

**ORAL HISTORY INTERVIEW**

**David G. Coleman**



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**Table of Contents**

Table of Contents . . . . . i

Statement of Donation . . . . . xi

Introduction . . . . . xiii

Oral History Interview . . . . . 1

    Born, Raised, and Educated in Wisconsin . . . . . 1

    Completed a Master’s in Engineering at the  
    University of Wisconsin in 1959 . . . . . 2

    Attended Northwestern University for a Year  
    Working on a Doctorate . . . . . 2

    Became Interested in Hydroelectricity and Worked  
    Briefly for Wisconsin Power and Light  
    Company . . . . . 2

    Applied for a Job with the Bureau of Reclamation  
    . . . . . 3

    Developed a Taste for Supervision in the Air Force  
    . . . . . 4

    Hired as a Mechanical Engineer at Reclamation in  
    1961 . . . . . 5

    During His Rotation Assignments He Was Assigned  
    to Gates and Valves in Denver and Then to  
    Construction of the Spring Creek Powerplant  
    out of Redding, California . . . . . 5

    Moved into Construction and Was Reassigned to the  
    Blue Mesa Dam and Powerplant Construction  
    out of Gunnison in 1962 . . . . . 6

    Took an Assignment at Grand Coulee Dam in 1964

..... 8

Fall of 1969 Transferred to Sacramento as Head of  
the Water Control Branch ..... 9

“Throughout my career with Reclamation, I was a  
company person—I was very loyal to the  
organization. Reclamation has always been a  
very family-oriented . . .” ..... 10

Stayed in Amarillo a Little over a Year as Associate  
Regional Director ..... 18

“ . . . when I got there . . . they were kind of ten years  
behind in terms of looking to the future and  
the needs. . . . lot of serious problems with  
regard to completing some of the construction  
. . . But it was good experience. . . .” ..... 18

Approached about Going to Billings as Regional  
Director ..... 19

“ . . . several months later I was told that they were  
going to put a political appointee up there, as  
well as up in Idaho—Boise—and either one of  
those would have been a good choice for me  
to become regional director. . . .” ..... 19

“ . . . I had loved Reclamation . . . what they did, but I  
realized at that time that certain things were  
happening in the dynamics that maybe  
weren’t favorable toward me and my career,  
and I had been a very faithful soldier to this  
time . . .” ..... 20

Approached by the Western Area Power  
Administration about Becoming an Area  
Manager in Sacramento, the Equivalent of a  
Regional Director in Reclamation ..... 21

---

“Actually, three years before I had been offered the area manager/regional director for Western when it was formed, to be in Salt Lake. But at that time it didn’t seem apropos to move my family from Sacramento to Salt Lake. . . .” . . . . . 22

Working in the Regional Office in Amarillo . . . . 22

“ . . . we should have been downsized . . . we had about almost 700 people in our region and . . . enough work . . . to support about 500. So I had laid out a plan . . . how we could . . . make some changes here, so that out in the future, Amarillo . . . wouldn’t be a target of some major shutdown. . . .” . . . . . 24

“ . . . as early as 1979 and ‘80 and ‘81, there was handwriting on the wall. . . .” . . . . . 24

Believes He Is Remembered More as a People Person than a Technical Person by the People He Supervised . . . . . 25

“The big thrust was the water contracts. . . .” . . . 29

Worked Through Some Issues with Recreation and Environmental Proponents in the Region . . . . . 29

Became Area Manager for Western Area Power Administration in Sacramento . . . . . 32

“We were located in the same building as the Reclamation. [I] was looked upon as a traitor, which was very hard for me to take . . . .” . . . . . 32

While in Sacramento He Led a Fight to Keep Western Area Power Administration from

Taking a Lot of Reclamation’s FTEs . . . . 33

“ . . . Sacramento was the only region that didn’t give up much to power. There were only like some thirty positions . . .” . . . . . 33

“ . . . then I go to Amarillo, and I’m down there for thirteen months, and that’s probably the only reason Western could even hire me, because otherwise there was some distaste toward me from Western, because I had supported Reclamation’s position. . . .” . . . . . 34

“But when I switched back here then to become the Area Manager, my boss, [Bob] McPhail, who . . . had offered me the area manager job, and he said, ‘I’m going to offer this to you, but I want you to undo what you did against us a year-and-a-half ago.’ . . .” . . . . . 34

After He Came to Sacramento He Recognized a Need for More Staff since Things Had Changed . . . . . 35

“So my marching orders, when I came back . . . was to go after all these benefits that the Feds are giving away to the investor-owned utilities, and somehow bring those back to your main client, the preference customers . . .” . . . . 36

“ . . . they weren’t aware that we’re trying to undo some things that Interior had not been doing and had just let go for twenty years. . . .” 37

Hoped to Have Close Relations with Reclamation, but That Has Been Developing Only over the Last Few Years . . . . . 38

Reclamation Hasn’t Had Money to Maintain and

---

Upgrade Units, and Western Cannot Provide Money for That . . . . .	41
“ . . . we can’t come up with a way of providing that money whereas we could actually increase power rates and find that money and do that, because it’s in the power community’s best interest. But what has happened year after year after year with Reclamation, they have to prioritize their funding and the upgrading of maintenance–generation gets a much lower priority. . . . ” . . . . .	42
“ . . . something that should have been rewound . . . say eight years ago . . . it’s always in the out years . . . being slipped. . . . one of those units will crash and they will have to go in an emergency . . . But you’ve always got that difference of opinion and view from the Western as opposed to the Reclamation, where to spend the money. There’s always the emphasis on the water with Reclamation. . . . ” . . . . .	42
“And of course then you had the issue of ‘Should the powerplants come to Western?,’ and that was decided in 1979-80 that no, it should not, but that still resurfaces. . . . ” . . . . .	43
Environmental Issues and Auburn Dam . . . . .	44
Flood Control Issues in Sacramento . . . . .	46
Reclamation and Western Have Lost Corporate Memory in Recent Years . . . . .	51
Issues with People and Esprit de Corps . . . . .	52
Creation of the Western Area Power Administration	

---

in 1977 ..... 55

Reclamation Power Customers Had Sometimes Felt  
They Were Shortchanged ..... 56

Work as Associate Administrator of the Western  
Area Power Administration ..... 60

“... overseeing the contract negotiations with our  
two major labor unions, which cover the  
fifteen western states...” ..... 60

Mentors at Reclamation ..... 62

Peripheral Canal ..... 68

“... people need to make some priorities ... because  
... you can’t build a large water project and  
serve the whole metropolitan Los Angeles  
with Feather River water or Shasta water,  
without having some system to do it with. . .  
.” ..... 69

Economic Issues Include the Need to Provide Water  
to Plants in Los Angeles or They Will  
Relocate and Providing Water to Agriculture  
in Kern County ..... 70

“I don’t think a Peripheral Canal, as it’s been on the  
drawing board over the past fifteen years, will  
ever get built. They can’t get approval to do  
that...” ..... 70

“To what degree can we raise the power rates so that  
... people ... will ... be willing to have that  
increased by ten percent so we can protect the  
salmon run? Because that’s how it plays  
itself out...” ..... 71

“We can’t have it both ways, and that’s what we’re  
seeing right now, is who’s pushing and



shoving. . . .” . . . . . 72

“You can conserve *some* water, but there’s no new way to grow rice . . . when water was restricted during the droughts was, ‘Let’s let Louisiana grow the rice, or let’s let Taiwan and China grow the rice and import it.’ . . . I kind of think I would like to keep the jobs in California, or keep them certainly in the United States. . . .” . . . . . 72

Ways Reclamation Projects Might Conserve Water . . . . . 75

“. . . we produce about a third of the power that we actually sell. The Central Valley Project, during a good year, above average water year, will produce between one-fourth and a third of all the power that we market. . . .” . . . . 77

“We have utilized the Intertie system . . . to import low-cost, coal-fired steam, which otherwise would have been trapped in the Wyoming-Montana-South Dakota area, as well as surplus hydro out of Canada and on the Columbia River . . . so that industry could develop and residential people wouldn’t pay the exorbitant costs. And so we have found that we would be importing \$200 million worth of power to add onto what would be the equivalent of about \$35 million costs to produce the power here in California; and meld it in . . .” . . . . . 78

“. . . of course, you don’t have the subsidy factor in power. By congressional law, we cannot,

we're not on a subsidy, so we *must* charge  
our power customers our actual costs . . .”  
..... 80

Effects of the Washington Public Power Supply  
System Bankruptcy on Western . . . . . 81

“ . . . where it *did* impact us is that we were  
anticipating buying the surpluses from the  
Northwest, and also then there was a  
turnaround where they were going to be short,  
and so we had to go to the Midwest, but we  
negotiated a transmission pass through the  
Northwest to bring Midwest power. . . .” 82

“ . . . for a five-year period, the Northwest wanted the  
privilege of interrupting power that we were  
buying from the Midwest . . . wanted the  
privilege of interrupting it, if that power was  
cheaper than what they could buy for, and  
they had a need, so we had to give that to  
them. . . .” . . . . . 82

“ . . . we were careful to not enter into long-term  
contracts so that those additional costs would  
be stuck to us, so we were able to escape that,  
just in proper planning . . .” . . . . . 83

“ . . . in California the big thrust still has been to go  
with co-generation and wind and things like  
that . . .” . . . . . 83

“Our customers are saying, ‘We’ll do our own  
research here and pay for it ourselves. Don’t  
you go out and do research and then send us a  
big bill for it.’ . . .” . . . . . 85

“Congress is not authorizing us big bucks that just

come out of the Treasury. Anything that we spend has to be rate-based back to our customers. . . . They may allow us to spend a small amount of dollars, but it's not a huge amount. We do some minimal research. . . .” . . . . . 85

Relationship to the Northern California Power Agency . . . . . 86

“ . . . they represent almost 700 megawatts of our marketing program, which is the size of, well, that's almost, you know, fifty to fifty-five percent of our whole load. . . .” . . . . . 87

“ . . . at one time we had seventeen congressmen in our area—the two senators and fifteen congressmen or women—and I've tried to maintain that relationship with many of those offices, along with our customers. . . . if we're aware there is a concern out there, and we're working with a customer, we'll advise the congressmen, so they're just alerted to that. . . .” . . . . . 87

The California Water Project basically said, our hydroelectricity is “. . . ‘going to go to the highest bidder,’ . . . We continued our existing customers, but we didn't add on any new ones, because we thought that the State of California was, in a sense, using us . . . They had power that they *could* have distributed . . . power plays a much lesser role in their project. . . . They don't want to market to the various cities or their own

institutions . . . they've already  
institutionalized how they want to do it, and  
it's not the same as how *we* do it. . . ." . . . 89

" . . . right now under the dynamics the way it's set  
up, they wouldn't want us to do their  
marketing for them . . ." . . . . . 92

Thoughts on His Government Career . . . . . 93

" . . . it wasn't without its difficulties. I moved my  
family fifteen different times in my career,  
and I doubt if many people will do that in the  
future . . ." . . . . . 95

**STATEMENT OF DONATION  
OF ORAL HISTORY INTERVIEW OF**

DAVID G. COLEMAN

1. In accordance with the provisions of Chapter 21 of Title 44, United States Code, and subject to the terms, conditions, and restrictions set forth in this instrument, I, Dave Coleman, (hereinafter referred to as "the Donor"), of 5220 Adelaide Way, Sacramento, CA 95841 do hereby give, donate, and convey to the National Archives and Records Administration (hereinafter referred to as "the National Archives"), acting for and on behalf of the United States of America, all of my rights and title to, and interest in the information and responses (hereinafter referred to as "the Donated Materials") provided during the interview conducted on June 14, 1992, at Sacramento, CA and prepared for deposit with the National Archives and Records Administration in the following format: cassette tape. This donation includes, but is not limited to, all copyright interests I now possess in the Donated Materials.
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**Oral history of David Coleman**

Date: 6/14/94

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DONOR'S NAME

INTERVIEWER: George F. D. M. 1992

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## Introduction

In 1988, Reclamation began to create a history program. While headquartered in Denver, the history program was developed as a bureau-wide program.

