because she was a car dealer in Scottsdale at the time and ran ads on TV with a cowboy hat. Everybody remembered—a woman car dealer is a fairly unusual thing—so her name stuck with people and they remembered that. And I think I was the second highest vote getter because the people thought oh, "*big pink building.*" Let's vote for that.

Q. So, had you really followed the Central Arizona Project's issues before that?

A. Not a lot.

Q. The dam issues?

A. Yes, I did follow the dam issue a little bit. Paul Orme went to Occidental College and I knew Paul a little bit. He's younger than me. He's is now a water lawyer in Phoenix. It would be his grandfather, great-grandfather, I'm not sure, for whom the dam would have been named. He and I actually floated down the Verde in the anti-Orme Dam float trip. We had the t-shirts with the Eagles. I mean here was Paul Orme doing the float trip opposing the dam. I don't know that either of us were rabidly opposed to it, but it's kind of fun to go on a float trip. So I had followed that some and I had followed the Groundwater Management Act a fair amount as Kyl was negotiating it;. I would hear a lot about it and so on.

Q. So you didn't really work on it. You just followed it?

A. Right, right.

Q. It's kind of interesting that you were in a float trip against the dam.

A. Right, right. I don't know if I ever told the guys at SRP that or CAP.

Q. Is that the same Orme family that had the...

A. Yes, yes. I don't know the whole history of that family, goes way back in Arizona history. Lin Orme would have been one of the, I think it would have been Lin who was one of the organizers of the SRP initially.

Q. So then getting on the Board was the first time you were really deeply involved in the Central Arizona Project?

A. Yes, yes it really was. I tell people when I first got on the Board, I got lost every time I tried to drive to the CAP offices. You know they are out there in the middle of nowhere. And I've often thought if CAP's offices had the physical prominence

that SRP's offices do, it would have a different feel and a different history. It's way out by Deer Valley Airport and sort of confusing how you get into it and the Boardroom is kind of buried little bat cave of a room. I had done virtually nothing to get elected. I didn't even circulate my own petitions. Bill Chase, who was the Water Advisor of City of Phoenix at the time, came to me and said can we get you to run for this? I had always thought it would be fun to be in elective office. I flirted over the years with thinking I would run for something. I thought sure, I'll do this. He recruited people to circulate the petitions. He got me on the ballot. I didn't spend a dime. Never put up a sign. Never made a campaign speech. Never kissed a baby. Never shook a hand. Nothing. Zero. And I got like two hundred and twenty-five thousand votes, because I had the same name as the "*big pink building*". So I show up out at CAP, after getting lost a bunch of times and you get seated at the board. In those days they didn't really do very much board orientation, they've gotten much better about it now. I thought I would recognize a lot of the people who would be in the audience from the fact that I had at that point spent twenty-five years representing developers in zoning cases. I mean I was at the cutting edge of real estate development and urban growth and all these issues in Arizona. And I looked out in the audience and didn't recognize anyone, because the CAP Board, particularly then, was an obscure, little-known, quasi-mysterious agency that met in a remote, bunker-like location and the meetings were attended only by the Water Buffaloes, the people who make their living in water. They are either working for a city, consulting for a city, representing a city, representing a farm, representing a mine, not very much even representing real estate development or industry. It really has been the province of the professional technocrats, the plumbers, the people who build the pipes and the infrastructures, and farmers and the mines or the big water users. It was this kind of historical remnant of the old Arizona, the economy of the old Arizona that was still sort of functioning and still is kind of creaking along So, I felt completely out of water as it were. I was used to all this real estate stuff. I was used to debating urban growth. It was all different people talking about all different things and they speak entirely in acronyms. For like a year, I had no clue what these people were talking about. What I discovered is that as long as you look sincere and speak loudly, they think that you're getting it.

But it was just this bizarre…and the other thing about water is that people who have done it a long time believe that it is magic. So, Bob Lynch, for example, whom you probably will speak to or should sometime who goes way back in the history of representing Arizona's water interest, every time I'd ask a question I felt like Bob Lynch would pop up in the audience and say "Well, that's prohibited by the Law of the River." Now I've been a lawyer for a long time and I've never heard of the "Law of the River." So I go to the Arizona Revised Statute books and I pull it down and I look it up "River comma Law of" and it's not there. So I thought it must be a Federal "Law of the River" so I pull out the U.S. Code and I look up "River comma Law of" and it's not there either. It turns out "The Law of the River" is kind of like the British Constitution, it's whatever the people who have really been hanging around it a long time think it is. It's the embodiment of all kinds of different treaties, acts of Congress, and different complex Federal regulations and oral traditions. That's all the "Law of the River," and if you've been around long enough you're allowed to say what it is, but if you haven't been led in the gate, the Water Buffalo ceremonial admittance initiation rights, then you don't get to talk about the "Law of the River."

Q. So you get to talk about the "Law of the River"?

A. I do. I've graduated to the point where I can now say, "Aah, that would violate the 'Law of the River.'"

Q. I want to know what the initiation was?

A. Ha, it's a wallow in mud. That's what the Water Buffaloes do; they take you out and make you wallow in mud.

Q. What were the key issues when you were first on the CAP Board?

A. I'm trying to remember when I first got on the Board, what the first big issues that came up were? It seems to me that some of the earliest issues had to do with the problems of the irrigation districts and the take or pay obligation. I think that and

then I think the Tucson problems. Okay so, we'll do the take or pay and the irrigations districts first. When the CAP was conceived, my view is that the people who set it up had this, I think, prescient notion that eventually, enough people would move to Arizona that we would need this water for urban population, but in the meantime, we'd sell it to the farmers. So the mechanism that was created was that the cities were given allocations, but there was a whole lot of leftover water and that leftover water was all going to go to the farmers. Because federal water projects are the legacy of the Bureau of Reclamation and the era of John Wesley Powell and the policies of the federal government to settle the West, agricultural use of the water is encouraged. The way it's encouraged is you don't pay interest on the debt to build a big federal project to the extent that water is used for agriculture. Why? Just because. It's like the Homestead Act; it was a mechanism that was used to encourage people to move to the Western U.S. So we made water cheap. We've always subsidized water in the West. The thinking was that there would be all this water coming in from the Colorado River that we had dreamed about for generations, that Arizonans wanted to get. Until the cities grew, we wouldn't need it. We'd sell it to the farmers and they'd take every drop of water we could give them. So they signed up when I say they- the farmers really signed up through the mechanisms of irrigation districts which are their entities for receiving delivery of water and then distributing it. The irrigation districts, the biggest ones were the MSIDD, (Maricopa-Stanfield Irrigation and Drainage District) and CAIDD (Central Arizona Irrigation and Drainage District). These are Pinal County farming districts. They signed up under a mechanism that's come to be called "take or pay." And what it said is to the extent that there's water left over that nobody is using you guys will guarantee that you'll buy it all and you'll pay for it whether you use it or not. Now it makes no sense to call it "take or pay" because that would imply that you either take it or pay for it. This was you pay for it, period, no matter what.

The problem was that there had been a whole series of really bad assumptions made. The first set of bad assumptions had been how much the canal was going to cost. I can't remember the numbers anymore, but originally the canal was

supposed to cost like eight hundred million dollars. Now, this is a federal project; they don't do things on budget. It got more and more and more expensive. The way Arizona had signed up, you remember Carter and the hit list, you've got people talking about this that know far more about it than I do, but the way Arizonans signed up is we created the Central Arizona Water Conservation District to pay for the State share of the canal. We don't as a State have to pay for the water that used to go to the Indians. That's a federal obligation. So the federal government pays for the share of the canal that is used to transport water to satisfy Indian water rights. Nor do we have to pay for the part of the Central Arizona Project that was used to shore up and make Roosevelt Dam safer or to make the big dam at Lake Pleasant because some of that's part of Safety of Dams. Then there is part of it that is recreational. Those are all federal obligations, so we don't have to pay back a share of the canal; the federal government just absorbs that. The process, which we are going get to in a few minutes, of allocating between these different uses of the canal is one of these impossible acronyms called SCRB, Separable Cost-Remaining Benefit accounting, which is this, just wizardous gobbly gook that like only nine people who have spent their careers in the Bureau of Reclamation understand. They throw numbers on a board and wiz them around and suddenly you're told, "Well, you owe 2.8 billion dollars!" It's like a game show. So anyway it's this SCRB accounting thing that does all this. So as the canal was getting built the prices of it were rising dramatically. The total cost of the canal at the end of the day was probably five billion dollars to build it. Much more than was expected.

At the same time, there were a bunch of assumptions about the agriculture economy of Arizona that were made and those turned out to be bad assumptions. When the canal was authorized and for many years thereafter we grew the world's finest cotton. It was a major cash crop. Men's shirts were all made out of Arizona cotton. Pima cotton was developed here. We were the crème de la crème of cotton. The assumption was to the extent you had water you could grow cotton. You could make a lot of money. Well, as the canal was being built and rising dramatically in price, the price of cotton was falling dramatically because of

Pakistan and Egypt and other parts of the world coming into the cotton market and raising their quality significantly. So suddenly there was this clear impending crisis that was going to occur where the farmers were not going to be able to afford to pay for their share of the water they'd signed up to take. From the earliest days, I got on the Board, we started talking about that problem and trying to figure out what to do with it. Governor Symington appointed a task force or working group or something to think about this problem and came up with the concept of target pricing which ultimately the CAP implemented. What was happening was that these big irrigation districts were threatening bankruptcy and that was being widely misunderstood by people into thinking that the Central Arizona Project was going to go bankrupt. So there was just this brooding concern when I first got on the Board. I didn't know about it until I got there that I'd just been elected to this thing that was going to go bankrupt. Well, I thought this was interesting.

Q. And what would happen if they did go bankrupt?

A. Yes, yes, Orange County survived.

Q. And New York City survived.

A. Yes.

Q. You were just a Board Member; did you really have to deal with that?

A. No, you just kind of sat there and you listened and asked a lot of questions. I started asking a lot of questions early on about stuff, things and tried to figure out what really was going on. I can't remember the exact sequence I was on the Board for two years and then I got elected President. I can't remember the exact sequence of how the issues began to unfold before and after I was President.