One component of Reclamation's history program is its oral history activity. The primary objectives of Reclamation's oral history activities are: preservation of historical data not normally available through Reclamation records (supplementing already available data on the whole range of Reclamation's history); making the preserved data available to researchers inside and outside Reclamation.

The senior historian of the Bureau of Reclamation developed and directs the oral history program. Questions, comments, and suggestions may be addressed to the senior historian.

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For additional information about Reclamation's

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**Oral history of David Coleman**

history program see:

[www.usbr.gov/history](http://www.usbr.gov/history)



**Oral History Interview  
David G. Coleman**

Petershagen: This is George Petershagen conducting an interview of David Coleman on behalf of the Bureau of Reclamation. This is Tape 1, Side A, and today's date is June 14, 1994. We are in the Sacramento Area Office of the Western Area Power Administration.

And Dave, just to get us started, I'd like, if you can please, if you would, just give us a little bit of your childhood background, such as where were you born and where did you go to school, on up through your collegiate degrees?

**Born, Raised, and Educated in Wisconsin**

Coleman: Okay, fine. Dave Coleman was born in Lowell, Wisconsin, January 4, 1933. [I]<sup>1</sup>

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1. Note that in the text of these interviews, as opposed to headings, information in parentheses, ( ), is actually on the tape. Information in brackets, [ ], has been added to the tape either by the editor to clarify meaning or at the request of the interviewee in order to correct, enlarge, or clarify the interview as it was originally spoken. Words have sometimes been struck out by editor or interviewee in order to clarify meaning or eliminate repetition. In the case of strikeouts, that material has been printed at 50% density to aid in reading the interviews but assuring that the struckout material is

(continued...)

did my grade school and high school right there in central Wisconsin, and attended the University of Wisconsin from 1950 to 1954, and then was employed by Eastman Kodak for a short period of time. Went back, after the military, a couple of years in the Air Force, and worked in Milwaukee from '56 to '59.

**Completed a Master's in Engineering at the University of Wisconsin in 1959**

**Attended Northwestern University for a Year Working on a Doctorate**

During that time I took some evening courses, doing some graduate work through the University of Wisconsin, and later finished my master's in engineering in 1959, did a year at Northwestern in a postgraduate, actually working on my doctorate there.

**Became Interested in Hydroelectricity and Worked Briefly for Wisconsin Power and Light Company**

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1. (...continued)  
readable.

The transcriber and editor also have removed some extraneous words such as false starts and repetitions without indicating their removal. The meaning of the interview has not been changed by this editing.

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**Bureau of Reclamation History Program**

And then I developed an interest in the hydroelectric field. I worked for a short time with Wisconsin Power and Light Company, and was also planning to go down to Ecuador, working with a Christian radio station to install a hydroplant down there that they were purchasing from Seattle.

### **Applied for a Job with the Bureau of Reclamation**

That didn't work out, but it was through that interest in hydroelectrics and water resources that I applied for a position and was accepted with the Bureau of Reclamation in the fall of 1961. I started in the Engineering and Research Center in Denver, the Federal Center.

Petershagen: Before we get too much farther now onto Reclamation, what's your baccalaureate degree in?

Coleman: My bachelor's actually is in business. (Petershagen: In business?!) And I was taking a double major with engineering and business, but I was in the Air Force cadet program and had to graduate, and so I got my bachelor's in business and then the master's in mechanical engineering

and engineering.

Petershagen: I see. And what did you do in the Air Force?

Coleman: I was in aircraft maintenance.

Petershagen: So that certainly had nothing to do with a step on the path towards Reclamation, I would think.

### **Developed a Taste for Supervision in the Air Force**

Coleman: Not directly, but I had—I was put right into a supervisory position, and that did influence my years later in terms of I enjoyed being a supervisor and working with people.

Petershagen: Did you stay with the Air Force as far as Reserve service?

Coleman: Yes, I did, I left as a Colonel in 1981, had an opportunity for a B.G. [brigadier general] slot if I wanted to go back to Wright-Patterson, but that would have meant leaving my new position here every other weekend, and I didn't feel I could do that, so . . .

Petershagen: I see. Then you said your first position with Reclamation was in Denver.

Coleman: Yes.

Petershagen: Would you describe that for us, please?

**Hired as a Mechanical Engineer at Reclamation in 1961**

**During His Rotation Assignments He Was Assigned to Gates and Valves in Denver and Then to Construction of the Spring Creek Powerplant out of Redding, California**

Coleman: Yes, I was hired there as a mechanical engineer, and spent my first rotation assignment in large gates and valves, the Mechanical Design Unit there. And it was the old Building 53 in Design. I was there three months and then was assigned out to Redding on construction of the Spring Creek Powerplant for the following six months.

Petershagen: So that was on a detail from Denver?

Coleman: It was a detail, I was on a rotation, one year. I was given an option of coming in as a rotation engineer as a GS-7, or not coming on rotation but being directly

assigned to a unit, and that's where I would have remained as a GS-9. And I felt I wanted to go through the rotation.

Petershagen: And then your "tour of duty," so to speak, at Spring Creek, was that start to finish on the project?

Coleman: No, that was just for six months, during the installation of Unit Number One, I believe it was there up at Redding. So whatever that six-month increment—that was between February and August of 1962.

Petershagen: I see. So then that ended in August of '62, that ended the detail.

**Moved into Construction and Was Reassigned to the Blue Mesa Dam and Powerplant Construction out of Gunnison in 1962**

Coleman: That ended the detail, and I enjoyed construction so much, and I had not enjoyed my three months just sitting at a drafting board, so I looked at what other construction jobs were open, and ultimately was reassigned down to Gunnison on the Blue Mesa Dam and Powerplant, but during the interim, I went back to Denver and spent additional time,

August and September, in the E&R [Engineering and Research] Center, but then subsequently transferred on down to Curecanti Project in late '62.

Petershagen: And that was a permanent transfer . . . ?

Coleman: That was a permanent transfer down to the construction office, yes.

Petershagen: Okay, let's jump back into your personal life for just a few minutes here now. Were you married by that time?

Coleman: I was married, yes, and I had two little children when we first moved to Denver, ages two and one. I was married in '59, this would have been in '61—we had two children then that moved with us to the Bureau of Reclamation in the E&R Center.

Petershagen: So the family started really before you came on board with the Bureau.

Coleman: Yes.

Petershagen: I'm sorry, you said that from Denver you went to Gunnison?

Coleman: Okay, when I came back to finish up one

month or six weeks in the E&R Center, I was in the process of transferring to Gunnison, because they had a need for mechanical engineers. So I moved down there in the fall of '62 with my family.

Petershagen: And how long were you there?

Coleman: I was there until January of 1964, so about a year-and-a-half.

Petershagen: And more than one position there?

Coleman: No, I had the same position as a mechanical engineer, GS-9.

Petershagen: I see. Then from Gunnison where did you go?

Coleman: From Gunnison I was offered a position to transfer up to Grand Coulee Dam, up in Washington, in Coulee Dam, Washington, and so I took that assignment then and stayed there through August of '69.

Petershagen: And what was that position then?

### **Took an Assignment at Grand Coulee Dam in 1964**

Coleman: The first position up at Grand Coulee was a mechanical engineer, a staff engineer,



and that was for about three years. And then in 1966 I was promoted to a supervisory civil engineer over all the civil and structural maintenance at the dam and powerplant and Banks Lake and the canals.

Petershagen: And then from Grand Coulee?

**Fall of 1969 Transferred to Sacramento as Head of the Water Control Branch**

Coleman: From Grand Coulee, in the fall of '69, I transferred down to Sacramento, to head up the Water Control Branch.

Petershagen: And so that would have been about a two- or three-year position then?

Coleman: Yes, I was in that position about two-and-a-half years when my supervisor, Mr. [Jake] Ossofsky had a heart attack, and so I was put in the division position, in an acting basis, and subsequently was promoted to a GS-14 at the time when he retired. So from about '69 to '72 I was head of the water side, and then from '72 on I was even acting over all the Field Offices in O&M [operations and maintenance]: Shasta, Willows, Tracy, Fresno, Folsom. For about a year-and-a-

half, I was responsible for all of those as well as the Central Valley Operations Office.

Petershagen: When you say “in charge of O&M” for all those field offices, that includes both water and power, correct?

Coleman: Both water and power, and managing the superintendents, who were over the field offices. Before I got the permanent position over water and power in the Central Valley Operations Office here in Sacramento, there was a reorganization, and those field offices were assigned to the assistant regional director’s position, who was my immediate boss.

Petershagen: Now, were you in your position at that time when that reorganization took place? (Coleman: Yes, I was.) And your participation in that? Was it your idea? Were you in support of it? How could we describe that?

**“Throughout my career with Reclamation, I was a company person—I was very loyal to the organization. Reclamation has always been a very family-oriented . . .”**

Coleman: Okay, well, I was not involved in the

decision to go in that direction, but I certainly supported it, if that's what the regional director wanted to do—I mean, we're a family working together, and so all these different moves that I made, even during my last year at Grand Coulee, before I transferred down, I was in a training program, and so I lived in Boise and had my family in Burley, Idaho, and Washington, D.C., and backup for an Acting Maintenance Chief up at Grand Coulee, before I transferred down. So through all these contacts I had a chance to get to know a lot of different people working all the way from the professionals and the directors of the offices, down to the wage board people, the people that really do the work out there in the field. It was a good family organization, per se.

Petershagen: I see. I think, just as an aside, I'm starting to learn that as I become more and more familiar with the Bureau. I hear that sort of a thing from almost everybody as we go through this interview process.

Now, if memory serves, during about the early 70s is a time that, as Jake Ossofsky described it, the Bureau went from almost a military hierarchical kind of a management to a more participative

style of management. I'm sure you must have been a part of that. (Coleman: Yes, I was.) And at that time you were working for Mr. Ossofsky, and since he picked up that ball and ran with it so strongly, it must have had a major effect on your life and your career.

Coleman: Yes. Even as early as the time I was at Grand Coulee, I had gone through a certain type of matrix management training. I remember going for a one-week down at Mount Hood, and setting the stage then, when I came to Sacramento, to work under a supervisor who was so forward and interested in bringing in new managerial techniques, that Blake and Mouton [phonetic] and others—Hirschberg, [phonetic] later Peter Drucker—those were all the kind of ideas that he fostered. and so under his tutelage, I took different courses, I believed in it, I was able to implement it, and we saw a change within the organization in '72-, '73-, '74, as far as the ability to manage people and pay attention to that side of it. So definitely I would support what you've just mentioned, that there was a change. I would say that fifty to sixty percent of the managers bought into that and went with it. You had some old-line managers who

didn't want to change, and then you had a few people that always questioned it anyway, who weren't the older ones. But there was, I would say, a vast improvement in terms of managing people, managing the *way* we managed people.

Petershagen: How about the workers themselves? Was it evident to you that they observed a change?

Coleman: I believe that they did. I believe that there was quite a bit of participation. I feel that perhaps more could have been done to involve the actual staff, but reflecting back, and when I ultimately became a regional manager for Western, or even when I tried to institute it down as assistant regional director in Amarillo, I sensed that probably Sacramento and the ideas here were much more progressive, so I felt in moving to Amarillo I was probably going back in time ten years. As a matter of fact, just as an example, two weeks after I was in Amarillo as the new assistant regional director, a number of the women filed an EEO [equal employment opportunity] complaint against the regional director and myself and another, Don Hawks [phonetic spelling], who was

the assistant regional director over administration, and bringing these charges against us. And I subsequently, when we finally got it resolved, and I played a principal role in that, and some changes were made in Amarillo, I asked a couple of the people why they'd named me, I had just arrived, and they indicated, "Well, we knew things had been changed in Sacramento. We thought unless we named you, we might not bring about some change here." Anyway, there were changes there. I don't know if we're going to get into this, though. There are some changes that Reclamation was unable to do. They made changes in terms of dealing with people and the supervision, but they were unable to turn the corner in some other areas.