Q. How did you become President so quickly?

A. I don't know. I was a young, fresh face and I seemed smart, I guess. I did not campaign; it somewhat surprised me. It was a nominating committee that came out with a slate and just recommended me.

Q. Did you have your water buffalo uniform on?

A. No, I wasn't fully admitted at that point.

Q. So you were President without being a water buffalo?

A. Yes, I didn't have the hat (laughing). I didn't have the buffalo hat and stuff.

Q. As President what's the difference between being President of the Board and being just a Board Member?

A. Well, legally there really isn't any. It's not like you have any managerial authority or anything. You don't get paid anymore because you don't get paid anything either way. It's a little like being a mayor in a city manager form of government.

You are the presiding officer of the Board Meetings. It's a little less than being a mayor because even in the Arizona system where we have weak mayor form of government, the mayor nevertheless is the presumptive spokesperson. Most people know who the mayor is. Nobody knows who the President of CAP is. It was mostly, you got to make some speeches, you got to cut some ribbons, although in the CAP example it's turning a headgate. I have a good story about turning a head gate, I'll tell you later. I spent a lot more time talking to the staff at that point and kind of trying to structure agendas and how policy decisions got brought to the Board. It's an interesting…I'd thought before about trying to write something sometime about the interesting government lesson of a fairly narrow- purpose special unit of government like the Central Arizona Project that tends to make exceedingly technical and complex decisions. What tends to happen in that context is that the staff run everything because it is simply too hard for the Board to

figure out what it is they need to know and what they don't need to know in order to make the decisions they need to make. There is a tendency of some people to attempt to micromanage on a board like that, that's extremely difficult with the technical level of questions that are presented or there's a tendency to just kind of check out and go along with whatever the staff want to do and the CAP has a fabulous staff and most of the time, that's fine. But there is a reason why there are elected people there to do something. There are a series of decisions that get made that really are policy decisions. They are not even political decisions in the sense that the public has no clue what these decisions are about. It's not like you are deciding how to punish a crime or how to deal with some issue that everyone faces. You're deciding how to price water at the wholesale level to cities. You're deciding how to set a tax rate that is so buried under layers of other taxes that nobody knows it's there. You're deciding whether or not to settle a complex lawsuit against the federal government that frankly, if we had six hours of tape I couldn't explain this whole lawsuit to you. There is a reason why those decisions are simply not left in the hands of the technocrat. So there's a real exercise in kind of figuring out the appropriate level of detail you need to know to make the kind of decision that needs to be made. I was sort of good at that, frankly. That's kind of what I do. I am good at figuring out what matters and what doesn't matter. Law school is a three-year exercise in separating the relevant from the irrelevant. Many people I see in life have never figured that out. Have never figured out what's relevant and what's not relevant at any given decision and I'm a good lawyer because I know how to do that. So that's sort of how I saw my role as.

Q. And you're a pretty good communicator, too. That probably helped as President.

A. Yes, yes.

Q. I have a list of questions I was going ask everybody. Let me start with those.

A. Okay, or I can just keep talking without any questions (laughing).

Q. Looking back, what projects or legal developments prepared Arizona for what it has become today?

A. Well, you know the immediate thing of relevance is Mark Wilmer's representation of Arizona against California. Jack August has just written a book on that, that is just about to come out. I wrote a blurb on the back cover for and read an early copy of the manuscript. That may be the single most important event in the history of modern Arizona, was winning that lawsuit. Because it puts us in such remarkably better condition to deal with the kind population growth we have than most other western states. One of the things I tell people about water in Arizona is, is it a problem? Sure it's a problem. But it's less of a problem than it is for California or Nevada, or Utah, or New Mexico, or Colorado. Now you know in Washington and Oregon, it rains a lot. Okay, so maybe they have some advantages we don't have. But there is virtually nowhere in the arid part of the United States, beyond the hundredth meridian, there is virtually no place that can point to a water supply like Phoenix can and Tucson. We have to throw Tucson in with Phoenix. That will allow us to continue to expand our population for another twenty-five or thirty years before we hit the wall. Las Vegas is at that wall. Los Angeles is at that wall. San Diego is at that wall. We have another twenty-five or thirty years to go because of Mark Wilmer.

Q. It must surprise people when you tell them that.

A. It does. It does. It shocks people. People refuse to believe that. Frankly, you can go to Boston or New York City and they can't tell you where the water supply would come to double their population. Well, they're not going to double their population. You can't go to virtually anywhere in the country that has already figured out, at least on paper, based what we thought at the time were good assumptions, some of those are being challenged by the climate challenge we face now, but we are ahead of everybody else in dealing with that. Ok, so Manny just said, "It's amazing that would take place in the desert."

And I said, "It's amazing, but it's not surprising and I'll tell you why." Water is a hard thing to deal with here. It has to be managed through deliberate, carefully considered, collective action. One of the things when I do water speeches, I tell people is you know, you think of the West, the arid West, as this place where somebody comes with a gun, a dog, a horse, and a barbed-wire fence and sort of makes it on their own in a rugged individualist way. It's complete mythology.

When it rains as little as it does here the only way you can survive is by getting along well enough with your neighbor to share plumbing. The Acequia districts of Northern New Mexico are the oldest extant governmental units in North America with a majordomo that runs the ditch. The CAP is just a larger manifestation of that as the SRP is a larger manifestation of that. And it all started here with the Hohokam who realized that this was a great place to live and grow crops as long as you could manage your water supply. So we have this two thousand-year-old tradition of collectively managing a water supply. It doesn't exist in a lot of other places in the country. When it rains everybody can kind of go their own way.

When you can dig a well a hundred feet and hit water you don't need to get along with your neighbor you can afford your own well. When you got a lake right next door that you can pull water out of it's simple. From the earliest civilization in Central Arizona, it's been complicated to deal with water. It's that complication that has driven civilization to exist in a place like this. So it is in many ways our central organizing principle is how to handle our water supply. It continues to be sort of the most broadly held social consensus we have is, we need more water than we have, we'll use all we can get and we're going to keep it away from the enemy. It's a tribal commodity. We define our tribe as the people with whom we share our water and that means the people of Arizona in this case. There is some inter-tribe squabbling of course. But Arizona is our tribe and that's who we share water with. The enemy is California or Nevada, who are trying to take our water from us. So we are always thinking about that so it's remarkable, whatever your word was, but it's not surprising. It's a historical imperative.

Q. One of the things we've been talking about it the 1922 Colorado River Compact and that was...

A. Well, we thought that it was a plot. We didn't like it. We didn't ratify it for years and years. We were the one hold-out state that thought we'd gotten screwed in the Colorado River Compact because, I mean as I've understood the story, I don't know if this is right or not, I was not around, my father would have been around but I [don't] know if he knew anything about it or not. We initially began with the position that we should get the same amount of water that California was getting in the Compact and that wasn't how it worked. So we thought, we and California should split it equally. Our argument was the Colorado River runs through Arizona for four hundred miles before it ever forms a common border with California. There are no tributaries flowing out of California into the Colorado River, none. Whereas we have the Salt, the Verde and the Salt form the Gila, and we have the Bill Williams and we have the Little Colorado and so we have water that we're contributing to the system. California's argument was, we're California. We have Congressmen, what do we care about you. And they had been using it for a lot longer than we had. The truth is all the water comes from upstream. It all comes from Wyoming, and Colorado and Utah. The Bill Williams is not a major contributor to the flow of the Colorado. But because we didn't get as much water as California we were really upset for decades about the Colorado River Compact and of course, the place that really got screwed was Nevada which got three-hundred thousand acre-feet. We got 2.8 million and California got 4.4 million.

A. Looks like they weren't even at the meeting.

Q. Well, the problem was in those days Nevada consisted of like one guy and six wives. That was all that lived there. There was no gambling. There was no agriculture. It's agriculture that gave us our standing to do this because that's why we fought for the water from the river and that's why we formed the Salt River Project. Nevada was not an agricultural place so they didn't get much.

A. Some people think that the Compact should be reopened and renegotiated. What do you think?

Q. Well, if it were I would pay big money to sit at the table and watch. I can imagine nothing more entertaining than to see how that…I think most people who have dealt with it are afraid to reopen it. It's an enormously complex compromise and I think most people fear that Arizona might not come out as well as it did if it were reopened. We would like to have our priority revisited. We were not made the junior right holder, the CAP, was not by that compact, that just allocates amongst the states. It was the later act authorizing the CAP where we had to give up our sort of pari passu, equal-equal priority. We'd like to revisit that. You know I have some sympathy for Nevada; I think they did not get a fair deal. I think California's done just fine. They used a whole lot more than their 4.4 million for a long time; mostly, yes, it was our water. The whole, part of the reason why we created the Arizona Water Banking Authority was to deal with Nevada, to try to help Nevada in a way that didn't hurt Arizona. Because this is all like a giant game of diplomacy, like you used to play in college where you'd be Albania and you'd have to find an ally. Well, Arizona is a little better than Albania but we're small fish here in the scheme of a lot of this. And Nevada is someone that we've been able to help. So that's one of the major things we did when I was on the CAP, was try to cut a deal to help Nevada because we need them in order to deal with California. Were it reopened it would be very hard to be sure we could put a check on California's political clout. So I would say, no, we should not reopen it.

Q. Talk a little bit about the Arizona Water Bank. What is it and what part did you play in it?

A. Well, I was President on the CAP at the time the Arizona Water Bank was created. We supported the creation of the Water Bank. I think it was the brainchild of Rita Maguire, then Rita Pearson. In fact, I have a photo on my wall of Symington signing the Arizona Water Bank legislation. It's a brilliant scheme. We are so good at certain kinds of, we are real geniuses at water stuff, okay. The Arizona Water Bank

and the whole business of recharge is one of the things that really happened and took off while I was on the Board at CAP. We had this extra water that we didn't have a user for and if we don't use it, it stays in the river and California can take it and they don't have to pay us for it. That's all the "Law of the River"; the magic "Law of the River" says that. So we were literally trying to find ways to get the water here to keep it away from California because of the fear that the longer that got use to using it, it's like heroin, we'd never get it away from them. We'd have to give them methadone or something to get them off of it. So this notion arose of bringing the water here and putting it underground, banking it underground. I have a million water banking stories I can tell. I got to dedicate one of these recharge sites. Recharge sites consist of, you bring the water here and you flow it out onto the desert and you let it seep slowly into the ground. Now the supreme irony of this is we have pumped this water three hundred thirty-eight miles, two thousand feet uphill, at a cost of a couple of hundred dollars an acre-foot in order to flow it out on the desert and seep into the ground. We are not allowed to move it. The canal is fully lined in concrete so we don't lose water to seepage. We're not allowed to deliver to a farmer unless all his lateral canals are lined with concrete so there's no loss to seepage. But we have all this extra water, so what do we do? We flow it out on the desert and let it seep slowly into the ground. I got to dedicate a recharge site when I was President of CAP. You open the headgates and the water flows out onto the desert and seeps slowly into the ground. This guy standing next to me turns to me and says, "Isn't this the most exciting thing you've ever seen." And I looked at him and I said, "You could only be a hydrologist if you think that. We are watching water seep into the ground." I told that story at water conference in Texas a while back and this women came up to me afterwards and she said "Could my husband and I go visit a recharge site? That would be so exciting.

We'd fly to Arizona, if you could arrange a tour." I said, "Okay, one more time listen to me here. Flat desert, water, seeps into the ground. You could probably picture it in your mind adequately to make up for any tour." Oh no she wanted to see it. She came. She flew out and she went on a tour and she thought it was

just… We are the world leaders in this. We have put four million acre-feet of water back into the ground through this and other mechanisms.

Q. How can you tell?

A. We can tell it goes into the ground. We don't know once it's down there where it goes. That's the real problem. You can measure the fact that you're seeping and you know how much is lost to evaporation. Once it's down there we're not sure where it heads, if it stays put.

Q. So if we had to use it would we have to re-drill pumps?

A. We have pumps everywhere we've recharged. We have wells and pumps to bring it back up. Anyway, at this recharge dedication I remember asking the question, "What would Carl Hayden think?" I mean he spent forty years arguing in Congress for this canal to bring water so that Arizona could prosper and we're taking hundreds of thousands of acre-feet a year and blowing it out on the desert and letting it seep into the ground. I answered my own question by saying, I think he would be proud of us for coming up with a creative mechanism that protects going in to the future, protects Arizona's ability to grow. So what we do back to Nevada, I think that's where we started this question. The Arizona Water Bank lets Nevada bank water in Arizona using these kinds of mechanisms. When there are surpluses to clear on the river, Nevada can bank some of their surplus water is how we start it. Ultimately we move to where we sell them additional water to bank. They put it underground in Arizona using this mechanism. Then in the future when Nevada needs the water they can pull it out of Lake Mead. We pump the water back up in Arizona and we use the water that Nevada banked here and because it was CAP water when it went underground, we count it as surface water when it comes back up, not as groundwater. So pumping it is okay under the Groundwater Act. It's kind of a giant scheme to take Nevada gambling money and get it into Arizona without legalizing gambling.

Q. But it sounds like it's just on faith that the water you pump out is CAP water.

A. They test all the time and they try to see. Oh, it doesn't matter if it's really CAP water when you pump it. Water is fungible. Water is a fungible commodity. So it's a bank. You don't know when you do a withdrawal that it's the money you put in the bank. In fact, I guarantee you it's not. It's the same mechanism. It's a fungible commodity and so you can transact it this way.

The other thing that is another brilliant scheme—it was actually cooked up, I think mostly by CAP and SRP before the Water Bank—is indirect recharge or in lieu recharge. This goes back to my story about how we thought the farmers were going to buy all this water but there was no way to make that work. Well, we needed to come up with, and this was happening right at the time I was first coming on to the Board and then becoming President, we needed to come up with a way to use that water that the farmers could no longer afford to pay for.

So we essentially went to them and said look you've got to give us that back and they didn't want to and then we had a bunch of lawsuits about that. Some of them read the "take or pay" obligation differently and so on. Ultimately it was all going to get resolved. But one of the things we wanted to do then was to try to get that water away from California. The farmers were not going to be able to buy it. We didn't want it to go to California and we frankly needed the income from selling that to the farmers, but they didn't have enough money to pay for it because the cost was so much higher. They had to pay their allocable share of building the canal without interest and the CAP needed that income. So what happened was, we did a target pricing scheme, where we sold that water to farmers below the cost of getting here. I've used the analogy, I remember as a kid watching George Burns and Gracie Allen. Gracie came home and said "Oh George, I was down at the department store and they were having such a great sale that I saved enough money to pay for everything I bought." Well I mean if you're selling below cost you don't make it up in volume. But it made sense to do this because the cities were willing to subsidize the cost of the water to the farmers.

And the principle mechanism we used to do that was this target pricing, but it was also coupled with indirect recharge. The way indirect recharge works is… We couldn't sell water to farmers in many cases, because they could pump groundwater more cheaply than they could buy water from the CAP. And here's another weird irony of western water. The reason they could buy water more cheaply is they can get subsidized power from the federal government. They get incredibly cheap electricity in order to pump groundwater. Despite the fact that our policy in Arizona under the Groundwater Management Act is to discourage groundwater pumping, but that's another part of the whole remnant of the Bureau of Reclamation's let's settle the West. So we couldn't compete with that. But what we could do was, the cities could buy down the cost of water, so the farmers would use the CAP water. They'd pay a target price much less below cost. The cities would pay some of the leftover share and the water that the farmer would otherwise have pumped gets treated as if it were recharged CAP water. So in other words, we could buy the CAP water and put it underground or we could buy the CAP water, give it to the farmer and tell him use this instead of the water you were going to pump. Then the water he didn't pump that's still in the ground, we're going to say was CAP water that was recharged. So we can pull it back up later on and have it not be groundwater. So that's the way a lot of this water has been banked, not through seeping it into the ground but through keeping water in the ground that would have otherwise have been pumped. It's brilliant. It's a brilliant scheme. People all over the world though are amazed at this indirect recharge thing that we've done down here.

Q. That's an interesting way to do it.

A. It seems to make people somewhat skeptical, but it's seemed to have worked so far.

Q. We just interviewed Bill Swan and I asked him about the CAGRD…

A. Right, Central Arizona Groundwater Replenishment District, that's the same thing. After the State Water Bank, we created this thing called the CAGRD that also does recharge. This is a little bit different and I'm somewhat critical of the CAGRD. The original notion of the CAGRD was: when we passed the Groundwater Management Act we said we don't [want] development, urban development anymore to occur based on groundwater in the Active Management Areas, which are the urban areas of Arizona, because we need to stop mining our groundwater to support subdivisions, golf courses and other kinds of things. So the Groundwater Management Act says if you don't have a hundred year assured supply you can't develop and your hundred year assured supply if you're in the AMA can't be groundwater, even if you have a hundred years worth of groundwater, you can't use it for your assured supply. So the initial effect of that was to force development onto land that had access to CAP water, which means primarily the cities in Maricopa, Pima and Pinal Counties. Well a group of developers came to the CAP and went to the State Legislature in the 90's while I was on the Board and said, "You know what, we need to loosen that up a little bit because if we want to go build a retirement community out in the desert, we can't afford to run a pipe all the way to the CAP canal. And there are examples where there's plenty of water for a hundred year assured supply in different areas of the desert. So why don't we do this, now that you're doing all this recharge. We want to build our development out in the desert. We'll do that and we'll impose a tax on everyone who moves in there. The money that is generated by that tax we'll use to buy CAP water and bank it back underground somewhere else in the AMA and we'll put more water underground than we'll suck up pumping groundwater to supply our subdivision and the whole thing will sort of balance and instead of having to build a big pipeline we'll just put more water back underground." That was designed to serve the Sun City, the Sun Lakes kinds of communities that couldn't access the CAP canal directly. Unfortunately what happened was it became the default mechanism of choice for new subdivisions. So most of Pinal County is being entitled based on that. Most of the west side, Buckeye, Goodyear, Verrado, Vistancia, Douglas Ranch, Festival, all the huge developments, at the two ends of the valley where we're growing the most are joining the CAGRD. So the original projections

were, by this time, we thought there might be, I don't remember the exact number, but fifty, sixty thousand lots entitled through the CAGRD. It's more like a hundred and seventy-five thousand lots and it's headed toward a quarter of a million lots, maybe a half a million lots. Not clear that's going to work, not clear that mechanism can keep growing at that rate.

Q. Is that much groundwater being replenished? Or how do they keep track of that?

A. Well, you don't have to do it right away. These subdivisions are just beginning to build. The CAP, which operates the CAGRD and CAWCD Board sits as the Board of the CAGRD, does plans which project out how much groundwater is going to need to be replenished but there's no permanent water supply to do that. We have to find the water to do that. And there are plans for how we'll do that, but I'm nervous. The whole thing makes me nervous.

Q. It doesn't sound like it's very well thought out.

A. Well, people who have been involved in it would say it looks like it's still okay, but it could begin to become a problem. I want to talk about two other things.

Q. Okay, two things do you want to talk about?

A. I want to talk about the federal lawsuit and the big picture of how we went about settling it and then I want to talk about the City of Tucson problems.