The early period of my career was under direction of the Floyd Dominy who really understood water resource development, water and power, and the building of dams and canals, and knew what the people wanted, what the congressional representatives wanted, and he was able to deliver. And so during the first ten years, although I was just a staff engineer, I was well aware, I had had a chance to spend a short time back in

Washington, was interested in the whole political side of developing. But after Mr. Dominy left, and people like Mr. Armstrong and others, who, for various reasons, had their own ways of managing Reclamation, I believe the Reclamation leadership lost touch with what was really happening in the western United States as it relates to the environmental side, the whole interest of people, what they were willing to pay in taxes, and that we as Reclamation . . . And by then, I was a GS-14, so I *did* have opportunity to be involved with higher-level decisions. And I remember trying to operate the system here in Sacramento as a [GS]-14, just the water and power facilities, and then as an assistant regional director in Amarillo, that we really had one foot back in ancient history, and we were trying to step forward into the future, but did not know how to do it, and really were stubbing our toes and tripping up and falling, and it was very difficult to try to, in a sense, bring things together so that there was a meaningful and absolutely necessary role for Reclamation. And this was even happening in the mid-70s. Before I went to Amarillo as assistant regional director, I was responsible for the finishing of the construction of New Melones—not the

construction per se, because the Corps built it, but the person down there reported to me. And then when in filling, we had a tremendous turmoil with the environmentalists. The person chains himself to a rock, and I get a call from a deputy assistant secretary asking me to— it's raining —and so asking me not to allow the water to come up, don't release anything more downstream, because of the problems with the farmers downstream, and so it was one of these things where you hoped that it would stop raining, because that's the only way we could comply with the Secretary's Office. I understood where he was coming from, but even then, in 1978-79, we were going through a very difficult time in Reclamation, of knowing how to balance what we were so good at, and that was building dams and canals and powerplants, and operating them, as opposed to all these various interests from the environmental, and so it was at that time, of course, in 1980, that I left Reclamation for Western Area Power. But it was with a certain sense that certainly at that time, Reclamation had a difficult time facing in 1978, '79, '80, the future of what they might be if they wanted to be something other than just an



O&M organization of existing facilities.

Petershagen: Interesting. Now, when did you go to Amarillo, then? That was still a Bureau of Reclamation job, correct?

Coleman: Yes, it was. That was the Southwest Region, one of seven regions at the time, and I went there in the fall of 1979. As a little bit of history, I had been selected for a regional director candidacy program. I also was thinking I was going to be selected for the assistant regional director in Denver. And really, Amarillo was my third choice, and I had been encouraged to bid on that, something that would be a demonstration of good faith, a willingness to move anywhere within Reclamation. Also, I had been, through some Washington sources, encouraged that if I would take any one of these, that within a year I would be elevated to regional director, which was really my ultimate goal. That was my goal, was to become a regional director for the Bureau of Reclamation. And so a day after I got the phone call saying I wasn't going to be the assistant regional director in Denver, I got the phone call saying I was going to be going down to Amarillo, which kind of was a surprise to me, but as a good

soldier, I told my wife and family, and we moved to Amarillo, Texas, and spent a little over a year there as the assistant regional director.

Petershagen: Oftentimes we have to make career-enhancing moves to areas that we may not otherwise choose to live in, and I think I sense, in the way you're describing this, Dave, that that was behind the Amarillo move, that you certainly had not selected Amarillo as a place that you wanted to live some day. How long were you there then?

#### **Stayed in Amarillo a Little over a Year as Associate Regional Director**

Coleman: I was in Amarillo a little bit over a year—about thirteen months. I had been stationed in Texas at Wichita Falls many years before, so I was a little bit familiar with the Panhandle of Texas.

**“ . . . when I got there . . . they were kind of ten years behind in terms of looking to the future and the needs. . . . lot of serious problems with regard to completing some of the construction . . . But it was good experience. . . . ”**

I was more concerned about the culture of the organization down there, and when I

got there, that was true, that they were kind of ten years behind in terms of looking to the future and the needs. And we got caught up with a lot of serious problems with regard to completing some of the construction down at Corpus Christi, Three Rivers, and then a project we got started in Oklahoma. But it was good experience.

#### **Approached about Going to Billings as Regional Director**

I enjoyed working down there with the people, but what happened is, midway through that assignment down there, I had been approached about going to Billings, Montana as the regional director, and I was very excited about that.

**“ . . . several months later I was told that they were going to put a political appointee up there, as well as up in Idaho–Boise–and either one of those would have been a good choice for me to become regional director. . . .”**

And then several months later I was told that they were going to put a political appointee up there, as well as up in

Idaho–Boise<sup>2</sup>–and either one of those would have been a good choice for me to become regional director.

So when that happened, along about June of 1980, I realized that some people who within Reclamation I'm sure with very good intentions at the very highest levels–and I should back up and say that when I was in Amarillo I was competing for what was then the first of the SES [Senior Executive Service] candidate positions, and Reclamation only had one. And I went up against a very good friend of mine, Warren Jamison–who left the Bureau and went with Southwestern Power Administration–but Warren and I were neck-and-neck, and I basically won out over Warren and was appointed to that position, had just started it then in the summer.

**“ . . . I had loved Reclamation . . . what they did, but I realized at that time that certain things were happening in the dynamics that maybe weren't favorable toward me and my career, and I had been a very faithful soldier to this time . . . ”**

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2. The appointment in Boise was Lester (Bill) W. Lloyd who served 1980-1986 and had previously been regional director in Billings, and the appointment in Billings was Joseph B. Marcotte Jr. who served until 1985.

**Approached by the Western Area Power  
Administration about Becoming an Area Manager  
in Sacramento, the Equivalent of a Regional  
Director in Reclamation**

But when I got the word that I wasn't going to be considered for regional director for the other jobs, and they were sorry but that's the way it was, and there probably wouldn't be any other openings. I could wait until my boss in Amarillo retired, and he was looking at three or four years. I was in that kind of a state where I had loved Reclamation, I loved what they did, but I realized at that time that certain things were happening in the dynamics that maybe weren't favorable toward me and my career, and I had been a very faithful soldier to this time, but when I got that phone call the end of July saying, "Dave, would you like to be our regional director back in Sacramento with Western Area Power [Administration]?" and the name there was area manager, but it had the same level and you interacted with the same—at the political side—that was an opportunity that I weighed very carefully, because I didn't want to leave the Reclamation family, but I weighed it and felt that maybe now was the time.

**“Actually, three years before I had been offered the area manager/regional director for Western when it was formed, to be in Salt Lake. But at that time it didn’t seem apropos to move my family from Sacramento to Salt Lake. . . .”**

I had watched power that changed in the mid-70s under President Carter’s administration, a new Department of Energy. Actually, three years before I had been offered the area manager/regional director for Western when it was formed, to be in Salt Lake. But at that time it didn’t seem apropos to move my family from Sacramento to Salt Lake. And so that’s in essence one of the major reasons I left Reclamation and moved over to Western Area Power then in the fall of 1980, about October of 1980.

Petershagen: If we can go back to Amarillo for just a minute (Coleman: Yes.) you were there for a year or thirteen months, and as you described it, it was somewhat of a step back in time in terms of management style and so forth. Did Dave Coleman leave a mark in Amarillo, do you think?

### **Working in the Regional Office in Amarillo**

Coleman: Well, I think so. When some people

heard, some of the very people that had stuck their head in the door and said, “We’re gonna burn a cross on your lawn tonight,” or when they made other statements that, “You can’t ride a bus, people of your stature don’t ride buses in Amarillo,” or “You can’t go out and do certain things,” I feel that I was much above board, but I brought to Amarillo a new sense of humanity, plus I brought a new sense of how to get a handle on the organization as far as our purpose in life down there, and interacting with all the five states. I met with congressmen and senators, I was out there at the forefront in managing the day-to-day operations. As a matter of fact, *my* boss did like to do the social circuit and interact with the congress people, and I was happy if he did that and I ran the internal operations of 680 people in some twelve offices. When I was to leave, many people came by and said, “Would you reconsider, would you please stay here?”

**“ . . . we should have been downsized . . . we had about almost 700 people in our region and . . . enough work . . . to support about 500. So I had laid out a plan . . . how we could . . . make some changes here, so that out in the future, Amarillo . . . wouldn’t be a target of some major shutdown. . .**

.”

I think in other areas where I left my impact, we should have been downsized even then, and we had about almost 700 people in our region and basically we had enough work, in looking to the future, to support about 500. So I had laid out a plan in the summer of 1980 to my boss of how we could go through and make some changes here, so that out in the future, Amarillo as a regional headquarters wouldn't be a target of some major shutdown.<sup>3</sup> That went on deaf ears, but later on, ultimately they did shut it down and consolidate, and you have all that information.

**“ . . . as early as 1979 and '80 and '81, there was handwriting on the wall. . . .”**

But as early as 1979 and '80 and '81, there was handwriting on the wall. And I had talked to some of our managers down there about, “How could you stand back and make your organization more efficient? Because someday these water users and the power users are not going to be willing to continue such a large payroll

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3. Additional information about this topic may be found in Billy E. Martin's oral history interviews in the Reclamation history program.



here in Amarillo.” And we started some of the decentralization, in terms of like the Albuquerque Office, the El Paso Office, looking at our offices in Oklahoma City and Austin in terms of planning. So some of that was dealt with.

**Believes He Is Remembered More as a People Person than a Technical Person by the People He Supervised**

Probably the people saw me there more as a people person, rather than a technical person, even though at that time I had a couple of engineering degrees under my belt. They saw me more as a people person and somebody that knew their family, asked about their children and such. Where I couldn't do that with all 700, I knew quite a few people, the families. So when they're hurting or such like that, I would say, "How's your wife doing? How's your husband? How about your oldest son? He did a super job in the football game last Friday," or something like that. That's probably how they remember me, just as I think probably the people in C-V-O [Central Valley Office], over here in Cottage Way, the few that are left that worked for me, still remember me more as a people person. Although I

always felt that I was able to get the best out of the people in terms of their technical side also. I mean, here . . .

END SIDE 1, TAPE 1. SEPTEMBER 12, 1994.

BEGIN SIDE 2, TAPE 1. SEPTEMBER 12, 1994.

Petershagen: This continues the interview of David Coleman on June 14, 1994. This is Tape 1, Side B.

Dave, I'm sorry the recorder caught us and shut off there as you were in mid-sentence. Can you complete your thoughts that you were trying to make there?

Coleman: Well, George, you were asking what I might be remembered for with the people there in Amarillo. And of course the Amarillo Office has long since been dissolved, but I think people remember me as a people person, one who cared about people and recognized them, provided incentives, gave them credit for the kind of work that they did. They probably also see that I set a professional example in terms of the quality of work, the type of both technically . . . We had an interesting customer base there in Amarillo that we had to serve, primarily water. The Plains

Electric really had taken with purchasing power out of Elephant Butte, and we just had a few small powerplants in that region. But I think for the most part the people would remember me as a caring individual, a strong manager, strong supervisor. I knew how to set goals, a participative type manager, learned from some of the things that we had talked about earlier, with my experience with Jake Ossofsky and several others who were very high on making good managers out of junior supervisors.

Petershagen: Of course you weren't in Amarillo very long, but another one of your strong points, I think, that people around this office would talk about, is community involvement. Were you able to really involve yourself very much in the community in Amarillo?