Ok, so I get elected President of the Board. My first two years on the CAP Board were not very controversial. There were these building problems, but it did not seem like it was all that hard. I thought being elected President would be no big deal. Right before I got elected, [Secretary of the Interior Bruce] Babbitt issued the notice of completion. The notice of completion tripped a bunch of obligations. Up until the notice of completion we'd been able to sell water for kind of whatever price we wanted. So prior to the notice of completion we were selling half a million

or more acre-feet of water a year to farmers. As soon as he issued the notice of completion we now had to sell at a formulaic price designed to pay back the cost of building the canal. If we sold it to a city we had to pay it with 3.2 percent interest, if we sold it to a farmer we had to pay the share of building the canal but not the interest. That resulted in the Bureau of Reclamation calculating how much we owed and they'd send us these bills. So then I get elected President of the Board. The Staff is saying you know we think they're billing us for too much. We think they're charging us way more than under this SCRB formula they should be allowed to charge us. And they were wanting to charge, I don't remember the exact numbers, but we were essentially a nine hundred million dollar difference in what they thought we should pay and what we thought we should pay. So they'd send us these monthly bills and we'd started sending them what we thought we should pay and there was a difference. So, now I'm President of the Board and the Secretary of the Interior, my old friend Bruce Babbitt starts sending us past due notices and accumulating penalties at the rate of twenty-eight thousand dollars a day. And I'm President of this thing and we're running these twenty-eight thousand dollars a day penalties and it made me extremely nervous. So that was the first crisis that hit.

Then right in the same time frame, we started delivering water to Tucson. Now it is an axiom of life in Arizona that Tucson is different. We had been delivering water in Phoenix without a single incident. Nobody complained. Nobody noticed. It was no big deal. When CAP water started getting delivered in Tucson it came out brown, out of the pipes. And the people of Tucson immediately rose up in an outcry that this was a plot by Phoenix to poison them. And there were days when I wished that was true.

What happened was Tucson had been dependent entirely on groundwater. Groundwater has a different chemistry. It was delivered in different directions through the pipes. It was delivered under a different pressure. CAP water has a lot more dissolved solids in it. In Phoenix, we were used to drinking SRP water and so CAP water was kind of similar, it got all mixed together, all got blended in and

nobody noticed at all. And then the water doesn't taste very good but we're sort of used to it. Went I went to Los Angeles I thought the water was weird. As a kid, I thought the water tasted funny everywhere else and then I finally realized wait a minute, it's this water that tastes kind of funny.

So what happened too, is that Tucson decided overnight to go from all groundwater to all CAP water and they built a state of the art experimental treatment plant using experimental treatment methods. Everything about it was a disaster. It came out brown and peoples' pipes ruptured. So they had a series of votes to shut off the water. So suddenly the farmers that we thought were going to be our big customers couldn't afford to pay. And the City of Tucson which was going to be our largest single municipal customer couldn't pay. And the federal government was fining us twenty-eight thousand dollars a day for the canal. And I'm sitting President. I remember in that era thinking why on earth did I run for this? This is just a colossal pain and I'm not being paid to deal with this.

So we set about slowly trying to deal with each one of those problems. The solution to the farmer problem was this target pricing scheme that allowed us to get the farmers back up to purchasing much more of the water by bringing the price way down, by getting the cities to agree to do it and getting [the farmers] to surrender their long-term rights to water to make it more like a spot market commodity from year to year. The solution to the Tucson problem took a long time. It's still playing out. They started firing water directors left and right. They had referendum. They had scandal after scandal. They finally are back to using a fair amount of water but we had to, again we had to bring the price of the water down to cushion the shock and try to work with them. And the federal thing, lead to, ultimately to our big lawsuit against the federal government, which is an hour talk in of itself. I use to know all the numbers, but I don't remember all of them anymore. Basically, when we realized this twenty-eight thousand dollars a day penalty thing and this billion dollar problem we said to the federal government we need to try to resolve this. We don't think we owe as much as you think we owe. And the federal government basically said well yes, that may be true, but what we really care about… And in

the scheme of the federal government a billion dollars is really nothing, it's fifteen minutes of war in Iraq or something. That wasn't what they cared about, they didn't care about the money. They cared about trying to settle the Indian water rights claims in Arizona. Which are really claims against the federal government under the Winters Doctrine for when the reservations were created; we were supposed to have reserved enough water that they could irrigate the land on the reservations. Well, it's a doctrine that worked well in Oklahoma; it may not apply as well in Arizona. So we started negotiating and that was the first set of negotiations with Betsy Rieke when she was working for Babbitt to try to resolve it. I thought it was appropriate since we had a bunch of extra water to let that water go back to the federal government to be allocated to Arizona's Indian tribes because the water would be used in Arizona. It would either be used for agriculture or it would be leased by the Tribes back to Arizona cities. As long as it stayed in Arizona, that seemed to me to be a good result and maybe a way to preserve agriculture which I came to think was a good idea in Arizona. And it turns that water into a federal responsibility which reduces our repayment which may be a way of closing the gap in our dispute with the federal government. And so we negotiated with Betsy when she was an Assistant Secretary for a long period of time and I led those negotiations and then it collapsed and there was this infamous meeting where Babbitt was suppose to sign something and he left town. It wasn't coming together and it wasn't going to work. I can't even remember anymore why it all disintegrated. But that resulted in our suing the federal government which is not ever a scenario you want to do, but we decided as a Board that we had to do that. That we needed to get some legal issues resolved before we'd ever be able actually settle with the federal government and so we hired Snell and Wilmer, appropriately, and Stuart Somach, a Reclamation law specialist in California, to represent us. And we started the lawsuit against the federal government over the cost of the canal. And we won enough early motions in that, that resulted in our being able to re-engage on an attempt to settle. At that point it was David Hayes who had then become Assistant Secretary of Interior and that's what ultimately resulted in the settlement that was reached.

Q. You mention about the Indians. Is that something you had been aware of or that people had thought of when they envisioned Central Arizona Project water coming here?

A. I think that there was always a thought that some of it would go to the Indians. I don't think in the early days it would ever have been anticipated that as much of the water would wind up with the Indian tribes as wound up with the Indian tribes. I don't know when they first filed their claims against the Gila River. Really it's the Gila River General Adjudication. This is another one of these… There's a law firm in town that has passed this lawsuit down from grandfather to grandson, these go on for so long. I don't know the whole history there, but their claims aggregated more water than there is in Arizona. But they were not claims to be scoffed at. Basically there're claims against the federal government really for creating the Salt River Project. That's where the water went, the Gila doesn't flow because we dammed it up and we all use it. Well, you can't take that back.

So to the extent, you have to settle these claims; if you let them go to full adjudication you wind up then really hurting the economy in the towns of central Arizona. Whereas using some of the CAP water that was extra, that we could afford to do it with, was a prudent mechanism for doing that. But it led to a lot of controversy on the Board. George Campbell, who was then a Board Member, who was a dear friend of mine and a wonderful Board Member and great elected official, was just dead set against doing this. He really viewed it as the Indians stealing our water. Well, the Indians kind of viewed it as we stole their water.

Well, it depends on where you sit. He did not want to reach the settlement.

Q. In dealing with the issues, who did you see as your allies and who were your opponents?

A. Well, Rita Pearson, now Rita Maguire was a huge ally running the Department of Water Resources. She saw the importance of resolving the Indian water rights

claims and settling the dispute with the federal government. Senator Kyl was a huge ally. He understands this stuff and he's a fabulous lawyer and to his credit, he also saw the importance of trying to resolve the Indian water rights claims. The Salt River Project was a big ally, because they were really the ones who were under direct threat if the Indian claims didn't get resolved. There were a number of other members of Congress and a number of other members of the State Legislature who got it ultimately. It took a little longer, they don't have the background Jon Kyl or Rita Maguire do, but who ultimately became significant allies in trying to resolve it all. The cities in Arizona, who really are at this point the most important constituent group for the Central Arizona Project. And most of them were sophisticated enough to understand and get it. Some of the farming interests were allies, but many of them were not. There was a feeling that our demand that they give up their long-term water allocations in exchange for being relieved from their long-term "take or pay" obligations... Seemed to us made sense, you can't afford to pay for it, give it back. If we have extra we'll sell it to you. And we'll sell it to you every year but we'll tell you like five years in advance how much we think we're going to have, but you don't have any permanent right to it. The benefit, the larger societal management benefit of that is, and this is why I came to feel keeping agriculture in business is so important, agriculture is a buffer. In times of drought if you don't have enough water you take it back from the farmers and you deliver it to the cities. In times of plenty if you have extra water give it to the farmers and let them plant some crops. So it becomes a mechanism to move water in and out of a use. That doesn't exist in Nevada for example, they can't do that. They can't do that in Southern California really anymore. They can start now moving water in California from the Central Valley to the Coast. California has a big problem. People live and farm in different places. In Arizona, we live and farm in essentially the same place, this corridor between Phoenix and Tucson, is where we use the CAP water. So we're urbanizing the area we're farming. Well if we keep some farming in business in that area then we can use that agricultural water use as a buffer.

And that's in fact exactly what we've done in the last few years of this drought. That's why you can still wash your car any day of the week you want and you can't do that in Las Vegas, because they took water back from the farmers. So it works really well as a management tool.

Q. It seems like a lot of the farmers are going to end up being the Indians since they have the water and the land.

A. That's exactly right, which was another reason why I thought the Indian water settlement made sense. The Anglo-agriculture, the non-Indian agriculture will go out of business as that land is gobbled up for development. But when you urbanize, for years we've said well an acre that's urbanized uses less water than an acre that's planted in cotton, and that is generally speaking true. But once it's urbanized you can't get it back, you can't ever get it back. You're not going to tell people, oh, by the way, you can't turn on the water at your house for the next three months. I mean, tell a farmer that. But the farmers were outraged by that. So they, there were several groups of farmers, irrigation districts that didn't like this whole scheme. Wanted their long-term rights, even though they couldn't pay for them that thought they didn't have to pay for them, so they fought it. And there were principled people like George Campbell, whom I mentioned, who just thought the Indians are tiny, tiny segment of the population of Arizona and that they were getting control of too much water for the numbers of people they represent and so he didn't like the deal either.

Q. It's ironic that Bruce Babbitt had been the Governor when the groundwater laws were being rewritten and he was Secretary of the Interior during this time. Where did he fall? Was he helpful?

A. Yes, yes he was. I mean he had his own sort of problems in getting the deal to come together. The Indians, whom they viewed as the Department of the Interior, viewed themselves as negotiating on behalf of the Indians. The Indians weren't wild about that and didn't trust them and weren't sure they were doing a good

enough job. So the first time it fell apart, my sense was the Department of the Interior was not able to sell it to the Indian tribes as a good enough deal for them. I think Babbitt didn't know that initially. He thought it was a good enough deal but then it sort of unraveled on him. Ultimately, David Hayes was fabulous. He was a phenomenal person to negotiate with. Babbitt had kept him right on top of it all the time.

Q. What was your role in all of this?

A. I sort of led the negotiating team, which was unusual. You normally wouldn't have the President of the Board doing that. Doug Miller, who is our in-house counsel, is our point guy on understanding this stuff. Sid Wilson was very involved as the General Manager. Larry Dozier who has more data and information about the CAP and the Colorado River in his head than every book ever written, I'm convinced. He could sit in these meetings and tell you, no we can't do that because of this issue or that issue. It was just like having a computer there to calculate it. He can tell you every valve and how well it operates. He's just an amazing guy. If you do an oral history with Larry Dozier you will need a thousand tapes. It will take forever to do, because he does talk a lot. Stu Somach who was our outside counsel was there and Bob Hoffman and Carlos Ronstadt from Snell and Wilmer. They were all the technical guys. I was the big picture guy. I kept saying, okay we've got to figure out how to get this done, these pieces ought to fit together. David Hayes and I kind of bonded over this. He had been one year behind me at Stanford. I did not know him, but he had been one year behind me at Stanford. And Doug Miller was one year ahead of me at Stanford. And he and I were able to communicate really well about it.

Q. You did these as the CAP Board President, as a volunteer?

A. Yes, yes. I didn't get paid for any of this. Which just frosted me (laughing). The money was just flowing out to lawyers like it was water. We were spending literally hundreds of thousands of dollars a month in legal fees and I got zero of it. But that's

okay. Frankly, it was more fun being the client than it would have been being a lawyer. If I were the lawyer I would have had to lie awake at night worrying more, because that's what you do. That's your job as a lawyer. You take your client's problems over and you fix them. I didn't have to do that quite so much here. It was really an interesting experience for me to have all these lawyers and everybody. It was important for me I think, as Board President to be engaged on it. It was easier for me to be reasonable than it would have been for them to be reasonable, because for the Staff to give a little bit, they'd then have to go back to the Board and get beaten up by the Board. I had to do the same thing but it was different because I was sitting up there running the Board. I could say yes, I thought we needed to make that concession and so I did. And I could stare them down, the Board Members, and some of them got upset. But the Staff could not have done that. They would have been yelled at by the Board… you shouldn't have done that. And I was able to say yes, I decided we had to give in on that, so here we are.

Q. Is that the one of accomplishments you are proudest of while you were on the CAP Board?

A. Yes, yes, that was a huge deal. And we got a good deal. We got a really good deal. I could if I looked back, this was the part I always meant to write up, was the whole history of those negotiations and how it proceeded. Sort of what we got and what we didn't get. I never have done it. I used to have a talk I would do in which I could go in to this in great length. If I looked up my notes I could probably do that talk for you sometime and then we could write it up. I warn though it's mind-numbing, the numbers and the complexity.

Q. Is there anything that you would have done differently looking back?

A. One of the things I talk about a lot now, is I am still troubled by the extent to which we make water policy and urban growth policy in completely separate arenas and with completely separate actors and really quite separate considerations. I

would like to fix that, better. Now, I'm not sure I could have done it as President of the CAP Board. In fact, I may almost be able to have more influence on it now because I can be more critical. And it's going to take a long time for that to evolve. And I don't even know exactly what it means as it evolves. But it's clearly something that needs to be fixed. We've got some time to fix. We've got more time to fix it than Las Vegas does. They have to fix it right away and their situation is different than ours. I would say in the next decade we have to create a whole different understanding of the relationship between water and growth in Arizona. That may mean that we're going to have to realize there are parts of Arizona that can't grow the way they want to. Mohave County comes to mind. It's an area that is poised for big growth. It wants big growth but doesn't have the water to support it right now, legally have the water to support it. It may mean that we're going to have to extend the kind of protections of the Groundwater Management Act statewide. Very unpopular, oh, no. It may mean that we have to, well, it will mean that we have to charge a whole lot more for water. It may mean that we have to do more draconian rationing mechanisms, like Las Vegas is currently doing. They're paying people a dollar a square foot to rip up grass. It may mean that we have to recognize that there are limits to how many people can live here. And that's an issue, after I wrote the book on Phoenix, I tried to get people talking about and I can't. People do not want to talk about that. I think we have about a decade till we have to face reality and say, okay listen, you can't plunk New York City down here. You can't have ten or twelve or fifteen million people living here in Central Arizona.

Q. We do have water in the Phoenix area, but it seems to be Prescott, Sedona and places like that…

A. Yes, they have more immediate problems. They don't have the diversified portfolio of water sources that we do in Phoenix.

Q. Do you see anything being done to control the growth here?

A. Well, yes and no. The dialogue is changing. I can't do a zoning case in rural Arizona where water isn't one of the top three issues. Part of what I say to the Water Buffaloes, the Water Buffaloes don't really want to be part of the growth dialogue. They like water being confined to technical, expert decisions made in obscure locations in afternoon meetings. Growth decisions, by contrast, are made in free-form, brawling, angry, heated, political debates in front of city councils on cable TV late at night. They don't like that. They don't want to work late at night. They don't want people screaming at them. They want to continue that and one of the things I have said to the Water Buffalo community is guys you don't have that option anymore. It's going to be taken away from. Because in rural Arizona if you were on a case that is controversial, is huge, that has major growth implications, the odds are overwhelming that there will be a referendum on that case, that it will be a public vote and that water will be one of the top issues in that vote. And that's not a great way to make decisions, you've got to pull these things together and do it in… representative democracy works better than direct democracy. Planning in government by plebiscite at the ballot box is not a sensible mechanism for running society and yet that's where we appear to be headed.

A. How far did we get, talking about water and growth?

Q. Well, we had just started talking about the fact that the active water management areas don't extend to the rural areas and you could foresee some problems there.

A. That's interesting, I was in Prescott Valley last week talking to what they call the Quad Cities, the four cities that are up in that area.

Q. That's what they call it?

A. Yes, that's what they call it. You think of Davenport, Iowa, but no it's Prescott, Prescott Valley, Chino Valley and Dewey-Humboldt. It took me a while to figure out

what the fourth was of the quad. It was Dewey-Humboldt. About some of these issues and they're really wrestling with… cause some of that is within the AMA and some of it is not. A lot of the growth is now sort of not. They're transporting water from the Chino Basin down to the Prescott, Prescott Valley area. Very controversial. There are people up who think of themselves as the haves and the have-nots. So I was a little nervous about going up there to talk to them at all because it's sort of a powder keg. But I offered them some kind of observations about water and growth issues that I've thought about since I was on the CAP Board. One of them is, water is one of the most interesting and complex commodities for our legal system to deal with. I don't remember if I've said this or not, but if you think about it there's four basic things you need for human life; air, sunshine, land, and water. Only one of those is easily transportable. And that's the whole history of the West to the hydraulic society of the western United States. It's interesting, our legal system in its sort of Anglo- American traditions, has what we think of as private goods and then what we call public use goods. The ultimate private good is land. We buy and sell land. We own land. Even when the government has land, it owns the land and it can sell it or manage it or whatever. That's in contrast to Native American systems that treat land as a common use good. Our systems treat air as a common use good. It's free. Take it. Use it any way you want. You can pollute it at will. The tragedy of the commons applies because each of us doesn't have sufficient discipline to stop polluting on our own. And sunshine is a common use good in our system. Water is the only one that is both. Sometimes it's public; sometimes it's a private good. If it's underneath your land and you can pump it and use it, it's a private good. If it's flowing through your land, we treat it more like a public good. You're allowed to take it and use it, but you can't really sell it anywhere off your land. It's the complexity of that difference that's created the distinctions in Arizona law about subsurface water and surface water that are probably not hydrologically realistic but are historically so important that it's really a complex, difficult problem. And in Prescott, and Prescott Valley, that's a lot of what they are arguing about right now; those differences.

The second observation I had, it's sort of a general thing about water is; water is a tribal commodity. We use water to define "us" and "them". "Us" are the people with whom we share a water system or water supply and "them" are the people who are trying to take it away. The ultimate example is Arizona is "us", that's our tribe. California is the evil tribe that's trying to steal our water. Nevada is a foreign tribe, but it's a tribe we've cut some alliances with, so they're kind of okay. And up in Prescott they have sub-tribes, I mean there are people who, we in Maricopa County are the enemy to them because we've been taking the water from them for so long in their mind. We knew that. We were the ones that developed the Salt River Project to begin with and it's our water as a result and now they're beginning to grow and boom enough that they want to take it back.

One of the real ironies that I mention is that in many cases it's the same people who live in the valley and use the SRP water supply that are now building cabins in the headwaters of the Verde where they think they should have water up there. So the ultimate sort of nirvana for a lawyer is we may have people suing themselves over the same water. Which is great, because if you sue yourself you'll never settle the case.

Q. That's interesting. I never heard it quite put that way before. But I have heard that the groundwater laws that Babbitt in that era, the late 70's early 80's kind of crafted and revised, didn't take into account the growth of the rural areas.

A. Yes, that's right. I mean the most egregious example, I think is when it was originally written the Groundwater Management Act treated Pinal County as an AMA which was designed to be depleted, for planned depletion. You didn't have to have a hundred year supply. We were going to plan to deplete that aquifer.

The reason was that was the way to keep agriculture in business. Well, we're putting agriculture out of business in Pinal County, except for the Indian tribes, by simply bidding the price of the land up too much and it's becoming an urban area just as much as Phoenix and Tucson are. That's been changing through sort of

regulatory interpretations of the Groundwater Management Act, it's been changing. But in Yavapai County right now they're in a big fight about some regulations that have just been promulgated by DWR that they believe are, some of them believe at least, are changing the distinctions between groundwater and surface water and giving DWR more assertive rights over surface water management than they've ever had in the past.

Q. You mention that groundwater, you always could just dig a well and pump it out and it was yours. It seems that recognition is not enough?