Coleman: Well, not to the degree—for instance back at Coulee Dam I was in Rotary Club and an officer in Rotary Club; officer in the Toastmasters, area governor, traveled to Canada and central part of Washington State. Down in Amarillo I joined the Chamber of Commerce, I was involved in a local non-denominational church there, active there in ministering to the

community in different areas. And then always had an interest in the professional side of ASCE [American Society of Civil Engineers] and IEEE [Institute of Electrical and Electronic Engineers]. While I was there, the big seam [?] for me was to really get acquainted with what was going on in the Southwest Region.

And then also I'm a family person, and I wanted to make sure that . . . It was quite a transition: I had a daughter who was a junior in high school, and that was tough, because she had been a cheerleader at her high school here, and she moved down after the football season to Texas, and didn't miss a beat, and continued, and ended up coming back her senior year here and was one of three valedictorians. So to be able to make that transition to a new high school and then come back and still keep "A's" . . . But as a father and a husband, I wanted to make sure I put enough time in on that. So the first year I balanced between my job for Reclamation as a new assistant regional director, and being a family person. And that limited, to a certain degree, how much time I could put out into the community. Had I stayed there, I would have been much more active in the community the second and

third years, as I have—my history will show that I’ve coached Little League and I’ve been involved in counseling with foster children and foster parents, Sacramento County, and major activities like that—alcohol and sexual abuse, trying to help people to transition, families and such like that.

Petershagen: Now, you mentioned that you had somewhat of an unusual customer base that you had to deal with while you were there? Can you amplify that a little bit? What do you mean by unusual? Let’s just put it that way.

**“The big thrust was the water contracts. . . .”**

Coleman: Okay. Well, maybe it’s unusual from a standpoint of what they expected out of Reclamation. Reclamation had obligations to provide water throughout all the five states. The big thrust was the water contracts.

### **Worked Through Some Issues with Recreation and Environmental Proponents in the Region**

But for instance, I was in Amarillo about two to three months when I was asked to go up to Oklahoma and meet with a group

of recreation and environmentalists who were very unhappy over how we had been operating a reservoir up there. And a very hostile crowd. My boss said, "Dave, you've got a good record in Sacramento meeting with hostile crowds and working things through. Would you go up there?" Well, I did, and I found myself, it was such a hostile crowd, I had met with some of our own staff who'd been up there, and I was wondering how could I approach this whole topic here, and back when I was first married, we went from Wisconsin, a cold winter, to Southern California where some relatives lived. On the way we drove through Western Oklahoma and down through the Panhandle, and I made reference to that, that I enjoyed . . . My first time I had driven through this country was right after we were married, and I really enjoyed Oklahoma and West Texas and had stayed overnight right out here, which was the truth, I enjoyed it. A snowstorm was following us, but I enjoyed that. And I used that to kind of break some ice. Also I got there early, as I normally do in these kind of situations, and found a couple of people that I'd got to know, so that I knew I had somebody out in the audience who at least I had made some contact, and I

remembered their names, and I said, “I appreciated all of you coming out here, and I’ve had a chance to talk with Joe Smith and Mrs. Carnegie here, and they’ve expressed their concerns, and what I want to do, I’ve got somebody that’s up here with me, I’m brand new to this region, but we want to hear your concerns, and we’re going to put them on a flip chart.” This was one of the first times that Reclamation used flip charts out there to capture people’s ideas. And I didn’t think it was so innovative, but since then, that’s been used, for the last fifteen-, twenty years, now used to take a hostile group, so they could see their concerns. Anyway, we had an interesting customer base, because we had not gone through—we did serve, we *had* contracts on recreation, but it *did* allow us to fluctuate, but now they were unwilling, see. And we didn’t have the Park Service and the Fish and Game standing with us on that. And in a matter of a year, we were able to get some of those folk, where they understood. We made some concessions on the rivers: Pecos, some of the other—Rio Grande—river systems to try to accommodate what I considered a broader customer base, than just looking at one segment, the water customers. And I

think that's one of the reasons Reclamation ran into so much difficulty in the 80s, is they had a tough time standing back and looking at the broader customer base. They're now doing it, they've been doing it here in California. I think we've done it for a much longer period of time, but I think that that's what I meant in terms of the unique customer base—maybe not so unique with *any* area, whether it's Nebraska or South Dakota—but at that time it was a unique customer base.

Petershagen: I see. Then from Amarillo you returned to Sacramento, correct?

**Became Area Manager for Western Area Power Administration in Sacramento**

**“We were located in the same building as the Reclamation. [I] was looked upon as a traitor, which was very hard for me to take . . .”**

Coleman: I returned to Sacramento, yes, and I became the Area Manager for Western Area Power. We were located in the same building as the Reclamation. [I] was looked upon as a traitor, which was very hard for me to take—not everybody. What had happened, and it's very unfortunate . . . Well, I should give some history.



**While in Sacramento He Led a Fight to Keep  
Western Area Power Administration from Taking a  
Lot of Reclamation's FTEs**

When Western was formed in 1977 under the Carter administration, the power functions were separated away from Bureau of Reclamation. I'm sure you have this all documented. It was a fairly clean break in the other regions. There was hardly any power in Amarillo, so that left us there. But we were predominantly water in Amarillo. But in other areas, in Billings, and in Loveland-Fort Collins, which was the equivalent of Denver, and in Salt Lake, you had large power organizations that there was a clean break and they were all moved over. What happened is, I carried the responsibility for Reclamation, arguing against the division of losing power. And as a result, somebody by the name of Eb Watts and myself were a team that then went up against Gordon Estes and Jerry Jubba [phonetic spelling] from Watertown, representing Western.

**“ . . . Sacramento was the only region that didn't give up much to power. There were only like some thirty positions . . . ”**

We went through a tremendous push-and-shove, but as a result, Sacramento was the only region that didn't give up much to power. There were only like some thirty positions, whereas in Billings you had 350; in Salt Lake and Phoenix and other places, several hundred switched over. But I was on Reclamation's side before I went to Amarillo, fighting the issue why Western Area Power should not take these FTE [full-time equivalent]. And they could only just have part of the dispatchers.

**“ . . . then I go to Amarillo, and I'm down there for thirteen months, and that's probably the only reason Western could even hire me, because otherwise there was some distaste toward me from Western, because I had supported Reclamation's position. . . . ”**

**“But when I switched back here then to become the Area Manager, my boss, [Bob] McPhail, who . . . had offered me the area manager job, and he said, 'I'm going to offer this to you, but I want you to undo what you did against us a year-and-a-half ago.' . . . ”**

So as a result, obviously there were a lot of victories for Reclamation here in Sacramento. But then I go to Amarillo,

and I'm down there for thirteen months, and that's probably the only reason Western could even hire me, because otherwise there was some distaste toward me from Western, because I had supported Reclamation's position. But when I switched back here then to become the Area Manager, my boss, [Bob] McPhail, who I had known from beforehand, had offered me the area manager job, and he said, "I'm going to offer this to you, but I want you to undo what you did against us a year-and-a-half ago."

**After He Came to Sacramento He Recognized a Need for More Staff since Things Had Changed**

And I said, "Now Bob, I'm going to have to be true to my conscience on this, but let me look at all the things that might have to be done." I ultimately accepted the position, came here, and the organization then changed where we were able to successfully point out why some changes should be brought about, because now it's 1981-82, and so Western's organization now is currently about 125 FTE, plus another 100 contract people, whereas when I came here it was like 35 and maybe another 10 contract people. We've taken on *major* responsibilities, though,

over from Reclamation, and all new, so there's justification. But it was in that type of environment that I came back.

**“So my marching orders, when I came back . . . was to go after all these benefits that the Feds are giving away to the investor-owned utilities, and somehow bring those back to your main client, the preference customers . . .”**

So some of the people that I worked with over at Cottage Way really felt I was a “traitor,” per se, by now coming back to Western, and now kind of rebuilding and trying to maintain status. And of course I had some differences even with Gordon, my predecessor, because probably the biggest move was in the whole power contract side. My predecessor, who had come from Reclamation, didn't want to rock the boat with regard to PG&E [Pacific Gas and Electric] and all those other things. And that then was part of the old school of Reclamation, because from a political standpoint, they didn't want to do anything against PG&E or Southern Cal Edison, or the powers in the Northwest. They didn't do anything for the power community, and that's one of the reasons why our power customers wanted to see a

new Western Area Power. So my marching orders, when I came back to replace Gordon, who's a friend of mine, was to go after all these benefits that the Feds are giving away to the investor-owned [utilities], and somehow bring those back to your main client, the preference customers, the SMUDs [metropolitan utility districts], City of Roosevelt, Palo Alto, Santa Clara, all the irrigation districts, all the military bases, all the state institutions, the prisons, the hospitals, whatever. And so that's what I was challenged to do.

**“ . . . they weren't aware that we're trying to undo some things that Interior had not been doing and had just let go for twenty years. . . . ”**

So in a sense, where some of my critical people are saying, “Well, Dave's building an empire over there,” they weren't aware that we're trying to undo some things that Interior had not been doing and had just let go for twenty years. And so that's been brought back on track. But our power organization today is so much different than what would be viewed back in 1979 and '80. But that gives you a little more personal how I viewed it. I've sensed people who are my friends

remain my friends, but those I had worked with who weren't my friends, there always was a sense of "Why did he betray us by coming here, and now making Western almost an equal to Reclamation?" Anyway, you always have to deal with that. That's life, you know—I'm willing to accept that. But I still have many friends in Reclamation, and Reclamation still has a very warm spot in my heart.

Petershagen: You used the expression "that's life," and you're "willing to accept that," but I'm sure that in the sense of trying to be a good company man or a good soldier on behalf of the Bureau of Reclamation, and also as a people-oriented person, that while you were experiencing this, certainly in the first couple of years you were here at Western, it must have torn you up a little bit inside.

**Hoped to Have Close Relations with Reclamation,  
but That Has Been Developing Only over the Last  
Few Years**

Coleman: Yes, it did, because I didn't change my work ethic, and I didn't change having goals and that, but to try to establish . . . I wanted to establish a partnership with Reclamation, and to meet with the

regional director, because I felt that Reclamation was going to run into troubles in the 80s, and they could have utilized a good strong other agency, Western, because after all we take a resource that they generate for us and we market it. And I felt that there was a place to have a very strong partnership. But most of the regional directors really were focused-in on what Reclamation was doing, and they never—it's only been in the last five or six years—the last two regional directors who *really* look at Western as being a potential partner, or it could be complementary to what Reclamation does.

Petershagen: Who was the regional director at the time that you took your position with WAPA [Western Area Power Administration]?

Coleman: Okay, well, we were in transition. There was Billy Martin, Mike Catino, these are the people. And Dave Houston came in as regional director. And then Larry Hancock, and then Roger Patterson. Dave and I became friends, and it wasn't only until the second half of Dave's tour over here. I helped Dave . . . Dave had never managed an organization before, and so he and I met and I gave him a lot of help on that. But the first several years, I sensed

that he didn't want to really give much credit to Western, because it wasn't politically healthy to carry any message back to headquarters or the new Commissioner that things were working out. But the last several years that Dave Houston was in office, we worked together quite a bit, and he sensed that we're going to be around, and why not work with us. Of course Larry Hancock used to work for me, and Roger's been around, fairly young, but I had known of him and he had known of me.

Petershagen: So that alliance that you speak of between the two agencies is really starting to take shape now.

Coleman: Well, it has over the past several years. We started a task force when I was here, I was instrumental in starting it. And that's now still meeting every several months, whereas before there was lack of communication. Let's face it, I saw it even before I became an employee of Western. But Western Area Power, for whatever reason, and there are a lot of them that are laid out there, has always had an abundance of money, and until the last year, abundance of FTE employees. And so for all those years I was area



manager for Western, rarely was it an issue of needing money or staffing and so forth, whereas you just go down the street to Reclamation, they have been hard-pressed. And so that's been a sore, sensitive spot between Reclamation employees.

**Reclamation Hasn't Had Money to Maintain and Upgrade Units, and Western Cannot Provide Money for That**

But in Western, for instance, we can't spend money for cloud seeding or for upgrading units, like the Shasta Units—there's three of those that need to be rewound. And it's in the power customers' best interest to have those rewound and upgraded, because once they fail, that costs a lot of money, we have to go replace it with Northwest power. But we can't provide Reclamation with money to do that. Or like building the fish structure to divert water through the penstocks, rather than having to bring the cold water through the outlet works.

**“ . . . we can't come up with a way of providing that money whereas we could actually increase power rates and find that money and do that, because it's in the power community's best interest. But**

**what has happened year after year after year with Reclamation, they have to prioritize their funding and the upgrading of maintenance–generation gets a much lower priority. . . .”**

But we can't come up with a way of providing that money whereas we could actually increase power rates and find that money and do that, because it's in the power community's best interest. But what has happened year after year after year with Reclamation, they have to prioritize their funding and the upgrading of maintenance–generation gets a much lower priority.

**“ . . . something that should have been rewind . . . . say eight years ago . . . it's always in the out years . . . being slipped. . . . one of those units will crash and they will have to go in an emergency . . . . But you've always got that difference of opinion and view from the Western as opposed to the Reclamation, where to spend the money. There's always the emphasis on the water with Reclamation. . . .”**

And as a result, something that should have been rewind– generators three, four, and five–say eight years ago, it's been in the budget, it's always in the out years, but it's still being slipped. One of

these days, one of those units will crash and they will have to go in an emergency, and hopefully we will be able to rebuild it. But you've always got that difference of opinion and view from the Western as opposed to the Reclamation, where to spend the money. There's always the emphasis on the water with Reclamation.

**“And of course then you had the issue of ‘Should the powerplants come to Western?’ and that was decided in 1979-80 that no, it should not, but that still resurfaces. . . .”**

And of course then you had the issue of “Should the powerplants come to Western?” and that was decided in 1979-80 that no, it should not, but that still resurfaces. It resurfaced when the State of California just two years ago, with some blessing under President Bush's administration, should you transfer the CVP [Central Valley Project] to the State of California? and should the powerplants go, or should the powerplants go to Western? So anyway, that's kind of an overview from the power versus water and the attention that's placed on it, and the interest there.

Petershagen: So if I understand correctly what you've

said, it sounds as though the Bureau of Reclamation's focus really is on water delivery, and it's almost as though they're *stuck* with generation, and I guess probably depending who you talk to in Reclamation, they may or may not want to have that function.

Coleman: Oh, I think that's true, although most of Reclamation would like to retain the generation, because they, of course, get their O&M covered by our power customers, and so in a sense it's always referred to as kind of a "cash cow." And according to Reclamation Law, when Reclamation can't pay for their own bills, they can tap into the power side. So I don't think they want to give up the powerplants, but it's just that water has always had a priority, and now they're being forced to take a harder look at the environmental, the fishery, and such like that.

### **Environmental Issues and Auburn Dam**

Now, I don't want to give the impression that we didn't look at it in the late 1970s and 80s, but we looked at

salinity control in the Delta and such, but water to our water customers was always the highest priority. The only thing that usurped that was a flood control operation, and so that was the highest priority. Both Reclamation and Western are paying some penalties now that are being extracted from us by the environmentalists, and the influence that they have with Congress. And I'm not saying that's all bad—I mean, I was caught up with the whole issue of Should Auburn Dam be built? And we operated it and were involved when the diversion structure was first put in. I had left Reclamation when they had the flooding and it washed it out, but the whole scenario of who's going to pay for water and power?—because the water people could not pay for the price of water if they built Auburn—and I maintain that at least the numbers that *we* had processed, that our power customers could not afford to pick up the power costs, and surely not any additional water costs.

Petershagen: Another component of all that, though, is flood control. When we talk about the Auburn Dam—well, even today now, still part of the discussion focuses on just exactly what kind of a dam should it be, and that's largely a functional

determination: Should it be a flood control dam, or should it be a high dam, or what are we going to do with it? When we're putting together a project like that, what sort of a value do you put on flood control? Is there a way of assigning a dollar value to that?

### **Flood Control Issues in Sacramento**

Coleman: Well, I believe there is, but when you assign a dollar value, then you also have to decide who's going to pay for that. Just this past week, Joe Countryman, who was one of *my* counterparts with the Corps of Engineers for many years and is now a consultant, is working for the City and County of Sacramento, and they have come up with a new plan which doesn't involve building Auburn Dam, but it involves operating Folsom a little differently, and it involves beefing up the levies, and it involves certain other evacuation, if there could be a once-in-a-hundred-years flooding. So at this point in time, those are the experts, with the Corps and other people. I felt when I was responsible for those ten years in operating Folsom, that we could operate it and the levy system and that, and meet the needs of the people in Sacramento County

without an Auburn Dam.

Part of my concern on Auburn is who *is* going to pay, because I think we've seen evidence, the different task forces, that neither the people of the city or the county really want to pay very much for flood control. They don't want it to happen when you get the floods that we've had over the last twenty years—it's only happened three or four times when the levies along the American River have been very high, but for the most part, I don't think that Congressman [Victor] Fazio or [Bob] Matsui will be able to put forward a plan that the people of Sacramento are willing to pay for, at the price that there will be for flood control—because if you just build a flood control dam at Auburn, the water people, the power people, are not going to want to pay for that, because they'll pay a small increment and say “that's our share,” but that will have to be shared, the burden. And I don't think the taxpayers from Boston to Atlanta are going to want to pay for that anymore either. Those days are gone when they're willing to, like they did in Shasta and other of the CVP.

Petershagen: So there's almost no advocacy group that

could be put together, there's no agenda that you could frame that would bring enough people together, I think is what you're saying, that would really be willing pay for an Auburn Dam anymore—or at least as you see it today. Is that a fair paraphrase of what you said?

Coleman: I think so. I think that's a fair assessment today—unless, of course, something happens and we *do* lose control of Folsom or something happens, and then the people experience some heavy flooding, then they might be willing to. But I think for right now they'll try to make modifications in the various existing features, and maybe pay for a little flooding of trailer courts or something, somewhere in the county, and that'll be the extent of it right now. I think that that's basically the mentality of the people, and even though I felt that Congressman Fazio had a good plan, and he moved it out and tried to get a sense of the support, but the support wasn't there.

Petershagen: Some of, especially the more modern projects that I can think of here in California, have involved, perhaps, dam-building by the Corps of Engineers, and then operation is assumed by Reclamation in one shape or another. And of course



then if there's power generation associated with that, the power is then marketed by WAPA, and it just seems that that sort of a sequence of bringing all these different government agencies together is terribly confusing as opposed to kind of the thumbnail sketch, I guess, of maybe putting in Keswick Dam, where that's all the Bureau of Reclamation, just one agency doing it, sounds easy. So, in your role as the area manager for Western, would you confirm that sort of an assessment? Is it really difficult when you get all these agencies working together on these projects, or do they go just like clockwork, just the way they read in the history books?

Coleman: Well, actually, those that I've been involved with, we did pretty well. I was not involved in the construction of Folsom. The Corps built Folsom Dam, but the Bureau built the powerplant, and then ultimately the Bureau operated the system and I got involved then in 1969 with that. At New Melones, the Corps built both the dam and the powerplant, and then we took over from there. They actually built the switchyards too, but we took it all over and operated everything there. But a part of that is how Congress

has decided to divide up responsibilities among the agencies, where the Corps had flood control, and so they get mandated, like the 1944 Act, to build certain facilities, but they know they can't operate it. Interior has the responsibility to market the water. And now of course we have the responsibility to market all the power from all the powerplants—even though we can't build a powerplant. Interior can build one, or the Corps could build one, but we can't build a powerplant—we have the marketing responsibility. I don't see it as that confusing for people like myself who are involved with it, but today you have to have a whole series of contractual arrangements with the State of California and Fish and Wildlife and National Park Service, as well as between Interior and Western, and what I see today is an organization like mine here, we have to do a very good job of somehow bringing our new people in, who have no history with Reclamation.

END SIDE 2, TAPE 1. SEPTEMBER 12, 1994.

BEGIN SIDE 1, TAPE 2. SEPTEMBER 12, 1994.

Petershagen: This continues the interview of David Coleman on June 14. This is Tape 2, Side A.

Dave, as we finished the previous tape, you were describing some organizational changes or at least an organizational way of doing business that you thought needed to be established to coordinate some of these projects, and to continue our operations.

### **Reclamation and Western Have Lost Corporate Memory in Recent Years**

Coleman: Yes. Well, I feel that in today's world, there are so many other organizations and interest groups that an organization like Reclamation and Western need to coordinate with, that it's extremely important, particularly if we're making some major decisions that are going to impact some people out there, that we do a good job of communicating and coordinating within our own organization, as well as to all these external organizations. I also believe, too, that the kind of staffing that Reclamation has acquired over the last ten years, as well as Western, do not have any corporate memory, and so they've never worked for Reclamation. Most of the people that came to Western had worked for Reclamation. Today that's not true, so that *I* find, in dealing with my own staff

here, they don't necessarily understand why certain decisions were made in the '50s, '60s, '70s, or '80s, and so if they don't ask, I find we need to give them some history, some background—not that we want them to operate like it was 1965, because they can't, but that they should have some understanding of what went on in terms of the whole Trinity River Division, why that water was diverted over to the Central Valley, and why things happen in Bakersfield that somehow could impact both Reclamation and Western. I also feel that we need to provide that training.

### **Issues with People and Esprit de Corps**

We have a different type of individual. I was joking with some people out at UC-Davis a couple of weeks ago, that I will finish forty years here this month, working ten hours a day, and that I'd be retiring later this year, and they kind of looked at me and said, almost implied, "Well, that sounds good, but it sounds kind of dumb too. And we really don't want to work that hard. We think we can do well for a company . . ." What I see in the generation that's working here, the younger generation that we're bringing

in, both with Reclamation and Western, is that they have some very strong technical skills. They're actually far more skilled than I was when I was a junior engineer, in terms of their skills and abilities. But they are loyal—my goal is if they can be loyal to their immediate supervisor and to the project that they're working on, and that I pay them well so that they don't just stay six months or a year and go on for a new challenge. That's my goal. They don't have any interest in looking at being a part of a Reclamation family or part of a Western family. It's very hard to get them to come out to company picnics and be involved with the company spirit, so then that plays itself out as they interact in the major projects, and I see that in Reclamation and other Federal employees, but I've always felt that Reclamation, and later Western, had a higher professional standard, and a higher quality than other Federal agencies—and I don't want to name other Federal agencies—but I always felt that. But I feel that as we look to the future and we look at what we can do to serve our taxpayers and our customers out there, both in water and power, we have to make sure that the people that work for us believe in what we're doing, and have enough training and background so they

understand a little bit about the water, whether it's water rights or quality in that, that they understand more than just the technical book-learning, which is excellent, or just all the different features of their new personal computer they have on their desk, or the mainframe, or the linkage—that they don't lose sight of the overall mission of Reclamation, the mission of Western Area Power: that we're in this to serve our community, and our power customers, and our water customers, and many other new customer groups out there—but we need to understand the dynamics that's going on in today's world there.

Petershagen: So I take it if I were to walk in the door as a new employee here in the Sacramento Area Office for Western, that I could expect, at least for the next few months, to have several hours of indoctrination?

Coleman: That's true, you'd get something as it relates to Reclamation, the history, since 1902, something on Reclamation Law, then why there was a change in 1977 and how Western Area Power was formed. You'd get some history on our customers, much more than just learning how a transmission tower is put together—

although that's important—or the intricacies of a specific power contract with Trinity County PUD [Public Utility District] or something like that.