A. Yes, it's interesting. I did another water talk back in Texas and Texas not surprisingly, operates on what is called the "Law of the Biggest Pump". Whoever has the biggest pump, wins in Texas. They're into big things in general, I guess. Like ego, whoever's got the biggest ego wins in Texas. And the Groundwater Management Act, I think was really in many ways even more far-sighted than we realized at the time. I wrote about this in the book I did about Phoenix, it's had an impact on our development patterns that we didn't really realize. When we passed the Groundwater Management Act the point of it was mostly to get the CAP funded. Babbitt and Cecil Andrus who was then Secretary of Interior seemed to have engineered a threat by Interior [against] Arizona—when Babbitt was Governor, before he was Secretary—that [was] the threat from the outside you needed to get everybody in Arizona to cut a deal. So we cut a deal to pass the Groundwater Management Act and essentially its consequence for the first, about twenty years of its life, was to force development to be hooked up to the pipes. Even before the Groundwater Management Act, it was hard in Arizona to go outside of the city limits and sink a well and live in sort of splendid isolation that we think of as being life in the West. One of the ironies of life in the West is you really can't be a rugged individualist. You have to get along with your neighbors well enough to share a water system. So you couldn't really go out and dig these wells just wherever you wanted to anyway, but after the Groundwater Management Act passed you couldn't legally do that. You had to have a hundred year assured supply and it couldn't be a hundred years' worth of groundwater. You had to be hooked up to

a renewable supply, SRP or CAP being a primary renewable supply. That had an impact as we grew and boomed in the last part of the twentieth century of pushing our cities closer together.

Water has always been kind of a binding agent. It's been something that drove the cities in Arizona to be higher density, to grow in a more orderly fashion. Not so much leapfrogging as you see in parts of the country where you can be on your own water supply. The reason, when you fly into Phoenix you hit that hard edge of development and then there is either desert or farmland outside of it, is what you're seeing is where the pipes end. That's where the pipe extensions end. Well, that worked great for a while and then under the Groundwater Replenishment District legislation, we kind of began to break that down and allow development to leapfrog out a little farther. We didn't think it was going to be a lot of development that did that. We thought that the CAGRD mechanism was created primarily to deal with kind of retirement communities, the Sun Cities, Sun Lakes phenomena. As it turned out because growth was moving so fast a whole lot more development has been taking place on the CAGRD than we expected.

Q. So you need to do another book on Pinal County.

A. Report, it's a report.

Q. How do you see that in relation to water?

A. Well, I think we talked a lot about whether agriculture would survive in Pinal County and that is really the question of whether agriculture will survive in central Arizona at all. It's not going to survive in Maricopa County, I think we know that already. I think it will survive in Pinal County primarily because of the Gila River Indian community and the CAP settlement that was reached. Pinal County is sort of right at the cutting edge of this relationship between water and growth. Because of agricultural, because we banked so much groundwater in Pinal County, Pinal County is the water bank for central Arizona. Because of the Indian communities

and because of the GRD being sort of the water supplier of choice in Pinal County, all of those things create kind of the perfect storm about water use in Pinal County as it continues to urbanize and what will happen.

I tell people when I got on the CAP Board, I'm a city boy. I don't have any particular farming background or affinity at all. I grew up in Tempe and Metro Phoenix and primarily I represent developers, so urbanization is how I make a living. When I ended up on the CAP Board I assumed that agriculture would wither and die in Arizona. In fact, I was even inclined to think that agriculture had never made sense in Arizona anyway. Why are we growing crops in a place where it rains five inches a year? I changed my mind in the time on the CAP Board. For a couple of reasons, it seems to me there is some real benefit for preserving agricultural in central Arizona. One reason is the heat island effect. It mitigates this heat island effect where the average nighttime temperatures go up by ten degrees a decade or so and irrigated farming brings it back down a little bit. A second reason is it's sort of historically important. It's the only reason people live here. This is not a probable place for a lot of people to live and they're here because of farming. But the most important reason I think is a water management reason and that is in times of drought you can take water back from the farmers and deliver it to people in their houses. It's a safety valve. You can't do that when people are using the water at their houses. And so Los Angeles which doesn't have any agriculture left, San Diego, Las Vegas which never had much agricultural, have in fact been much worse hit by the drought over the last ten years than Phoenix has. People are shocked when I tell them that we've never had to ration water in Phoenix in this drought. I was with a woman from Fort Worth last week who just could not believe that we weren't rationing water in Phoenix. I said, "You know we cut back on the farming." We told the farmers they had to live with thirty percent less water in the last couple of years and we moved that water over to urban populations and it works fine. It's relatively easy not to plant crops sometimes. But if all that water migrates to be urban water you lose that flexibility, that management flexibility over time.

Q. You mentioned the Gila River but not Fort McDowell and Salt River in Maricopa County.

A. Right, I was just talking about Pinal, that's why. They're not as big either in terms of what they intend to farm and they didn't get as much water in the CAP water settlements. Did we talk about the Indian water settlements?

Q. No, we didn't and I want to move on to that. Did you ever think the Indians would get so much water?

A. No, I didn't. Again when I got on the CAP Board I really didn't know much about the Indian water rights claims. When I was President of the Board I became a real champion of trying to use CAP water to settle those claims even over very heated opposition from some of my board members. George Campbell, rest his soul was a great board member and a dear friend of mine but was just dead set against the Indian settlements that we put into place right at the end of my time on the CAP Board. It was a complicated issue that a lot of people had a hard time understanding and I think a lot of people had the feeling as these settlements got written that the CAP Board was deciding whether or not the Indians ought to get a lot of water. It's really different than that in the sense that, what the settlements were about were these reserved water claims, or Winter's Rights claims. When the Federal Government created the Indian reservations, the U.S. Supreme Court case called Winters held that they impliedly reserved enough water for the Indian nations to irrigate the reservations that were created. Those claims were claims in central Arizona. Claims against the Gila River which is the Salt and Verde, make up the Gila and the Gila itself as it flows through Phoenix. Well, we dammed up and stopped the Gila from flowing generations ago. That's what the Salt River Project was about so there wasn't any water in the Gila to satisfy those claims. Exactly how big those claims are at the end of day, how they would have been quantified and how much would have been awarded to the Indian Tribes is hard to tell. But most people who were engaged in that litigation felt it would be very significant, that these were legitimate claims. The only way to settle them was to find other water

because you can't take back from the SRP water that now flows to all of our houses. Well, that meant CAP water. So when we began negotiating with the federal government over the lawsuit, over how much we owed for the canal, what they really wanted was not money, it was water to settle these claims which were primarily claims against the federal government. I thought it made sense to use the CAP water to settle those claims because we had enough water to do it; because by doing that the water would stay in central Arizona anyway. We made very clear that we were not settling so a central Arizona Indian tribe could sell it to Las Vegas or something like that. By doing it we provide the Indian tribes with water that could be used for agriculture and that's certainly what the largest block of water which is the water down south will be used for because they're going to try to bring lots and lots more acreage back into agricultural uses. But then the water will still be there when we need it in times of drought as I was talking about a minute ago. And it resulted in our being able to pay the federal government much less money, even than we thought we owed them as opposed to what they thought we owed them. So for a bunch of reasons, I thought it made sense. But there were other people on the Board who were upset by it and felt like we were giving half of Arizona's water to a very small number of people. When we were going through that process there was one manager in central Arizona who was upset about the Indian settlements whose quote was, "We shouldn't give this water to the Indians, it's our birthright". Struck me as little odd they were here first and the river was flowing when they came here. So if you want to argue birthright, I'm not sure that's the best argument for the Anglo populations of Arizona to make.

Q. Although it is ironic that when the first plans were made for the Central Arizona Project it started off being for agriculture, then that sort of changed to urban and then it ends up, half of it going to the Native Americans.

A. Yes, and it happened incrementally how much was going to the Native Americans over time. I think part of the concern was at the time we did the big "brick" settlement was just another increment and even more of it was going to go there. I don't think it will. I think it's done now. There was a concern about that.

Q. Do you think in future generations our [descendants] will be buying water from the Indians?

A. Yes. They already have. That is how Anthem started. That's Indian water rights from the Ak-Chin Community. Yeah, I think it will. If you think about that in a big picture context, even that sort of makes some sense in that we'll be giving money to the Indians for water, but we got money back from the federal government when we settled the case. So we don't have to pay as much for the CAP canal as we thought we would have to pay because a big chunk of it went to the Indian Community. Ultimately, it's the federal government giving money to the Indians for past wrongs. So even from sort of a global sociological perspective, it seemed to me sort of just at the end of the day.

Q. Are you currently, I believe I saw somewhere that you're on the Governor's Water . . .

A. No, that was a long time ago. It was actually a task force. It was at the anniversary of the Groundwater Management Act. It was appointed I guess in '01 or something like that and it went for like a couple of years.

Q. It's not a current position?

A. No.

Q. It doesn't seem like Arizona has as many water commissions or things as Nevada or Colorado?

A. It doesn't. This is an interesting phenomenon, too. When I went to Texas, I was stunned to find out how many different water entities and agencies they have. They're kind of like counties. Texas has like 280 counties or something. They have an equal number of water districts and they're little tiny entities. Despite the law of the biggest pump and the fact that it's Texas, they've tended to treat water in little-

isolated pieces; whereas, in Arizona, we've tended to have a few large, well-funded, well-managed, water agency type things like SRP, CAP, and the various cities. City of Phoenix and City of Mesa have very large water portfolios. And so our water decision making is somewhat more concentrated than it is in other states but in the same token, we don't have a water czar. In Nevada, there is a State Engineer and in Colorado, there is State Engineer who gets to rule and adjudicate on water rights and water disputes. We didn't even have the Department of Water Resources until it was created under the Groundwater Management Act. Herb Guenther, the Director, and all the previous Directors really have very little authority over surface water. Their authority is only over groundwater and by large, only in the AMAs. So we have a multiple decision making context.