Petershagen: In answering that, use the term why the division was made in 1977. Maybe now would be a good time to address that. Maybe you could give us your ideas on the advent of Western or an independent marketing agency within the Department of Energy.

#### **Creation of the Western Area Power Administration in 1977**

Coleman: Okay. Well, I think there's two or three factors, George: one is from the political standpoint, some things were happening at the national level that President Carter and his staff maybe were forced into making the decision, but there were too many different features in Energy that were all doing their own thing—you had the whole Atomic Energy Commission, you had Nuclear Power, and then you had the hydro side, like ourselves, the five power-marketing agencies. And quite frankly, it's my opinion that in '77-'78, they weren't sure what to do with the power marketing agencies, because we're quite a

bit different than operating the Livermore Lab, or Berkeley, or Los Alamos, or Oak Ridge, and Argonne Laboratories, Battelle, and so forth. But they decided to lump us all together, because in some way, somebody could relate electricity to energy. So we became that. That's one phase of it from a political standpoint. I think that the Democrats were right, that something needed to be done to bring them together. I'm not sure the power marketing agencies needed to have been brought in, but that was mandated.

### **Reclamation Power Customers Had Sometimes Felt They Were Shortchanged**

There was another factor, though, that people who were receiving power from Interior have always felt that the water got such a strong emphasis and that they were always being shortchanged, and you saw movement in the mid-70s of that, power customers, various cities and so forth, would not get a fair hearing—at least in *their* perception—when they would come and complain about certain things with Interior. It was always the water people were always held in the highest level, and power was kind of a second-rate type of—at least in many of the offices. And they



didn't like that, and they saw this as an opportunity. "Let's have the Federal government form a separate, just for power." And of course there was even a movement within Interior, within Reclamation, of the people who were going to go into power saying, "We think we can, now is the time to do it, we can do better, we can serve you better if you'll support us in making a Federal power-marketing agency." Now keep in mind some of them already existed—Bonneville existed—so you had that, and you had different types of things happening, like with the Southwest, with TVA [Tennessee Valley Authority], so that it made it a little bit easier to carve that out. And I don't want to say that Southwestern out of Tulsa is just a paper organization, but they only have about 170 employees and deal with contracts, and they don't worry about all the major features. But Western was a big operation. When they were formed, they covered fifteen states and took all the power facilities that Interior had. And of course you had Alaska Power which kind of stands by itself as . . . , and there's one other project up there. But anyway, there seemed to be those two motivating forces that said, "It's time to break away power from Interior."

There were several other factors, just *I* think the environmental community, some other communities out there, felt that maybe they would have better access if somehow separate power and we can work both interior and power and get them . . . . I don't know, that's speculation on my part. Maybe even some of the bona fide Fish and other organizations felt that would be a better arrangement, by separating power from interior. But those are what I saw within the United States impacting it.

Petershagen: Why this sort of an organizational arrangement? It seems to me that another approach that might be just as valid, if one were to set up a separate scheme for power distribution, would be to put all of this under the Federal Power Commission. Is that a valid thought, do you think, first of all? And was something like that looked at, do you know?

Coleman: I'm sure it was looked at, but the old Federal Power Commission, which is now FERC, Federal Energy Regulatory Commission, was a regulatory body, and I don't think that it would fit to put line organizations like Western and Bonneville underneath a regulatory body. I think they

want to keep them separate. So no, I probably couldn't support that, because you probably want to keep the regulatory commissions separate. They review our rates, they review some other things. I think probably Congress and the taxpayers would not want us linked that closely to them. A person that was involved with this whole thing is Robert Olson, who was the regional director for Reclamation, later became area manager for Western. But he was involved, along with Bob McPhail and the existing administrator, but he's located in Sacramento, in case you want to talk with Robert Olson. He works for Bookman-Edmonston consulting firm.

Petershagen: Alright, thank you. To go on from there, let's just talk about Western organization a little bit. You were the area manager, roughly the equivalent, I think you've said before, of the regional director (Coleman: Yes.) here in Sacramento. (Coleman: Yes.) And your immediate boss in that role was the administrator of the Western Area Power Administration, correct?

Coleman: Yes, located in Golden, Colorado, in Denver.

Petershagen: Right. And now, since you're no longer

the area manager, your official title I think is associate administrator?

Coleman: Yes, it is.

Petershagen: What do your duties involve in that particular position?

**Work as Associate Administrator of the Western Area Power Administration**

Coleman: I have several responsibilities. I still work for the administrator, and spend about forty percent of my time working out of the Denver headquarters office, but I'm involved with Federal legislation, in reviewing that, and making some impacts in that area. More recently I've been involved with strategic planning for our organization.

**“ . . . overseeing the contract negotiations with our two major labor unions, which cover the fifteen western states. . . . ”**

My principal duties, though, have been overseeing the contract negotiations with our two major labor unions, which cover the fifteen western states. And we have major contracts with IBEW [International Brotherhood of Electrical

Workers] and A-F-G-E [American Federation of Government Employees], and there's been a lot of union activity in the past several years, so they've asked me to bring some senior management emphasis on that. So that's taken a lot of my time.

Petershagen: That might be another area to look at. In making the shift or the split from the Bureau of Reclamation and establishing the marketing agency, there must have been a lot of negotiations with the unions concerning that. All cordial? All friendly? Was all that smooth, or were there any difficulties in making that move?

Coleman: Well, there were very limited activities with the professional or white collar union at that time. They are just now getting active within the organization, even just in the past year. IBEW, of course, it was well coordinated. Earlier I was involved in negotiating contracts with IBEW on the management side in the 70s, and so I'm well acquainted with what went on there. What happened is that when Western was formed, IBEW wanted to take all of the wage board people, Western-wide, and make that one union, whereas we had a

local here, and we were fairly independent. The IBEW was fairly independent from the rest of the world, they were kind of—I don't want to say "blinded," but didn't care what happened in South Dakota or Colorado. They wanted to make sure that right here in California IBEW got what they thought they deserved. That all changed when Western was formed, and by choice of both Western and IBEW, there's now a fifteen-state union, so that when I'm negotiating or working with the president of the union, even though right now that individual is located near Modesto, he actually represents all of Western, all fifteen states, and you have various representatives of IBEW in different offices, but they report to the head of what we call the Government Coordinating Council Number One of IBEW.

Petershagen: Alright. Now I'm going to shift tracks here on you altogether. As you were growing up in the Bureau of Reclamation, most of us can point a finger at somebody that we would consider a mentor that fostered our careers along. Who might you nominate as the "Coleman mentor"?

### **Mentors at Reclamation**

Coleman: Okay, there are going to be two people. One is Borden Wilbur [phonetic spelling] who was head of maintenance at Grand Coulee Dam, who when I was a mechanical engineer, for three years there, I was extremely bored, and I didn't like just being a staff engineer. And he recognized that, but he also recognized that I generally had a good attitude, and he gave me some additional responsibility. But he did far more than that, he encouraged me, and when an opening came to be supervisory civil and structural engineer, to head that up, even though I didn't have a civil engineering degree, and even though there were twenty people on the surplus list, all civil engineers, he gave me that opportunity. And then after being in it two years, he also put me in and I was competitive and got in on what was called the Bureau's Manager Development Program. He had confidence in me, and I went on that for a year, all the way around the country on different assignments. So I would pick him as one who was my mentor, and I still stay in contact with him.

When I came down here, I had no water experience, but Jake [Ossofsky] picked me over other people who were

already thirteens that wanted the job, or had water. He had interviewed me, he liked what he saw, but I liked him, and we talked some of the same language, but I couldn't spell water or hydrology. He had the confidence that I could gather around me the people that did know it, and gave me a free hand. He didn't bug me every other day, in particular, when within three months we went into one of the worst flood control operations, and I was down here around the clock with my staff. And that brought us together, we were *very* successful, got recognized by the secretary of interior, and by the Corps of Engineers. He had confidence in me that ultimately I was advanced to a [GS]-14, sitting next to him, who *was* a fourteen, not being threatened by me. And then ultimately, when he had a heart attack, recommended I take his place there, which I did.

So it would be both of those two individuals who I look to as mentors.

Petershagen: I think when I spoke with Jake Ossosky, he led me to the impression that anybody could learn the water aspect—what he was looking for was somebody that could manage, and you'd pick up the water business as you went along.



Coleman: Uh-huh. Actually, you oversimplified, he always *did* take that position. (Petershagen laughs) But the water business in California, the dynamics, it's more than just what releases to meet contract, because it's broader. So he's oversimplified the dynamics, but I always tried to protect our behinds. I figured if I protected his behind, mine would be protected too. But I always looked at that water job over there as the toughest job in the Bureau of Reclamation. I still feel that way, because you can, in a very short time, get yourself in so much trouble, and all your superiors. And you can't unravel it when the political calls come in.

Anyway, I have the greatest respect for him. I learned from him to leave your staff alone, even though you kind of question their abilities -- they're so new, they're learning. But he left me alone and rarely would he have to point out a mistake or something. I mean, I knew . . . . Anyway . . . .

Petershagen: Well, to follow along with the water business a little bit: I know in talking with people, some would describe the Central Valley Project as a water project, and of course some of us that use electricity from

it, it's just a big source of electricity. Then, of course, you get the people that see it as centered in the Delta, with part of what is going on with the Central Valley Project is trying to take the inflow from the north and somehow use that to augment the irrigation that's available in the south. And I think we can say that that's been done fairly successfully, but then one of the issues we get into, of course, is drainage coming out of the San Joaquin Valley. That, and I think the issue with the Peripheral Canal, are a couple of the major issues that Reclamation still hasn't solved. From your perspective—well, perhaps you'd like to tell us if you had any association with any of those developments while you worked for Reclamation, let me start there.

Coleman: I had quite a few associations with those different projects. I guess in response, George, to the question, though, I want to go back and acknowledge the people that stood back and looked at the western United States and the vision that they had, and not just doing things piecemeal, because if you look at the water systems, and the Central Valley is no exception, but if you look at what happened in the '30s, and Interior came in, even though the

State wanted to build the project first, and ultimately did build their own project and you look how that's all complementary, that people had the vision to see how you could spread those benefits across a majority of the people that lived there, and the same was done in the power network. We have a doughnut in the western U.S., but you have the ability to move in surpluses from Canada and the Midwest, through Oregon, to serve *big* loads, but also to keep a balance, so you don't have outages. There's the links that goes back down around Arizona and the Mead Substation, and Phoenix and that area. Okay, looking at that, people were visionary, so I have to give credit to them. But as we move then, to the transition, I think that changes *did* take place, and for the most part, if you were oriented toward water, you could make that change, but with the exceptions that I've outlined earlier. So could you be maybe a little bit more specific with your question that I could speak to?

Petershagen: Okay, sure. Let's take the issue of the Peripheral Canal. That's been politicized and emotionalized and we've had chances to vote for and against it. As I understand the entire Central Valley, it would seem

that the Peripheral Canal probably could have been built, say, *twenty* to thirty years ago, whereas I'm not sure it can ever be built now. And I think part of the reason that I say it can never be built now is economics, but far more is just the politicism—making politics out of it—and how emotional we've all become about it. Maybe you could kind of provide us some sense of balance with how and why it really is necessary.

### **Peripheral Canal**

Coleman: Yes. Okay. Let me say that in looking at the Delta, and for all those years that I worked in the Central Valley Operations Office, I became very well acquainted with the Delta and the movement of water. And I was involved with the construction of some of the Trinity River projects, so I'm well acquainted with diverting water out of the Trinity River to the Sacramento. And I was involved in construction of New Melones, and I realized at that time that was probably the last dam that would be built by Interior,<sup>4</sup> and come into

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4. Editor's note: the Corps of Engineers constructed New Melones in the late 1970s, but Reclamation operates it for water deliveries in the Central Valley Project. Since that time major dam  
(continued...)

operation in '79, and that's proved to be true.

**“ . . . people need to make some priorities . . . because . . . you can't build a large water project and serve the whole metropolitan Los Angeles with Feather River water or Shasta water, without having some system to do it with. . . . ”**

But I think the people need to make some priorities, and some choices, because on the one hand, you can't build a large water project and serve the whole metropolitan Los Angeles with Feather River water or Shasta water, without having some system to do it with. And I think that there's been so many alternatives put up to somehow move water across the Delta, that if you don't want the smelt pumped out at Tracy or the Delta pumping plants, which has made the papers in the last three weeks, then you have to have some other artery that takes the water from the North Delta and gets it to the South Delta, so you can jump across there.

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4. (...continued)

construction by Reclamation has included McPhee Dam on the Dolores Project and Ridges Basin Dam on the Animas-La Plata Project—both in Colorado. Once Ridges Basin Dam is completed, the only anticipated construction on major dams is for reconstruction of existing dams to address safety of dams issues.

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**Oral history of David Coleman**

**Economic Issues Include the Need to Provide Water to Plants in Los Angeles or They Will Relocate and Providing Water to Agriculture in Kern County**

But I don't think the people will stand for any . . . They don't understand all the dynamics, special interest groups know that if there're plants at Pittsburgh polluting, they should get shut down; but they don't care, I don't think, about the employment of those plants. The same is true if you stop the pumping at Tracy, that means that a certain block of agriculture in Kern County can't be watered. So you take that out of service. Of course, certain plants will pay higher costs and may move out of Los Angeles County. I'm not that knowledgeable to decide how we should make those priorities, but somebody is going to have to make those decisions in the future.

**“I don't think a Peripheral Canal, as it's been on the drawing board over the past fifteen years, will ever get built. They can't get approval to do that. . .”**

I don't think a Peripheral Canal, as it's been on the drawing board over the past fifteen years, will ever get built.

They can't get approval to do that. But people will have to make priorities, because we've seen it, like on the Colorado River where they've shut down the operation of certain powerplants to try to protect the Grand Canyon. As a result, we've got to find power to replace that power. Now I'm not saying you *shouldn't* have shut that down, but we're seeing a similar thing that *could* happen on the Sacramento River to protect winter and spring and summer runs of salmon.

**“To what degree can we raise the power rates so that . . . people . . . will . . . be willing to have that increased by ten percent so we can protect the salmon run? Because that's how it plays itself out. . . .”**

To what degree can we raise the power rates so that—like people who typically pay \$35 a month, or \$50 a month on a certain water bill, or pay \$125 a month on a power bill, will they be willing to have that increased by ten percent so we can protect the salmon run? Because that's how it plays itself out. Or you back it into additional water costs, which plays itself out in higher grocery prices, if you're going to protect the salmon run.

**“We can’t have it both ways, and that’s what we’re seeing right now, is who’s pushing and shoving. . . .”**

We can’t have it both ways, and that’s what we’re seeing right now, is who’s pushing and shoving. And as far as the Peripheral Canal, you’re right, twenty years ago, it might have gotten built, but as late as ten years ago, it could not get built, and I don’t think it will get built. So other alternatives will have to be developed. In the power generation side, we have come up with some new ways of building powerplants and producing power, and new conservation techniques. We haven’t found very many ways on the water side.

**“You can conserve *some* water, but there’s no new way to grow rice . . . when water was restricted during the droughts was, ‘Let’s let Louisiana grow the rice, or let’s let Taiwan and China grow the rice and import it.’ . . . I kind of think I would like to keep the jobs in California, or keep them certainly in the United States. . . .”**

You can conserve *some* water, but there’s no new way to grow rice, and so people who fly out of Sacramento going east or north raise questions why so much water



is wasted here? Well, is it really wasted? Does it come back to the Sacramento and move on? There's no better way. The alternative a couple of years ago when water was restricted during the droughts was, "Let's let Louisiana grow the rice, or let's let Taiwan and China grow the rice and import it." Is that what we want to do? I don't know. I kind of think I would like to keep the jobs in California, or keep them certainly in the United States.

Petershagen: Let me stop you right there, because this tape is about to expire on us now.

END OF SIDE 1, TAPE 2. SEPTEMBER 12, 1994.  
BEGIN SIDE 2, TAPE 2. SEPTEMBER 12, 1994.

This continues the interview with David Coleman on June 14. This is Tape 2, Side B.

Petershagen: Dave, someplace before we're through, so I'll just do it now and get it over with, I need to get an acknowledgment from you that we are tape recording this interview, and we're doing that with your permission.

Coleman: Yes, I acknowledge that we're taping this, and you have my permission, George.

Petershagen: And the other thing is that this does become a gift on your part to the United States, that you understand the terms of the Deed of Gift that I had you sign.

Coleman: Yes, I do understand the terms of the Deed of Gift.

Petershagen: Thank you.

Now, we were talking about, the Peripheral Canal was the particular subject as we closed the last tape, and I think you had completed your thought on that. (Coleman: Yes.) Is there anything further that you need to add to that?

Coleman: Not for the Peripheral Canal, but there's been several other projects that have been extremely controversial also.

Petershagen: Let me come from way out of left field and mention the Eel River. Were you involved in any of the investigations that went on at looking at perhaps bringing water from there?

Coleman: I was not personally involved in the investigation—only that we had certain needs that we were projecting out in the future—but I had nothing to do with the Eel

River investigation or development.

Petershagen: But that was proposed, I think, largely to replicate the Trinity River sort of thing (Coleman: Yes.) where water that goes directly into the ocean would be brought by some means into the Sacramento River.

Coleman: Yes, they were considering both the Russian and the Eel Rivers up there, and to a limited degree, the Klamath.

Petershagen: And let's see, going on from there, you had talked about there are certain limits, of course, that are placed on what you can do in the ways of water conservation. Besides exploring for new sources like that, what might Reclamation be able to do, and still serve their customers?

### **Ways Reclamation Projects Might Conserve Water**

Coleman: Well, they have done a number of things—and I'm sure you'll be talking to Reclamation people on this—but ways to prevent evaporation on reservoirs, ways to use a new lining system so you don't have water somehow disappearing out of the canals because of leaks and other degradation of the system. Also, in many areas the customers have gone to new

crops which take less water. And also the whole area of the type of irrigation, to drip and sprinkler, rather than general flow out of an irrigation system, irrigation canal. So there's a number of things that people have done. That's not my expertise in terms of water conservation, but there's a lot of different things that have been used to conserve it.

Petershagen: I understand. Let me try to shift subjects totally once again and we'll get right into your area of expertise, and that is, in a quick snapshot of the Central Valley Project, it was largely begun as some sort of a water project, and using hydroelectric generation and transmission as a means of helping to pay for the project. Now, over your career, electricity has certainly become a more important part of the Central Valley Project—I'll say it that way, I know that's bad terminology—but you have looked, I know, at bringing different sources of power into California, such as with the California-Oregon Transmission Line. We've always had—"always" is another bad word—but we've always had some sort of intertie with other sources. But looking at it from a customer[']s point of view] why should I pay for more than the cost of hydrogeneration?

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Coleman: Okay. Well, you've just picked out a very sensitive subject, and if you were on the SMUD [Sacramento Municipal Utility District] Board, you might argue that, and you did in court in the early 80s, and so did the irrigation districts, and the irrigation districts lost in court with us, and we worked out a compromise with SMUD. But another question that one would have to ask is, "Do you want to have just one-fifth of your power needs met at a certain rate and then pay much higher costs for the other eighty percent, or do you want a melded rate?"

**“. . . we produce about a third of the power that we actually sell. The Central Valley Project, during a good year, above average water year, will produce between one-fourth and a third of all the power that we market. . . .”**

Because what has happened is that the power that's produced—we produce about a third of the power that we actually sell. The Central Valley Project, during a good year, above average water year, will produce between one-fourth and a third of all the power that we market.

**“We have utilized the Intertie system . . . to import low-cost, coal-fired steam, which otherwise would**

**have been trapped in the Wyoming-Montana-South Dakota area, as well as surplus hydro out of Canada and on the Columbia River . . . so that industry could develop and residential people wouldn't pay the exorbitant costs. And so we have found that we would be importing \$200 million worth of power to add onto what would be the equivalent of about \$35 million costs to produce the power here in California; and meld it in . . ."**

We have utilized the Intertie system, which Congress saw fit to build in the 60s, to import low-cost, coal-fired steam, which otherwise would have been trapped in the Wyoming-Montana-South Dakota area, as well as surplus hydro out of Canada and on the Columbia River, to import into California, which is the eighth-largest country in the world with 30 million plus people; to bring low-cost power to Californians, so that industry could develop and residential people wouldn't pay the exorbitant costs. And so we have found that we would be importing \$200 million worth of power to add onto what would be the equivalent of about \$35 million costs to produce the power here in California; and meld it in so that instead of having a hydro rate of maybe twelve mils per kilowatt hour, our

customers are willing to pay twenty-nine to thirty, thirty-one mills. Now, one of the reasons is that the PG&E rate—if you want to go to some other supplier here, the PG&E rate instead of being thirty-one, is all the way from forty-five to sixty-five mils. So even though we've melded it, we still have kept our costs only two-thirds of what the investor-owned utilities are out there.

Now if you're one of the first that got in line, though, in like Palo Alto and a few of those, if you could protect that twelve mil and make it fly, you probably would. But Congress felt we should distribute this power to the greatest number of users, and why let the surplus water just go out to the ocean on the Columbia, when you could generate surplus power. And part of the concept was there would be times maybe when *we* had surplus in California, and there was a need in the Northwest: why not move that power up there? And for the first time, with the construction of the third A-C [alternating current] line, last year was the first time in history that very much power was moved to the Northwest. We were able to move some power back up there to help them. But globally, looking at an

inter- and *intra*-regional transfer of power, it seems in the best interests of everybody that we have this melded rate and supplement hydro, because the good example was the drought of '85, '86, '87, '88, '89, when our reservoirs were very low: We used the system to import power in here for this whole northern and central California. I'm not saying they would have burned up, but it would have been a disaster for them economically, without the power that we were able to bring in. And one can't talk about power alone. You have to move that over into the ability to pump water and do other things during the drought for a shortage of water. So there's a very complementary activity. But you don't have that luxury on the water side to be able to import water to keep the water prices down. And so you just have to pay what the costs are there.

**“ . . . of course, you don't have the subsidy factor in power. By congressional law, we cannot, we're not on a subsidy, so we *must* charge our power customers our actual costs . . . ”**

And, of course, you don't have the subsidy factor in power. By congressional law, we cannot, we're not on a subsidy, so we *must* charge our power customers our



actual costs, plus any incremental water it gives us to pay to help them. It's different on the water side—that still has major subsidies out of Congress—in fact, they're under attack continually for that.

Petershagen: Now, in looking at this sort of a network—if I could use that term—where all of the regions of the West are tied together—you must have built some of your plans around the Washington system, the coalition that they put together to go so heavy into the nuclear business, that I don't know if it started out being called WHOOPS,<sup>5</sup> but that's the way it ended. How much did the coming and going on that sort of an organization affect your planning?

### **Effects of the Washington Public Power Supply System Bankruptcy on Western**

Petershagen: It didn't impact us very much as it relates to our pricing here.

**“ . . . where it *did* impact us is that we were anticipating buying the surpluses from the Northwest, and also then there was a turnaround where they were going to be short, and so we had**

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5. Referring to the Washington Public Power Supply System (WPPSS) ill fated venture involving a number of public utilities in the Pacific Northwest.