There's a book by James Surowiecki called "The Wisdom of Crowds". It's a really good book. It's a little short book about how decisions get made by society sometimes. As I read it, I thought about Arizona and water management issues because, again, when I first got on the CAP Board I thought this is a mess. We just need a global agency to straighten this out, all the cities, CAP, SRP. It all ought to be folded into one big agency that makes all these decisions because it seems so inefficient to debate the same things in multiple forums over and over and so on. But one of the points that Surowiecki makes is when you fracture up decisionmaking like that, it may not be efficient but you're likely to avoid big mistakes. Because everything gets so repeatedly reviewed and debated by different groups that people make differing decisions about the same issues many times. As I sat on the CAP Board watching us debate things, I thought you know that really is kind of true. We can't do too much harm because our jurisdiction is fairly limited. It may be a better way to run government actually.

Q. When Wes Steiner was first on the water resources, he was called the water czar.

A. Yes.

Q. The people following him didn't get that title.

A. Yeah. I think it was as much as anything, my sense is we tend to use the word czar in American life as a pejorative term. Either because we're afraid of the authority that is being given to the person or we want to ridicule the person exercising the authority or we want to otherwise have a dig at them for some reason. Pat Mulroy calls it "The Water Czarina" and it's usually used by people in Arizona and California that talk about Nevada.

Q. Speaking about Nevada, the Arizona Water Bank. You were a past member of that?

A. Yes.

Q. They have a Nevada agreement?

A. Yeah. This was another thing we did when I was on the CAP Board that was very controversial. One gubernatorial candidate tried to make hay out of our doing water deals with Nevada. It didn't work. I think it's one of the smartest things Arizona has ever done. Water in the West is like that game of diplomacy you used to play. It was a board game. You would have to cut deals with your neighboring Baltic State in order to get an alliance to fight with somebody else and so on. That is exactly what water in the West is like.

Arizona was kind of the odd man out for a long time. We were the last state to ratify the Boulder Canyon Act and Colorado River Compact because we thought we weren't being treated fairly. We thought we should get as much water out of the Colorado River as California got. Our argument was it flows through Arizona for 300 miles before it forms the common border with California and the Colorado River has tributaries from Arizona; the Salt, the Verde which become the Gila, the Bill Williams, the Little Colorado. We contribute water to the Colorado River. There are none from California. They don't have a single tributary that flows into the Colorado River. California's argument was we're California. We have Congressmen. We have money. We have been using the water for a long period

of time. They won and we lost that argument. The truth is the water comes from the Upper Basin. The water comes from Colorado, Wyoming, and Utah. The amount that Arizona contributes is meaningless in the scheme of things. But we felt, we had a real chip on our shoulder. We didn't want to be a part of the group. We were kind of on the outs. We kept losing until Mark Wilmer, you ought to go interview Jack August about his new book about Mark Wilmer, kind of came up with some new arguments and turned it around, we kept losing.

We realized in the 90's that that dilemma was still continuing. California still had all the power and all the clout. And at that point, California and Nevada were largely allies. The brilliant insight, that I credit Rita Maguire with having had as much as anyone from Arizona, is that it wasn't all that tough to get Nevada on our side. In the war of western water diplomacy that is worth a lot. That is two senators. We each have two senators. You'll never compete in the House with California, but in the Senate, it's a different matter. Of the two senators, Nevada also had Harry Reid who was not then the Majority Leader but was an important guy and was becoming more important. The point is Nevada only got 300,000 acre-feet when the river was divided up. Nobody lived there and there weren't any farmers. Las Vegas hadn't boomed at that point. We had enough water to help Nevada in its circumstance and the scheme was that Nevada pays us to bank water in Arizona on their behalf. And then in a point in the future when they need that water, they can just pull it straight out of Lake Mead and we'll pull up the water they banked here and use it here. Literally, they just pay us to dump water in central Arizona. This is a good deal. The problem was it happened right at the end of my time on the Board. They needed the water earlier than they thought and they hadn't banked enough. So we loaned them some. We loaned them against their future deposits. This is what banks do. This is how it works.

It's just water instead of money. You've got Nevada who may not have much water but they have a printing press for money. You spin the roulette wheels and the money comes out. Instead of legalizing gambling in Arizona, we sold them

water and everybody came out fine. It has worked really well I think. It's been a very good long-term stable alliance that will be useful to us.

Q. Recently there has been an issue about water up towards the Kingman/Bullhead City area that Nevada wants to buy some of California's water. Who is going to make that decision?

A. I just saw a bunch of stuff coming over the internet about Utah, Nevada, Arizona, up there, the Virgin River in the corner, all of the issues. There's a lot of concern about these proposed subdivisions that would be bedroom communities for Las Vegas primarily but would be in Arizona. That's one of the areas where we don't have an AMA. We can't really deny people the right to subdivide. We allow all kinds of wildcat subdivisions in counties and can't even say, "You can't really build there because there's no assured water supply." Legislature made a little tweak to that last year. We'll maybe give some greater regulatory authority to the county over whether or not they can build up there.

Q. Do you see that as an ongoing issue?

A. Yeah, that will be hanging around for a long time. I think for right now that issue probably has been solved by the crisis in the home mortgage markets. We have less of a water concern in Mohave County at the moment.

Q. What about the Yuma Desalinization Plant? They just did a test to restart that. Is it desalting water?

A. It's interesting. I was in Las Vegas a while back talking about these water and growth issues. I was on a panel with Pat Mulroy the czarina of Las Vegas. I was talking about my concerns that we have decoupled water and growth in the West largely and partly because of our inherited Bureau of Reclamation mindset; partly because of our unwillingness to recognize potential restraints on growth in places like Phoenix. We don't very often talk about water and growth at the same time in

the same place with the same people. I think we have to re-couple those. She's very resistant to that. She is a true water buffalo and true buffalos don't want to be involved in growth debates. They just want to go get the water and let somebody else fight about it. When Mulholland dedicated the aqueduct to bring the water from the Owens River Valley to Los Angeles, he turned the headgate and said, "There it is. Take it." That is the attitude of most water managers. It's not my problem now. You wanted me to get it here. I built you the plumbing and I got you the water. What her answer to Las Vegas—which is essentially out of water, there's no more water to grow in Las Vegas—is we'll just [build] desalting plants over on the California coast. They'll use that water and we'll use their water out of the Colorado. Ultimately, she is probably right. What the market will bear for domestic water is houses, we have no idea. We know what people will pay for Aquafina and Desanti water and if they would pay that for tap water, you could build all the desalting plants that you'd ever need. It's just a matter of economics.

The Yuma Desalter is just a wonderful, quirky, weird piece of history that we have this thing from Guantanamo Bay sitting in Yuma that we didn't run all these years. We felt strongly at the CAP that is should be operated. I'm glad that they're starting it now.

Q. Were you on the Board when they put it down there?

A. No. It was put down there a long time ago. It was put down there in the 60's I think, late 60's, early 70's after it was dismantled at Guantanamo after the Cuban missile crisis, it was built down there.

Q. I knew it was there a long time but I didn't know it was there that long.

A. It's pretty old.

Q. Maybe it will be economical . . .

A. Yeah. I got to believe you can build a whole lot more efficient one today than one that old.

Q. Talking about Nevada again, there's been some talk that in the Water Compact that Nevada got little water. Some people have said that maybe that should be reopened and renegotiated. What are your thoughts on that?

A. Well, there could be benefit to that from Arizona's standpoint. We are the junior right holder. One of the prices that I've always understood that Wayne Aspinall from Colorado exacted for funding of the CAP is that we have to be behind everybody else. That's not fair. The urban areas should have equivalent priority it seems to me. It's not fair to take water away from people in their houses in Phoenix and say give it to people in their houses in San Bernardino or something. So there could be significant benefit to us in doing that. Having said that, I don't think it's very likely. I think it's too complicated. It took too long the first time. There are too many stakeholders. Most of the water buffalo, water players are afraid to reopen it for fear that the anti-growth and environmental forces, which they believe are out there, are conspiring at all times. I'm not sure if that's true but that's the way water buffaloes tend to think, would wind up getting a lot of the water and using it for lure minnows or willow flycatchers. So they're reluctant to reopen it. California, I think, would be reluctant to reopen it because they got so much water. It seems to be difficult to imagine negotiating something like that again.

Q. One of the other questions we've been asking people about is the end of the big water projects. People have said big like CAP, those are over. Do you think there could ever be a time that there will be big water projects?

A. I doubt it. These projects really were the final legacy of John Wesley Powell. They really were the remnant of western settlement. They were the result of the federal government's sort of manifest destiny to occupy the continent. You needed to do this to make it habitable in these places beyond the hundredth meridian as Steiger's wonderful phrase. We did that. It's done. We're here. We've occupied it.

We have seized the continent. We have realized our manifest destiny. The whole era of dam building and water moving, I think, is largely done. I think the future is projects more like what is now being proposed in Prescott Valley or Chino Valley, seventy-five-mile pipelines to move water for other places in smaller quantities. It may be desalinization but I suspect that as the price goes up that will be accomplished by private enterprise for the most part. It's now the big cities building infrastructure and doing things. I don't think we will ever again see the federal government in the water business the way it was, the way this happened, because we don't think of the federal government in those terms anymore. We don't think of them as being a public works agency. I don't see that happening again

Q. A few people that I've talked to suggested that we should be planning now to get some of that Mississippi water out to the West.

A. Yeah. Then there's the Columbia, move some of the Columbia water down here and then there's towing the iceberg. Well, all the icebergs are going to melt. Global warming will take care of that as an alternative. I don't think any of those big water projects are very likely to happen. The other reality is in large measure they were driven by agriculture. In order to settle the West, you had to make farming possible and that was the whole deal. Now we need water in smaller but permanent blocks for urban populations. You can accomplish more by wise use of the resource, by conservation, by different kinds of careful management practices, by learning to drink reclaimed effluent which we will do. I think that is entirely likely in the future. I think all of those solutions are more feasible when driven by urban population growth rather than by the old impairment to settle the West.

Q. Some people don't want to even drink tap water; you think you're going to get them to drink effluent?

A. I will say this. The effluent will come out of tap someday, whether they'll drink it or still be drinking Evian. My guess is we'll be having reclaimed effluent run through reverse osmosis and put in bottles and sold by Coke Cola within the next hundred years. They'll be the ones to figure out how to market it.

Q. The Appropriation Doctrine, first-in-time, first-in-right, that water was kind of built upon, do you think that's going to survive in the future with the drought and population?

A. That's interesting. That's part of [what] this fight in Yavapai County is about. I don't really understand it exactly but that was what some of the argument was going on about last time. No, but it will die not with a bang but a whimper. We won't even know that it's really died. It's not like it will be overturned by a court decision or some kind of statutory change. It's just that it will come not to mean very much because price and delivery mean everything. The rights that are represented by first-in-time, first-in-right will mean less and less over time.

Q. What do you see as Arizona's future water challenges in the short term and then in the long-term?

A. The rural growth issue is huge. We have got to come to grips with figuring out an appropriate lifestyle with that and appropriate water use footprint for how people can and should live in the rural West. The West is the most urban part of the United States in large measure because of water. Because we have to concentrate water, it's this concentrated force. And yet, now we're all trying to have our little ranchettes. I drove through mile after mile of these last week. We have to figure that out. And it may be that water as a constraint to growth will, in fact, be much more visibly felt in the rural parts of Arizona then it will in Phoenix. People think that Phoenix is going to be constrained in its growth by water. I'm not sure that's right. I think it's more likely that the rural growth will be constrained by water. I think that is one issue.

A second issue is whether the GRD can continue to survive and allow development to occur essentially on groundwater, based on the expectation that we will have enough surface water in the future to put it back underground. I think it's a very open question. I'm inclined to think we're going to have to shut the GRD down before too many more years. If this were a live broadcast I would've never said that. I said that at a CAP Board meeting one time. I said, "We may have to look at closing the enrollment of this thing." My phone rang off the hook for three days. And a lot of the calls were from clients of mine saying, "Are you nuts? Never say that in public. It's implying that the growth machine can't keep going." People are very paranoid about that kind of stuff. I think the GRD, how it is currently functioning, probably can't continue to go on.

I think the most complex and difficult water question we face in Arizona is what we want the long-term trade-off to be between the kind of landscape we live in and how many people live here. We're not really even yet beginning to deal with this. We made Phoenix a habitable place by bringing water here and by turning it relatively green: big trees, lush lawns, those kinds of things. We now decide that that's not really the right thing to do; maybe we'll keep the old big trees and lush but in the new areas we're going to ration our water use way down. That makes those new areas hotter. It may make them less hospitable over the long-term, but it means we're using less water so more people can move here. That next wave of people we may even try to tighten their water use down a little farther. We're making a choice there. We're making a choice that bringing more people here is more important to us than sustaining the way we've been living here. I don't know if people were really faced with that choice—do you want another million people here if it means we can't have grass anywhere in the future—I don't know if people would vote that way. It's such a slow incremental thorough process that we haven't really faced up to the fact that's what we're doing, is that we're trading off current lifestyles against future growth. That's a huge problem to deal with somewhere long-term.

Q. You were part of the campaign for "Growing Smarter" with that legislation?

A. Yes.

Q. And that didn't pass.

A. It did and it didn't. What didn't pass was the State Land reform piece. That was the only piece of "Growing Smarter" that had to go on the ballot. The other pieces were passed by the legislature and are in effect.

There's really two. There's "Growing Smarter" and there's "Growing Smarter Plus" because it was done over a period of time. But we've revised our statues a bunch about growth.

Q. There's been other legislation more recently trying to reform how the State Land is sold and regulated.

A. Right.

Q. Do you think there will be future . . .

A. Yeah. It'll come back around again. I think it will be less aggressive next time. I was strongly in favor of Prop 106 in this last election. It was too complicated and people weren't willing to do it. Now the other thing I'm talking about is Prop 207 which passed which I thought was extraordinarily misguided and says that- says we have to compensate people if we put any new regulation on their land use. Well, if you're serious about a relationship between water and growth and need to manage those kinds of things on into the future, I'm concerned that Prop 207 may limit our hands in terms of what we can do about water conservation measures in the future. There's certainly an argument and nobody knows exactly what its impact is. I just wrote a chapter in this book for the Arizona Town Hall that's coming up on land use about Prop 207.

Q. Oregon has always talked about, Portland is always shown as an example (remainder inaudible) . . .

A. Although interestingly, Oregon is the only state that has something like Prop 207. They have Measure 37, which was a backlash to urban growth boundaries, that basically said they had to compensate people for the negative effects of urban growth boundaries. I've never been in favor of urban growth boundaries in Arizona. I campaigned against it when the Sierra Club proposed it because I don't think that is our problem. I think that's a mechanism that is designed to deal with a diminishing amount of land for sort of agricultural use being consumed by a suburban development. We don't have a shortage of land for agricultural use. It's water. It's not land. So in my mind, that was the wrong mechanism for here, which is why I tried to suggest off and on that maybe water is the way we ought to think about eliminating for future growth of the area. But, I have yet to get anybody to agree with me on that issue.

Q. Do you have any advice to the people running CAP today?

A. That is a loaded question. Who's going to see this? Anybody? I am concerned that the current makeup of the CAP Board [includes] a number of people who are surprisingly distrustful of the professional staff at CAP. I don't know why. I think it is a combination of a political or philosophical bias that bureaucrats must be up to no good, and campaign rhetoric to have gotten elected. I'm just close enough to it to hear about things. But I think there's a real undercurrent on the Board right now of politics that is both partisan and anti-professional and that concerns me. The CAP I think is one of Arizona's political institutions that have worked really well. It's an obscure election. People don't know what they do.

People don't know who they are. People don't know why they are running for it, but it's been a terrific example of non-partisan, non-political decision making by a bunch of people who care about the future the state; and who have hired and maintained an extraordinary, competent professional staff. It doesn't mean

they're always right, and I think it's important that decisions like that ultimately be made by the Board. You can make a case that the Board might be just as good or better if it was appointed by the Governor and confirmed by the Senate or appointed by the Board of Supervisors of the three counties rather than directly elected. But the direct election process worked for a very long time. I am troubled. I'm a little worried about the current political climate that seems to be different than when I was on the Board.

Q. I've been asking that question for several years since I've been doing these interviews, but it's a different question since November than it was a year ago. That Board always seemed like sort of a retired governors, people with some name recognition.

A. I got on there because I have the same name as the big pink building. I mean literally. I did no campaigning. I didn't spend a dime. I did nothing but people get to the punch on the ballot and they're like, "Oh yeah, I've seen that name before. Put him in."

Q. I interviewed Mary Beth Carlile about a year ago and she mentioned that she thought she always got elected because she was a woman.

A. Yes.

Q. And the women get elected which this election seems to have shown.

A. Yes.

Q. Why would that be?

A. I think when in doubt . . . I think people get to an election on the ballot and it's non-partisan. People that tend to vote because somebody is a Republican or somebody is a Democrat, they don't even have that cue to respond to. You have

a bunch of names and you're voting for five out of a long list. I think a significant segment of the electorate and I confess that I'm in this segment of the electorate, given no other basis on which to make a decision will vote for a woman. Because they feel like men certainly screwed the world up, let's try something different. By and large, I think women make better decisions than men most of the time.

Q. Well people might be ready for Hillary to be President.

A. That's a different question. I don't know.

Q. They know that name.

A. Yes, that's not responding to an unknown that's for sure.

Q. Do you see yourself getting more involved more with water issues? You're obviously an expert.

A. It's interesting. I was on the Board for twelve years and didn't really give any serious consideration of running again. I felt like that's enough. I did this long enough. When I ran for the Board, I thought I might run for something else someday because I have the same name as the big pink building and I can get elected. I don't think that is the case. I don't think I'll run for anything else. I don't like partisan politics. The Board worked well for me. The other thing that I really liked about the Board is it was all substantive. There's no sort of folderol. You don't have to pretend to be interested in a bunch of issues that you're not really interested in. It's a very limited purpose governmental entity and I felt like it was public service and I got to do something that was meaningful and worthwhile and was very challenging. It's very complex and interesting stuff.

When I first got off the Board, I kind of went through withdrawal. I really missed it. I missed the staff people. I missed the other Board members. I miss dealing with the complicated issues but I have been fortunate in that I still get asked to run around

and make speeches, which I love to do and still think about this stuff. I'm less constrained now than when I was on the Board. When I was on the Board, I felt some compulsion to represent the CAP as just opposed to saying what I thought. I will stay involved to this degree. People think all over the state, I'm a water lawyer because I talk about this stuff a lot, and I'm not. I don't represent clients in regards to water issues, very rare exception. I'm a land use lawyer, but I like talking about these issues.

Q. Can't use the land unless it has water?

A. Exactly.

Q. You are a water expert though? Would you consider yourself a water buffalo?

A. Yes. I'm proud to be a water buffalo. I actually have a pin with a picture of a water buffalo. I don't know how many years it takes to become an official water buffalo. I think I am a water buffalo at this point.

Q. Do you think the new members of the CAP Board will get an education and become water buffaloes?

A. I hope so. I don't know, but I hope that will be the case. They take it real seriously and they'll try to get into the policy issues about water and not get lost worrying about the minutia of government waste. I know a while back they were, one of them at least, was off on a terror about the food service at CAP being too expensive. Well, that's just not worth worrying about.

Q. What advice do you have for young people today trying to decide what they want to do with their life?

A. I have three of those at home, two of whom just graduated from ASU and since all three of them are completely unwilling to listen to my advice. I think the single

biggest piece of advice that I would give is do lots of things. Don't do just one thing, and stick to it, and the CAP was part of doing something different for me. I think going into the future that's going to be even more true than it has in the past. I think it will be unlikely that those people in my children's generation will have a single career where they do nothing, but "x" for a long period of time. And I think they ought to embrace that and look for lots of different things that they want to do with their lives.

Q. How should they decide what those things are?

A. Look for stuff that you think is fun and challenging. It can be all sorts of different things. I like puzzles, and I like trying to figure out how to manipulate large groups of people to do things I want, and that's why I do the kinds of things I do.

Q. Sounds like a politician to me!

A. Yeah, sort of. The pay's better.

- - - End of Interview - -