**to go to the Midwest, but we negotiated a transmission pass through the Northwest to bring Midwest power. . . .”**

But where it *did* impact us is that we were anticipating buying the surpluses from the Northwest, and also then there was a turnaround where they were going to be short, and so we had to go to the Midwest, but we negotiated a transmission pass through the Northwest to bring Midwest power. When they’ve gone through all of their transitions, it’s made it more difficult for us because of some restraints.

**“. . . for a five-year period, the Northwest wanted the privilege of interrupting power that we were buying from the Midwest . . . wanted the privilege of interrupting it, if that power was cheaper than what they could buy for, and they had a need, so we had to give that to them. . . .”**

For a while there, for a five-year period, the Northwest wanted the privilege of interrupting power that we were buying from the Midwest, like the Dakotas, bringing it through. They wanted the privilege of interrupting it, if that power was cheaper than what they could buy for, and they had a need, so we had to give that to them. That meant we had to have some

other alternatives for our long-range power contracts here. So it definitely had some impact on us when they were planning to build those nuclear, and then only basically [Number] One came on and the Two was in all the trouble, and Three, Four, and Five never got built, never got finished.

**“ . . . we were careful to not enter into long-term contracts so that those additional costs would be stuck to us, so we were able to escape that, just in proper planning . . . ”**

But we were careful to not enter into long-term contracts so that those additional costs would be stuck to us, so we were able to escape that, just in proper planning down here.

Petershagen: So the regionalization then does give us some independence yet.

**“ . . . in California the big thrust still has been to go with co-generation and wind and things like that . . . ”**

Coleman: Still gives us some independence, yes. And of course in California the big thrust still has been to go with co-generation and wind and things like that as supplemental.

At the Federal level, except for some financing that has come through the Department of Energy in a different component than us, we have not done very much in co-gen to encourage our customers. We had like 30 megawatts set aside to help back in the early 80s. But if they want to build windmills or go to photovoltaic and that, they're welcome to do that, but we have to buy the power from them on a competitive basis. And so it's unlike with some of the other entities like PG&E, who under PURPA [Public Utility Regulatory Policies Act of 1978], the Federal or State Acts, are required to buy generation at the cost of it. We do not have to do that. While we support research in innovative things out there, we're very careful what we buy, the rate base for our customers.

Petershagen: I see, so you're not—I think what I heard you say behind all of that is that Western is not really into the business of encouraging a whole lot of experimentation—not encouraging it by anything economics, or making any investment in it.

**“Our customers are saying, ‘We’ll do our own research here and pay for it ourselves. Don’t you**

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**go out and do research and then send us a big bill for it. . . .”**

Coleman: For the most part, that’s true today. The limited dollars that we have . . . In part, though, that’s by our customers’ choice. Our customers are saying, “We’ll do our own research here and pay for it ourselves. Don’t you go out and do research and then send us a big bill for it.”

**“Congress is not authorizing us big bucks that just come out of the Treasury. Anything that we spend has to be rate-based back to our customers. . . . They may allow us to spend a small amount of dollars, but it’s not a huge amount. We do some minimal research. . . .”**

Because again, remember, I’m suggesting that Congress is not authorizing us big bucks that just come out of the Treasury. Anything that we spend has to be rate-based back to our customers. And what our customers are saying [is], “We don’t want you to spend \$150 million this year on new research in underground compressed air storage or something.” They may allow us to spend a small amount of dollars, but it’s not a huge amount. We do some minimal research.

Petershagen: So when I see the members of N-C-P-A [Northern California Power Agency], for example, maybe two or three cities or municipal districts or whatever, getting together to build some powerplant on their own, that's largely their choice and they would just as soon that you stay in Sacramento and not get involved in it—is that what I hear?

### **Relationship to the Northern California Power Agency**

Coleman: I think that's pretty true in terms of geothermal plants that they built, although they offered us, if we wanted to jump in for twenty-five megawatts. But that's pretty . . . Calaveras Hydroplant that they built, they're building some gas turbines—they did down at Lodi and down at Palo Alto. They pretty much want to do that themselves, and not have Western financing it for them. Plus we've been very careful not to jump into those projects too.

Petershagen: It's been my observation that the working relationship, especially between N-C-P-A and Western has really been close and cordial, almost from the day it began. Is that fair?

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**“ . . . they represent almost 700 megawatts of our marketing program, which is the size of, well, that’s almost, you know, fifty to fifty-five percent of our whole load. . . . ”**

Coleman: That’s a fair statement, yes. We’ve worked very carefully to—since they’re our biggest—I mean, they represent almost 700 megawatts of our marketing program, which is the size of, well, that’s almost, you know, fifty to fifty-five percent of our whole load. So yeah, we try to maintain a good relationship between NCPA and SMUD, they’re our biggest. You know, that’s our biggest share of customer base.

Petershagen: And I think a lot of that relationship, that’s a direct reflection of the Coleman management style. I think that you’ve worked pretty hard here at Western to try to foster that relationship, throughout the time you’ve been here, correct?

**“ . . . at one time we had seventeen congressmen in our area—the two senators and fifteen congressmen or women—and I’ve tried to maintain that relationship with many of those offices, along with our customers. . . . if we’re aware there is a concern out there, and we’re working with a customer, we’ll advise the congressmen, so they’re just alerted to that. . . . ”**

Coleman: Well, I'd like to think that, yes. And trying to maintain that relationship, and then also at one time we had seventeen congressmen in our area—the two senators and fifteen congressmen or women—and I've tried to maintain that relationship with many of those offices, along with our customers. So if a customer has a concern, first of all, I'd rather have them come to me than to a congressman's office, but if we're aware there is a concern out there, and we're working with a customer, we'll advise the congressmen, so they're just alerted to that. And so we've tried to work at that. I see it as a partnership between Western and our customers—a partnership to work together and also to have a format or a vehicle, if you have differences, that you can work them through, outside the courtroom or outside some kind of a public forum where the whole world gets to jump in and push and shove. I think you end up with a better product.

Petershagen: How about the State Water Project? That has remained, as I see it, totally independent. Would there, when that came on line, have been some advantage, or would there be an advantage or



disadvantage now for an organization like Western to be their power marketer, rather than have the State do it on its own?

**The California Water Project basically said, our hydroelectricity is “. . . ‘going to go to the highest bidder,’ . . . We continued our existing customers, but we didn’t add on any new ones, because we thought that the State of California was, in a sense, using us . . . They had power that they *could* have distributed . . . power plays a much lesser role in their project. . . . They don’t want to market to the various cities or their own institutions . . . they’ve already institutionalized how they want to do it, and it’s not the same as how we do it. . . .”**

Coleman: Well, it’s hard to just address the power side, because first of all, the State of California was eager to build their own project, and they didn’t want to be under the Federal restriction of the 160-acre limitation; plus they wanted to serve the constituency of Southern California. And so your earlier statement about totally independent, with the new coordination agreement which had been in effect six or seven years now, maybe eight, they do get to call some shots with regard to the Federal, in terms of the water. Now in terms of the power, they view power

differently than we do, in that they don't have the preference customer restrictions, and what they did, they were unhappy with P-H-D, and so they basically said goodbye when their contract ended, I think, in about '86, in terms of marketing the power out of Oroville and Thermalita Powerplants. They basically said, "We're going to go to the highest bidder," and Southern Cal Edison became the highest bidder, so *they* since then have been purchasing the power. At the same time, state institutions bid on getting Federal power, because ours was cheaper, and they qualify as a preference customer. But when we did the allocations in '83, and again in '91, I think it was, we used the rationale, "Well, look, why don't you get an allocation out of Oroville?" But the State of California was unwilling to do the same allocation like we do, to any of their state institutions, whether it's Folsom Prison or Vacaville or University of California at Davis or whatever. We continued our existing customers, but we didn't add on any new ones, because we thought that the State of California was, in a sense, using us and not . . . They had power that they *could* have distributed, but they opted to just market it, and put the money in the till and use it. So they view

power differently—I'm not going to argue that they're right or wrong—but they have their own dispatch center. But power plays a much lesser role in their project. They market it, they just sell it wholesale and then get the money and then go even buy power back. They have an arrangement on power, and their Delta pumping plant on San Luis with PG&E. But I feel that they really don't want to be in the power business, and we could market it for them, but they already have done their marketing. They don't want to market to the various cities or their own institutions, all the university systems in California and that. And so there's probably very little that we could do that could help them, because they've already institutionalized how they want to do it, and it's not the same as how *we* do it.

Petershagen: So we're looking at people with totally separate missions, really.

Coleman: Well, certainly for power there's separate, they view it different. They look at it as they can make money off it, not *who* of it from the state should they better serve and just sell it to them at cost. But not to say that's wrong—I'm not saying that's wrong, that's just a different view. And so they

wouldn't want us to take their power at cost and just turn it around and transmit to everybody in the state, because they don't view everybody in the state entities on equal so they should spread the benefits around like that—I don't think they view it. They could make the argument, "Well, we get the most out of selling the power, and we can turn around then and keep the water costs lower, and therefore that does distribute to all our water customers." And so there's an argument on that side too.

**“ . . . right now under the dynamics the way it's set up, they wouldn't want us to do their marketing for them . . . ”**

I'm not saying theirs is right and we're wrong, it's just that right now under the dynamics the way it's set up, they wouldn't want us to do their marketing for them—or they wouldn't want Interior to operate their powerplants either.

Petershagen: I see. Maybe this would be a good time to say, What else should I ask you? Or to say it the other way, What might you like to say, just given the opportunity? Dave, the mic is open and it's now yours, go ahead and address whatever issue you

might like to.

### **Thoughts on His Government Career**

Coleman: Well, for me, as I close out my career, I have felt that it's been very rewarding, working for Interior, in the water side primarily, and then in power over these thirty-plus years, and have had the privilege of working with some very dynamic and forward-looking people. And I think that the West has been well served, and the whole United States, and the world, based on what has developed. I'm hopeful that the new people that come into leadership, both in Interior, Reclamation, and Western will not lose sight of some of the basic premises of which, say, Reclamation was founded.

We have to take change and move with it. We have to look at the priorities and how people want to make different choices. So I'm not suggesting we go back to the old Reclamation, but some of the basic needs that were provided for in the water and power are still out there. And I hope that under new leadership in Reclamation, in particular, that they don't lose sight of what some of those basic needs are, and they're able to project over

the next ten, fifteen, twenty years, as effectively as the people of forty years ago or fifty, and say in the '40s and '50s when the Central Valley Project was being planned—I hope the people today can have as much success in predicting the future and developing what needs to be developed, as the people did back in the 40s. And I was a great [beneficiary] benefactor, I came kind of in the middle of that era, stepping into it in 1961, and reaping the benefits that had the vision, and being able to be involved in the construction of a number of projects, but more in the operating and seeing the dynamics change. It's been just a terrific career. And as I look at my military career and kind of look at it there, although the Air Force was very good to me, [it has been] much more rewarding being involved in water and power resources and meeting basic needs.

And I think people have appreciated what's happened. In more recent years, you have to advertise a little more, or people know that the water comes on, and if they flip the switch, generally power comes on. And there's not patience, if you have a power outage, they want it back on in five minutes, even

though you got a set a new pole or do something differently. But it's been very rewarding, and some wonderful people to work with, and so I have those fond memories.

**“ . . . it wasn't without its difficulties. I moved my family fifteen different times in my career, and I doubt if many people will do that in the future . . . ”**

And it wasn't without its difficulties. I moved my family fifteen different times in my career, and I doubt if many people will do that in the future, to move their families from school to school and that. But that was part of it, and yet it has been rich and rewarding. I appreciate an opportunity even to talk a little bit about the history of Reclamation and of Western.

Petershagen: Well, Dave, I think that will close things out. Now I'll let you get back to work. I know you've got a busy schedule. Thanks very much for taking this time, and thank you for agreeing to participate with us in this program.

Coleman: Thank you, George.

END OF SIDE 2, TAPE 2. SEPTEMBER 12, 1994.

END OF INTERVIEW.